RED HERRING PROSPECTUS
Dated: January 17, 2020
Please read Section 32 of the Companies Act, 2013
Book Building Issue

ITI LIMITED

Our Company was originally incorporated as Indian Telephone Industries Private Limited on January 25, 1950 at Bengaluru, Karnataka, India as a private limited company under the Mysore Companies Act, XVIII of 1938. Subsequently, the name of our Company was changed to Indian Telephone Industries Limited pursuant to a notification no. G.S.R 1234 dated December 30, 1958 issued by the Ministry of Commerce and Industry. Our Company became a deemed public limited company under Section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1975. Thereafter, the name of our Company was changed from Indian Telephone Industries Limited to its present name, ITI Limited, and a fresh certificate consequent upon change of name dated January 24, 1994 was issued by the Registrar of Companies, Karnataka at Bengaluru **("RoC")**.For further details relating to incorporation, corporate structure, change in registered office of our Company, please refer to the chapter *"History and Certain Corporate Matters"* beginning on page144.

Registered and Corporate Office: ITI Bhavan, Doorvaninagar, Bengaluru 560 016, Karnataka, India; **Tel:** +91 80 2561 7486; **Fax**: +91 80 2561 4400
Company Secretary and Compliance Officer: S. Shanmuga Priya, Company Secretary and Compliance Officer; **Tel:** +91 80 2561 7486; **Fax:** +91 80 2561 7525
E-mail: cosecy_crp@itiltd.co.in; **Website:** www.itiltd-india.com
Corporate Identity Number: L32202KA1950GOI000640

PROMOTER OF OUR COMPANY: THE PRESIDENT OF INDIA, ACTING THROUGH THE DEPARTMENT OF TELECOMMUNICATIONS ("DOT"), MINISTRY OF COMMUNICATIONS, GOVERNMENT OF INDIA

FURTHER PUBLIC OFFERING OF UPTO [•] EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF ITI LIMITED (OUR "COMPANY" OR THE "ISSUER") AGGREGATING UPTO ₹[•] MILLION (THE "ISSUE") COMPRISING OF A FRESH ISSUE OF UPTO 180,000,000 EQUITY SHARES FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (THE "ISSUE PRICE"), (THE "NET ISSUE") AND AN ADDITIONAL ISSUE OF UPTO 1,800,000 EQUITY SHARES CONSTITUTING 1% OF THE NET ISSUE WHICH SHALL BE RESERVED FOR ALLOCATION AND ALLOTMENT ON A PROPORTIONATE BASIS TO ELIGIBLE EMPLOYEES (DEFINED BELOW) (THE "EMPLOYEE RESERVATION PORTION")FOR CASH AT A PRICE OF ₹[•] PER EQUITY SHARE (THE "EMPLOYEE PRICE"). THE ISSUE SHALL CONSTITUTE [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY, AND THE NET ISSUE SHALL CONSTITUTE [•]% OF THE POST-ISSUE PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE ISSUE PRICE IS [•] TIMES THE FACE VALUE OF THE EQUITY SHARES. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS ("BRLMS") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH DAILY NEWSPAPER FINANCIAL EXPRESS, ALL EDITIONS OF THE HINDI DAILY NEWSPAPER JANSATTA AND BENGALURU EDITIONS OF THE KANNADA DAILY NEWSPAPER HOSADIGANTHA(KANNADA BEING THE REGIONAL LANGUAGE OF BENGALURU WHEREIN THE REGISTERED AND CORPORATE OFFICE OF OUR COMPANY IS LOCATED), EACH WITH WIDE CIRCULATION, AT LEAST ONE WORKING DAY PRIOR TO THE BID/ ISSUE 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 RESPECTIVE WEBSITES IN ACCORDANCE WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED ("2018 SEBI ICDR REGULATIONS").

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/Issue Period not exceeding 10 Working Days. In case for force majeure, banking strike or similar circumstances, our Company may, for reasons to be recorded in writing, extend the Bid/Issue Price Period for a minimum of three Working Days subject to Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs at the terminals of the Syndicate Members and by intimation to the Designated Intermediaries and the Sponsor Bank.

The Issue is being made in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended **("SCRR")** read with Regulation 41 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended **("2009 SEBI ICDR Regulations")**. The Issue is being made through the Book Building Process in compliance with Regulation 26(2) of the 2009 SEBI ICDR Regulations, wherein at least 75% of the Net Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers **("QIBs") ("QIB Portion")**. Further, 5% of the QIB Category shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the 2018 SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. Further, upto 1,800,000 Equity Shares shall be available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received from them at or above the Issue Price.All potential Bidders are required to mandatorily utilise the Application Supported by Blocked Amount **("ASBA")**, process providing details of their respective ASBA accounts, and the UPI ID, in case of RIBs, if applicable,by providing the details of their respective bank accounts, in which the corresponding Bid Amounts will be blocked by the SCSBs. For details, see *"Issue Procedure"* on page 344.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue 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 this Issue. For taking an investment decision, investors must rely on their own examination of our Company and this Issue, including the risks involved. The Equity Shares offered in this Issue 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 14.

OUR COMPANY'S 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 Issue, which is material in the context of the Issue, 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.

LISTING

The Equity Shares are listed on BSE and NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated October 19, 2018 and December 11, 2018, respectively. For the purposes of this Issue, BSE shall be the Designated Stock Exchange. A copy of this Red Herring Prospectus and the Prospectus shall be delivered to the RoC for filing in accordance with Section 26(4) of the Companies Act, 2013. For details of the material contracts and documents which shall be available for inspection from the date of filing of this Red Herring Prospectus with the RoC, until the Bid/Issue Closing Date, see *"Material Contracts and Documents for Inspection"* on page 422.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE ISSUE
BOBCAPS TRUST | INNOVATION | EXCELLENCE	KARVY INVESTMENT BANKING	pnb investment services ltd. (A wholly owned subsidiary of Punjab National Bank)	KFINTECH
BOB Capital Markets Limited 1704, B Wing, 17th Floor, Parinee Crescenzo, Plot No.C- 38/39, G Block, Bandra Kurla Complex, Bandra East, Mumbai 400 051, Maharashtra, India **Tel:** +91 22 6138 9300 **Fax:** +91 22 6671 8535 **E-mail:** iti.fpo@bobcaps.in **Investor grievance email:** investorgrievance@bobcaps.in **Website:** www.bobcaps.in **Contact Person:** Nivedika Chavan **SEBI Registration No.:**INM000009926	**Karvy Investor Services Limited** Plot No. 31, 8th Floor, Karvy Millenium, Nanakramguda, Financial District, Gachibowli **Hyderabad** 500 032, Telangana, India **Tel:** +91 40 2342 8774 **Fax:** +91 40 2337 4714 **E-mail:** cmg@karvy.com **Investor grievance e-mail:** cmg@karvy.com **Website:** www.karvyinvestmentbanking.com **Contact Person:** P. Balraj/Bhavin Vakil **SEBI Registration No:** MB/INM000008365	**PNB Investment Services Limited** PNB Pragati Tower, 2nd Floor, C-9, G Block, Bandra Kurla Complex, Bandra (East) Mumbai 400051, **Tel:** +91 22 2653 2745; **Fax:** +91 22 2653 2687 **E-mail:** iti.fpo@pnbisl.com **Investor grievance e-mail:** complaints@pnbisl.com **Website:** www.pnbisl.com **Contact Person:** Abhishek Gaur/ Vinay Rane **SEBI registration number:** INM000011617	**KFin Technologies Private Limited** (***Formerly known as Karvy Fintech Private Limited***) Selenium Tower B, Plot No - 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, 500 032, Telangana, India **Tel:** +91 40 6716 2222 **Fax:** +91 40 2343 1551 **E-mail:** iti.fpo@kfintech.com **Investor grievance email:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M. Murali Krishna **SEBI Registration No.**: INR000000221

BID / ISSUE PROGRAMME*

BID/ ISSUE OPENS ON:	**FRIDAY, JANUARY 24, 2020**
BID/ ISSUE CLOSES ON*:	**TUESDAY, JANUARY 28, 2020**

**Our Company may, in consultation with the BRLMs, consider closing the Bid/Issue Period for QIBs one day prior to the Bid/Issue Closing Date, in accordance with the 2018 SEBI ICDR Regulations.*

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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, rule, guideline, policy, circular, notification or clarification shall be to such legislation, act, regulation, rule, guideline, policy, circular, notification or clarification as amended. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (defined hereinafter), the definitions below shall prevail.

General Terms

Term	Description
"the Company", "our Company", or "the Issuer"	ITI Limited, a company incorporated under the Mysore Companies Act, XVIII of 1938, and having its corporate and registered office at ITI Bhavan, Doorvaninagar, Bengaluru 560 016, Karnataka, India.
"we", "our" or "us"	Unless the context otherwise indicates or implies, refers to our Company, and our Joint Venture.

Company Related Terms

Term	Description
Articles or Articles of Association or AoA	The articles of association of our Company, as amended from time to time.
Auditor or Statutory Auditor	The current statutory auditor of our Company, namely, M/s. Sankaran & Krishnan, Chartered Accountants.
Audit Committee	Audit Committee of our Company as described in *"Our Management"* on page 166.
BIFR Order	The rehabilitation plan approved by the BIFR pursuant to order January 8, 2013 in relation to our Company under the provisions of the Sick Industrial Companies (Special Provisions) Act, 1985.
Board or Board of Directors	The board of directors of our Company (including any duly constituted committee thereof).
CCEA	Cabinet Committee on Economic Affairs. Government of India.
Corporate Social Responsibility Committee or CSR Committee	Corporate Social Responsibility Committee of our Company as described in *"Our Management"* on page 169.
CRISIL	CRISIL Research, a division of CRISIL Limited.
CRISIL Report	The report titled "Information and Communication technology scenario in India" issued by CRISIL in December, 2019
DPE	Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.
Director(s)	The director(s) on our Board.
EPIC	Equitorial Pacific International Company.
Equity Shares	The equity shares of our Company of face value of ₹10 each.
Executive Director(s)	Executive Directors of our Company.
FPO Committee	FPO Committee of our Company as described in *"Our Management"* on page 169.
Group Companies	The companies which are covered under the applicable accounting standards, as described in "*Our Group Companies*" on page 176.
Government Director	Government Nominee Director of our Company.
IESL	ITI Equatorial Satcom Limited (erstwhile name of India Satcom Limited)
Independent Director(s)	Independent Director(s) on our Board.
Joint Venture/ Satcom	India Satcom Limited.
KMP/ Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the 2009 SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013.
Limited Review Financial Statements	Statement of consolidated, unaudited financial results for the quarter and nine months ended December 31, 2019 and Statement of standalone, unaudited financial results for the quarter and nine months ended Decmeber 31, 2019 of our Company.
Materiality Policy	The policy on materiality adopted by our Board on January 6, 2020 with regard to the following: (i) Outstanding litigation to be disclosed by our Company in this Red Herring Prospectus. (ii) Identification of our Group Entities; and (iii) Identification of outstanding material creditors of our Company.
Memorandum or Memorandum of Association or MoA	The memorandum of association of our Company, as amended from time to time.
MoU entered with GoI	A Memorandum of Understanding entered between our Company and the Government of India.
Nomination and Remuneration Committee	The nomination and remuneration committee of our Board, as described in "*Our Management*" on page 168.
Promoter	The President of India, acting through the Department of Telecommunications, Ministry of Communications, Government of India.
Risk Management Committee	The risk management committee of our Board, as described in "*Our Management*" on page 170.
Registered and Corporate Office	The registered and corporate office of our Company located at ITI Bhavan, Doorvaninagar, Bengaluru 560 016, Karnataka, India.

Term	Description
Registrar of Companies or RoC	The Registrar of Companies, Karnataka situated at Bengaluru.
Restated Consolidated Financial Statements	The consolidated financial statements of our Company and Joint Venture prepared from its audited consolidated financial statements for the six month period ended September 30, 2019 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and Ind AS, and restated in accordance with the 2009 SEBI ICDR Regulations.
Restated Financial Statements	Together, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements.
Restated Standalone Financial Statements	The standalone financial statements of our Company prepared from its audited standalone financial statements for the six month period ended September 30, 2019 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015 and the related notes, schedules and annexures thereto, prepared in accordance with applicable provisions of the Companies Act and Ind AS, and restated in accordance with the 2009 SEBI ICDR Regulations.
SEBI Exemption Letter 2018	Exemption letter dated July 20, 2018, bearing reference number SEBI/HO/CFD/DIL1/OW/P/20643/2018 issued by SEBI to our Company granting exemptions from the applicability/disclosure of certain provisions of 2009 SEBI ICDR Regulations
SEBI Exemption Letter 2019	Exemption letter dated April 3, 2019 bearing reference number SEBI/HO/CFD/DIL1/OW/P/8714/2019 issued by SEBI to our Company granting exemptions from naming certain technical collaborators of the Company in the Issue Documents as required under the 2009 SEBI ICDR Regulations.
SEBI Exemption Letter 2020	Exemption letter dated January 16, 2020 bearing reference number SEBI/HO/CFD/DIL1/OW/P/2300/2020 issued by SEBI to our Company granting exemption from complying with disclosure provisions of the 2009 SEBI ICDR Regulations and provisions of the SEBI Listing Regulations in relation to the composition of our Board, only for the purpose of the further public offering.
Shareholders/ Equity Shareholders	The holders of the Equity Shares from time to time.
Stakeholders Relationship Committee	Stakeholders Relationship Committee of our Company as described in *"Our Management"* on page 168.

Issue Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the relevant Designated Intermediary (ies) to the Bidder as proof of registration of the Bid/ASBA Form.
Allot or Allotment or Allotted	Allotment of Equity Shares pursuant to the Issue.
Allotment Advice	A note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares offered in the Issue after the Basis of Allotment has been approved by the Designated Stock Exchange.
Allottee	A successful Bidder to whom the Allotment is made.
ASBA or Application Supported by Blocked Amount	The application (whether physical or electronic) used by a Bidder to make a Bid and authorising an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be locked upon acceptance of UPI Mandate Request by the RIBs, using the UPI Mechanism.
ASBA Account	A bank account maintained with an SCSB by an ASBA Bidder, as and specified in the ASBA Form submitted by Bidders for blocking the Bid Amount mentioned in the relevant ASBA Form and includes the bank application made by RIBs using the UPI Mechanism where the Bid Amount will be locked upon acceptance of UPI Mandate Request by RIBs, using the UPI Mechanism.
ASBA Form/ Bid-cum-application form	Application form, whether physical or electronic, used by Bidders which will be considered as the application for Allotment in terms of this Red Herring Prospectus and the Prospectus.
Banker(s) to the Issue	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Public Issue Account will be opened, in this case being ICICI Bank Limited.
Basis of Allotment	The basis on which Equity Shares offered in the Issue will be Allotted to successful Bidders under the Issue, as described in "*Issue Procedure – Basis of Allotment*" on page 344 .
Bid Amount	The highest value of optional Bids indicated in the ASBA Form and payable by the Bidder or as blocked in the ASBA Account of the Bidders, upon submission of the Bid in the Issue.
Bid Lot	[●] Equity Shares.
Bid(s)	An indication by a Bidder to make an offer during the Bid/ Issue Period pursuant to submission of the ASBA Form, to purchase the Equity Shares offered in the Issue at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the 2018 SEBI ICDR Regulations, in terms of this Red Herring Prospectus and the ASBA Form. The term "Bidding" shall be construed accordingly.
Bid/ Issue Closing Date	The date after which the Designated Intermediaries will not accept any Bids, which shall be notified in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta and Bengaluru editions of the Kannada daily newspaper Hosadigantha (Kannada being the regional language of Bengaluru wherein our Company's Registered and Corporate Office is located), each with wide circulation and in case of any revision, the extended Bid/ Issue Closing Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the

Term	Description
	terminals of the Syndicate Member, the SCSBs and the Sponsor Bank, as required under the 2018 SEBI ICDR Regulations. Our Company, in consultation with the BRLMs, may consider closing the Bid/ Issue Period for QIBs one Working Day prior to the Bid/ Issue Closing Date.
Bid/ Issue Opening Date	The date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta and Bengaluru editions of the Kannada daily newspaper Hosadigantha (Kannada being the regional language of Bengaluru wherein our Company's Registered and Corporate Office is located), each with wide circulation, and in case of any revision, the extended Bid/ Issue Opening Date shall be widely disseminated by notification to the Stock Exchanges by issuing a press release and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Member, SCSBs and the Sponsor Bank, as required under the 2018 SEBI ICDR Regulations.
Bid/ Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date, inclusive of both days, during which Bidders can submit their Bids, including any revisions thereof, in accordance with the 2018 SEBI ICDR Regulations and the terms of this Red Herring Prospectus provided, however, that the Bidding shall be kept open for a minimum of three Working Days for all categories of Bidders
Bidder or Applicant	Any prospective investor who makes a Bid pursuant to the terms of this Red Herring Prospectus and the ASBA Form.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated SCSB Branches for SCSBs, Specified Locations for members of the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs.
BOBCAPS	BOB Capital Markets Limited.
Book Building Process	Book building process, as provided in Part A of Schedule XIII of the 2018 SEBI ICDR Regulations, in terms of which the Issue is being made.
Book Running Lead Managers or BRLMs	The book running lead managers to the Issue, being BOB Capital Markets Limited, Karvy Investor Services Limited and PNB Investment Services Limited.
Broker Centres	The broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com, respectively,) as updated from time to time.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
CDP or Collecting Depository Participant	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, and a list of such locations is available on the website of the BSE and NSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively.
Client ID	The client identification number maintained with one of the Depositories in relation to a demat account.
Cut-Off Price	The Issue Price finalised by our Company, in consultation with the BRLMs. Only Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion are entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Bidders are not entitled to Bid at the Cut-Off Price.
Demographic Details	Details of the Bidders including the Bidders' address, the name of the Bidders' father / husband, investor status, occupation and bank account details and the UPI ID, wherever applicable.
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, respectively,) as updated from time to time.
Designated Date	The date on which the Escrow Collection Banks transfer funds from the Escrow Accounts to the Public Issue Account or the Refund Account, as the case may be, and instructions are given to the SCSBs (in case of RIBs using UPI Mechanism, instructions through the Sponsor Bank) for the transfer of amounts blocked by the SCSBs in the ASBA Accounts to the Public Issue Account or the Refund Account, as appropriate, in terms of this Red Herring Prospectus following which Equity Shares will be Allotted in the Issue to the successful Bidders
Designated Intermediary(ies)	In relation to ASBA Forms submitted by RIBs by authorising an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.

Term	Description
	In relation to ASBA Forms submitted by RIBs where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by such RIBs using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate/agents, Registered Brokers, CDPs and RTAs. In relation to ASBA Forms submitted by QIBs and non-institutional Bidders, Designated Intermediaries shall mean Syndicate, Sub-Syndicate/ agents, SCSBs, Registered Brokers, the CDPs and RTAs
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, respectively,) as updated from time to time.
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms used by the Bidders, a list of which is available on the website of SEBI at (www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes), updated from time to time, or at such other website as may be prescribed by SEBI from time to time.
Designated Stock Exchange	BSE Limited
Draft Red Herring Prospectus or DRHP	The draft red herring prospectus dated September 27, 2018, issued in accordance with the 2009 SEBI ICDR Regulations filed with the SEBI on September 28, 2018, which does not contain complete particulars of the price at which the Equity Shares offered in the Issue will be Allotted and the size of the Issue, including any addenda or corrigenda thereto.
Eligible Employee(s)	A permanent and full-time employee of our Company (excluding such employee not eligible to invest in the Issue under applicable laws, rules, regulations and guidelines), as on the date of registration of this Red Herring Prospectus with the RoC, who are Indian nationals and are based, working and present in India and continued to be on the rolls of our Company as on the date of submission of their ASBA Form and Bidding in the Employee Reservation Portion. Directors, Key Management Personnel and other employees of our Company involved in the Issue Price fixation process cannot participate in the Issue (as per Model Conduct, Discipline and Appeal Rules of CPSEs and Office memorandum of DPE dated June 16, 2009 and July 28, 2009). An employee of our Company who is recruited against a regular vacancy but is on probation as on the date of submission of the ASBA Form will also be deemed a "permanent employee" of our Company.
Eligible FPI(s)	FPIs from such jurisdictions outside India where it is not unlawful to make an offer / invitation under the Offer and in relation to whom the Bid cum Application Form and this Red Herring Prospectus constitutes an invitation to subscribe to 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 Issue and in relation to whom the ASBA Form and this Red Herring Prospectus will constitute an invitation to purchase the Equity Shares offered in the Issue.
Employee Price	The Issue Price
Employee Reservation Portion	Upto 1,800,000 Equity Shares, constituting 1% of the Net Issue that shall be reserved for allocation and Allotment to Eligible Employees on a proportionate basis at the Employee Price, aggregating to ₹[●] million, in terms of this Red Herring Prospectus.
First or sole Bidder/Applicant	The Bidder whose name shall be mentioned in the ASBA 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 Issue Price will be finalised and below which no Bids will be accepted.
General Information Document or GID	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 and updated pursuant to the circular no. (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular no. (CIR/CFD/DIL/1/2016) dated January 1, 2016 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, as amended from time to time. The General Information Document shall be available on the websites of the Book Running Lead Managers, as included in this Red Herring Prospectus.
Issue	The further public offering of our Company through the Net Issue of upto 180,000,000 Equity Shares and upto 1,800,000 Equity Shares through the Employee Reservation Portion by our Company at the Issue Price and Employee Price, respectively, aggregating to ₹[●] million, in terms of this Red Herring Prospectus.
Issue Agreement	The amendment agreement dated January 13, 2020 to the agreement dated September 27, 2018 entered among our Company and the BRLMs pursuant to which certain arrangements are agreed to in relation to the Issue.

Term	Description
Issue Price	The final price within the Price Band at which Equity Shares offered in the Issue will be Allotted to successful Bidders, as determined in accordance with the Book Building Process and determined by our FPO Committee, in consultation with the Book Running Lead Managers in terms of this Red Herring Prospectus on the Pricing Date.
Issue Proceeds	The proceeds of this Issue based on the total number of Equity Shares Allotted under this Issue and the Issue Price and the Employee Price.
Karvy	Karvy Investor Services Limited.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares offered in the Issue available for Allotment to RIIs by the minimum Bid Lot.
Monitoring Agency	ICICI Bank Limited
Mutual Fund Portion	[●] Equity Shares which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net Issue	Fresh issue of upto 180,000,000 Equity Shares by our Company at the Issue Price, aggregating to ₹[●] million, in terms of this Red Herring Prospectus.
Net Proceeds	Issue Proceeds less Issue Expenses For further information about the use of the Net Proceeds and the Issue Expenses, see *"Objects of the Issue"* of page 82.
Non-Institutional Bidders	Bidders that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares offered in the Issue for an amount more than ₹200,000 (but not including Eligible Employees Bidding in the Employee Reservation Portion).
Non-Institutional Portion	The portion of the Issue, being not less than 15% of the Net Issue i.e., [●] Equity Shares which shall be available for allocation to Non-Institutional Bidders on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
Non-Resident or NR	A person resident outside India, as defined under FEMA and includes FPIs, FVCIs and Eligible NRIs.
Issue Documents	The Draft Red Herring Prospectus, this Red Herring Prospectus and the Prospectus to be filed with the RoC.
PNBISL	PNB Investment Services Limited.
Pre-Issue Advertisement	The pre-Issue advertisement to be published by our Company under regulation 43(1) of the 2018 SEBI ICDR Regulations and Section 30 of the Companies Act, 2013 after registration of this Red Herring Prospectus with the RoC, in all editions of the English national newspaper Financial Express, all editions of the Hindi national newspaper Jansatta and Bengaluru editions of the Kannada daily newspaper Hosadigantha (Kannada being the regional language of Bengaluru wherein our Company's Registered and Corporate Office is located), each with wide circulation, respectively.
Price Band	The price band ranging from the Floor Price of ₹[●] per Equity Share to the Cap Price of ₹[●] per Equity Share, including any revisions thereof.
Pricing Date	The date on which our Company, in consultation with the BRLMs, will finalise the Issue Price.
Prospectus	The prospectus to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013, the 2009 SEBI ICDR Regulations and the 2018 SEBI ICDR Regulations, as amended and as applicable containing, among others, the Issue Price, the size of the Issue and certain other information, including any addenda or corrigenda thereto.
Public Issue Account	The bank account opened with the Banker(s) to the Issue under Section 40(3) of the Companies Act, 2013, to receive monies from the ASBA Accounts on the Designated Date.
Public Issue Account Bank	The bank(s) with whom the Public Issue Account(s) shall be opened and maintained in this case for collection of Bid Amounts from ASBA Account being ICICI Bank Limited
Public Issue Account Agreement	Agreement dated January 16, 2020 among our Company, the BRLMs, the Registrar to the Issue and the Banker(s) to the Issue for receipt of Bid Amounts from the ASBA Accounts on the Designated Date and if applicable, refund of amounts collected from Bidders, on terms and conditions thereof.
QIB Bidders	QIBs who Bid in the Issue.
QIB Portion/ QIB Category	The portion of the Issue, being at least 75% of the Net Issue i.e., [●] Equity Shares, which shall be available for allocation to QIBs on a proportionate basis, subject to valid Bids being received at or above the Issue Price.
QIBs or Qualified Institutional Buyers or Qualified Institutional Bidders	The qualified institutional buyers as defined under Regulation 2(1)(zd) of the 2009 SEBI ICDR Regulations.
Red Herring Prospectus or RHP	This red herring prospectus dated January 17, 2020, issued by our Company in accordance with Section 32 of the Companies Act, 2013, the 2009 SEBI ICDR Regulations and the 2018 SEBI ICDR Regulations, as applicable, which does not have complete particulars of the price at which the Equity Shares will be offered in this Issue and the size of the Issue, including any addenda or corrigenda thereto.
Refund Bank	The Banker(s) to the Issue with whom the Refund Account(s) will be opened, in this case being ICICI Bank Limited
Registered Brokers	Stock brokers registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992 and the stock exchanges having nationwide terminals,

Term	Description
	other than the BRLMs and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI.
Registrar Agreement	The restated and amended registrar agreement dated January 13, 2020 entered into among our Company, and the Registrar to the Issue, in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to the Issue.
Registrar to the Issue or Registrar	KFin Technologies Private Limited (*Formerly Karvy Fintech Private Limited*)
Resident Indian	A person resident in India, as defined under FEMA.
Retail Individual Bidder(s) or Retail Individual Investor(s) or RII(s) or RIB(s)	Individual Bidders, who have Bid for the Equity Shares offered in the Issue for an amount which is not more than ₹200,000 in any of the Bidding options in the Issue (including HUFs applying through their Karta and Eligible NRI Bidders) and does not include NRIs (other than Eligible NRIs).
Retail Portion	The portion of the Issue, being not more than 10% of the Net Issue i.e., [●] Equity Shares, available for allocation to Retail Individual Bidders as per the 2009 SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price.
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares Bid for, or the Bid Amount in any of their ASBA Forms or any previous Revision Form(s). QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion can revise their Bids during the Bid/ Issue Period and withdraw their Bids until the Bid/ Issue Closing Date.
RTAs or Registrar and Share Transfer Agents	The 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 and the UPI Circulars
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, which offer the facility of ASBA services, (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website as updated from time to time Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website
Specified Locations	The Bidding centres where the Syndicate shall accept ASBA Forms from Bidders.
Sponsor Bank	ICICI Bank Limited, being a Banker to the Issue, appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the mandate collect requests and / or payment instructions of the RIBs using the UPI Mechanism and carry out other responsibilities, in terms of the UPI Circulars
Sub-Syndicate Members	The sub-syndicate members, if any, appointed by the BRLMs and the Syndicate Members, to collect ASBA Forms and Revision Forms.
Syndicate Agreement	The agreement dated January 16, 2020, entered into among our Company, the Registrar to the Issue, the BRLMs and the Syndicate Members in relation to the collection of ASBA Forms by the Syndicate.
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, Emkay Global Financial Services Limited and Prabhudas Lilladher Private Limited
Systemically Important Non- Banking Financial Company	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than ₹5,000 million as per the last audited financial statements.
"Syndicate" or "Members of the Syndicate"	The BRLMs and the Syndicate Members.
Underwriters	[●]
Underwriting Agreement	The agreement dated [●], among our Company, and the Underwriters, entered into on or after the Pricing Date but prior to the registration of the Prospectus with the RoC.
UPI	Unified payments interface which is an instant payment mechanism, developed by NPCI
UPI Circulars	The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 and any subsequent circulars or notifications issued by SEBI in this regard
UPI ID	ID created on the UPI for single-window mobile payment system developed by the NPCI
UPI Mandate Request	A request (intimating the RIB, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS on directing the RIB to such UPI linked mobile application) to the RIB, initiated by the Sponsor Bank to authorise blocking of

Term	Description
	funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI Mechanism	The bidding mechanism that may be used by RIBs, in accordance with the UPI Circulars to make an ASBA Bid in the Issue
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of regulation 2(1)(zn) of the 2009 SEBI ICDR Regulations
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid/Issue Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of the time period between the Bid/ Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, Working Day shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI

Technical/ Industry Related Terms/ Abbreviations

Term	Description
3D PRINTING	3 dimensional printing
AMC	Annual Maintenance Contract.
AMI	Advance Metering Infrastructure
ASCON	Army Static Switched Communication Network.
BBNL	Bharat Broadband Network Limited.
BEU	Bulk Encryption Unit
BIFR	Board for Industrial and Financial Reconstruction.
BSNL	Bharat Sanchar Nigam Limited.
BSS	Base Station Subsystem
BTS	Base transceiver station.
CCEA	Cabinet Committee on Economic Affairs.
CCO	Customer care organisation
C-DAC	Centre for Development of Advance Computing
CDOT	Centre for Development of Telematics.
CNG/PNG	Compressed Natural Gas/Piped Natural Gas
CRM	Customer Relationship Management
CSR	Corporate Social Responsibility
DoT	Department of Telecommunications.
DWDM	Dense wave division multiplexing.
EESL	Energy Efficiency Services Limited.
EMC	Electromagnetic compatibility
EMI	Electromagnetic interference
EPC	Engineering Procurement & Construction
ERP	Enterprise Resource Planning
GPON	Gigabit passive optical network.
GSM	Global system for mobile communications.
HDPE	High-density polyethylene.
ICT	Information and communications technology.
IoT	Internet of Things.
IP	Internet protocol
LED	Light Emitting Diodes
MLLN	Manage leased line products.
MORD	Ministry of Rural Development.
MPLS	Multi Protocol Label Switching
MSP	Marketing Services and Projects
MTCTE	Mandatory Testing and Certification of Telecom Equipment
MTNL	Mahanagar Telephone Nigam Limited.
NAPS	National Apprentices Promotion Scheme
NFS	Network for Spectrum.
NPR	National Population Register.
O&M	Operations and Maintenance
OFC	Optic fiber cables.
OLT	Optical line terminals.
ONT	Optical network terminals.
OTN	Optical transport network.
PCB	Printed Circuit Board
PCM	Pulse Code Modulation
PMA Policy	Preferential Market Access Policy
PMKVY	Pradhan Mantri Kaushal Vikas Yojana.
PMS	Project Management Software
PSU	Public Sector Undertaking

Term	Description
R&D	Research and development.
RCC	Reinforced cement concrete
Revival Plan	The BIFR approved the rehabilitation plan of the Company pursuant to an order dated January 8, 2013 and approved by the CCEA on February 12, 2014.
RO	Regional Office
SaaS	Software as a Service
SAR	Specific Absorption Rate
SECC	Socio Economic and Caste Census.
SICA	Sick Industrial Companies Act, 1985.
SMT	Surface Mount Technology
STB	Set-top box.
STM	Synchronous Transport Module
STP	Signalling Transfer Point
TESD	Terminal End Secrecy Device
ToT	Technology transfer.
UDAY	Ujwal Discom Assurance Yojana.
Wi-Fi	A Trademark term for wireless networking technology that uses radio waves to provide high-speed network and Internet connections

Conventional and General Terms or Abbreviations

Term	Description
₹ or Rs. or Rupees or INR	Indian Rupees, the official currency of the Republic of India.
2009 SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended
2018 SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
AGM	Annual General Meeting.
AIF	Alternative Investment Fund as defined in and registered with SEBI under the Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012.
AS or Accounting Standards	Accounting standards issued by the Institute of Chartered Accountants of India.
BSE	BSE Limited.
CAG	Comptroller and Auditor General of India
CAGR	Compounded Annual Growth Rate
Category II FPI	FPIs registered as “Category II foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019.
CBDT	Central Board of Direct Taxes, Department of Revenue, Ministry of Finance, Government of India.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate Identity Number.
CIT	Commissioner of Income Tax.
Companies Act	Companies Act, 2013
Companies Act, 1956	The erstwhile Companies Act, 1956 (without reference to the provisions thereof that have ceased to have an effect upon notification of the sections of the Companies Act, 2013) along with the relevant rules made thereunder.
Companies Act, 2013	Companies Act, 2013, along with the relevant rules made thereunder, as amended.
CSR	Corporate Social Responsibility.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, read with regulations framed thereunder.
DIN	Director Identification Number.
DIPAM	Department of Investment and Public Asset Management, Ministry of Finance, Government of India
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India.
DoT	Department of Telecommunications, Ministry of Communications, Government of India
DP ID	Depository Participant’s Identity Number.
DP or Depository Participant	A depository participant as defined under the Depositories Act.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share.
FCNR	Foreign currency non-resident account.
FDI	Foreign Direct Investment.
FDI Circular	Consolidated Foreign Direct Investment policy circular of 2017, effective from August 28, 2017, issued by the DIPP.
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder.
FEMA Non-Debt Instruments Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019 issued by the Ministry of Finance, Government of India
FEMA Regulations 2017	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended.

Term	Description
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year.
FPI(s)	Foreign Portfolio Investors as defined under the SEBI FPI Regulations.
FII(s)	Foreign Institutional Investors as defined under the SEBI FII Regulations.
FVCI	Foreign Venture Capital Investors as defined and registered under the SEBI FVCI Regulations.
GAAP	Generally Accepted Accounting Principles.
GDP	Gross Domestic Product.
GoI or Government or Central Government	The Government of India.
GST	Goods and Services Tax.
HUF	Hindu Undivided Family.
IAS Rules	The Companies (Indian Accounting Standard) Rules, 2015
ICAI	The Institute of Chartered Accountants of India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961, read with the rules framed thereunder.
Income Tax Rules	Income Tax Rules, 1962.
Ind AS	Indian Accounting Standards.
India	The Republic of India.
Indian Accounting Standard Rules	Companies (Indian Accounting Standards) Rules of 2015.
Indian GAAP / IGAAP	Generally Accepted Accounting Principles in India.
Indian Penal Code	Indian Penal Code, 1860.
FPO	Further 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.
MICR	Magnetic ink character recognition.
Mn or mn	Million.
MoU	Memorandum of understanding.
N.A.	Not applicable.
NAV	Net asset value.
NCLAT	National Company Law AppellateTribunal
NCLT	National Company Law Tribunal
NECS	National Electronic Clearing Services.
NEFT	National Electronic Fund Transfer.
NPCI	National Payments Corporation of India
NRE Account	Non-Resident External account.
NRI	A person resident outside India, who is a citizen of India or a person of Indian origin, and shall have the meaning ascribed to such term in the Foreign Exchange Management (Deposit) Regulations, 2016, or an overseas citizen of India card holder within the meaning of Section 7(A) of the Citizenship Act, 1955, as amended
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
OCB or 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 was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Issue.
p.a.	Per annum.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number.
PAT	Profit after tax.
RBI	Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act
RONW	Return on net worth.
RTGS	Real Time Gross Settlement.
Rule 144A	Rule 144A under the U.S. Securities Act
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 Depository Regulations	Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI Insider Trading Regulations, 2015	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015

Term	Description
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
SEBI Mutual Fund Regulations	Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
SEBI Portfolio Manager Regulations	Securities and Exchange Board of India (Portfolio Managers) Regulations, 1993, as amended.
SEBI Stock Broker Regulations	Securities and Exchange Board of India (Stock Brokers and Sub-Brokers) Regulations, 1992, as amended.
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as amended.
State Government	The government of a state in India.
Stock Exchanges	Collectively, the BSE and the NSE.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.
TAN	Tax deduction account number.
TDS	Tax deducted at source.
U.S. GAAP	Generally accepted accounting principles of the United States.
U.S. or USA or United States	The United States of America, its territories and possessions, any State of the United States, and the District of Columbia
U.S. Securities Act	U.S. Securities Act of 1933, as amended
USD or US$ or U.S. Dollars	United States Dollars.
VAT	Value Added Tax.
VCFs	Venture Capital Funds as defined in and registered with SEBI under SEBI VCF Regulations.
Year/ Calendar Year	The 12 month period ending December 31.

The words and expressions used but not defined herein shall have the meaning as is assigned to such terms under the Companies Act, the 2009 SEBI ICDR Regulations, 2018 SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder, unless the context otherwise indicates or implies

Notwithstanding the foregoing, capitalised terms in "*Statement of Tax Benefits*", "*Financial Statements*", "*Basis for Issue Price*", "*Outstanding Litigation and Material Developments*", "*Issue Procedure*" and "*Main Provision of the Articles of Association*" on pages 93, 179, 90, 316, 344 and 399 respectively, shall have the meaning as ascribed to such terms in such sections.

CERTAIN CONVENTIONS, CURRENCY OF PRESENTATION, USE OF FINANCIAL INFORMATION, INDUSTRY AND MARKET DATA

Page Numbers

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

Currency and Units of Presentation

All references to *"Rupee(s)"*, *"Rs."* or "₹" or "INR" are to Indian Rupees, the official currency of the Republic of India. All references to "Euro" or "€" are to Euro, the official currency of the European Union and *"US$"* or *"U.S. Dollars"* or *"USD"* are to United States Dollars, the official currency of the United States of America.

Exchange Rates

This Red Herring Prospectus contains conversions of certain other currency amounts into Rupees that have been presented solely to comply with the requirements of 2009 SEBI ICDR Regulations. Unless otherwise stated, the exchange rates referred to for the purpose of conversion of foreign currency amounts into Rupee amounts, are as follows:

Currency		Exchange rate as on (in ₹)				
	September 30, 2019	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
1 Euro	77.32	77.70*	80.62**	69.25	71.62	67.51
1 USD	70.68	69.17*	65.04**	64.84	66.33	62.59

Source: www.rbi.org.in (RBI Reference Rate)
Notes
** Exchange rate as on March 29, 2019 as RBI reference rate is not available for March 31, 2019 and March 30, 2019, being a Saturday and public holidays, respectively*
** *Exchange rate as on March 28, 2018 as RBI reference rate is not available for March 31, 2018, March 30, 2018 and March 29, 2018, being a Saturday and public holidays, respectively*

Such conversion should not be considered as a representation that such currency amounts have been, could have been or can be converted into Rupees at any particular rate, the rates stated above or at all.

Financial and Other Data

Unless stated otherwise, the financial information in this Red Herring Prospectus is derived from our Restated Financial Statements prepared in accordance with Ind AS, Indian GAAP and the Companies Act/ Companies Act, 1956, as applicable, restated in accordance with the 2009 SEBI ICDR Regulations.

Our Company's Financial Year commences on April 1 and ends on March 31 of the following 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. Unless the context otherwise requires, all references to a year in this Red Herring Prospectus are to a calendar year and references to a financial year are to March 31 of that calendar year.

Certain figures contained in this Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to nearest whole-number. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

There are significant differences between Indian GAAP, Ind AS, U.S. GAAP and IFRS. Our Company does not provide reconciliation of its financial information to Ind AS, IFRS or U.S. GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Accordingly, 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, the Companies Act, the Indian GAAP, Ind AS and the 2009 SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. Given that Ind AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind AS may not be comparable to our historical financial statements prepared under the Indian GAAP.

On February 16, 2015, the Ministry of Corporate Affairs issued the Ind-AS Rules for the purpose of enacting changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The Ind-AS Rules provide that the financial statements of the companies to which they apply shall be prepared in accordance with the Indian Accounting Standards converged with IFRS, although any company may voluntarily implement Ind AS for the accounting period beginning from April 1, 2015. With effect from

April 1, 2017, we are required to prepare our financial statements in accordance with the Ind AS. Pursuant to SEBI circular number SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016, our restated financial information for the six month period ended September 30, 2019, and for the Fiscals 2019, 2018, 2017, 2016 and 2015 included in this Red Herring Prospectus is prepared under the Ind AS.We have not made any attempt to quantify or identify the impact of the differences between Indian GAAP and Ind AS applied to our financial statements and it is urged that you consult your own advisors regarding the impact of difference, if any, on financial data included in this Red Herring Prospectus.

For details in connection with risks involving differences between Indian GAAP and IFRS see "*Risk Factors – Significant differences exist between Indian GAAP, Ind AS and other accounting principles such as IFRS or the U.S. GAAP which may be material to investors' assessments of our financial condition*" on page 37.

Unless the context otherwise indicates, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Conditional and Results of Operations*" on pages 14, 119 and 283, respectively, and elsewhere in this Red Herring Prospectus have been calculated on the basis of our Restated Consolidated Financial Statements prepared in accordance with Companies Act, 2013 and Ind AS Rules, as applicable and restated in accordance with the 2009 SEBI ICDR Regulations.

Industry and Market Data

Unless stated otherwise, the industry and market data set forth in this Red Herring Prospectus have been obtained or derived from publicly available information as well as industry publications and sources. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we have no reason to believe that industry data used in this Red Herring Prospectus is not reliable, it has not been independently verified by us, the BRLMs or any of their affiliates or advisors, and none of our Directors, any of the BRLMs or any of their affiliates or advisors make any representation as to its accuracy or completeness. The data used in these sources may have been re-classified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors - The statistical and market information contained in this Red Herring Prospectus relating to India and the telecommunications and defence products and services industries has been derived or extracted from the CRISIL Research Report commissioned by us and from various government and other publicly-available publications. We are unable to guarantee the accuracy, adequacy or completeness of this industry information.*" on page 35.

Certain information in "*Summary of Industry*", "*Summary of our Business*", "*Industry Overview*" and "*Our Business*" on pages 44, 50, 95, and 119, respectively, of this Red Herring Prospectus has been obtained from the report titled "Information and communication technology scenario in India" prepared by CRISIL Limited and a revised industry report dated "Information and communication technology scenario in India" released in December, 2019 issued by CRISIL, which has issued the following disclaimer:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this Report based on the information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/ Report and it is not responsible for any errors or omissions or for the results obtained from the use of Data/ Report. This Report is not a recommendation to invest/ disinvest in any company covered in the Report. CRISIL especially states that it has no financial liability whatsoever to the subscribers/ users/ transmitters/ distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Rating Division/ CRISIL Risk and Infrastructure Solutions Limited (CRIS) which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division/ CRISIL. No part of this Report may be published/ reproduced in any form without CRISIL's prior written approval.*"

In accordance with the 2009 SEBI ICDR Regulations, "*Basis for the Issue Price*" on page 90 includes information relating to our peer group companies. Such information has been derived from publicly available sources and neither we, nor the BRLMs have independently verified such information.

The extent to which industry and market data set forth 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 we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Accordingly, no investment decision should be made solely on the basis of such information.

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", "contemplate", "future", "likely", "goal", "expect", "estimate", "intend", "objective", "plan", "project", "should" "will", "will continue", "seek to", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements made by us or a third party 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. For the reasons described below, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Therefore, 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.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses 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 expectations include, but are not limited to, the following:

1. GoI grants are an important part of our Revival Plan. As we are in the early stages of our revitalization, our recent results of operations should not be viewed as an indication of the success of our revitalization plan or of our future results.

2. In the opinion of our statutory auditor, our consolidated profit for the nine months ended December 31, 2019 has been overstated by ₹192.7 million.

3. Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by us, and the payments will be subject to the CPSE Capital Restructuring Guidelines.

4. We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects.

5. We have experienced negative cash flows in the prior periods.

6. Any increase in or realization of our contingent liabilities could have a material adverse effect on our business, results of operations and financial condition.

7. There are outstanding statutory dues towards non-payment of provident fund and gratuity dues as of the date of this Red Herring Prospectus.

This list of important factors is not exhaustive. Additional factors that could cause the actual results, performance or achievements to differ materially include, but are not limited to, those discussed under *"Risk Factors"*, *"Management's Discussion and Analysis of Financial Condition and Results of Operations"* and *"Our Business"*. 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.

Forward-looking statements reflect our views as of the date of this Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on the 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. None of our Company, Directors, the BRLMs and 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 regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of filing of this Red Herring Prospectus with the RoC until the date of Allotment.

SECTION II - RISK FACTORS

An investment in the equity shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. We have described the risks and uncertainties that our management believes are material, but the risks set out in this Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Potential investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to legal and regulatory environment which may differ in certain respects from that of other countries. If anyone or some combination of the following risks or other risks which are not currently known or are now deemed immaterial actually occurs or were to occur, our business, results of operations, cash flows, financial condition and prospects could be adversely affected, and the trading price of the Equity Shares could decline, and you may lose all or part of your investment. Unless specified in the relevant risk factor below, we are not in a position to quantify the financial implication of any of the risks mentioned below.

In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Issue including the merits and the risks involved. Prospective investors should consult their own tax, financial and legal advisors about the particular consequences to such investors of an investment in this Issue. To obtain a complete understanding of our business, you should read this section in conjunction with the sections "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operation", and "Financial Statements" on pages 119, 283 and 179, respectively.

This Red Herring Prospectus also contains forward-looking statements, which refer to future events that involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results to be materially different from those expressed or implied by the forward-looking statements. For further details, see "Forward-Looking Statements" on page 13.

Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements.

In this section, references to "we", "our" and "our Company" are to ITI Limited. Unless otherwise stated, the financial information used in this section has been derived from the Restated Consolidated Financial Statements.

INTERNAL RISKS

1. ***GoI grants are an important part of our Revival Plan. As we are in the early stages of our revitalization, our recent results of operations should not be viewed as an indication of the success of our revitalization plan or of our future results.***

   In calendar year 2004, we were referred to the Board for Industrial and Financial Reconstruction ("**BIFR**") and declared a "Sick Company" under the provisions of Sick Industrial Companies Act,1985 ("**SICA**"). Although we made an operating profit in Fiscal 2018, we have made operating losses in every fiscal year from Fiscal 2003 to Fiscal 2017 and have a negative net worth. The BIFR approved the rehabilitation plan pursuant to an order dated January 8, 2013 (the "**Revival Plan**") and the Revival Plan was approved by the GoI's Cabinet Committee on Economic Affairs (the "**CCEA**") on February 12, 2014 along with a financial package of ₹41,567.90 million consisting of ₹22,640.00 million as a capital expenditure grant and ₹18,927.90 million as grants in aid.

   As a part of the Revival Plan, the GoI approved grants in aid to settle statutory dues, to meet our operational requirements, including payment of the salaries of our employees and grants for capital expenditure projects at various plants. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received grants in aid of Nil, ₹1,329.80 million and ₹5,000.00 million, respectively. No further grants in aid have been received in Fiscal 2020. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received capital grants in the form of equity for capital expenditure of ₹550.00 million, ₹3,370.00 million and ₹800.00 million, respectively. During six months ended September 30, 2019, we received a further grant from the GoI of ₹1,050.00 million for capital expenditure. For details in relation to the recent grants, please see "*Risk Factors - We shall allot Equity Shares of our Company on a preferential allotment basis to the President of India, post completion of the Issue*" on page 35. We can make no assurance that the grants in aid and grants for capital expenditure that we have received, or additional grants which we may receive in the future, will be sufficient to ensure that our results of operations, cash flows and financial condition will improve and return to levels acceptable to our shareholders, creditors or prospective shareholders or creditors. In addition, GoI grants are approved and released by the GOI as per their internal policy and procedure. We do not have any control over such timely and adequate release of grants and we cannot assure that the grants will be released as per our requirement and any delay or inadequacy in release of grants by the GOI could have a material adverse effect on our business, results of operations and financial condition.

   As we have received the above-mentioned grants at various times, our results of operations may not be comparable on a period to period basis and may not provide a meaningful basis of evaluating our results of operations and financial condition. As we are still in the early stages of our revitalization, our future operating results are also difficult to predict and may differ from period to period and our recent results of operations should not be viewed as an indication of the success or our revitalization plan or of our future results.

Pursuant to the provisions of the Sick Industrial Companies (Special Provisions) Repeal Act, 2003, and the notification dated November 25, 2016 issued by the Ministry of Finance, GoI, the SICA was repealed, and the BIFR and the Appellate Authority for Industrial and Financial Reconstruction were dissolved, with effect from December 1, 2016. As per provisions of Insolvency and Bankruptcy Code, all proceedings and actions must be referred to, and taken by, the National Company Law Tribunal ("**NCLT**") and National Company Law Appellate Tribunal (the "**NCLAT**"). We are not aware of any proceedings or actions taken by the NCLT or the NCLAT in respect of our Company as on the date of this Red Herring Prospectus, but we can make no assurance that such proceedings or actions may not be commenced in the future.

2. ***In the opinion of our statutory auditor, our consolidated profit for the nine months ended December 31, 2019 has been overstated by ₹192.70 million.***

The Board approved the Limited Review Financial Statements on January 6, 2020, and in accordance with the provisions of the SEBI Listing Regulations, our Company disclosed the Limited Review Financial Statements to the Stock Exchanges. The Limited Review Financial Statements are available on the website of our Company and the Stock Exchanges. Our Statutory Auditor have reviewed the Limited Review Financal Statements and qualified in its review report that the accounting treatment of the write-back of ₹192.70 million under the heading "other income", which represents liability towards the suppliers entered into for back to back agreements with private vendors for the supplies or the services effected to GoI departments and PSUs, is not in conformity with the accounting policy consistently followed by our Company in earlier years since the corresponding amount due from such GoI departments and PSUs have not been written off. Accordingly, our Statutory Auditor reported that in their opinion the "other income" reported in the Limited Review Financial Statements has been overstated for the period and that our Company's profit on a consolidated basis was overstated by ₹192.70 million for the three months ended December 31, 2019 and the nine months ended December 31, 2019.

Our Statutory Auditors have included an "Emphasis of Matter" in their limited review report that the GoI has allocated a further ₹854.00 million as grants in aid to our Company to settle partial statutory dues and to meet our operational requirements. Pending receipt of the grant, our Company has recognised the grant of ₹854.00 million as "Other income".

Our Limited Review Financial Statements should be considered carefully in light of the qualification and emphasis of matter stated by our Statutory Auditor.

3. ***Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by us, and the payments will be subject to the CPSE Capital Restructuring Guidelines.***

Since we have incurred losses during the past 15 fiscal years until Fiscal 2017, we have not paid any dividends. Our ability to pay dividends in the future will depend on a number of factors, including our profit after tax for the fiscal year, our capital requirements, our financial condition, our cash flows and applicable taxes, including dividend distribution tax payable by us. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of Shareholders and will depend on factors that our Board and Shareholders deem relevant. We may decide to retain all our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends in the future.

As per clause no. 13(vii) of revival scheme sanctioned by BIFR, the Company is not allowed to declare any dividend on its equity and preference share capital until its entire outstanding statutory dues are fully cleared and, thereafter, the Company must obtain the approval of the BIFR (now NCLT) for declaration of dividend on its equity and preference share capital. In this regard, the Company is yet to clear its statutory dues outstanding.

Further, our Company had also issued redeemable cumulative preference shares to BSNL and MTNL, on which our Company has arrears for payment of dividend (for details see "--*Our redeemable cumulative preference shares have a balance of ₹500 million owing to the preference shareholder*" on page 18), which would be paid in preference to our Company's equity shareholders.

In accordance with the CPSE Capital Restructuring Guidelines issued in May 2016, our Company is required to pay a minimum annual dividend of 30% of its PAT or 5% of its net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions, unless an exemption is provided in accordance with the guidelines. For further details, see *"Dividend Policy"* on page 178.

Further, in accordance with the CPSE Capital Restructuring Guidelines, our Company is required to undertake buyback of the Equity Shares in the event that our Company has a net worth of at least ₹20,000.00 million and cash and bank balance of over ₹10,000.00 million.

4. ***We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have***

advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects.

We have been, and continue to be, involved in bidding for various tenders with Government Customers in the future. In accordance with the terms of these tenders, the bidder who is selected as the lowest bidder (L-1) is called for final negotiations on the project and thereafter we commenced these negotiations. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us and recorded in our Order Book or that we will actually realize revenues from such awarded projects or, if realized, they will result in profits. In accordance with standard industry practice, lowest bidders (L-1) must conclude contracts and purchase orders from the customer, however we cannot assure that the same will be the case every time. For example, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 had informed us that the subject proposal regarding establishment of ASCON Phase IV Project was under consideration and final approval of the competent authority was being sought, and the bid offer, which was valid up to October 30, 2019, may be extended by six months up to April 30, 2020 and sought response from our Compnay regarding the same. Further, pursuant to a letter dated October 9, 2019, our Company responded to the Ministry of Defence and has extended the validity of the bid until April 30, 2020. We are currently awaiting further communications from the Ministry of Defence in this regard.

In addition, certain projects in our Order Book (for details see, "*Our Business – Order Book*" on page 128) are advanced purchase orders or advance work orders for which confirmed orders or executed contracts have not yet been received by our Company. There can be no assurance that projects for which we have advanced purchase orders or advance work orders will be converted to confirmed orders or final executed contracts or that we will actually realize revenues from such advance purchase orders or advance work orders or, if realized, they will result in profits. For example the BTS O&M project recorded in our Order Book includes two advance work orders issued by BSNL, each dated August 29, 2018, for approximately ₹17,831.21 million and ₹38,385.40 million (both exclusive of GST) aggregating to an amount of ₹56,216.61 million (exclusive of GST) for the execution of outsourcing of operations and maintenance (O&M) services for BTS sites. Our Company has also furnished a corporate guarantee of ₹284.33 million, dated September 10, 2018, to BSNL, in accordance with the terms of the said advance work orders, which is valid until September 5, 2021. In addition, our back-end partner on the project has provided a bank guarantee to BSNL of ₹284.33 million which is valid until September 5, 2021. While we are yet to commence work on the project based on the advance work orders, we have been regularly interacting with BSNL for conversion of these advance work orders into confirmed purchase orders. No assurance can be made that BSNL will convert these advance work orders to confirmed orders or final executed contracts, and that the order details included in our Order Book, set out in the section "*Our Business – Order Book*" on page 128 will materialize, at all. To the extent that any such advance purchase orders or advance work orders are not confirmed, or are terminated, or become invalid due to efflux of time, our business operations, financial position and result of operations would be materially adversely affected.

Futhermore, most government contracts and/or purchase orders are subject to cancellation, termination, or suspension at the discretion of the customer at any stage of the contract. In addition, these contracts may be subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. In case of cancellation, termination, suspension or changes in terms of such contracts, it may have a material adverse impact on our business, results of operations and financial condition.

5. ***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 ₹414.02 million, ₹1,259.68 million, ₹958.41 million and ₹750.75, million, respectively, on a consolidated basis for the six months ended September 30, 2019 and Fiscal 2019, Fiscal 2018 and Fiscal 2017, primarily on account of development of products which are yet to be commercialised. Further, we used ₹687.74 million, ₹1,064.71 million, ₹1,534.11 million and ₹1,526.15 million, respectively, on a consolidated basis for the six months ended September 30, 2019 and Fiscal 2019, Fiscal 2018 and Fiscal 2017, 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 301 and 179 respectively. Any negative cash flows in the future could adversely affect our business, results of operations and financial condition.

6. ***Any increase in or realization of our contingent liabilities could have a material adverse effect on our business, results of operations and financial condition.***

The total of our contingent liabilities that have not been provided for as at September 30, 2019, March 31, 2019, and March 31, 2018 were ₹10,965.93 million, ₹15,998.52 million and ₹12,707.29 million, respectively, details of which are set forth in the table below.

(*in ₹ millions*)

Contingent Liabilities	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018
Outstanding letters of credit and guarantees	6,640.10	10,927.65	7,362.32

Contingent Liabilities	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018
Sales Tax demand /Service Tax/Income Tax	1,429.46	1,500.29	1,527.21
Non-receipt of C/D forms	1,992.90	2,811.84	3,032.94
Excise Duty Demand/CENVAT Disallowance	143.42	233.41	256.97
ESI demand			-
Demand of interest & penalty by KVAT		22.60	22.60
Claims against the Company not acknowledged as debts	760.05	502.73	505.25
Unexpired Guarantees			
Total of Contingent Liabilities	**10,965.93**	**15,998.52**	**12,707.29**

There can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future. In the event that the level of contingent liabilities increases, it could have a material adverse effect on our business, results of operations and financial condition. If any of our contingent liabilities materialize, our business, results of operations and financial condition could be adversely affected. For further details, see Note 31 to Annexure I(c) of our Restated Consolidated Financial Statements in "*Financial Statements*" on page 179.

Our Company has also adopted a dividend distribution policy in the meeting of the Board of Directors held on February 11, 2019, which provides for the financial parameters that would be considered for declaration of dividend including, inter alia, stability of earnings without the aid from revival package, cash flow position and cost of borrowings.

7. ***There are outstanding statutory dues towards non-payment of provident fund and gratuity dues as of the date of this Red Herring Prospectus.***

As on September 30, 2019, our Company has outstanding statutory dues amounting to ₹3,340.46 million towards, inter alia, non-payment of provident fund and gratuity dues to the respective trusts as on the date of this Red Herring Prospectus. The non-payment to the respective trusts was due to the cash deficits and the losses that our Company incurred during the past 15 fiscal years until Fiscal 2017. The gratuity is calculated as per the actuarial valuation in line with IND AS 19 wherein the profiles of employees are given to an actuarial valuer. The valuation as provided by the valuer is treated as an expense in our financial statements. Our Company's provident fund dues that have been recovered from the employees and not paid to the provident fund trusts amounted to ₹290.80 million as at September 30, 2019. We cannot guarantee that any legal proceedings will not be initiated against us or our Directors for such non-payment of statutory dues towards provident fund and gratuity. Any such proceedings may have a material adverse effect on our business, results of operations and financial condition.

8. ***The auditors' report on our financial statements contain certain qualifications and matters of emphasis included in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016, 2015 and 2003 (as amended).***

The auditors' report on our Restated Consolidated Financial Statements contain certain qualifications and matters of emphasis which are included in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2015. Also, the auditors' report on our Standalone Financial Statements contain certain matters of emphasis included in the annexure to the auditors' reports issued under Companies (Auditor's Report) Order, 2016, 2015 and 2003 (as amended). These qualifications and matters of emphasis relate to (i) the non-recognition of rental income from the leases on land leased out to the Bangalore Metropolitan Transport Corporation, (ii) non-recognition of rental income from the leases on land leased out to the Karnataka Power Transmission Corporation Limited, (iii) the failure to make a provision of ₹584.79 million toward the doubtful recovery of rent receivable from a leased premises in Fiscal 2011, (iv) the failure to take a provision for interest for the delayed payments by certain suppliers and (v) balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans and advances, sub-contractors/others, deposits, loans and other payables/receivables such as GST, Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST and TDS, and subject to confirmation and reconciliation. For details, see the section entitled "*Financial Statements*" on page 179.

There is no assurance that our auditors' reports for any future fiscal periods will not contain qualifications or matters of emphasis or that such matters of emphasis will not require any adjustment in our financial statements for such future periods or otherwise affect our results of operations and financial condition in such future fiscal periods.

For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Summary of Qualifications, Emphasis of Matters and Observations in our Statutory Auditor's Reports*" on page 306.

9. ***Our Company had not obtained the renewal of the registration certificate under the provisions of the Karnataka Shops and Commercial Establishment, 1961 for the period commencing from January 01, 2013 to July 08, 2019.***

The shops and commercial establishment registration certificate of our Company for its registered office expired on December 31, 2012. Our Company filed for the renewal of the registration certificate on July 3, 2018 and the certificate was renewed for the period commencing from July 09, 2019 to December 31, 2022.

Our Company has not been compliant with the provisions of the Karnataka Shops and Commercial Establishments Act, 1961 for the period commencing from January 01, 2013 to July 08, 2019 and we cannot guarantee that the relevant authorities will not initiate any legal proceedings against our Company for such non-compliance in the future.

10. ***Our redeemable cumulative preference shares have a balance of ₹500 million owing to the preference shareholder .***

We issued 20 million 7% Preference Shares to BSNL and 10 million 8.75% Preference Shares to MTNL, aggregating to ₹3,000 million. The 7% Preference Shares and the 8.75% Preference Shares were redeemable at par in equal instalments in full since March 2006 for BSNL and since March 2005 for MTNL, respectively.

We received ₹3,000.00 million as a grant from the GoI on August 29, 2019 towards redemption of the 7% Preference Shares and the 8.75% Preference Shares.

The 7% Preference Shares were redeemed on September 6, 2019 out of which ₹1,500.00 million was paid in three tranches on September 25, 2019, September 30, 2019 and November 12, 2019. As of the date of this RHP, a balance ₹500 million is outstanding to BSNL.

The 8.75% Preference Shares were redeemed on September 5, 2019 and ₹ 1,000.00 million was paid to MTNL with no amounts outstanding.

11. ***The Comptroller and Auditor General of India has made observations on the consolidated audited financial statements and standalone audited financial statements as at, and for, the financial year ended March 31, 2019.***

As we are a government company, as defined under the Companies Act, the Statutory Auditors have been appointed by the CAG under Section 139(5) of the Companies Act. While the Statutory Auditors are responsible for expressing opinion on the financial statements under Section 143 of the Companies Act, a supplementary audit may be carried out on our financial statements by the CAG, and the CAG may comment upon or supplement the audit report issued by the Statutory Auditors. The CAG has made certain observations on our audited standalone financial statements and our audited consolidated financial statements as at, and for the financial year ended, March 31, 2019, on which our Restated Financial Statements as at, and for the financial year ended, March 31, 2019 are based.

The CAG's principal observations are summarized below.

- The CAG noted that Non-current liabilities – others were understated by ₹135.62 million due to the non-inclusion of interest on a loan received from GoI. The Company has considered the loan from GoI as Grant-in-Aid revenue without receiving any response from the GoI to its proposal, and this also has resulted in understatement of cost of finance and overstatement of profits by the same amount.

- The depreciation and amortisation expenses were understated by ₹17.96 million due to the wrong classification of data processing assets (having a useful life of 6 years) as plant and machinery (having a useful life of 15 years). The CAG noted that this has also resulted in an overstatement of profit by the same amount.

- The CAG noted that the Company's Statutory Auditors had failed to carry out the audit of all the Company's regional offices as required under the terms of their appointment. The Statutory Auditor had, instead, relied upon the unaudited financial statements furnished by the Company's management in respect of the six regional offices of the Company. The Statutory Auditor was able to provide sufficient documentation in respect of Chennai and Bengaluru regional offices only, and the details provided in respect of other regional offices left unaudited did not provide sufficient assurance. Accordingly, the CAG found that the auditor failed to carry out the responsibilities entrusted to him in terms of his appointment under Section 139 of the Companies Act for Fiscal 2019.

- The CAG also noted that there was a non-reconciliation between the accounts of our Company and BSNL, in relation to the trade receivable amount of ₹290 million recorded as receivable from BSNL, in the books of the Company.

We have responded to the CAG's observations. For further details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations –Observations of the Comptroller and Auditor General of India*" on page 307. Any changes in relation to the comments set out above have not been made to our Restated Financial Statements, and the impact of any such changes has not been assessed or quantified. Accordingly, the Restated Financial Statements should be assessed in light of the obervations of the CAG.

There is no assurance that such observations by the Comptroller and Auditor General of India, for any future fiscal periods will not contain such matters of emphasis or that such matters of emphasis will not require any adjustment in our financial statements for such future periods or otherwise adversely affect our business, results of operations and financial condition in such future fiscal periods.

12. *We are involved in certain litigation proceedings and any adverse outcome in any of these litigations may have an adverse impact on our business, results of operations and financial condition*

There are outstanding legal proceedings involving our Company, which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. The list of such outstanding legal proceedings as on the date of this Red Herring Prospectus is set out below:

Nature of Case	Currency	No. of cases	Total amount involved (₹ in million)
A. Cases against the Company			
Civil Cases	INR	73	1,091.80
Civil Cases (claims in foreign currency)	USD	2	3.77
Criminal cases	INR	0	0.00
Action taken by statutory and regulatory authorities	INR	0	0.00
Direct Tax case	INR	1	82.48
Indirect Tax case	INR	43	1,757.70
B. Cases by our Company			
Civil Cases	INR	12	1,131.70
Criminal Cases	INR	0	0.00

For details of the material outstanding litigations, see "*Outstanding Litigation and Material Developments*" on page 316 of this Red Herring Prospectus.

13. *We require sizeable amounts of working capital for our continued operation and growth. Our inability to meet our working capital requirements could have a material adverse effect on our business, results of operations and financial condition.*

Our business requires working capital for day-to-day operations, procurement of raw materials and production. In addition, large-scale turnkey projects and contracts may require us to incur substantial working capital costs before milestone payments are made to cover these costs for the purpose of ensuring that such projects and contracts are delivered and completed on a timely manner. For example, we may require substantial working capital for GPON equipment orders relating to the BharatNet Phase 2 project, and for the Army Static Switched Communication Network (ASCON), Phase IV, if we receive the purchase order for the project. In addition, certain purchase orders may require a considerable increase in materials and production costs, or fees for technology collaborators, particularly in connection with new product areas. The credit period given to customers may be considerable and customers may not be invoiced for products until the time of product delivery or after product delivery and, in some cases, the customer may not pay our invoices on time or at all. We have met our working capital requirements from a working capital facility from a consortium of banks, which as of December 31, 2019 has a total sanctioned borrowing amount of ₹31,278.40 million, GoI loans and grants and cash generated from our operations. As at December 31, 2019, we had a total outstanding working capital loans aggregating to ₹9,348.74 million. Further, we intend to use the Issue Proceeds in part for working capital purposes. For details see, "*Objects of the Issue*" on page 82. Our inability to meet our working capital requirements through borrowings, cash from our operations, or the proceeds of the Issue, as the case may be, could have a material adverse effect on our business, results of operations and financial condition.

14. *We may not be able to effectively implement our strategies and achieve future growth.*

We have undertaken strategies, which includes

- diversifying our suite of products and services and leveraging our GoI and PSU relationships;
- upgrading and modernizing our infrastructure, equipment and technology;
- teaming with innovative technology leaders and start-ups; and
- reducing our operating costs and improving productivity.

Our strategy is supported by the Revival Plan pursuant to which we have received GoI grants in aid to partly settle statutory dues, to meet operational requirements including payments of salaries of our employees and GoI capital grants in the form of equity for capital expenditure for upgrading our infrastructure, machines and equipment. Accordingly, the future success of our business will depend largely on our ability to effectively implement our strategy.

Our strategy may not succeed due to various factors, including our inability to reduce our debt and our operating costs, our failure to develop new products and services with sufficient growth potential as per the changing market preferences and trends, our failure to execute agreements with our technology partners, our failure to effectively market these new products and services or foresee challenges with respect to our business initiatives, our failure to sufficiently upgrade our infrastructure, machines, equipment and technology as required to cater to the requirement of changing demand and market preferences, our failure to maintain highest quality and consistency in our operations or to ensure scaling of our operations to correspond with our strategy and customer demand, changes in GoI policy or regulation, our inability to respond to regular competition, and other operational and management difficulties. Any failure on our part to implement our strategy due to many reasons as attributed aforesaid could be detrimental to our long-term business outlook and our growth prospects and may materially adversely affect our business, results of operations and financial condition.

Further, we expect our future growth to place significant demands on both our management and our resources. This will require us to continuously evolve and improve our operational, financial and internal controls across our organization. Any inability to manage our growth as part of our strategy may have a material adverse effect on our business, results of operations and financial condition.

15. ***We operate in a competitive environment and may not be able to effectively compete which could have a material adverse effect on our business, results of operations and financial condition.***

The market wherein we operate is competitive, rapidly evolving and is characterized by frequent introductions of new and improved solutions, applications and technologies. We expect competition to persist and intensify in the future as the market wherein we operate is constantly evolving and growing with new and existing competitors devote considerable resources to introducing and enhancing products and services. Accordingly, our ability to grow our business in accordance with our strategy will depend on our ability to introduce new products, respond to pricing strategies by competitors, redevelop our brand, execute agreements with technology partners, improve our manufacturing capabilities and technology and develop intellectual property. Our major competitors include Himachal Futuristic Communications Limited in the areas of OFC, GPON, solar and microwave radio, Bharat Electronics Limited in the areas of encryption products, transceivers, defense communication, amplifiers and e-governance, Telecommunications Consultants India Limited in the area of telecom project management, Tejas Networks Limited in the areas of GPON and wireless broadband and Electronics Corporation of India Limited in the areas of antennas, communication networks, encryption systems and data warehousing.

Our competitors may devote greater resources to the development, promotion and sale of their products than we do. They may have lower costs and be able to withstand lower prices better in order to gain market share. They may be more diversified than we are and better able to leverage their other businesses, products and services to be able to accept lower returns and gain market share. In addition, many of our competitors have significantly greater engineering, technical, manufacturing, research and development, sales, marketing and financial resources and capabilities than we have. These competitors may be able to respond more rapidly than we can to new or emerging technologies or changes in customer requirements, including introducing a greater number and variety of products than we can.

To remain competitive, we must continue to invest significant resources in modernisation, research and development, manufacturing, sales and marketing and customer support. We cannot be sure that we will have sufficient resources to make these investments or that we will be able to make the technological advances necessary to be competitive. Failure to compete successfully against current or future competitors could have a material adverse effect on our business, results of operations and financial condition.

We expect that in the future a limited number of large customers will continue to comprise a significant percentage of our operating 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, we may experience material fluctuations or decline in our revenue and reduction in our operating margins, as a result of which our business, results of operations and financial condition could be materially and adversely affected.

16. ***We are dependent on and derive a substantial portion of our revenue from a limited number of PSU customers and other GoI entities as well as State Governments and our relationship with GoI entities and State Governments exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition.***

We are dependent on a limited number of customers and projects which are primarily PSUs, the Ministry of Defence and other GoI agencies. Substantially all of our revenue from operations and our Order Book are derived from PSUs like Bharat Sanchar Nigam Limited ("**BSNL**"), Mahanagar Telephone Nigam Limited ("**MTNL**"), Energy Efficiency Services Limited ("**EESL**"), Bharat Broadband Network Limited ("**BBNL**"); the Ministry of Defence, and other GoI agencies as well as State Government entities (together, "**Government Customers**"). In the six months ended September 30, 2019, Fiscal 2019, Fiscal 2018 and Fiscal 2017, Government Customers accounted for approximately 99.28%, 86.41%, 91.21% and 98.16% of our revenue from operations, respectively. As at December 31, 2019, approximately 97.72% of our Order book was concentrated in eleven projects with Government Customers.

Our revenue and Order Book are concentrated with, and we are dependent on, a limited number of customers and projects. In the six months ended September 30, 2019, Fiscal 2019, Fiscal 2018 and Fiscal 2017, our top three customers accounted for 72.30%, 70.83%, 69.06% and 81.38% of our revenue from operations, respectively, and our largest customers accounted for 47.25%, 35.93%, 48.89% and 66.93% of our revenue from operations, respectively. As at December 31, 2019, approximately 79.67% of our Order Book was concentrated in four projects with four customers.

Given that we derive a significant portion of our revenue from Government Customers, we are exposed to various risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition. These risks include:

- participation in contracts with Government Customers could subject us to stricter regulatory and testing requirements which may increase our compliance costs;
- execution of the detailed definitive documentation and agreements with Government Customers may take a significant amount of time and cause delays;
- delays in project implementation and key initiatives where we have invested significant costs;
- delays in payment due to the time taken to complete internal processes of Government Customers;
- levy of liquidated damages due to our execution delays, which may adversely affect our profit margins;
- tenders with Government Customers are awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning such 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 and/or renegotiation of the terms of the bid or lowering the price for products and services included in the tender;
- 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 tax policies and reduced tax revenues can affect the number and terms of new government contracts signed;
- any disinvestment by the GoI of its shareholding in such entities could result in a change in business operations of such entities, which may impact existing or future business arrangements between our Company and such entities;
- terms and conditions of contracts with Government Customers, 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
- In the event of any non-payment or delay in payment by our Government Customers, we may be unable to make payments to our technology partners and other third-party contractors, who may initiate proceedings against our Company, which may result in an adverse impact on our business, results of operation and financial condition.

In addition, we are aware that certain of our Government Customers may be loss making from time to time, and the GoI may take action to revive or liquidate or restructure these GoI companies which could have a material adverse impact on our Order Book or payments owed to our Company. For further details see, "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects.*" on page 15.

17. The telecommunications technology market and telecommunications equipment manufacturing market are characterised by rapid technological changes, and if we are unable to keep abreast of the technological changes and new product introductions, our business, results of operations and financial condition may be adversely affected.

The telecommunications technology market and telecommunications equipment manufacturing market are characterised by rapid technological changes, with new product introductions, technology enhancements, innovative methodology and evolving industry standards with respect to the protocols used in data communication, telecommunication networks and technology. Our future performance will depend on the successful development, introduction and market acceptance of new, improved and enhanced products that address these changes as well as current and potential customer requirements and changing market trends. New products based on new or improved technologies may render existing products obsolete. 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 business, results of operations and financial condition would be adversely affected.

Further, we regularly bid for tenders, and execute agreements for manufacturing, developments and supply of products and services in collaboration with our technology partners. We also have entered into various transfer of technology agreements and teaming agreements with technology and telecommunications companies as well as start-ups to provide us with access to new technology and products to expand our offering to customers as well as to drive our company-wide efforts towards innovation. In the event that we are unable to continue to enter into such arrangements, or renew such arrangements, we may be unable to service the requirements of our existing as well future customers, which may lead to a fall in our market share. Any such inability may lead to a material adverse impact on our business, results of operations and financial condition.

As part of our strategy and to cater to the changing customer preferences and market trends, we have introduced various new products and services in recent years. As we introduce these new products and services, we may face risks including, among other things, disruption in customers' ordering patterns, excessive or insufficient levels of existing product inventories, difficulties in ramping-up our manufacturing arrangements, revenue deterioration in our existing product lines, insufficient supplies of new products to meet customers' demand, possible product and technology defects and a potentially different sales and support environment. The development and commercialisation process are both time consuming and capital intensive. We may focus our resources on technologies that may not become widely accepted or may not be commercially viable. Our ongoing investments in research and development and our collaboration with technology partners for new products and processes may result in higher costs without a proportionate increase in revenues. Further, we may be unable to maintain our collaboration with our technology partners that are necessary for developing our new products and processes. Product development delays may result from numerous factors, including, changing product specifications and customer requirements and unanticipated engineering complexities, difficulties in hiring and retaining necessary technical personnel, difficulties in reallocating engineering resources and overcoming resource limitations and changing market or competitive product requirements.

There is also a possibility that we may miss a market opportunity because we failed to invest, or invested too late, or were unable to enter into an arrangement with a technology partner, 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 or our failure to manage the introduction of new products and services in line with our strategy and as per the changing customer preferences and market trends could have a material adverse effect on our business, results of operations and financial condition.

18. ***We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures. Further there have been certain lapses in compliance with the provisions of the Companies Act and SEBI Listing Regulations in the past.***

Our Company was incorporated on January 25, 1950, and we have an operating history spanning over seven decades. We are unable to trace certain documentation pertaining to some of our historical, legal and secretarial data or information.

For instance, we are unable to trace secretarial documents such as copies of certain prescribed forms filed with the RoC relating to (i) allotment of shares to our Promoter and other shareholders from the date of our incorporation up to Fiscal 2006, (ii) amendments to our charter documents including changes in our authorised share capital and changes in our objects, from the date of our incorporation up to Fiscal 2006 and (iii) changes in our registered office from the date of our incorporation till date. Further, we are unable to trace certain internal corporate records, such as shareholder resolutions for allotment of equity shares, amendments to our charter documents, and physical share transfers made by our Promoter and other shareholders. In addition, in the years 1992, 1993 and 1995 our Promoter had disinvested part of its shareholding in our Company in four phases. Further, the Equity Shares of our Company were listed on BSE and the Bangalore Stock Exchange Limited. Thereafter, our Equity Shares were listed on the NSE in April 2003. However, we are unable to trace the relevant documents, including Board and shareholder resolutions, in relation to the said listing.

There also may be inconsistencies between the date of filing of the relevant forms filed with the RoC for allotment of shares to our Promoter and the board minutes and other statutory records maintained noting the allotment made to our Promoter. We cannot assure you of the accuracy and completeness of such internal records maintained by us in respect to the above-mentioned corporate actions. We cannot assure you that we will be able to locate or obtain access to the documentation pertaining to such historical, legal and secretarial data or information. Further, while we believe that we have complied with the applicable laws in relation to the aforesaid corporate actions, we cannot assure you that there have not been any non-compliances in the past, and that we will not be subject to any penalty imposed by any relevant authority in future.

Owing to our inability to locate the aforesaid documents, certain disclosures in this Red Herring Prospectus, including in the sections "Capital Structure" and "History and Certain Corporate Matters" are based on available information and corporate records. For instance, the Company is unable to determine the price at which transfers have been undertaken by our Promoter in the past. Accordingly, the disclosure of the acquisition cost per Equity Share for the Promoter, which is required to be disclosed in the Red Herring Prospectus, in the prominent notes in the section "*Risk Factors*", has not been included. Further, the said details have also not been included in the build-up of the shareholding of our Promoter, in the section "*Capital Structure*" on page 73. In addition, we are unable to provide our Promoter's shareholding build up prior to March 6, 1992 due to the unavailability of the corporate records with our Company. Similarly, the date of the shareholders resolution for certain amendments to the MoA of the Company in the section "*History and Certain Corporate Matters*" on page 144, have not been disclosed. We cannot assure you of the adequacy or completeness of the said disclosures made in the absence of complete documentation.

Further, there have been certain instances of lapses in compliances by our Company with applicable provisions of the Companies Act and SEBI Listing Regulations. For instance, for the allotment of Equity Shares made to our Promoter on August 11, 2016, February 9, 2017 and December 14, 2017, the Equity Shares were not allotted to our Promoter within 60 days of receipt of funds from our Promoter, in compliance with the provisions of the Companies Act. Further, certain intimations such as notice of board meetings, outcome of board meetings and appointment of statutory auditors of the Company are not available on the website of the Stock Exchange, and there may have been certain instances of delay in submission of intimations and shareholding pattern by our Company as per the SEBI Listing Regulations. Our Company received a letter dated June 15, 2018 from BSE imposing a penalty of ₹6.70 million for non-submission of financial results for period ended March 31, 2018, under Regulation 33 of the SEBI Listing Regulations. Post submission of a response and personal hearing by our Company clarifying that there was a partial submission of documents, owing to technical difficulties, the BSE waived the said penalty by way of letter dated September 3, 2018, and advised our Company to exercise caution in future while filing documents with BSE, and to ensure compliance with various circulars of SEBI and the Stock Exchanges on a timely basis. Further, our Company had also filed an application dated August 28, 2018 with SEBI for condonation of delay in filing listing application due to a technical glitch with respect to an allotment of 137,000,000 Equity Shares to our Promoter on May 5, 2018. SEBI responded vide letter dated September 7, 2018 accepting the request of our Company. As on the date of this Red Herring Prospectus, the composition of our Board is not in compliance with Regulation 17(1)(b) of the SEBI Listing Regulations. While we have received an exemption pursuant to the SEBI Exemption Letter 2020 from complying with Regulation 17(1)(b) of the SEBI Listing Regulations and the disclosure requirement prescribed under Paragraph (2)(VIII)(E)(7)(a) of Part A of Schedule VIII of the 2019 SEBI ICDR Regulations, however, we do not know when an Independendent Director will be appointed. Until the appointment of an Independent Director, we will remain in breach of SEBI Listing Regulations. For further details see, "*Our Management*" on page 158.

While no adverse action has been taken by the Stock Exchanges or the RoC against our Company in relation to such lapses and non-compliances in the past, we cannot assure you that no such action would be taken against us in future. Any such disciplinary action may result in, *inter alia*, application of fines or penalties which could adversely impact our financial condition and results of operations.

19. The contracts in our Order Book may be adjusted, cancelled or suspended by our customers and, therefore our Order Book is not necessarily indicative of our future revenues or profit.

Our "Order Book" comprises anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) as at a particular date. As at December 31, 2019, our Order Book was ₹110,511.21 million (including advance purchase orders but net of GST). There can be no assurance that our Order Book will actually be realized as revenues or, if realized, will result in profits. All of our contracts are subject to cancellation, termination, or suspension at the discretion of the customer at any stage of the contract. Clauses in the tender documents which may be used to cancel or suspend or terminate the contracts, for example, include statements like "in the event of continuous/continual non-performance, the Purchaser reserves the right to procure the items/goods/services from elsewhere at the sole risk and cost of the supplier and to recover all such extra costs incurred by the Purchaser in procuring such items, etc. from the resources available. Alternatively, the Purchaser may cancel the Contract completely or partly without prejudice to its rights under the alternatives available".

In addition, the contracts in our Order Book are subject to changes in the scope of services and products to be supplied as well as adjustments to the costs relating to the contracts or place of delivery. Projects can remain in Order Book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. In addition, even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed. There may also be disputes in relation to our Order Book. For example, in case of an order in 2009, the original purchase order amount was ₹1,805.30 million and was reduced to ₹1,650.90 million in respect of certain domestically manufactured equipment was replaced with imported equipment. Any delay, cancellation, dispute or payment default could adversely affect our business, results of operations and financial condition. For more information on our Order Book, see "Our Business—Our Order Book" on page 128, and "--*We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects*" on page 15.

20. The growth of our business may require us to obtain additional financing, which we may not be able to obtain on reasonable terms, or at all.

We expect to incur substantial expenditure for undertaking our projects and supplying our products and services to our customers including for the purchase of materials and components and other overheads. There can be no assurance that we will have sufficient capital to accomplish the planned purchases and upgrades of our manufacturing facilities and service offerings and expansion in future. Further, because future business expansion will be dependent in part on the future demand for our services, it is difficult for us to predict with certainty our future capital expenditure requirements, as these will be mainly based on projections and assumptions. In the event that we have underestimated our future capital requirement needs or overestimated future cash flows, or in the ordinary course of business, we may require additional financing in order to meet our projected capital, working capital and other expenditure requirements. In such an event, no assurance can be given that financing will be available on favourable terms or at all.

Further, to the extent that we are able to obtain financing when needed, the agreements governing debt financing may contain certain restrictive covenants that may limit our ability to enter into certain business transactions and may restrict our management's ability to conduct our business. Further, in the event, we finance our business requirements from the issuance of additional Equity Shares, such issuance would also dilute the ownership interest of holders of the Equity Shares.

21. Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions.

As at December 31, 2019, we had a consolidated borrowings (fund based and non-fund based) outstanding of ₹19,132.60 million. We have entered into agreements for working capital borrowings. The terms of sanction of such borrowings and certain terms of the financing agreements include covenants, such as requirement to maintain certain security, margins, financial ratios and other restrictive covenants relating to issuance of new shares, changes in capital structure, making material changes to constitutional documents, implementing any expansion scheme, incurring further indebtedness, encumbrances on, or disposal of, assets and paying dividends. For details, see "*Financial Indebtedness*" on page 309. There can be no assurance that maintaining or adhering to such covenants will not hinder business development and growth. Furthermore, our financing arrangements specify that upon the occurrence of an event of default, the lender shall have the right to, inter alia, cancel the outstanding facilities available for drawdown, convert the outstanding loan into equity in the Company, appoint nominee directors, declare the loan to be immediately due and payable with accrued interest and enforce rights over the security created. There can be no assurance that we will be able to comply with these financial or other covenants, or that we will be able to obtain the consents necessary to proceed with the actions which we believe are necessary to operate and grow our business, which may in turn have a material adverse effect on our business and operations. In addition, our Company has received a loan of ₹3,000 million from the Government for payment of salaries of its employees. The loan is repayable five years after our Company starts making profits, with a moratorium period of two years with interest at the rate of 1% per annum. Since our Company registered profit, without grant-in-aid during Fiscal 2018 and Fiscal 2019, the said moratorium period ended on March 31, 2019, and the loan payments shall commence from Fiscal 2020 onwards.

We cannot assure you that we have complied with all such restrictive covenants in a timely manner, or at all, or that we will be able to comply with all such restrictive covenants in the future. Further, during any period in which we are in default, we may be unable to raise, or may face difficulties raising, further financing. In such eventuality, other third parties may have concerns over our financial position. Any of these circumstances could adversely affect our business, credit ratings, prospects, results of operations and financial condition. Additionally, any such action initiated by our lenders could result in the price of the Equity Shares being adversely affected.

Our Company owns 49.06% of the paid up equity share capital of our Joint Venture, Satcom, as on the date of this RHP. Satcom had two secured loans and one unsecured loan that was in default. These loans were repaid by our Company pursuant to a one-time settlement scheme pursuant to a Debt Recovery Tribunal order in the amounts of ₹38.06 million on March 26, 2019 and of ₹146.66 million on October 24, 2019. The lenders have issued no dues certificates in respect of these loans. There can be no assurance that our Joint Venture will not default on other loans in the future. If we have to repay these loans on our Joint Venture's behalf, our business, results of operations and financial condition could be adversely affected.

22. We may be exposed to misappropriation and infringement claims by third parties, which may have a material adverse effect on our business and reputation. In addition, we have not filed for protection of intellectual property rights for any of our products including our defence encryption and security products. We cannot guarantee that such products will not be copied or infringed by any third party.

We produce proprietary products including products pertaining to defence, encryption and security services. Many of our products involve various levels of scrutiny, research and development. They also involve a specific and a niche level of knowledge and know how to produce. We have not filed any application for the protection of our intellectual property rights pertaining to any of our products, and hence, we cannot guarantee that our products will not be copied or infringed by any third party and such infringement will not adversely affect our competitive position in the industry segments in which we operate. Further, while we have registered trademarks for "ITI Smaash" and "ITI", we cannot assure that we would not be subject to any infringement of these trademarks.

Third parties, including our competitors, may 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, results of operations and financial condition and reputation.

We have also entered into MoUs, teaming agreements and transfer of technology agreements with various companies including start-ups under which we receive confidential information. Any inability on our part to maintain confidentiality of such information could expose us to contractual liability and claims. 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, results of operations and financial condition and reputation. We have also executed non-disclosure agreements with certain of our customers. Any breach of our obligations under such agreements could result in monetary liability to our Company, together with reputational harm, which may adversely impact our business, results of operations and financial condition.

23. ***We have substantial tax loss carry forwards which expire in eight fiscal years after the tax loss is incurred.***

We have substantial tax loss carry forwards in the period Fiscal 2003 to Fiscal 2015, each of which expire in eight fiscal years after the tax loss is incurred. For further details, see "*Financial Statements*" on page 179. Our ability to utilize these tax losses from prior years is dependent on us having sufficient taxable income to offset. We are unable to make any assurance that we will be able to fully utilize the tax loss carry forwards in a timely manner which would result in such unutilized tax loss carry forwards to expire.

24. ***We could incur losses under our purchase orders and contracts with our customers or be subjected to disputes or contractual penalties as a result of cost overruns, delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, financial condition and results of operations.***

Our purchase orders and contracts with our customers provide for liquidated damages for late delivery of our products and/or services. In the past, there have been instances of time overruns, due to which we have been required to re-negotiate some of the terms, such as date of delivery, scope of work, of our purchase orders and customer contracts due to a delay in delivery (owing to a combination of internal as well as external factors beyond our control.) For details, see "*History and Certain Corporate Matters*" on page 144. We have also had to pay liquidated damages for delay in delivery and for quality issues. For example, in the period of Fiscal 2010 to Fiscal 2015, the Company had an order relating to a GSM project which was adjusted due to certain of its partners allegedly failing to meet customer requirements. The original purchase order value was ₹1,805.40 million and was adjusted to ₹1,651.00 million due to the alleged non-compliance. The Company also paid liquidated damages in this instance of 12% of the purchase order value on account of the delay to the customer and non-compliance with its requirements. In addition, we have also executed settlement agreements in relation to dues owed by us and our collaborators and have also been made party to disputes filed by our customers and technology partners. There can be no assurance that our customers in future will not rescind their contracts with us if there is a delay in delivery beyond the time stipulated in the contract or we may need to renegotiate some of our customer contracts. This may have an impact on our reputation, which could have a material adverse effect on our business, results of operations and financial condition. Further, payment of liquidated damages and renegotiation of terms of purchase orders/ contracts could also have an adverse impact on our financial position and cash flows. In addition, certain of our customer purchase orders/ contracts, enable our customers to set off payments for goods delivered against previous outstanding balances. Any such instances may also impact our cash flows and have an adverse impact on our business operations.

25. ***We are dependent on the award of large-scale contracts and turnkey project awards which are subject to cancellation and changes in scope of services and for which cost over-runs and delays may adversely affect our business, results of operations and financial condition.***

A substantial portion of our revenue is generated from large-scale contracts and turnkey projects that we are awarded from time to time. The timing of when project awards will be awarded is unpredictable and outside of our control. We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we are subject to the risk of losing new awards to competitors. Because a substantial portion of our revenues are generated from large projects, our results of operations can fluctuate over fiscal years and quarters, depending on whether and when project awards occur and the commencement and progress of work under such awarded contracts. Hence, there is a risk that revenue may not be derived from awarded projects as quickly as anticipated. Also, any cancellation or suspension of an order by a customer may also affect our business, results of operations and financial condition.

There are various risks associated with the execution of large-scale integrated contracts and turnkey projects including, but not limited to, the following:

- Large scale contracts include manufacturing and procuring many types of products. For example, our BharatNet project requires manufacturing and procuring GPON equipment, optical fiber cable, HDPE duct and fiber laying accessories and other electronic items required for providing broadband connectivity. Any delay in manufacturing or procuring components for manufacturing or procuring the products (which are not manufactured by us) will result in the delay in execution of the project.

- Large contracts also involve partnering with other agencies and partners. Any failure of other agencies or our partners in the execution of their part of the work might affect the execution of all or part of the project.

- In addition, large scale contracts may be delayed due to customer issues and events beyond our control. For example, the Network for Spectrum (NFS) project was awarded in 2014 and has been delayed primarily due to delays at the end of the customer.

At present, large-scale contracts and turnkey projects represent a significant part of our Order Book and may represent a significant part of our Order Book in the future, increasing the potential volatility of our results of operations and cash flows and exposure to individual contract risks. For further information on these projects and our Order Book, see "*Our Business - Order Book*" on page 128. Managing such large-scale contracts and turnkey projects may also increase the potential relative size of cost overruns and negatively affect our operating margins. If we do not achieve our expected margins or suffer losses on one or more of these large-scale contracts or turnkey projects, our business, results of operations and financial condition could be materially adversely affected.

26. If we are unable to collect our dues and receivables from our customers in accordance to the terms and conditions of the contracts and the payment schedules, our business, results of operations or financial condition 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 in accordance to the terms and conditions of the contract and the agreed payment schedule. For Fiscal 2019, Fiscal 2018 and Fiscal 2017, our average debtor cycle based on our revenue from operations was 581 days, 757 days and 518 days, respectively, and our average debtor cycle based on net revenues was 581 days,786 days and 518 days, respectively. As indicated in the average debtor cycle based on the net revenue, data of the last three (3) years trade receivables have been decreasing since Fiscal 2016, except for an increase in the number of days from 518 days in Fiscal 2017 to 786 days in Fiscal 2018. This increase in number of days is attributed to revenue bookings of ₹9,641.80 million in fourth quarter ended March 31, 2018, for which payment was not received in the same quarter. In the six months ended September 30, 2019, our average debtor cycle based on our revenue from operations was 836 days and our average debtor cycle based on net revenues was 839 days. The reason for increase in number of days of our debtor cycle for the six months ended September 30, 2019 is due to our lower revenue in the first half of the Fiscal 2020. The debtor cycle as on September 30, 2019 is 185 days after adjusting back-to-back debtors of ₹10,958.90 million and advances received from customers of ₹6,590.13 million during the period.

As at March 31, 2019, our trade receivables including bills discounting were ₹26,574.00 million representing 159.28% of our revenue from operations for the respective prior twelve-month periods.

Payments from Government Customers are often delayed for various reasons beyond our reasonable control and these irregular payment cycles may affect our working capital requirements and projections and in turn may adversely affect our business, results of operations and financial condition.

Economic 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 including delivery schedule and product quality, we might experience delays in the collection of, or be unable to collect, our customer balances, and if this occurs, our business, results of operations and financial condition could be adversely affected. In addition, if we experience delays in billing and collection for our services, our business, results of operations and financial condition could also be adversely affected.

27. ***The success of our business depends substantially on management team and key operational workforce. Our inability to retain them could adversely affect our businesses.***

Our future success depends on the continued services and performance of the members of our management team, technical team and other key employees. We cannot assure that we will be able to retain our existing senior management or attract and retain new senior management in the future. Any loss of the services of key persons in the organization could seriously impair our ability to continue to manage and expand our business. Further, the loss of any other member of our senior management or other key personnel may adversely affect our business, results of operations, financial condition and cash flows. We do not maintain 'key man' life insurance for senior members of our management team or other key personnel.

The success of our business will also depend on our ability to identify, attract, hire, train, retain and motivate skilled personnel in accordance to the requirement of our business. We cannot assure you that we will be successful in recruiting and retaining a sufficient number of personnel with the requisite skills to replace those personnel who may disassociate with our Company. If we fail to hire and retain sufficient numbers of qualified personnel for functions such as manufacturing, technical, finance, marketing, sales and operations, our business, results of operations and financial condition could be adversely affected. Further, we cannot assure you that we will be able to re-deploy and re-train our personnel to keep pace with continuing changes in our business and in the industry in which we operate.

28. ***Our business is dependent on our manufacturing facilities, and the loss or shutdown of operations at any of our manufacturing facilities may have a material adverse effect on our business, results of operations and financial condition.***

Our manufacturing facilities and research and development centre are subject to operating risks, such as (i) the risk of substantial disruption or shutdown due to breakdowns or failure of equipment, natural disasters, storms, fires, explosions, earthquakes, floods and other catastrophic events, which could cause power interruptions and water shortages, actual, potential or suspected epidemic outbreaks, terrorist attacks and wars, labour disputes, strikes, lock-outs, loss of services of our external contractors, and industrial accidents, (ii) performance below expected levels of output or efficiency, and (iii) obsolescence. For instance, we have faced disruptions in our business operations and have faced closures in our Srinagar Plant due to recent protests against the amendment to Article 370 of the Constitution of India.

Our manufacturing facilities are also subject to operating risk arising from any failure to comply with the directives of relevant government authorities (such as environmental authorities) or any changes in governmental regulations affecting our business and our facilities, such as any change in the zoning of the land on which our manufacturing facilities are located into a residential or other non-industrial use, which could lead to a loss of licenses, certifications, permits and the ability to continue operating our current manufacturing facilities and R&D centre. Moreover, catastrophic events could also destroy any inventory and capital assets located at our facilities and R&D centre. If there is any prolonged disruption or shutdown of operations at our manufacturing facilities attributed to various reasons as stated above, we may not be able to replace the equipment or inventories or use different facilities to continue our operations in a timely and cost-effective manner or at all. We may not be able to recover from damages or interruptions caused to our manufacturing facilities in a timely manner or at all. The occurrence of any such event could result in the temporary or long-term closure of any of our manufacturing facilities, severely disrupt our business operations and could have a material adverse effect on our business, results of operations and financial condition. For details of our manufacturing facilities, see "*Our Business*" on page 119.

29. ***Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency.***

We intend to use the Net Proceeds for the purposes described in "*Objects of the Issue*" on page 82. Our funding requirements are based on management estimates and our current business plans and have not been appraised by any bank or financial institution. The deployment of the Net Proceeds will be at the discretion of our Board. However, the deployment of the Net Proceeds will be monitored by a monitoring agency appointed pursuant to the SEBI ICDR Regulations. We may have to reconsider our estimates or business plans due to changes in underlying factors, some of which are beyond our control, such as interest rate fluctuations, changes in input cost, changes in terms of our purchase orders or contracts, inability to receive the award of purchase orders, and other financial and operational factors.

Accordingly, prospective investors in the Issue will need to rely upon our management's judgment with respect to the use of proceeds. If we are unable to deploy the proceeds of the Issue in a timely or an efficient manner, it may affect our business, results of operations and financial condition.

30. ***If there are delays or cost overruns in utilisation of Net Proceeds, our business, financial condition and results of operations may be adversely affected.***

We intend to utilise the Net Proceeds of the Issue as set forth in "*Objects of the Issue*" from page 82 for meeting working capital requirements and for repayment of loans. The fund requirement mentioned as a part of the objects of the Issue are based on internal management estimates and have not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies. We have relied on past expenditure in estimating utilisation of the Net Proceeds for our working capital requirements. 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.

Furthermore, we may need to vary the objects of the Issue due to several factors or circumstances including competitive and dynamic market conditions, variation in cost structures, changes in estimates due to cost overruns or delays, which may be beyond our control. Pursuant to Section 27 of the Companies Act, 2013, any variation in the objects of the Issue would require a special resolution of our shareholders, and our Promoter 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 share price may be adversely affected.

31. ***We rely on a number of third party suppliers for our key components, materials and stock in trade as well as customer support services including product repairs and returns. If such third parties fail to deliver such components, products and support services 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 reputation, business, results of operations and financial condition may be materially and adversely affected.***

We rely on a number of suppliers for our components, materials and stock in trade which are an integral part of our product and service offering. 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. Any defects in quality may not appear during the testing phase in our factory but may appear in the customer network at a later stage, resulting in additional costs as well as loss of reputation for us. In addition, we rely on third party suppliers to provide customer support services including product repairs and returns.

Given our reliance on our suppliers, if any one of our suppliers is unable to deliver the components, materials, stock in trade or customer support services in a timely manner, or at all, or meet our design or quality specifications, we may be unable to meet our product and service 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. There can be no assurance that we will be able to maintain strategic relationships with our suppliers or diversify our supplier base. Further, our suppliers 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. We have had to incur additional payment delays costs as a result. As 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.

If we are unable to deliver reliable and high-quality products or services or timely resolve any issues relating to our products and services, confidence in our business 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 reputation, business, results of operations and financial condition could be materially and adversely affected.

32. ***Certain of our purchase orders, contracts, teaming agreements and transfer of technology agreements are governed by the laws of a country outside of India. Litigation or disputes outside of India may be costly and time consuming and could have adverse impact on our business, results of operations and financial condition.***

Certain of our purchase orders, contracts, teaming agreements and transfer of technology agreements executed with customers, suppliers and technology partners are governed by the laws of the country in which either the customer or the supplier is incorporated or where the business of the customer or the supplier is situated, and any disputes related to such contracts may be subject to the exclusive jurisdiction of courts situated in such countries. Lawsuits with respect to such disputes may be instituted in courts situated outside India, and it may become unfeasible or time consuming and expensive for our Company to manage such litigation or to obtain enforcement of awards made in such suits. Further, we may also incur significant litigation costs as a result of pursuing dispute resolution mechanisms outside India. Such litigation may have an adverse impact on our business, results of operations and financial condition.

33. ***Our success depends on the smooth supply and transportation of raw materials from our suppliers to our plants and of our products from our plants to our customers, which is subject to various uncertainties and risks.***

We procure our raw materials and stock in trade from domestic and international suppliers. Any disruption of our suppliers' operations and/or inadequate or interrupted transportation of the raw materials and stock in trade to our facilities could result in delay in manufacturing the products for the customers and adversely affect our reputation, business, financial condition and results of operations. We depend principally on roadways, seaborne and airborne transportation for the delivery of raw materials to our manufacturing facilities and the delivery of our products from our manufacturing facilities to our customers. We rely on third parties to provide such services. These transportation providers may not be adequate to support our existing and future operations. Further, disruptions of transportation services because of weather-related problems, strikes, lock-outs, inadequacies in the road infrastructure and port facilities, geopolitical events, or other events could impair our ability to supply our products to our customers. In the event of any of the foregoing, we may be required to buy our components, materials and stock in trade at unfavourable prices depending on demand and competition for components and materials, which could materially and adversely affect our reputation, business, results of operations and financial condition.

34. Change in production costs due to various factors could erode our profit margins and negatively impact our operating results.

We have manufacturing facilities located at Bengaluru, Naini, Raebareli, Palakkad and Mankapur. Cost of production required for these manufacturing facilities may differ and can be volatile due to general economic conditions, labour costs, production levels, import duties and tariffs, exchange rate fluctuations and other factors beyond our control. There is no certainty that we will be able to offset any future cost increases against the prices paid by our customers. This volatility could significantly affect our product costs, and may, therefore, have a material adverse effect on our business, results of operations and financial condition.

Our manufacturing facilities rely principally on electrical power and other energy sources. High demand and limited availability of oil and natural gas and other energy sources can result in significant increases in energy costs, which could materially increase our operating expenses at our manufacturing facilities. Increased oil costs would also increase our costs to transport our products from our manufacturing facilities to our distribution network. There is no assurance that we will be able to secure stable supplies of energy at favourable terms, or at all, to maintain our manufacturing operations or sustain our future expansion. Higher energy costs would increase our production and logistics costs and could materially and adversely affect our business, results of operations and financial condition.

35. Our financial performance is typically lower during the first quarter of every financial year.

Our financial performance is typically lower in the first quarter of the financial year. Most of customers are Government Customers and the projects undertaken by us are typically projects sponsored by Government Customers. Such projects are often initiated in the later part of the financial year and the pressure for execution increases at financial year end. These projects also require certain inputs from the customer, the provisioning of which often is delayed at the beginning of the financial year which in turn delays the execution of the project. In addition, our Company uses the beginning of the financial year for training and enrichment of our staff through participation which may also have some adverse impact in our financial performance during the first quarter of the financial year.

36. We have incurred time and cost overruns in the past five years, which may also continue in the future and this may adversely impact our results of operations and financial condition.

We have in the past incurred time and cost overruns in the last five years in relation to certain projects and infrastructure development. Such time and cost overruns are primarily due to (a) resource constraints in terms of expert manpower, (b) stringent time lines set forth in the tenders by customers, (c) non-availability of certain deliverables or inputs by the customers themselves which may delay the execution of the project, and (d) non-availability of rights or permissions from third party agencies while executing certain types of infrastructure projects. We cannot assure you that such time and cost overruns would not occur or continue in the future. This may have a material adverse impact on our business, results of operations, financial condition and may also expose us to liability claims from customers, in case of inability to meet the timelines as provided in the respective purchase orders. Further, see "--*We could incur losses under our purchase orders and contracts with our customers or be subjected to disputes or contractual penalties as a result of cost overruns, delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, financial condition and results of operations*" and "*History and Other Corporate Matters*" on pages 25 and 144, respectively.

37. The majority of our customers operate in the telecommunications industry. Factors that adversely affect this industry or product spending by companies within this industry may adversely affect our business, results of operations and financial condition.

We derive a large proportion of our revenues from customers that operate in the telecommunications industry. Any significant decrease in product spending by customers in this industry or GoI departments and PSUs, like, BSNL, BBNL, the Ministry of Defence, from which we derive significant revenues may reduce the demand for our products. Further, any significant decrease in the growth of the telecommunications 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 and have an adverse effect on our business, results of operations and financial condition. In addition, as fewer customers gain control of the telecommunications 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 or vendors over us.

38. We are subject to foreign currency fluctuations in respect of purchases made in various foreign currencies, payments to foreign technology parters and purchases by foreign customers.

We import a portion of our equipment as well as components, materials and stock in trade used in our business and services. Accordingly, we are subject to foreign currency fluctuations in respect of such transactions made in various foreign currencies. Further, any political or economic disturbances in the countries from where we import could interrupt the timely supply of equipment procured by us. The exchange rate between the Rupee and other currencies, including the US dollar and the Euro, has changed substantially in recent years and may fluctuate substantially in the future.

While most of our revenues and our expenses are denominated in Indian Rupees, we have and may enter into agreements, including financing agreements and agreements to acquire components and capital equipment, which are denominated in foreign currencies and require us to bear the cost of adverse exchange rate movements. Accordingly, any fluctuation in the value of the Rupee against these currencies has and may affect the cost of servicing and repaying any obligations we may incur that expose us to exchange rate risk.

We engage in a limited amount of hedging in connection with purchases of equipment from Coriant Oy in US dollars. At present, we do not otherwise hedge our foreign currency exposure. If, in the future, foreign exchange rates are contrary to our expectations, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our business, results of operations and financial condition.

39. Increase in our cost of operations and other charges, may adversely affect our results of operation and profitability.

Our business would be affected by the fluctuation of costs at various levels. The overall cost factor of our operations is dependent on various factors, which are not in our control such as general economic conditions, competition, production levels, transportation costs and import duties. On account of overall inflationary situation, the costs of operations could go up significantly and to that extent our profitability may be adversely affected. Any increase in the costs of our operations may adversely affect our business, financial condition and results of operation.

40. We require various regulatory approvals and licenses for the purpose of our business. Our inability to obtain such regulatory approvals and licenses for the purpose of our business in a timely manner or at all, or to comply with the terms and conditions of our existing regulatory approvals and licenses, or maintaining the required filings and registers under such required laws, may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

We require certain regulatory approvals, sanctions, licenses, registrations and permissions for operating and expanding our business and also to maintain registers and updated filings under various provisions of law. Further, certain approvals, licenses and permits are valid for a certain period and are required to be renewed at regular intervals in accordance to the timelines prescribed under the relevant statues or as may be provided under the terms of such approvals, licenses and/or permits. Any inability to receive or ability to renew such approvals in the time frames prescribed under law or as may be required for the purpose of the business or not maintaining the required registers or updated filings, could adversely affect our business and result in closure of manufacturing facilities and/or the application of penalties. If we do not obtain, renew or maintain the regulatory approvals required to operate our business, it may have a material adverse effect on the continuity of our business and may impede our effective operations in the future.

In the past there have been certain instances where there has been a lapse in obtaining and renewing the relevant licenses and approvals within the prescribed time frame. See "*Risk Factors--Our Company has not obtained the renewal of the Karnataka Shops and Commercial Establishment registration certificate under the provisions of the Karnataka Shops and Commercial Establishments Act, 1961"* on page 17.

Further, we are yet to obtain certain approvals, including approvals and registrations under labour legislations for our unit in Srinagar. While no action has been taken in relation to the same against our Company, we cannot assure you that no such action would be initiated against us in future. Any such action may adversely impact our business, results of operations and financial condition.

In addition, as our manufacturing facilities cater to various Government Customers, many of these Government Customers certify our plants and production from time to time and test and certify our products at various stages including at the time of delivery. Any failure of our plants to receive certification by our customers or if a large volume of products were to fail our customers' testing and certification requirements, our business, results of operations and financial condition could be adversely affected.

For more information about the licenses required in our business, the licenses and approvals applied for renewal but not yet received, and approvals for which we have yet to apply, see *"Government and other approvals"* and "*Regulation and Policies*" on page 320 and 140, respectively.

41. ***We are subject to various laws and regulations, including environmental, 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 business, results of operations and financial condition.***

Our business and operations are subject to a broad range of environmental, health and safety risks. We are subject to various central, state and local laws and regulations in relation to the environment and 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, or renewals thereof, in the time frame 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.

In addition, being a listed company, we are also covered under various SEBI regulations, including but not limited to the SEBI (Prohibition of Insider Trading) Regulations, 2015, SEBI LODR Regulations and SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. In order to comply with all applicable regulations, we may incur compliance costs and such compliance may be time consuming.

These laws, rules and regulations also prescribe for penalties 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 or registration requirements, we may incur additional costs and liabilities in relation to compliance with these laws and regulations or any remedial measures in relation thereto and such 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, results of operations and financial condition. For further details, see "*Regulations and Policies"* and *"Government and Other Approvals*" on pages 140 and 320, respectively.

42. ***We are required to comply with policies of GoI in relation to our business operations. If we fail to comply with these policies or if we or our customers are required to comply with new or additional regulations or guidelines requiring reorganizing or restructuring, there may be an adverse effect on our business, results of operations and financial condition.***

We are a 'Government Company' under the provisions of Section 2(45) of the Companies Act, 2013, and the GoI currently owns 89.97% of our paid up Equity Share capital. Our business operations and the sectors in which we operate depend, directly and indirectly, on the policies and support of the GoI in many significant ways, including with respect to the cost of our capital, the financial strength of our customers and suppliers, and the growth of our business and the sectors in which we operate. Like any other public sector undertaking, the Government can influence key decisions about our Company, including with respect to the appointment and removal of members of our Board. Further, we are required to follow the public policy directives of the Government by concentrating on specific projects or sectors in the public interest. In addition, in the event the GoI divests its shareholding in the future, we may cease to benefit from favourable GoI policies.

Our Government Customers are also significantly impacted by the various policies framed by GoI. Since governmental entities are responsible for awarding telecommunication and defence related projects, concessions and maintenance contracts and are parties to the development and operation of such telecommunication projects, any withdrawal of support or adverse changes in their policies may lead to our financing agreements being restructured or renegotiated and could adversely affect our business, results of operations and financial condition.

43. ***Our Restated Financial Statements included in this RHP have been prepared under Indian Accounting Standards ("Ind-AS") and our financial statements from April 1, 2017 onwards have been, and will be, prepared under Ind-AS. As Ind-AS is different in many respects from Indian GAAP, our financial statements under Ind-AS may not be comparable to our historical financial statements prepared under Indian GAAP.***

The Companies (Indian Accounting Standards) Rules, 2015 ("**IAS Rules**"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind-AS. Ind-AS is different in many respects from Indian GAAP. Our Restated Financial Statements included in this Red Herring Prospectus have been prepared Ind-AS and our future financial statements will be prepared under Ind-AS. Our Restated Financial Statements under Ind-AS and our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements. Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Ind-AS, Indian GAAP, the Companies Act, and the regulations framed there under. Any reliance by persons not familiar with Ind-AS, Indian GAAP, or these laws and regulations, on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

44. ***If we are unable to maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We take reasonable steps to maintain adequate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our shares.

Our operations and we are subject to anti-corruption laws and regulations. These laws prohibit us, our employees and intermediaries from engaging in bribes or making any type of prohibited payments to any persons for the purpose of gaining any business advantage. Our code of conduct requires our employees and intermediaries to comply with all applicable laws and we are continuously enhancing our policies and procedures to ensure compliance with these laws; however, such measures may not prevent the breach of these laws, particularly in emerging markets such as India.

We cannot provide assurance that we will be completely effective in ensuring our compliance with all applicable anti-corruption laws. Any noncompliance may be subject to criminal and civil penalties, disgorgement, other sanctions and remedial measures, as well as associated legal expense, which could have an adverse impact on our business, results of operations and financial condition. Additionally, any investigation of a potential violation of the anti-corruption laws by the relevant authorities could have an adverse impact on our reputation, our business, results of operations and financial condition.

45. ***Any non-compliance by our Company with the regulatory and sanction regimes of various countries could harm our reputation or result in regulatory action which could materially and adversely affect our business.***

To the extent we do business with customers and suppliers outside of India, we are subject to the regulatory regimes of various countries, including applicable economic and trade sanctions programs administered by supranational organizations such as the United Nations. In addition, certain countries and markets where we may conduct business also impose economic and trade sanctions. These sanctions are imposed in connection with doing business with, or affecting, certain countries, their citizens or entities, specially designated nationals or other persons or entities that may be doing business with targeted countries, persons or entities.

Failure to comply with these laws and regulations may expose us to risk of adverse and material financial, operational, or other adverse impacts on our business. To the best of our knowledge, neither we, nor our affiliates, are the subject, or have ever been the subject, of any sanctions or a related government investigation or enforcement action.

If either we or our affiliates are found to be in violation of sanctions laws, we or our affiliates could be subject to financial or other penalties. Even when a violation of sanctions laws cannot be established, government investigations or other actions of other related companies may result in reputational or other harm to us.

46. ***We may face labour disruptions that could interfere with our operations and have a material adverse affect on our business, results of operations and financial condition.***

Our employees form part of various trade unions and are governed by the rules and regulations of the trade union and the applicable settlement agreement. We are exposed to the risk of strikes, lock-outs and other industrial actions. In the past five Fiscal years, we have not experienced any strikes, lock-outs and other industrial actions which have affected our business operations, but we may experience a strike, work stoppage or other industrial action that as such disrupts our business operations in the future. Although we believe that we have good industrial relations with our employees and unions presently, there can be no assurance that our employees will not undertake or participate in strikes, work stoppages or other industrial actions in the future. Any labour disruptions may adversely affect our operations by delaying or slowing down our production, increasing our production cost or even halting a portion of our production. If more stringent labour laws or other industry standards in India become applicable to us, our business, results of operations and financial condition may be adversely affected.

Our Company is subject to a number of stringent labour laws, which protect the interests of workers, including in relation to dispute resolution, employee removal, pending payments and legislation that imposes financial obligations on employers upon retrenchment. In addition to central laws, we are also subject to state and local laws and regulations at local level, governing our relationships with our employees, including those relating to minimum wage, bonus, gratuity, overtime, working conditions, recruitment and termination of employment, non-discrimination, work permits and employee benefits and social security.

We are also currently in the process of reducing our workforce in accordance with our strategy of reducing operating costs. We cannot assure you that any such steps taken by our Company would not result in disputes. Such disputes may be costly and may divert our management attention. Further, stringent labour laws will ensure difficulty in maintaining flexible human resource policies, and working environment, which could have an adverse effect on our business, results of operations and financial condition.

47. ***We engage contract labour for carrying out certain of our operations and we are responsible for paying any amount to the contractor as an arrangement entered into with the contractor. If the independent contractors through whom such workers are hired default on their obligations, this could have an adverse effect on our business, results of operations and financial condition.***

For the purpose of our business, we engage contract labourers to carry out the required activities at our Bengaluru, Naini, Palakkad, Mankapur and Raebareli plants. Such contract labourers are hired from a third-party contractor. As at September 30, 2019, we engaged contract labour whose wages are paid directly by independent contractors representing an expense of ₹76.18 million. Although we do not engage the contract labour directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors and also for certain statutory payments in the event that the contractor fails to remit the same. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. Further, in case any regulatory body or court passes orders which require us to regularise any of the casual or contract labour as regular employees, it may have an adverse effect on our business, results of operations and financial condition.

48. ***Certain of our plants, regional offices and area offices are situated on properties taken on lease. Certain of our leases have expired and are in the process of being renewed. We cannot assure that such leases will be renewed in the future with favourable terms.***

We currently lease premises for certain of our locations situated at Bengaluru, Naini, Palakkad, Raebareli and Srinagar plants. These are on long-term and short-term leases. Further, a majority of our regional offices and area offices are situated on leased premises. Our leases expire from time to time and are renewed periodically. As on the date of this Red Herring Prospectus certain of our leases for our offices have expired and are in the process of being renewed. There can be no assurance that such leases will be successfully continued and renewed in the future on a regular basis and, accordingly, we cannot guarantee the continuity of the possession of these properties. Any termination of our leases or current arrangements with the owner or landlord will result in additional expenditure by the Company. Further, we are operating certain area offices on properties without executing a lease agreement. Accordingly, we cannot assure you that we would be able to continue our operations from such premises, or that no adverse action would be taken against us in relation to such possession.

We generally enter into long-term lease agreements that have an initial term that typically range for a period of 25 to 90 years for our locations and short-term lease for a period of one to ten years. Certain of our lease agreements may also provide for our right of renewal of the lease agreements upon expiration. However, we cannot assure you that we will be successful in renewing these leases on favourable terms or at all. Further, to the extent that we are unable to renew our lease arrangements or on the properties where we are occupying the properties post expiry of the lease arrangements, we may be required to vacate the premises, which may have a material adverse impact our results of operations and business operations. In recent years, real estate costs including rents have escalated significantly in many of our existing locations and in new locations that we may enter and there can be no assurance that such significant increases in real estate costs will not continue to occur in the future. The increase in lease rentals, early termination of any of our leases due to non-compliance with the lease terms or the failure to renew leases at suitable costs or at all, could adversely affect our business, results of operations and financial condition.

Lease deeds for immovable property are required to be stamped as per state specific legislations. If an instrument required to be stamped, is not duly or adequately stamped, the same is not admissible as evidence as per Section 91 of the Indian Evidence Act, 1872 and is also capable of being impounded by a public officer. Further, a penalty of up to 10 times the stamp duty payable may be imposed by the government official collecting stamp duty.

Further, a lease deed exceeding a term of 11 months is also required to be registered as per Section 17 of the Registration Act, 1908. In terms of Section 49 of the Registration Act, 1908, where a document required to be registered is not registered, the same cannot be produced for enforcement before a court of law till the applicable stamp duty, registration charges, and consequent penalties are fully paid on the same.

Some of our lease agreements have not been registered or are not adequately stamped. If any of the lessors of these premises revoke the arrangements under which we occupy the premises or impose terms and conditions that are unfavorable to us, or if we are otherwise unable to occupy such premises, we may suffer a disruption in our operations or have to pay increased rent, which could adversely affect our business, results of operations and financial condition.

49. ***Any damages caused by fraud or other misconduct by our employees could adversely affect our business, results of operations and financial condition.***

We are exposed to operational risk arising from inadequacy or failure of internal processes or systems or from fraud. In the past five fiscal years our Company has not experienced any fraud or misconduct by employees which has adversely affected our business, results of operations or financial condition. However, we are susceptible to, and have experienced in the past, fraud or misconduct by employees or outsiders, unauthorized transactions by employees and operational errors. Employee or executive misconduct could also involve the improper use or disclosure of confidential information or data breach, which could result in regulatory sanctions and reputational or financial harm, including harm to our brand. Our management information systems and internal control procedures are designed to monitor our operations and overall compliance. However, they may not be able to identify non-compliance and/or suspicious transactions in a timely manner or at all. In addition, certain internal control processes are carried out manually, which may increase the risk that human error, tampering or manipulation will result in losses that may be difficult to detect. As a result, we may suffer monetary losses, including contractual liabilities and penalties, which may not be covered by our insurance and may thereby adversely affect our business, results of operations and financial condition. Such a result may also adversely affect our reputation, business, results of operations and financial condition.

50. Weaknesses, disruptions, failures of cyber security events in our IT systems could adversely impact our business.

We rely on IT systems in connection with financial controls, risk management and transaction processing. We are also involved in Aadhaar authentication and collection of Aadhaar based data and the collection of data on Indian citizens for the National Population Register and Socio Economic and Caste Census project. We may be subject to disruptions of our IT systems, arising from events that are wholly or partially beyond our control (for example, damage or incapacitation by human error, natural disasters, electrical or telecommunication outages, sabotage, computer viruses, or loss of support services from third parties such as internet backbone providers). We may also be subject to attempted hacking or phishing incidents. In past five fiscal years, we have not had incidents of system failures, cyber-attacks and frauds, hacking, phishing, trojans and theft of data with a material adverse effect on our business, results of operations or financial condition. In the event we experience systems interruptions, errors, downtime, incidents of hacking, phishing, or breaches of our data security systems, this may give rise to deterioration in customer service and loss or liability to us and it may materially and adversely affect our reputation, business, results of operations and financial condition.

Further, we are dependent on various external vendors for certain elements of our operations and are exposed to the risk that external vendors or service providers may be unable to fulfil their contractual obligations to us (or will be subject to the same risk of operational errors by their respective employees) and the risk that their (or their vendors) business continuity and data security systems prove to be inadequate. If our external vendors or service providers fail to perform any of these functions, it could materially and adversely affect our business and results of operations.

We rely on the security of such platforms for the secure processing, storage and transmission of confidential information. Examples of significant cyber security events are unauthorized access, computer viruses, deceptive communications (phishing), ransom ware, malware or other malicious code or cyber-attack, catastrophic events, system failures and disruptions and other events that could have security consequences (each, a "**Cyber Security Event**"). A Cyber Security Event could materially impact our ability to adequately manage and value our loan portfolio, provide efficient and secure services to our customers, and regulators, and to timely and accurately report our financial results. Although we have implemented controls and have taken protective measures to reduce the risk of Cyber Security Events, we cannot reasonably anticipate or prevent rapidly evolving types of cyber-attacks and such measures may be insufficient to prevent a Cyber Security Event. Cyber Security Events could expose us to a risk of loss or misuse of our information, litigation, reputational damage, violations of applicable privacy and other laws, fines, penalties or losses that are either not insured against or not fully covered by insurance maintained. We may be required to expend significant additional resources to modify our protective measures or to investigate and remediate vulnerabilities.

51. Product liability and other customer claims could adversely affect our business, results of operation and financial condition.

We are subject to product liability, performance bank guarantees for such product liability and other claims from customers or third parties, in connection with (i) the non-compliance of these products or services with the customer's specifications, due to faults in design or production, (ii) the delay or failed supply of the products or the services indicated in the contract, or (iii) defaults and/or delays in the marketing, rendering of after-sale services and maintenance and revision of products. These liabilities might arise from causes that are directly attributable to us or causes that are attributable to third parties. Furthermore, material breaches by us in the performance of our obligations may lead to contract termination or cause payment obligations to arise or may result in invocation of our performance guarantees under applicable indemnity bonds and bank guarantees and would adversely affect our business, results of operations and financial condition.

52. If we were to incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

We maintain insurance coverage to cover certain risks associated with our business. For details on our insurance policies, see "*Our Business – Insurance*" on page 137. At present, we insure 100% of our assets and operations against, fire and special perils like earthquake, burglary, and marine carriage risks.

We cannot assure you that our current insurance policies will insure us fully against all risks and losses that may arise in the future. Even if such losses are insured, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. In addition, our insurance policies are subject to annual renewal, and we cannot assure you that we will be able to renew these policies on similar or otherwise acceptable terms, or at all. If we incur a serious uninsured loss or a loss that significantly exceeds the limits of our insurance policies, it could have a material adverse effect on our business, results of operations and financial condition.

53. ***Our Company will continue to be controlled by the GoI following this Issue. In addition, the GoI is expected to make further capital expenditure grants to our Company by way of capital infusions.***

The GoI currently owns 89.97% of our outstanding share capital and after the Issue, the GoI will own [●]% of our outstanding Equity Share capital. For further information on the shareholding of the Promoter, see "*Capital structure – Shareholding Pattern of our Company*" on page 78 and "*Risk Factors - We shall allot Equity Shares of our Company on a preferential allotment basis to the President of India, post completion of the Issue*" on page 35. Consequently, the GoI will continue to control us and will have the power to elect and remove the Directors and therefore determine the outcome of most proposals for corporate action requiring approval of the Board or the Shareholders, including with respect to the payment of dividends, preparation of budgets, capital expenditure, and transactions with other public sector companies. We continue to be a public sector undertaking under the Companies Act, and the GoI may issue directives with respect to the conduct of our business or its affairs or change in control or impose other restrictions in terms of our Articles of Association. In addition, the GoI could decide to merge our Company with another PSU or PSUs. We cannot assure you that such changes would not result in any adverse impact on our business, results of operations or financial condition. For further information on the Articles of Association, see "*Main Provisions of the Articles of Association*" on page 399.

54. ***We shall allot Equity Shares of our Company on a preferrential allotment basis to the President of India, post completion of the Issue***

Pursuant to the BIFR Order, the CCEA has granted a revival package of ₹41,567.90 million, consisting of ₹22,640 million towards capital expenditure in the form of equity, to our Company, which our Company receives in various tranches. For further details, please see "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 283 of this Red Herring Prospectus. In accordance with the revival package, our Company has received ₹500 million, ₹50 million, ₹350 million and ₹700 million pursuant to sanctions letters dated December 6, 2018, March 29, 2019, May 8, 2019 and August 29, 2019, respectively, issued by the DoT, in lieu of which our Company is required to allot Equity Shares to the President of India. However, owing to the restriction on the Company from undertaking further capital issue after the date of filing the Draft Red Herring Prospectus, till the listing of the Equity Shares, set out in Regulation 19 of the 2009 SEBI ICDR Regulations, we have been unable to allot Equity Shares to the President of India. We have requested the DoT vide letter dated December 5, 2019 for an extension to allot Equity Shares to the President of India, and the DOT has granted us extension in its letter dated January 14, 2020 upto March 31, 2020 to complete the allotment of Equity Shares to the President of India. Such issuance of Equity Shares by us post completion of the Issue will lead to the dilution of investors' shareholding in our Company.

55. ***The interests of the GoI as our controlling shareholder may conflict with the interests of other Shareholders.***

Under our Articles of Association, the GoI, by holding a majority of our Equity Share capital may issue directives with respect to the conduct of our business or our affairs for as long as we remain a Government company, as defined under the Companies Act. The interests of the GoI may be different from our interests or the interests of other shareholders of our Company. As a result, the GoI may take actions with respect to our business and the businesses of our peers and competitors or Government Customers that are designed to serve the public interest in India and not necessarily to maximize profits. In addition, as a result of our controlling ownership by the GoI, we are required to adhere to certain restrictions with respect to the types of investments we may make using our cash balances, which may restrict us from entering into certain investments providing a higher rate of return. The GoI will retain control over the decisions requiring adoption by our Shareholders. The GoI could, by exercising its powers of control, delay or defer or initiate a change of control of our Company or a change in our capital structure, delay or defer a merger, consolidation, or discourage a merger with another public sector undertaking. Further, the GoI may from time to time issue directions as it may consider necessary in regard to the exercise and performance of the functions of our Company in matters involving national security or substantial public interest, and such influence on our Company will continue to remain after the Issue. The priorities of the GoI may be different and any change in GoI policy could have a material adverse effect on our business, results of operations and financial condition.

56. ***Our management team and Board of Directors requires the approval of our Promoter (acting through the Ministry of Communications). Delays in approval of our management team and Board of Directors could adversely affect our business.***

Pursuant to article 117 of the Articles of Association of our Company, our Promoter (acting through the Ministry of Communications) has the power to appoint the Board of Directors of our Company. Any delay in such appointments could adversely impact the management's decision making and thereby hamper our business operations, financial condition and results

57. ***The statistical and market information contained in this Red Herring Prospectus relating to India and the telecommunications and defence products and services industries has been derived or extracted from the CRISIL Research***

Report commissioned by us and from various government and other publicly-available publications. We are unable to guarantee the accuracy, adequacy or completeness of this industry information.

Certain statistical and market information contained in this Red Herring Prospectus relating to India and the telecommunications and defence products and services industries have been derived or extracted from the CRISIL Research Report commissioned by us, and from government publications and reports from other publicly available publications that we believe are reliable. These statistics and market information include the data and statistics included in "*Industry Overview*" on page 95. Investors should note that the CRISIL Research Report was commissioned by our Company and CRISIL was engaged to prepare the CRISIL Research Report for use in this Red Herring Prospectus. CRISIL has advised that the statistical and other market information contained in the CRISIL Research Report and reproduced in this Red Herring Prospectus is drawn from sources that they consider reliable. As this Red Herring Prospectus contains information from an external industry report we do not guarantee the accuracy, adequacy or completeness of the information and disclaim responsibility for any errors or omissions in the information or for the results obtained from the use of the information. The commissioned report also highlights certain industry and market data, which may be subject to assumptions. There is no standard data gathering methodologies in the industry in which we conduct business, and the methodologies and assumptions may change based on various factors.

Investors should also note that no independent verification has been carried out on any facts or statistics that are directly or indirectly derived from official government publications, other publications, as well as the CRISIL Research Report and such report is not a recommendation to invest or disinvest in the Company. We believe that the sources of the information are appropriate sources for such information. We and our affiliates or advisors or any other party involved in the Issue, other than CRISIL, with respect to the information contained in such reports, make no representation as to the accuracy or completeness of such information. Such statistics and other market information may not be consistent or comparable to statistics compiled elsewhere and should not be unduly relied upon.

58. ***We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with our Shareholders.***

We have entered into various transactions with related parties. While we believe that all such transactions have been conducted on an arm's length basis and contain commercially reasonable terms, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our business, results of operations and financial condition or that we could not have achieved more favourable terms if such transactions had not been entered into with related parties. For details on our related party transactions, see "*Restated Consolidated Financial Statements – Related Party Disclosures*" beginning on page 179.

EXTERNAL RISKS

59. ***Any downturn in the macroeconomic environment in India could adversely affect our business, results of operations and financial condition.***

We are incorporated in India and all of our operations are located in India. As a result, our results of operations and financial condition are significantly affected by factors influencing the Indian economy. Any slowdown in economic growth in India could adversely affect us, including our ability to grow our business and revenues and our ability to implement our strategy. In addition, an increase in India's trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could increase interest rates and adversely affect liquidity, which could adversely affect the Indian economy and our business, results of operations and financial condition.

60. ***Recent global economic conditions have been unprecedented and challenging and continue to affect the Indian market, which may adversely affect our business, results of operations and financial condition.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. For instance, the economic downturn in the U.S. and several European countries during a part of Fiscal 2008 and 2009 adversely affected market prices in the global securities markets, including India. Negative economic developments, such as rising fiscal or trade deficits, or a default on national debt, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general.

A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India, and could depress economic activity and restrict our access to capital. Any financial disruption could have an adverse effect on our business, results of operations and financial condition, future financial performance, shareholders' equity and the price of our Equity Shares.

61. Any downgrade of credit ratings of India may adversely affect our ability to raise debt financing. India's sovereign ratings reflect an assessment of the Indian government's overall financial capacity to pay its obligations and its ability or willingness to meet its financial commitments as they become due.

No assurance can be given that any statistical rating organization will not downgrade the credit ratings of India. Any such downgrade could adversely affect our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance.

62. A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition.

Flows to foreign exchange reserves can be volatile, and past declines may have adversely affected the valuation of the Rupee. Further, declines in foreign exchange reserves as well as other factors could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial performance.

63. Significant differences exist between Indian GAAP and other reporting standards, such as US GAAP and IFRS, which may be material to investors' assessments of our financial condition.

Our Restated Financial Statements are prepared and presented in conformity with Ind-AS (including compliance to the Companies Act, regulations framed and circulars issued there under and restated under the SEBI Regulations), consistently applied during the periods stated, except as provided in such reports, and no attempt has been made to reconcile any of the information given in this Red Herring Prospectus to US GAAP or any other principles or to base it on any other standards. Indian GAAP and Ind-AS, although based on IFRS, differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries.

Accordingly, the degree to which the financial information included in this Red Herring Prospectus will provide meaningful information is dependent on your familiarity with Indian GAAP and Ind-AS, the Companies Act, and the regulations framed there under. Any reliance by persons not familiar with Indian GAAP and Ind-AS, or these laws and regulations, on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

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

Our business and financial performance could be adversely affected by unfavourable changes in, or interpretations of existing laws, or the promulgation of new laws, rules and regulations applicable to us and our business. For further details, see "*Regulations and Policies*" on page 140.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the Government and other regulatory bodies, or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition, results of operations and cash flows. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations and cash flows. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, results of operations and financial condition.

The General Anti Avoidance Rules ("**GAAR**") have been notified by way of an amendment to the Income Tax Act, 1961, and have come into effect from April 1, 2017. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, 1961, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹30.00 million, (ii) where Foreign Institutional Investors ("**FIIs**") have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act, 1961 and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

65. ***Financial difficulty and other problems in certain financial institutions in India could have a material adverse effect on our business, results of operations, cash flows and financial condition.***

We are exposed to the risks of the Indian financial system which may be affected by the financial difficulties faced by certain Indian financial institutions whose commercial soundness may be closely related as a result of credit, trading, clearing or other relationships. This risk, which is sometimes referred to as "systemic risk", may adversely affect financial intermediaries, such as clearing agencies, banks, securities firms and exchanges with which we interact on a daily basis. Any such difficulties or instability of the Indian financial system in general could create an adverse market perception about Indian financial institutions and banks and adversely affect our business. In Fiscal 2011, Indian government agencies initiated proceedings against certain financial institutions, alleging bribery in the loans and investment approval process, which impacted market sentiment. Similar developments in the future could negatively impact confidence in the financial sector and could have a material adverse effect on our business, results of operations and financial condition.

66. ***We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended ("**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India ("**AAEC**"). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the 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 Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued 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 others, prohibit all agreements and transactions which may have an AAEC 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 India if such agreement, conduct or combination has an AAEC 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. However, since we pursue an acquisition driven growth strategy, we may be 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, results of operations, cash flows and prospects.

67. ***If there is any change in tax laws or regulations, or their interpretation, such changes may significantly affect our financial statements for the current and future years, which may have a material adverse effect on our financial position, business, results of operations and cash flows.***

Any change in tax laws including upward revision to the currently applicable normal corporate tax rate of 22% along with applicable surcharge and cess, our tax burden will increase. Other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, may no longer be available to us.

Similarly, in relation to the applicable law on indirect taxation, the Government of India has notified a comprehensive national GST regime that combines taxes and levies by the Central and State Governments into a unified rate structure. In this regard, the Constitution (One hundred and first Amendment) Act, 2016 enables the Government of India and state governments to introduce GST. Any future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. If, as a result of a particular tax risk materializing, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of such transactions.

The Government of India has announced the interim union budget for the Fiscal 2020. Further, the Finance Act, 2019 (the "**Finance Act**") has made various amendments. The Finance Act stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. Further, the Government of India has also announced the union budget for Fiscal 2020, pursuant to which the Finance (No. 2) Bill, 2019 proposes to introduce various amendments.

We cannot predict whether any tax laws or regulations impacting our products will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have a material adverse effect on our business, financial condition, cash flows and results of operations. Prospective investors should consult their own tax advisors in relation to the consequences of investing in the Equity Shares.

68. ***Communal disturbances, riots, terrorist attacks, other acts of violence or war involving India and/or other countries, health epidemics and natural calamities or similar events that are beyond our control could adversely affect India's economy and the financial markets, result in loss of customer confidence, and adversely affect the price of our Equity Shares, our business results of operations and financial condition.***

India has experienced communal disturbances, terrorist attacks and riots during recent years. Any major hostilities or other acts of violence, including civil unrest or similar events that are beyond our control, could have a material adverse effect on India's economy and our business and may adversely affect the Indian stock markets where our Equity Shares will trade as well as global equity markets generally. Such acts could negatively impact business sentiment and consumer confidence, which could adversely affect our business, results of operations and financial condition.

India and other countries may enter armed conflict or war with other countries or extend pre-existing hostilities. Military activity or terrorist attacks could adversely affect the Indian economy by, for example, disrupting communications and making travel more difficult. Such events could also create a perception that investments in Indian companies involve a higher degree of risk. This could adversely affect customer confidence in India, which could have a negative impact on the economies of India and other countries, on the markets for our products and services and on our business.

Since 2003, outbreaks of Severe Acute Respiratory Syndrome in Asia, avian influenza across Asia and Europe, Ebola virus in western Africa, and Influenza A (H1N1) across the world have adversely affected a number of countries and companies. Any future outbreak of infectious diseases or other serious public health epidemics may have a negative impact on the economies, financial markets and level of business activity in affected areas, which may adversely affect our business.

India has also experienced natural calamities such as earthquakes, floods, drought and a tsunami in the recent past. The length and severity of these natural disasters determine the extent of their impact on the Indian economy. Prolonged spells of abnormal rainfall and other natural calamities could have an adverse impact on the Indian economy.

Such events could have a material adverse effect on the market for securities of Indian companies, including the Equity Shares, and adversely affect our business, results of operations and financial condition.

RISKS RELATING TO THE EQUITY SHARES

69. ***Any future issuance of Equity Shares may dilute your shareholding and sales of our Equity Shares by the GoI may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth through future equity offerings. Any future equity issuances by us may lead to the dilution of investors' shareholding in our Company. Any future equity issuances by us or sales of our Equity Shares by the GoI may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares. There can be no assurance that we will not issue Equity Shares or that our Shareholders will not dispose of, pledge or encumber their Equity Shares in the future.

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

The Issue Price of the Equity Shares will be determined by our Company in consultation with the BRLMs 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, loss of major client;
- 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.

71. ***As a listed company, we are required to release our quarterly results for every financial year. We cannot assure you that such results will be in line with estimates or that there will not be an adverse change in our financial condition or results of operations.***

Pursuant to the SEBI Listing Regulations, we are required to announce our results as of and for the three month periods ending on June 30, September 30 and December 31 of each financial year within 45 days of the quarter end, and as of and for the year ended March 31, within 60 days of the period end. We cannot assure you that such results will be in line with those estimated or historically achieved or that there will not be any material adverse change in our financial condition or results of operations. Any such material adverse change in the results could have a negative impact on the price of our Equity Shares.

72. ***Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Equity Shareholders. For example, the exchange rate between the Rupee and the USD has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the trading price of our Equity Shares and returns on our Equity Shares, independent of our operating results. For further details in relation to our share price, see, "*Stock Market Data for Equity Shares of the Company*" on page 311.

73. ***The determination of the Price Band is based on various factors and assumptions and the Issue Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Issue. Further, the current market price of some securities listed pursuant to certain previous issues managed by the BRLMs is below their respective issue prices.***

The determination of the Price Band is based on various factors and assumptions and will be determined by our Company in consultation with the BRLMs. Furthermore, the Issue Price of the Equity Shares will be determined by us in consultation with the BRLMs through the Book Building Process. These will be based on numerous factors, including factors as described under "*Basis for Issue Price*" beginning on page 90 and may not be indicative of the market price for the Equity Shares after the Issue. In addition to the above, the current market price of securities listed pursuant to certain previous initial public offerings managed by the BRLMs is below their respective issue price. For further details, see "*Other Regulatory and Statutory Disclosures – Price information of past issues handled by the BRLMs*" on pages 330 to 332. The factors that could affect the market price of the Equity Shares include, among others, broad market trends, financial performance and results of our Company post-listing, and other factors beyond our control. We cannot assure you that an active market will develop or sustained trading will take place in the Equity Shares or provide any assurance regarding the price at which the Equity Shares will be traded after listing.

74. ***It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.***

Our Company is incorporated as a public limited company under the laws of India and all of our directors and executive officers reside in India. Further, certain of our assets, and the assets of our executive officers and directors, may be located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the "**Civil Code**"). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

75. Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in do not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor's benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emptive rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

76. Foreign investors are subject to foreign investment restrictions under Indian laws that may limit our ability to attract foreign investors, which may have a material adverse impact on 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 exceptions) if they comply with the pricing guidelines and reporting requirements specified by the Ministry of Finance, Department of Economic Affairs, and/or the RBI. If the transfer of shares 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 or a tax clearance certificate from the income tax authority. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on any particular terms or at all.

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

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors' fiduciary duties, responsibilities 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 and wide-spread as shareholders' rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

78. Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.

Foreign ownership of Indian securities is subject to government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the Ministry of Finance, Department of Economic Affairs / RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the Ministry of Finance, Department of Economic Affairs has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm's length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

79. 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 and Retail Individual Investors are not permitted to withdraw their Bids after closure of the Issue.

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Investors are required to pay the Bid Amount on submission of the Bid and 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. Retail Individual Investors can revise their Bids during the Bid/Issue Period and withdraw their Bids until closure of the Issue. While our Company is required to complete Allotment pursuant the Issue within six Working Days from the issue Bid/Issue Closing Date, events affecting the Bidders decision to invest in equity shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations or financial condition, or otherwise, may arise between the dates of the submission of their Bids and the Allotment.

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

Under the Income-Tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India except any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the STT has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised 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 shares on a stock exchange held for a period of 12 months or less will be subject to short term capital gains tax. 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. Further, the Finance Act, 2019, which has been notified with effect from April 1, 2019, stipulates the sale, transfer and issue of securities through exchanges, depositories or otherwise to be charged with stamp duty. The Finance Act has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount. As such, there is no certainty on the impact that the Finance Act, 2019 may have on our Company's business and operations. Further, our Company cannot predict whether any tax laws or other regulations impacting it will be enacted or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect the Company's business, financial condition and results of operations.

Prominent Notes:

1. The further public offering of our Company for cash through the Net Issue of up to 180,000,000 Equity Shares and up to 1,800,000 Equity Shares through the Employee Reservation Portion by our Company at the Issue Price and Employee Price, respectively, aggregating to ₹[●] million. The Issue would constitute [●]% of our post-Issue paid up Equity Share capital. The Net Issue shall constitute [●]% of the post-Issue paid up Equity Share capital of our Company.

2. The Issue is being made through the Book Building Process, wherein at least 75% of the Net Issue shall be available for allocation, on a proportionate basis to QIBs, 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Not less than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

3. As September 30, 2019, our Company's net worth was ₹(1,696.60 million) as per our Company's Restated Standalone Financial Statements and ₹(1,311.08 million) as per our Restated Consolidated Financial Statements.

4. As at September 30, 2019, the net asset value per equity share of face value ₹10 was ₹(1.89) as per our Company's Restated Standalone Financial Statements and was ₹(1.46) as per our Restated Consolidated Financial Statements.

5. For details of related party transactions including cumulative value of transactions entered into by our Company, see *"Related Party Transactions"* on page 177.

6. There has been no change in our Company's name for last three years.

7. Our Company is unable to retrieve certain historical corporate records and filings in relation to allotments/transfers made to/by the President of India prior to January 2, 1992. Further, our Company is unable to determine the price at which equity shares

were transferred to/by the Promoter and from/to whom such equity shares were transferred. Accordingly, we are unable to ascertain the average cost of acquisition of Equity Shares of the Promoter. For details, see "*Risk Factors – We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures*". Accordingly, as per the SEBI Exemption Letter 2018, our Company has been granted exemption from disclosing the cost per share of the promoter of the Company, as required under Schedule VIII, Part A (V)(C) and Schedule VIII Part A (VI)(D)(2)(h) of the SEBI ICDR Regulations.

8. There has been no financing arrangement whereby our Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of the Red Herring Prospectus.

For any complaints, information or clarifications pertaining to the Issue, investors may contact the Registrar to the Issue, our Company and the BRLMs who have submitted the due diligence certificate to SEBI.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled "Risk Factors", "Industry Overview" "Our Business", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on page 14, 95, 119, 283 and 179, respectively.

*Unless otherwise specified, the information and statistics in this section are extracted from the report entitled "Information & communication technology scenario in India" (the "**CRISIL Report**"). The information presented in this section, including forecasts and projections, have not been prepared or independently verified by us, our Directors, the BRLMs, or any of our or their respective affiliates or advisors or any other party involved in the Issue, and no representation is made as to its accuracy.*

Indian Economy

The Indian economy is the third largest economy in the world in terms of GDP at purchasing power parity (PPP) exchange rates, with an estimated GDP, in PPP terms for 2017 of US$9.47 trillion. (Source: CIA World Factbook, 2019). India has the world's second largest population, estimated at 1,297 million people in July 2018 (Source: CIA World Factbook, 2019), and the second largest labour force, estimated at 521.9 million people in 2017. (Source: "CIA World Factbook", 2019). India also has one of the youngest populations in the world with a median age of 28.1 years (2018 estimate), a high share of working population and a rapid rate of urbanisation with 2.37% change per annum (2015-2020 projection). (Source: "CIA World Factbook", 2019).

India's GDP at constant prices is provisionally estimated to be ₹140.78 trillion for Fiscal 2019 showing a growth rate of 6.8% over the first revised estimates of GDP for Fiscal 2018. (Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, May 2019). India's GDP at current prices is provisionally estimated to be ₹190.10 trillion for Fiscal 2019 showing a growth rate of 11.2% over the first revised estimates of GDP for Fiscal 2018. (Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, May 2019).

India's inflation movements have become favourable over the last three fiscal years. The consumer price index ("CPI") inflation has fallen from 4.5% in Fiscal 2017, to 3.6 % in Fiscal 2018 and to 3.4% in Fiscal 2019. (Source: RBI Annual Report 2017-18 and RBI Bulletin July 2019).

Optical and Data Network Products and Services and Passive Infrastructure Products in India

Overview

According to CRISIL Research, the telecommunication equipment industry in India can be classified into active and passive equipment, based on the operating nature of the equipment. (Source: CRISIL Report) Active equipment or infrastructure includes base transceiver stations ("**BTSs**"), which are directly responsible for transmitting data. Passive equipment or infrastructure refers to telecommunication towers, BTS shelters, high-density polyethylene (HDPE) pipes and ducts, and battery backups, all of which support the active infrastructure.

The domestic telecommunication equipment manufacturing space, according to CRISIL Research, is evolving rapidly with companies adopting newer technologies to compete with global manufacturers. (Source: CRISIL Report) The GoI's initiatives, such as "Make in India" and Digital India, CRISIL Research suggests, have provided the impetus for the development of local manufacturing units. (Source: CRISIL Report) Projects such as BharatNet and the Smart Cities Mission have also boosted demand for telecommunication equipment. (Source: CRISIL Report)

With the increase in the number of local manufacturers, CRISIL Research believes that India's dependence on imports will decline. (Source: CRISIL Report) Apart from this, foreign companies have set up manufacturing plants and assembly lines in India due to its conducive environment for growth and development. (Source: CRISIL Report) CRISL Research expects continued foreign direct investment growth in the telecommunications equipment industry, leading to an influx of foreign technology. (Source: CRISIL Report)

Gigabit-optical transport network elements and infrastructure

Gigabit-passive optical network (GPON)

Gigabit-passive optical network ("**GPON**") products are passive optical network ("**PON**") equipment that are based on optical fibre, to provide broadband access for FTTX (fibre-to-home/building/premise) connections. This forms a part of active infrastructure, such as fibre cable, couplers, combiners and splitters, used in GPON networks to transmit data from one point to another. Other GPON equipment includes optical line terminals ("**OLTs**"), which are installed at the service provider's exchange, and optical network terminals ("**ONTs**"), which are installed at client locations.

In 2011, the Centre for Development of Telematics ("**C-DOT**") transferred the GPON technology, which it designed and developed, to seven telecommunications manufacturers in the public and private sectors including our Company, Bharat Electronics Ltd, VMC Systems Ltd, United Telecoms Ltd, Sai Info System (India) Ltd, Larsen & Toubro Ltd, SM Creative Electronics Ltd. and Tejas Networks Ltd. (Source: CRISIL Report) This GPON technology transfer has been used increasingly for fibre optic connections.

The ongoing BharatNet project is also based on GPON technology. To execute BharatNet, the GoI has set up a special-purpose vehicle, Bharat Broadband Network Ltd ("**BBNL**"), for the management and operation of the network. Funding for the project is from the Universal Service Obligation Fund under the Department of Telecom. (Source: CRISIL Report)

DWDM and OTN

Dense wave division multiplexing ("**DWDM**") and optical transport networking ("**OTN**") help improve the efficiency of data transfer. In fibre optic communications, wavelength-division multiplexing ("**WDM**") is a technology, which 'multiplexes' a number of optical carrier signals onto a single optical fibre by using different wavelengths (i.e., colours) of laser light. This technique enables large volumes of data to be transmitted over the same fibre. WDM systems are divided into three different wavelength patterns: normal WDM, coarse WDM and DWDM.

CRISIL Research expects demand growth for DWDM equipment manufacturers as internet service providers look to improve the quality of service and efficiency of data transmission. (Source: CRISIL Report)

Optic fibre cable (OFC)

An OFC comprises one or more optical fibre cables to carry data in the form of light. OFCs are primarily used for point-to-point transfer of data for communication and providing high-speed data connections. OFCs are increasing in popularity across India.

CRISIL Research suggests that the fibre represents approximately 25-30% of the network backbone in India. (Source: CRISIL Report) Fiberisation is the connectivity of telecom towers with fiber. Private players, according to CRISIL Research, are increasing investments in their fibre backbone for backhaul. (Source: CRISIL Report) Moreover, demand for OFCs from GoI projects, such as BharatNet, is expected to increase. (Source: CRISIL Report) Additionally, 5G is expected to be launched commercially in India by 2022. 5G usually requires fiberisation above 65-70%. CRISIL Research estimates an investment of approximately ₹1 trillion in order to reach such fiberisation levels in the next two to three years. (Source: CRISIL Report)

Managed leased lines (domestic leased circuits)

A leased line is a private bi-directional circuit between two or more locations for telecommunication. A leased circuit is a facility for communication between two or more designated points, set aside for exclusive use by a subscriber. Unlike broadband, a leased line is not contended or shared, but delivers dedicated and guaranteed bandwidth. A domestic leased circuit (a "**DLC**") is connected to a subscriber's premises within India. The telecommunication service providers provide DLCs to connect two or more customer sites or customers to their own or other service provider's networks. A DLC can carry data, digitised voice, fax, video or any other form of digital transmission, at bandwidths from 64 Kbit/s to 1Gbit/s.

CRISIL Research expects demand for DLCs will be supported by increase in wired broadband penetration, backhauling requirements owing to increased adoption of 4G, and GoI initiatives like BharatNet.

Wireless access network products

Wireless access network products include base transceiver stations (BTSs) and broadband wireless terminals as well as radio modems, microwave antennas, set-top boxes and li-ion batteries.

Base transceiver stations (BTS)

A BTS uses radio waves to transmit and receive voice and data from and to mobile phones using spectrum. The BTS device, which comprises a transceiver, a power amplifier, a combiner, a multiplexer, an antenna, an alarm extension system and a baseband receiver unit, is stored in a BTS shelter to safeguard against environmental elements (except for the equipment mounted on the tower-antenna).

In the view of CRISIL Research, the installed BTS ecosystem in the towers industry is set to undergo a change in mix of 2G, 3G, and 4G BTS. (Source: CRISIL Report) CRISIL Research expects that the overall BTS numbers will grow at approximately 5% CAGR between Fiscal 2019 and Fiscal 2024, which is a lower rate of growth than the approximate 18% CAGR in the past 5 fiscal years. (Source: CRISIL Report).

BharatNet Infrastructure Project

BharatNet is a key infrastructure project of the GoI, under which the GoI aims to connect 250,000 villages (gram panchayats) across the country with block headquarters by developing an optical fibre network. The infrastructure is designed primarily to provide for broadband internet in rural areas and remote regions of the country. The project is one of the nine pillars of the Digital India programme, which aims to provide GoI services electronically to all Indian citizens.

To execute BharatNet, Government of India has set up a special purpose vehicle called BBNL, which is responsible for management and operation of the network. Funding for the project comes from the Universal Service Obligation Fund under Department of Telecom.

The project, which began in 2011, has undergone many changes in terms of scope and timeline of execution. In 2017, the BharatNet project was split into two phases owing to difficulties and technical deficiencies in earlier work. (Source: CRISIL Report)

Phase I, which covered 100,000 gram panchayats, was completed and was implemented by three PSUs: BSNL, RailTel Corporation of India and Power Grid Corporation of India. Phase II, which will cover the remaining 150,000 gram panchayats, is currently underway. According to CRISIL Research, the GoI has earmarked approximately ₹310 billion for Phase II, which a significant step-up from approximately ₹115 billion spent for Phase I. (Source: CRISIL Report)

Defence Communications Projects in India

According to CRISIL Research, there are two major defence communication projects in India: the Army Static Switched Communication Network ("**ASCON**") project and the Network for Spectrum ("**NFS**") project.

Army Static Switched Communication Network (ASCON)

ASCON is an Indian Army communications project, which seeks to develop and enhance the army's communication network across India. The defence services utilise encrypted and secure channels for communications, as they deal with information that is vital to national security. According to CRISIL Research, a key enabler to this security and encryption has been the presence of dedicated infrastructure, which the ASCON project has strived to establish.

ASCON is a four-phase project. Phase I was started in 1987, followed by Phase II and III, which were completed in 1998 and 2009, respectively. The cumulative cost of the three phases, according to CRISIL Research, was in the range of ₹ 6 billion to ₹7 billion, with our Company being awarded all the three phases of the project. (Source: CRISIL Report)

NFS OFC

Network for Spectrum (**NFS**) is a strategic communications network project to develop and install an OFC network to be owned and operated by the defence services under the Project Implementation Core Group ("**PIGC**") of the Ministry of Defence (the "**MoD**"). The NFS project involves establishing an exclusive OFC-based nationwide optical backbone for 414 defence sites and access networks at 219 army sites. The NFS project comprises all OFC routes, aggregating to 57,015 km, divided into seven packages. The NFS project, which has been awarded to BSNL, with an estimated cost ₹133.34 billion. (Source: CRISIL Report)

Internet of Things (IoT)

The Internet of Things ("**IoT**") is a seamless connected network of embedded objects and devices with identifiers, in which machine to machine ("**M2M**") communication without human intervention is possible using communication protocols. According to CRISIL Research, IoT provides opportunities across the telecommunications spectrum, from telecommunication and internet service providers to sensors and telecommunication equipment manufacturers. (Source: CRISIL Report)

IoT is still at a nascent stage in India in the view of CRISIL Research. (Source: CRISIL Report) In July 2015, as a part of the Digital India campaign, a centre of excellence for IoT was announced by the Ministry of Electronics and Information Technology. The Smart Cities Mission, which seeks to modernise cities with an emphasis on smart technologies, also utilises IoT-based technologies. For more information, "—Smart Cities Solution" below.

In the opinion of CRISIL Research, IoT, both globally and in India, faces bottlenecks from (i) the lack of common standards for M2M communication (ii) information security and (iii) the lack of uniformity of data speed. (Source: CRISIL Report) Notwithstanding, in the view of CRISIL Research, some general developments are working in the favour of IoT development in India including the lower cost of sensors, faster communication speeds such as 4G and 5G, the rise of cloud computing, faster processing power and deep network coverage and low power consumption. (Source: CRISIL Report)

Smart City Solutions

The Indian government launched the Smart Cities Mission on June 25, 2015. A smart city is a designation given to a city using information and communications technology ("**ICT**") to enhance the quality and performance of urban services such as energy,

transportation, and utilities to reduce resource consumption, wastage and costs. The overarching aim of a smart city is to enhance the quality of living for its citizens through smart technology.
Under the Smart Cities Mission, each selected city gets central assistance of ₹2 billion in the first year and ₹1 billion per year for the next three years, with a matching contribution from its respective state. (Source: CRISIL Report) A city's proposal can also include funding from other sources, such as private participation, municipal bonds, user charges, and convergence with existing schemes, such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Awas Yojana (PMAY). CRISIL Research, quoting the Handbook of Urban Statistics, 2019, suggests that total investment of approximately ₹2.05 trillion will be made on smart cities over the next few years. (Source: CRISIL Report) With the GoI and state government funding fixed at ₹5 billion each per city (approximately 45% of envisaged investment), the financial position of each city's union-local bodies (ULBs) is critical, in the view of CRISIL Research, as funding for various projects will significantly depend on the bonds raised by the respective city ULBs. (Source: CRISIL Report) About 5% of total investment (₹60 billion) will be funded through municipal bonds in the coming years. (Source: CRISIL Report) With most cities aiming to improve core infrastructure facilities (housing, roads and water supply), the mission is expected to provide for a large construction opportunity.

Electronic Products and Services

Our Company is involved in the supply of various electronic products and services. Set forth below is a brief description of the markets for smart energy meters, Aadhaar cards, digital wallets, smart phones, smart cards, solar panels, 3D printing, radio modems and set top boxes.

Smart Energy Meters

Advanced metering infrastructure ("**AMI**") is used to describe an entire range of infrastructure, from smart meters to two-way communication network and all applications that enable gathering and transferring of energy-usage information in almost real time. AMI makes two-way communication between electricity distribution companies ("**Discoms**") and customers possible and is the backbone of a smart grid. The objectives of AMI can be remote meter reading for error-free data, network-problem identification, load profiling, energy audit and partial load curtailment in place of load shedding. AMI brings financial gains to Discoms by reducing equipment and maintenance costs, enabling faster restoration of electric service during outages and streamlining the billing process. (Source: CRISIL Report)

Smart meters are an important part of AMI and benefit the entire grid by improving the accuracy of meter readings, energy-theft detection and response to power outages, while eliminating the need for onsite meter reading. (Source: CRISIL Report)

Aadhaar Cards

The Unique Identification Authority of India (UIDAI) is a statutory authority established on July 12, 2016, by the GoI under the Ministry of Electronics and Information Technology. Aadhaar is a 12-digit unique identification number issued to Indian citizens by the UIDAI. The UIDAI is responsible for enrolling, authenticating, issuing and managing the Aadhaar.

The UIDAI is given a GoI budgetary allocation each financial year. For Fiscal 2020, the UIDAI has been allocated a 8.7% lower budget funds at ₹12.27 billion, compared with ₹13.75 billion in Fiscal 2019. (Source: CRISIL Report) CRISIL Research expects that these funds will be used for operations such as replacement of old hardware, upgrading information technology and strengthening overall capacity. (Source: CRISIL Report)

Digital Wallets

A mobile wallet is a smart phone app that allows cashless transfer of money. In western and developed nations, mobile wallets create virtual copies of credit/debit and other types of payment cards and utilise technologies such as near-field communication to complete payments. In India, most mobile wallets require the user to input money prior to transaction, similar to that in prepaid wireless cellular connections. Accordingly, mobile wallets are often referred to as prepaid payment instruments ("**PPIs**").

According to CRISIL Research, the GoI's decision to demonetise ₹500 and ₹1,000 notes on November 8, 2016, and the subsequent government emphasis on cashless transactions led to an upsurge in mobile transactions over the Fiscal 2016 and Fiscal 2019 period, with the rise in adoption of mobile wallets and other mobile based payment systems. (Source: CRISIL Report) According to CRISIL Research, the subsequent GoI emphasis on cashless transactions has led to an increased demand for mobile transactions and mobile wallets, which have further received impetus from cheaper handsets and reduced mobile data costs. (Source: CRISIL Report)

Smart-cards

A smart card is a plastic card with either built-in microprocessors and/or memory units, which are utilised for multiple purposes. Over the past few years, smart cards have found increased adoption across the country for financial transactions, access and identifications. These cards are termed smart, as they store and process data, unlike conventional cards.

CRISIL Research expects demand for DLCs will be supported by increase in wired broadband penetration, backhauling requirements owing to increased adoption of 4G, and GoI initiatives like BharatNet.

Solar Panels

A solar panel is an assembly of solar cells that can convert light directly into electricity. Solar panels use silicon cells that possess the property of generating electricity whenever light falls on them through a phenomenon called the photovoltaic effect. Silicon cells are paired with a metal casing and wiring, which allow the cells to generate and supply power. Silicon cells used in solar panels fall into three categories, depending on the type of silicon used: monocrystalline, polycrystalline and amorphous.

CRISIL Research expects 48-50 GW of solar PV capacity addition over the Fiscal 2019 -2023 period to be driven by (i) additions under the National Solar Mission (NSM) Phase II Batch II, III, IV, V and VI; (ii) capacities tendered by Discoms in various states, including Maharashtra, Karnataka, Telangana, Andhra Pradesh (AP), Punjab, Madhya Pradesh, Jharkhand and Tamil Nadu to fulfil renewable purchase obligations, and rooftop projects and other schemes. (Source: CRISIL Report)

CRISIL Research believes that the growth in demand will only have a limited benefit to Indian manufacturers as domestic modules are priced higher than imported modules, particularly those from China and the United States. (Source: CRISIL Report) CRISIL Research expects 7 to 8 GW of demand for domestic cell and module manufacturers over the Fiscal 2019-2022 period. (Source: CRISIL Report)

3D Printing

3D printing is a manufacturing process used to make physical objects from a pre-existing digital model. It is an additive process in which the final product is manufactured by layer-wise addition of the material. By contrast, subtractive manufacturing, uses methods where material is removed to get the final shape or form. Currently, 3D printing finds wide application in various industries, especially in automotive, aerospace, and consumer electronics sectors. (Source: CRISIL Report) With its capabilities to render complex geometries and produce objects from a wide variety of materials, 3D printing has found wide applications across many sectors. (Source: CRISIL Report)

Radio modems

Radio modems are devices that encode, transmit, receive and decode serial data using radio waves. They connect to serial ports on devices and send and receive signals to and from other radio modems. Radio modems transmit serial data as radio waves in a specific frequency according to a defined radio technique. This digital data is encoded prior to transmission, and then decoded prior to receipt. Once decoded, the serial data is provided to the connected device.

Radio modems are quite useful because of their ability to encode, transmit, and decode data over long distances (up to approximately 10km). Radio modems also have the required security features and band and power selections, allowing for relatively easy deployment. Radio modems use radio waves for data transmission, offering users an added advantage over wired data transfers.

Set-top boxes

A set-top box (a "**STB**") acts as a connecting link between a television and a satellite. It consists of a tuner that connects to a TV at the subscriber's premises. It receives unencrypted subscribed channels through an addressable system and provides encrypted channels (to which the user has subscribed). There are four basic types of STBs (based on technology): standard definition (SD), high definition (HD), 4K (Ultra-HD) and hybrid. These STBs differ in terms of features such as image resolution, picture quality, aspect ratio, colour, dolby digital, video on demand (VoD), record, pause and auto standby.

CRISIL Research estimates the STB market size at ₹363 billion in Fiscal 2019 after growing at an approximately 21% CAGR between Fiscal 2014 and Fiscal 2019. CRISIL Research projects the STB market to grow at a CAGR of approximately 6% between Fiscal 2019 and Fiscal 2024. (Source: CRISIL Report) According to CRISIL Research, SD STBs account for more than 90% of the total market in India; however, with the increasing penetration of HDTVs, CRISIL Research reports that subscribers are increasingly replacing their STBs with HD STBs. (Source: CRISIL Report) In the view of CRISIL Research, this move to HD STB coupled with increasing TV penetration, will drive growth in STBs. (Source: CRISIL Report).

Data Centres

A data centre is a facility that centralises an organisation's IT operations and equipment. A data centre comprises networked computers and storage that businesses or other organisations use to organise, process, store, and disseminate large amounts of data. A business typically relies heavily on the applications, services, and data contained within a data centre, making it a focal point and critical asset for everyday operations.

Recent Developments

Recent developments in the telecommunications industry include 5G fifth generation technology, implementation of the 13 digit machine number plan, transition to IPv6, introduction of internet and mobile communication on aircraft, internet telephony and bundling of over-the-top content. (Source: CRISIL Report)

5G networks are the next generation of mobile internet connectivity, which will offer faster speeds and more reliable connections. As per International Mobile Telecommunications-2020 2020, 5G is expected to deliver peak data rates of up to 20 Gbps. (Source: CRISIL Report) In addition, it is also expected to provide much more network capacity by expanding into new spectrum, such as millimeter wave (mmWave). (Source: CRISIL Report) The new 5G technology will reduce latency, facilitate quicker response, and more uniform user experience overall, so that the data rates stay consistently high even when the users are moving around. The launch of 5G services is expected to boost data volume growth, given it unfolds various use cases requiring high-speed data. (Source: CRISIL Report)

SUMMARY OF BUSINESS

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 14, 95, 283 and 179, respectively.

In this section, references to "we", "our" and "our Company" are to ITI Limited. Unless otherwise stated or required by context, the financial information used in this section has been derived from the Restated Consolidated Financial Statements.

Certain information contained in this section is derived from the CRISIL Report which has been commissioned by our Company. For details, please see "Risk Factors - The statistical and market information contained in this Red Herring Prospectus relating to India and the telecommunications and defence products and services industries has been derived or extracted from the CRISIL Research Report commissioned by us and from various government and other publicly-available publications. We are unable to guarantee the accuracy, adequacy or completeness of this industry information" on page 35.

Overview

We are a public sector company under the Department of Telecommunications with over seven decades of experience in telecommunications technology. We cater to a wide customer base across various industry segments like telecommunications, defence, information technology, banks, financial institutions and solar energy. We have a diverse suite of products including defence security encryption products, optical and data network products and passive infrastructure products such as gigabit passive optical network ("**GPON**"), Wi-Fi products, and manage leased line products ("**MLLN**"), multi-capacity encryption units, electrical products such as smart energy meters, smart cards, solar panels, set-top boxes and mini personal computers and Internet of Things ("**IoT**") products and other diverse products such as HDPE ducts, 3D printing and sanitary napkin vending machines. We manufacture certain products ourselves at our five manufacturing facilities and produce other products in collaboration with our various technology partners. We also purchase traded products that are installed as part of our projects. In addition, we provide a wide range of services including operation and maintenance of base transceiver stations ("**BTS**"), data centre hosting solutions, IT and software services like digital wallet solutions, Aadhaar authentication services, optical fiber cable ("**OFC**") laying services, telecom product testing services, start-up hub services, skill development services and citizen centric services like the National Population Register ("**NPR**") and Socio Economic and Caste Census ("**SECC**") and annual maintenance contracts ("**AMC**") for supplied products.

Our diverse products, services and solutions portfolio has helped us forge relationships with our customers including Public Sector Units ("**PSUs**") like Bharat Sanchar Nigam Limited ("**BSNL**"), Mahanagar Telephone Nigam Limited ("**MTNL**"), Energy Efficiency Services Limited ("**EESL**"), Bharat Broadband Network Limited ("**BBNL**"); the Ministry of Defence, the Ministry of Rural Development ("**MORD**"), the Registrar General of India and certain other Government agencies.

We are engaged in Government of India ("GoI") projects of national importance including:

- ***ASCON***: Providing maintenance services for the Army Static Switched Communication Network ("**ASCON**") in its first three phases, which we had earlier installed for the Ministry of Defence.

- ***BharatNet (including MahaNet, GujaratNet, Rajnet and WBNet):*** Manufacturing, supplying and installing GPON technology equipment for the GoI's flagship project "BharatNet" which aims to provide high-speed broadband connectivity to over 250,000 Gram Panchayats in India. We are also providing 54,000 kms of OFC and broadband connectivity to approximately 25,500 Gram Panchayats under the BharatNet Phase II project in Maharashtra state (under the MahaNet project) and in Gujarat state (under the GujaratNet project). We also have been awarded the orders in Rajasthan (under the Rajnet project) and West Bengal (under the WBNet project) under the BharatNet Phase II project;

- ***Network for Spectrum***: Laying OFC under the Network for Spectrum ("**NFS**") project for the Indian defence forces in the Eastern and North-Eastern regions with BSNL;

- ***Smart Energy Meters***: Manufacturing and supplying 2.5 million smart energy meters for EESL;

- ***Space Programs***: Providing screening of electronic components and assembly and testing of various flight packages for the Indian space program; and

- ***E-Governance Projects***: Manufacturing and supplying products and services for e-Governance projects like the NPR, the SECC project, and Aadhaar authentication services.

We contribute to a number of campaigns and policy initiatives sponsored by the GoI including "Make in India", to encourage various companies to manufacture their products in India; "Digital India" to ensure that GoI's services are made available to citizens electronically; Pradhan Mantri Kaushal Vikas Yojana ("**PMKVY**") under Skill India Program to develop and standardize skills among India's workforce and "Swachh Bharat" to improve the cleanliness and hygiene in public places. In addition, we benefit from the GoI's Preferential Market Access policy where indigenous manufacturers are given preference in procurement by Government agencies.

Our first manufacturing plant was set up in Bengaluru in 1948. We were established as a PSU in the year 1950 and became a deemed public limited company with effect from July 1, 1975. We are under the administration of the DoT under the Ministry of Communications. We have one joint venture, India Satcom Limited, in which our Company owns 49.06% of its outstanding equity share capital as on the date of this Red Herring Prospectus. The GoI currently owns 89.97% of our Company's outstanding share capital as on the date of this Red Herring Prospectus. In calendar year 2004, we were referred to the Board for Industrial and Financial Reconstruction ("**BIFR**") and declared a "Sick Company" under the provisions of the Sick Industrial Companies Act, 1985. The BIFR approved the rehabilitation plan pursuant to an order dated January 8, 2013. We have been actively restoring our financial health, and our revival plan was approved by the GoI's Cabinet Committee on Economic Affairs ("**CCEA**") in February 12, 2014. As part of the revival plan, the GoI approved grants in aid to settle part of statutory dues and to meet our operational requirements and grants for capital expenditure. For details, see "*History and Certain Corporate Matters*" on page 144.

We have manufacturing facilities in Bengaluru, Mankapur, Naini, Palakkad and Raebareli and a research and development ("**R&D**") centre in Bengaluru and skill development centres under PMKVY in Bengaluru and Srinagar. We have used grants for capital expenditure from the GoI to modernize our manufacturing infrastructure and to develop our capabilities to manufacture a diverse range of information and communication products, defence security encryption products and electronic products. In addition, as at December 31, 2019, we had 8 regional offices in India that are located in Bengaluru, Bhubaneshwar, Chennai, Hyderabad, Kolkata, Lucknow, Mumbai and New Delhi along with 16 area offices across the country. We also have a network system unit headquartered in Bengaluru that executes turnkey projects for installation and commissioning of telecommunication networks. As at December 31, 2019, we had 3,520 employees which includes over 731 employees with technical and professional qualifications.
We have entered into transfer of technology agreements and teaming agreements to provide us with access to new technology and products to expand our offering to customers, as well as to drive our efforts towards innovation. We enter into these agreements in the ordinary course of our business. We have technology transfer agreements (under which we pay a royalty and other fees) with various technology and telecommunications companies for certain technology and products including MLLN and optical transport network ("**OTN**") equipment, telecommunication and IT products like GPON, Wi-Fi, terabit routers and fixed line and GSM technology. Our teaming partners, with whom we are working together to offer new products and services, include Centre for Development of Telematics for GPON products, Coriant OY for Managed Leased Line Network products, Z-Com, Taiwan, for Wi-Fi products, Inesh for Smart Energy meters, Shreenath Smart Technologies Pvt Ltd for Aadhaar Authentication services, Centre for Development of Advanced Computing ("**CDAC**") for IoT solutions and Trimax Data Centre Services Private Ltd for data centre services.

Our consolidated revenues from operations in Fiscal 2019, Fiscal 2018 and Fiscal 2017 were ₹16,683.68 million, ₹14,841.62 million and ₹15,481.37 million, respectively. Our consolidated revenues from operations for the six months ended September 30, 2019 were ₹5,787.83 million. We made consolidated operating losses (not including GoI grants included in other income) in Fiscal 2017 of ₹943.19 million. In the Fiscal 2019 and 2018, we made a consolidated operating profit (not including GoI grants included in other income) of ₹925.38 million and ₹975.84 million, respectively. In the six months ended September 30, 2019, we made a consolidated operating loss (not including GoI grans included in other income) of ₹544.03 million. In addition, after GoI grants, we made a consolidated profit in Fiscal 2019, Fiscal 2018 and Fiscal 2017 of ₹925.38 million, ₹2,305.64 million and ₹2,663.91 million, respectively.

As at December 31, 2019, our Order Book was ₹110,511.21 million (including advance purchase orders but net of GST), of which 29.09% comprises large turnkey projects, 57.87% comprises AMCs and 13.05% comprises other product and services orders. For further information on our Order Book, see "—*Our Order Book*" on page 128. Our Order Book includes anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre- conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract, and advance purchase orders/ advance work orders for which we are yet to receive final purchase orders/ work order). For further information, see "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects*" on page 15.

In addition to our Order Book, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 had informed us that the subject proposal regarding establishment of ASCON Phase IV Project was under consideration and final approval of the competent authority was being sought, and the bid offer, which valid up to October 30, 2019, may be extended by six months up to April 30, 2020 and sought response from our Company regarding the same. Further, pursuant to a letter dated October 9, 2019, our Company responded to the Ministry of Defence and has extended the validity of the bid until April 30, 2020. We are currently awaiting further communications from the Ministry of Defence in this regard. ASCON, Phase IV, is a project that entails the establishment of an optical fiber network for the Indian army, including the supply, installation, and maintenance of the optical fiber network and

telecom equipment, mobile terminals, microwave towers, power supply equipment, test instruments and infrastructure. The value of this project is approximately ₹77,000.00 million. The project is to be executed over a period of three years from the date of contract signing followed by 2 years of warranty support and 8 years of AMC support.
For further information about our history, milestones and corporate structure, see "*History and Certain Corporate Matters*" on page 144.

Our Strengths

Diverse product and services offering across sectors

Our Company continues to evolve from a telecommunications equipment manufacturer to a telecommunications technology company. We cater to a wide customer base across various industry segments like telecommunications, defence, information technology, banks and financial institutions and solar energy. We have a diverse suite of products including defence security encryption products; optical and data network products and passive infrastructure products such as GPON, Wi-Fi products, and MLLN and signalling transfer point ("**STP**") solutions; multi-capacity encryption units, electrical products such as smart energy meters, smart cards, solar panels, set-top boxes and mini personal computers and Internet of Things ("**IoT**") products and other diverse products such as HDPE ducts, 3D printing and sanitary napkin vending machines.

In addition, we also provide a wide range of services including IT and software services like data centre hosting solutions, digital wallet solutions, Aadhaar authentication services, cable and fiber laying services, telecom products testing services, start-up hub services, skill development services and citizen centric services like the NPR and SECC and annual maintenance contracts for our supplied products. We manufacture certain products in collaboration with our various technology partners and certain products are only supplied and installed by our Company. We believe that our business model, which focuses on collaborations with third parties for technology, research and development, as well as utilizing our large and modernized manufacturing capabilities enables us to provide comprehensive and integrated products and service offerings to our customers across sectors thereby de-risking our business model.

Well established relationship with certain PSUs, the Ministry of Defence and other Government agencies

Our diverse products, services and solutions portfolio has helped us forge relationships with our customers including PSUs like BSNL, BBNL, MTNL and EESL the Ministry of Defence, Ministry of Rural Development, Ministry of Urban development, the Registrar General of India and other Government agencies.

We are engaged in GoI projects of national importance including:

- ***ASCON***: Providing maintenance services for the ASCON in its first three phases.

- ***BharatNet (including MahaNet, GujaratNet, Rajnet and WBNet)***: Manufacturing, supplying and installing GPON technology equipment for the GoI's flagship project "BharatNet" which aims to provide high-speed broadband connectivity to over 250,000 Gram Panchayats in India. We are also providing 54,000 kms of OFC and broadband connectivity to approximately 25,500 Gram Panchayats under the BharatNet Phase II project in Maharashtra state (under the MahaNet project) and in Gujarat state (under the GujaratNet project). We also have been awarded the orders in Rajasthan (under the Rajnet project) and West Bengal (under the WBNet project) under the BharatNet Phase II project;

- ***Network for Spectrum:*** Laying OFC under the NFS project for the Indian defence forces in the Eastern and North-Eastern regions with BSNL;

- ***Smart Energy Meters***: Manufacturing and supplying 2.5 million smart energy meters for EESL;

- ***Space Programs***: Providing screening of electronic components and assembly and testing of various flight packages for the Indian space program; and

- ***E-Governance Projects***: Manufacturing and supplying products and services for e-Governance projects like the NPR, the SECC project, and Aadhaar authentication services.

We have a history of high customer retention from our customers and derive a significant proportion of our revenues from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements. For example, we have supplied MLLN equipment to BSNL since 2001 and MTNL since 2002 and have designed, supplied, installed and maintained all the first three phases of ASCON for the Ministry of Defence.

We also benefit from the GoI's preferential market access policy under which indigenous manufacturers are given preference in procurement by Government agencies, including PSUs. Indian manufacturers with a defined value addition through contribution within the country are given preference over foreign manufacturers or domestic manufacturers not meeting the value addition requirement.

Strong order book comprising of a diversified suite of products and services across various sectors

As at December 31, 2019, our Order Book was ₹110,511.21 million (including advance purchase orders but net of GST), of which 29.09% comprises large turnkey projects, 57.87% comprises AMCs and 13.05% comprises other product and services orders. For further information, see "--*Order Book*" on page 128.

The following table summarizes our Order Book as at December 31, 2019 (including advance purchase orders but net of GST).

Particulars	**As at December 31, 2019**	**Percentage of Total Order Book**
Project/ Product	(in ₹millions)	
BTS O&M*	56,216.61	50.87%
MahaNet	19,889.58	18.00%
ROs/CCOs/IT/ITI/Misc. products	10,461.86	9.47%
Smart energy meters	6,581.78	5.96%
GujaratNet	5,358.73	4.85%
Rajnet	2,836.02	2.57%
WBNet	1,978.22	1.79%
NFS project	1,664.92	1.51%
GPON	1,550.42	1.40%
GSM SZ AMC	667.97	0.60%
Defence business/AMC	809.58	0.73%
HDPE Duct	538.31	0.49%
AMC for ASCON	507.97	0.46%
AMC for OCB	38.31	0.03%
MLLN/SSTP AMC	16.95	0.02%
Others	1,393.98	1.26%
Total	**110,511.21**	**100.00%**

** The order relating to BTS O&M includes two advance work orders issued by BSNL, each dated August 29, 2018 for approximately ₹17,831.21 million and ₹38,385.40 million (both exclusive of GST) aggregating to an amount of approximately ₹56,216.61 million (exclusive of GST) for the execution of outsourcing of operations and maintenance (O&M) services for BTS sites. Our Company has also furnished a corporate guarantee, dated September 10, 2018 of ₹284.33 million which is valid until September 5, 2021. In addition, our back-end partner on the project has provided a bank guarantee to BSNL of ₹284.33 million which is valid until September 5, 2021. We have been regularly interacting with BSNL for conversion of these advance work orders into confirmed work orders; however, we are yet to receive the confirmed work orders. Further, we are yet to initiate action for the execution of the said project.*

Our Order Book includes anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) and from advance purchase orders and advance work orders for which we are yet to receive final purchase orders or work orders. For further information, see "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects.*"In addition to our Order Book, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 have informed us that the subject proposal regarding establishment of ASCON Phase IV Project is under consideration for seeking final approval of the competent authority.

Modern manufacturing infrastructure, equipment and technology

We have manufacturing facilities in Bengaluru, Mankapur, Naini, Palakkad and Raebareli and a R&D centre in Bengaluru and skill development centres under PMKVY in Bengaluru and Srinagar. We have upgraded and continue to modernize, our manufacturing facilities, infrastructure, machines, equipment and technology to allow us to offer a diverse product suite, reduce operating costs and drive productivity. Our capital expenditure was ₹1,278.17 million, ₹1,895.54 million and ₹760.75 million in each of Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. Our capital expenditure was ₹489.37 million for the six months ended September 30, 2019. We have added manufacturing capability of GPON products including optical line terminals ("**OLTs**") and optical network terminals ("**ONTs**"), OFC and a high-density polyethylene ("**HDPE**") manufacturing line to our Raebareli facilities. We also have established HDPE duct manufacturing lines at our Palakkad unit. In addition, the electronic manufacturing facilities in our Bengaluru, Raebareli, Palakkad and Mankapur plants have been upgraded to manufacture a diverse suite of products including other optical and data network products, defence security encryption products, IoT products as well as other products like smart energy meters, smart cards, solar panels, set-top boxes, mini personal computers, 3D printing, security surveillance products, radio modems and other allied products.

Revitalized Company with improving financial performance

As part of the revival plan approved by the CCEA, the GoI approved grants in aid to settle part of statutory dues and to meet our operational requirements and grants for capital expenditure for upgrading our infrastructure, machines and equipment. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received grants in aid of ₹Nil, ₹1,329.80 million and ₹5,000.00 million respectively. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received capital grants in the form of equity for capital expenditure of ₹550.00 million, ₹3,370.00 million and ₹800.00 million, respectively. During six months ended September 30, 2019, we received a further grant from the GoI of ₹1,050.00 million for capital expenditure. On December 31, 2019, the GoI allocated a further ₹854.00 million as a grant in aid to our Company (funds not yet received) to settle partial statutory dues and to meet our operational requirements.

Our Company has been transformed from telecommunications equipment manufacturer to telecommunications technology company catering to diverse industry segments. Our strategy of diversification has helped us improve our financial performance. We made consolidated operating losses (not including GoI grants included in other income) in Fiscal 2017 of ₹943.19 million. In Fiscal 2019 and 2018, we made a consolidated operating profit (not including GoI grants included in other income) of ₹925.38 million and ₹975.84 million, respectively. In the six months ended September 30, 2019, we made a consolidated operating loss (not including GoI grants included in other income) of (₹544.03 million). In addition, after the GoI grants, we made a consolidated profit in Fiscal 2019, Fiscal 2018 and Fiscal 2017 of ₹925.38 million, ₹2,305.64 million and ₹2,663,91 million, respectively.

Experienced Board, management team and skilled workforce

Our management team is well qualified and experienced in the industry. We believe that the combination of our experienced Board and our experienced management team have been key to revitalizing our business and would enable us to capitalize on further growth opportunities. For further information on our Board and management team, see "*Our Management*" on page 158. As at December 31, 2019, we had 3,520 employees, including more than 731 employees with technical and professional qualifications. Most of our employees, particularly senior management, have worked with our Company for over two decades. We are dedicated to the development of the expertise and know-how of our employees and have commenced a focused leadership and skills development program.

Our Strategies

In line with our revival plan approved by the CCEA, we have adopted various comprehensive strategies as set forth below.

Continuously diversify our products and services and leverage our relationships with the GoI and PSUs

We have been developing and introducing new products in collaboration with our technology partners including optical and data network products, defence security encryption products, IoT products as well as other diversified products like smart energy meters, smart cards, solar panels, set-top boxes, mini personal computers, HDPE duct, optical fiber, 3D printing, sanitary napkin vending machines and other communication and electronic products. In addition, we offer a range of services including fiber laying services, data centre hosting solutions, annual maintenance contracts (post completion of our projects), contract manufacturing services and IT and software services like Aadhaar authentications and digital wallet offerings. We also are one of the three agencies appointed by the GoI for the citizen centric projects of the NPR for collecting data based on guidelines similar to that of Unique Identification Authority of India for Aadhaar data collection and SECC project to collect economic and caste-based data of Indian citizens.

We plan to continuously upgrade and invest in our technology, through the acquisition of technology from strategic partners with a specific focus on high growth industry segments. Accordingly, we intend to continue to develop products and services with applications targeting customers across sectors such as telecommunications, defence, information technology, banks, financial institutions and solar energy.

We currently are implementing numerous GoI projects and intend to continue to leverage our relationships with PSUs, the Ministry of Defence and other Government agencies to win large tenders and contracts. We believe that large projects allow us to benefit from economies of scale, to develop relationships with technology partners and to drive revenue growth. In addition, we intend to leverage a new PSU synergy initiative by the DoT to utilize strengths of each PSU and for transfer of technology. In order to market our business, we hold regular interactions with stakeholders by way of conducting conferences. For example, a vendor meeting on infrastructure management for BharatNet Type EPC projects in Bengaluru was held in December 2017 and start-ups' road show meetings were held in Bengaluru in September 2018 and in May 2019.

Augment our manufacturing capabilities by upgrading and modernizing our infrastructure and technology

We have been upgrading our manufacturing facilities, infrastructure, machines, equipment, technology and employee skill sets that has allowed us to enhance our product offerings, reduce operating costs and drive productivity. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received capital grants in the form of equity for capital expenditure of ₹550.00 million, ₹3,370.00 million and ₹800.00 million, respectively. We have utilized these grants to modernize our manufacturing infrastructure and to develop and diversify our product lines. During six months ended September 30, 2019, we received a further grant from the GoI of ₹1,050.00 million for capital expenditure.

Our capital expenditure plans include the following:

- Upgrading our electronic and mechanical manufacturing facility;
- Expanding our data centre operations by building a Tier 3 plus data centre with 1,000 racks space at Bengaluru;
- Setting up our radio modem and smart energy meter manufacturing facility;
- Building electromagnetic compatibility and interference (EMC and EMI) chambers for testing telecommunication and defence products;
- Expanding our defence encryption products and solutions capabilities;
- Setting up a solar panel manufacturing facility in our Naini plant with 18MW capacity;
- Expanding smart card manufacturing;
- Expanding our OFC and HDPE duct manufacturing;
- Setting up a manufacturing facility for Wi-Fi products;
- Setting up 3D printing facilities;
- Setting up a manufacturing facility for manufacturing of Smaash PC's and set top boxes;
- Setting up a manufacturing facility for component screening projects; and
- Setting up a manufacturing facility for SMPS manufacturing.

Teaming with innovative technology leaders and start-ups

We intend to continue executing teaming agreements, memoranda of understanding and technology transfer agreements with synergistic technology and telecommunications companies as well as start-ups to provide us with access to new technology and products to expand our offering to customers as well as to drive our efforts toward innovation.

We have technology transfer agreements (under which we pay a royalty and other fees) with various technology and telecommunications companies for certain technology and products including MLLN and OTN equipment, telecommunication and IT products like GPON, Wi-Fi, terabit routers and fixed line and GSM technology. Our teaming partners, with whom we are working together to offer new products and services, include Centre for Development of Telematics for GPON products, Coriant OY for Managed Leased Line Network products, Z-Com, Taiwan, for Wi-Fi products, Inesh for Smart Energy meters, Shreenath Smart Technologies Pvt Ltd for Aadhaar Authentication services, CDAC for IoT solutions and Trimax Data Centre Services Private Ltd for data centre services.

We intend to continue to build relationships across the communication and technology eco-system with institutions including system integrators, software and hardware companies and network service companies. We believe that this knowledge of both products and the entire product development ethos helps us to evolve a product and service development culture that is aligned with our customer requirements, employees and processes. We also engage in discussions with our technology partners to bring each other opportunities and to assist each other to grow our businesses and enrich our respective understandings of the telecommunications technology industry and our technical knowledge. In addition, we expect to continue to cultivate a cooperative research and development culture with our customers, technology partners and employees.

Reduce our operating costs, increase operational efficiencies and improve productivity

In order to improve our margins and profitability, we endeavour to continue to rationalize our costs. We believe that our large manufacturing operations will allow us to benefit from economies of scale particularly in respect of purchases of equipment, components and materials as well as finished goods. Our management strives to place a great emphasis on cost control and improving operating efficiencies, especially in light of upgrading of our infrastructure, equipment and technology and our expanded product suite. In particular, we intend to drive cost savings by teaming with technology partners through subcontracting and outsourcing. We are also looking to reduce our social overheads including our medical costs, canteen subsidies and transportation expenses.

In addition, we plan to drive improved productivity per employee by our (i) modernized and upgraded infrastructure, equipment and technology, (ii) by our company-wide emphasis on research and development and innovation and (iii) continued training and improvement of our employees' skills and training.

Furthermore, we intend to monetize our land and property by finding additional and alternative uses. For example, we are planning to (a) offer our vacant office space and factory hangers on rental basis to outside agencies (b) offer vacant sheds and RCC structures for warehousing/logistics purposes, (c) offer our unused auditorium space in our Bengaluru plant for conducting functions or for sporting purposes, (d) offer our unused community hall in our Bengaluru plant for marriage purposes, (e) convert our existing hospital in Bengaluru manufacturing township into a multi/super specialty hospital and (g) offer open spaces for sporting events, CNG/PNG station and distribution outlets.

SUMMARY FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

The Restated Financial Statements for the six month period ended September 30, 2019 and for the Fiscals2019, 2018, 2017, 2016 and 2015 have been prepared basis Ind AS and the Companies Act, 2013 and restated in accordance with the 2009 SEBI ICDR Regulations. The Restated Financial Statements are presented under the "Financial Statements" on page 179. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto, as provided in "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 179 and 283, respectively.

RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION OF ASSETS AND LIABILITIES

(₹ in million, unless otherwise stated)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
I. ASSETS						
(1) Non-current assets						
(a) Property, Plant & Equipment	3,723.28	3,589.11	2,795.15	1,569.70	1,029.45	618.84
(b) Capital Work-in- Progress	1,818.43	1,648.46	1,492.91	1,015.94	916.83	330.19
(c) Investment Property	10.08	10.39	10.80	11.02	11.25	11.48
(d) Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00
(e) Financial Assets						
(i) Investments	389.57	397.61	376.74	407.84	430.50	450.21
(ii) Trade Receivables	12.06	12.06	58.80	0.00	0.00	0.00
(iii) Loans	2.06	1.66	1.77	2.61	2.30	25.16
TOTAL	**5,955.48**	**5,659.29**	**4,736.17**	**3,007.11**	**2,390.32**	**1,435.88**
(2) Current assets						
(a) Inventories	1,445.23	1,487.56	1,558.96	1,422.86	1,038.30	933.43
(b) Financial Assets						
(i) Trade Receivables	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15
(ii) Cash and cash equivalents	199.67	267.01	412.61	244.02	499.51	458.07
(iii) Bank Balances other than above	2,232.17	1,768.28	2,834.88	1,419.10	712.41	2,254.18
(iii) Loans	6,122.53	4,705.13	3,854.75	3,334.81	2,588.22	2,691.75
(iv) Unbilled Revenue	3,622.26	5,502.49	2,372.41	366.66	212.93	0.00
(c) Other current assets	524.09	673.80	488.25	294.84	357.46	288.02
TOTAL	**40,662.07**	**40,978.27**	**42,321.21**	**29,041.83**	**32,840.54**	**28,812.59**
GRAND TOTAL	**46,617.56**	**46,637.56**	**47,057.38**	**32,048.93**	**35,230.86**	**30,248.47**
II.EQUITY AND LIBILITES						
Equity						
(a) Equity Share Capital	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
(b) Other Equity	(10,281.08)	(13,985.23)	(14,339.70)	(18,085.82)	(19,251.01)	(21,985.05)
TOTAL	**(1,311.08)**	**(5,015.23)**	**(6,739.70)**	**(12,485.82)**	**(16,371.01)**	**(19,105.05)**
Liabilities						
(1) Non-Current Liabilities						
(a) Government Grants	1,142.94	1,184.65	1,190.89	1,228.93	25.68	72.65
(b) Financial Liabilities						
(i) Borrowings	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
(ii) Others	684.93	703.34	181.50	144.42	121.31	63.01
(c) Provisions	804.84	811.29	680.04	583.11	839.08	887.45
TOTAL	**5,032.71**	**5,699.28**	**5,052.43**	**4,956.46**	**3,986.07**	**4,023.11**
(2) Current Liabilites						
(a) Financial Liabilites						
(i) Borrowings	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
(ii) Trade payables	16,880.99	18,048.63	22,616.49	19,759.99	21,053.30	22,830.18
(iii) Others	8,314.30	11,310.74	8,241.43	7,235.90	8,091.46	8,338.10
(b) Provisions	1,085.11	1,060.87	1,200.58	1,483.70	2,419.03	3,525.27
(c) Other current liabilities	7,038.44	5,946.21	7,422.92	2,307.02	7,662.87	1,428.55
TOTAL	**42,895.93**	**45,953.51**	**48,744.65**	**39,578.30**	**47,615.80**	**45,330.41**
GRAND TOTAL	**46,617.56**	**46,637.56**	**47,057.38**	**32,048.93**	**35,230.86**	**30,248.47**

RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION OF PROFITS AND LOSSES

(₹ in million, unless otherwise stated)

Particulars	For the Half year ended September 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31,2017	For the year ended March 31,2016	For the year ended March 31,2015(Proforma)
INCOME						
I. Revenue from operations	**5,787.83**	**16,683.68**	**14,841.62**	**15,481.37**	**11,933.46**	**5,791.12**
II. Other Income	**246.14**	**3,364.73**	**3274.54**	**5,405.79**	**5,969.65**	**849.17**
III. Total Revenue(I +II)	**6,033.97**	**20,048.41**	**18,116.17**	**20,887.16**	**17,903.11**	**6,640.29**
IV.EXPENSES:						
Cost of materials consumed	683.48	2,837.14	3,134.44	925.75	413.33	430.27
Purchase of Stock-in-Trade	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	97.19	(112.88)	117.65	(176.22)	4.38	20.56
Installation & Maintenance Charges	1,286.47	7,839.33	5,260.73	6,420.79	3,180.55	2,138.76
Employee benefit expense	1,124.55	2,042.22	2,255.04	3,008.72	3,324.59	3,211.89
Finance costs	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Depreciation and amortization expense	208.41	370.92	248.55	169.45	129.02	153.24
Other expenses	387.95	1,865.19	940.24	1226.70	625.04	672.40
Total expenses	**6,577.99**	**19,123.03**	**15,810.52**	**18,223.25**	**15,530.93**	**9,620.24**
V.Profit/(Loss) before exceptional items and tax (III-IV)	**(544.03)**	**925.38**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
VI. Exceptional items	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(i) Income	0.00	0.00	0.00	0.00	0.00	1650.00
(ii) Expenses	0.00	0.00	0.00	0.00	0.00	(1,650.00)
VII. Profit/(Loss) before tax (V + VI)	**(544.03)**	**925.38**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
VIII. Tax expense:						
(1) Current tax	0.00	0.00	0.00	0.00	0.00	0.00
(2) Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
IX. Profit(Loss) for the year(VII-VIII)	**(544.03)**	**925.38**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
X. Other Comprehensive Income						
A. (i) Items that will not be reclassified to proflt or loss						
Remeasurements of Defined Benefit Plans	90.36	183.17	45.68	387.30	173.26	0.00
Changes in Fair value of Equity Instruments in ISL	(8.04)	20.88	(31.10)	(22.65)	(19.71)	(18.47)
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
XI. Total Comprehensive Income for the year (IX+X)–Comprising Profit (Loss) and Other comprehensive Income for the year)	**(461.71)**	**1,129.44**	**2,320.22**	**3,028.55**	**2,525.74**	**(2,998.42)**
XII. Earnings per equity share (for continuing operation):						
Basic & diluted (face value of ₹ 10/- each):	(0.65)	0.97	3.18	6.72	7.82	(11.35)
Weighted average number of shares	897,000,000	879,875,000	643,333,333	410,000,000	288,000,000	288,000,000

RESTATED IND AS CONSOLIDATED FINANCIAL INFORMATION OF CASH FLOWS

(₹ in million, unless otherwise stated)

Particulars	For the Half year ended September 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015 (Proforma)
(A) CASH FLOW FROM OPERATING ACTIVITIES						
NET PROFIT/(LOSS) BEFORE TAX	**(544.03)**	**925.38**	**2,305.64**	**2,663.91**	**2,372.18**	**(3,334.39)**
Adjustment for :						
Depreciation	208.41	370.92	248.55	178.32	129.02	153.24
Financing Charges	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Interest/Dividend Received	(67.30)	(39.37)	(15.98)	(10.00)	(22.66)	(25.84)
Profit on Sale of Asset	-	-	(921.15)	0.00	0.00	(0.31)
Transfer From Grant-in-Aid	(41.70)	(6.25)	(1,367.83)	(3,796.56)	(4,987.17)	(40.29)
Other Comprehensive Income-Actuarial Gain	82.32	204.05	45.68	387.30	173.26	354.45
Non-Cash Expenditure	10.77	1,170.81	33.67	42.11	(33.38)	9.58
TOTAL – ADJ.	**880.23**	**2,764.87**	**(442.95)**	**(1,672.68)**	**(3,169.38)**	**2,023.36**
OPERATING CASH PROFIT / (LOSS) BEFORE WORKING CAPITAL CHANGES	**336.20**	**3,690.25**	**1,862.70**	**991.23**	**(797.20)**	**(1,311.03)**
Adjustment for:						
Trade and Other Receivables	655.56	(1,062.81)	(11,610.83)	4,564.00	(5,245.87)	(342.13)
Inventories	42.33	70.79	(169.10)	(399.57)	(105.24)	28.03
Trade Payables	(3,072.49)	(2,461.90)	8,828.83	(8,672.90)	3,114.50	143.92
Direct Taxes Paid	3.69	2.02	(6.04)	42.79	(154.67)	(4.41)
TOTAL – ADJ.	(2,370.91)	**(3,451.89)**	**(2,957.14)**	**(4,465.68)**	**(2,391.28)**	**(174.59)**
CASH FLOW FROM OPERATING ACTIVITIES [A]	**(2,034.71)**	**238.36**	**(1,094.44)**	**(3,474.45)**	**(3,188.48)**	**(1.485.63)**
(B) CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Fixed Assets -Including:						
Capital Work-in-Progress	(489.37)	(1,278.17)	(1,895.54)	(760.75)	(1,065.49)	(126.79)
Sale of Fixed Assets	0.00	0.00	921.15	0.00	0.00	0.31
Investments	8.04	(20.88)	0.00	0.00	0.00	0.00
Interest Received	67.30	39.37	15.98	10.00	22.66	25.84
NET CASH USED IN INVESTING ACTIVITIES [B]	**(414.02)**	**(1,259.68)**	**(958.41)**	**(750.75)**	**(1,042.83)**	**(100.64)**
(C) CASH FLOW FROM FINANCING ACIVITIES						
Proceeds From Short Term Borrowings	(609.98)	323.84	471.53	402.54	(819.17)	3,449.04
Share Application Money	1,050.00	550.00	1,370.00	0.00	0.00	1,920.00
Issue of Share Capital	0.00,	0.00	2,000.00	800.00	0.00	0.00
Grant-in--Aid Received	3,093.00	0.00	1,329.80	5,000.00	5,121.70	178.61
Financing Expenses	(687.74)	(1,064.71)	(1,534.11)	(1,526.15)	(1,571.55)	(1,572.54)
NET CASH USED IN FINANCING ACTIVITIES [C]	**2,845.28**	**(190.87)**	**3,637.22**	**4,676.39**	**2,730.98**	**3,975.12**
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	**396.55**	**(1,212.20)**	**1,584.37**	**451.19**	**(1,500.33)**	**2,388.85**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	**2,035.29**	**3,247.49**	**1,663.11**	**1,211.92**	**2,712.25**	**323.40**
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**2,431.84**	**2,035.29**	**3,247.49**	**1,663.11**	**1,211.92**	**2,712.25**

RESTATED IND AS STANDALONE FINANCIAL INFORMATION OF ASSETS AND LIABILITIES

(₹ in million, unless otherwise stated)

Particulars	As at September 30, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
I.Assets						
(1) Non-current assets						
(a) Property, Plant & Equipment	3,723.28	3,589.11	2,795.15	1,569.70	1,029.45	618.84
(b) Capital Work-in- Progress	1,818.43	1,648.46	1,492.91	1,015.94	916.83	330.19
(c) Investment Property	10.08	10.39	10.80	11.02	11.25	11.48
(d) Intangible Assets	0.00	0.00	0.00	0.00	0.00	0.00
(e) Financial Assets						
(i) Investments	4.06	4.06	4.06	4.06	4.06	4.06
(ii) Trade Receivables	12.06	12.06	58.80	0.00	0.00	0.00
(iii) Loans	2.06	1.66	1.77	2.61	2.30	25.16
TOTAL	**5,569.96**	**5,265.74**	**4,363.48**	**2,603.32**	**1,963.88**	**989.73**
(2) Current assets						
(a) Inventories	1,445.23	1,487.56	1,558.96	1,422.86	1,038.30	933.43
(b) Financial Assets						
(i) Trade receivables	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15
(ii) Cash and cash equivalents	199.67	267.01	412.61	244.02	499.51	458.07
(iii) Bank blances other than above	2,232.17	1,768.28	2,834.88	1,419.10	712.41	2,254.18
(iii) Loans	6,122.53	4,705.13	3,854.75	3,334.81	2,588.22	2,691.75
(iv) Unbilled revenue	3,622.26	5,502.49	2,372.41	366.66	212.93	0.00
(c) Other current assets	524.09	673.80	488.25	294.85	357.46	288.02
TOTAL	**40,662.07**	**40,978.27**	**42,321.21**	**29,041.84**	**32,840.54**	**28,812.59**
GRAND TOTAL	**46,232.04**	**46,244.01**	**46,684.69**	**31,645.16**	**34,804.42**	**29,802.32**
II. EQUITY AND LIABILITES						
Equity						
(a) Equity Share Capital	8,970.00	8,970.00	7,600.00	5,,600.00	2,880.00	2,880.00
(b) Other Equity	(10,666.60)	(14,378.79)	(14,712.39)	(18,489.60)	(19,677.45)	(22,431.19)
TOTAL	**(1,696.60)**	**(5,408.79)**	**(7,112.39)**	**(12,889.60)**	**(16,797.45)**	**(19,551.19)**
Liabilities						
(1) Non-Current Liabilities						
(a) Government Grants	1,142.94	1,184.65	1,190.89	1,228.93	25.68	72.65
(b) Financial Liabilities						
(i) Borrowings	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
(ii) Others	684.93	703.34	181.50	144.42	121.31	63.01
(c) Provisions	804.84	811.29	680.04	583.11	839.08	887.45
TOTAL	**5,032.71**	**5,699.28**	**5,052.43**	**4,956.46**	**3,986.07**	**4023.10**
(2) Current Liabilities						
(a) Financial Liabilities						
(i) Borrowings	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
(ii) Trade payables	16,880.99	18,048.63	22,616.49	19,759.99	21,053.30	22,830.18
(iii) Others	8,314.30	11,310.74	8,241.43	7,235.90	8,091.46	8,338.10
(b) Provisions	1,085.11	1,060.87	1,200.58	1,483.70	2,419.03	3,525.27
(c) Other current liabilities	7,038.44	5,946.21	7,422.92	2,307.02	7,662.87	1,428.55
TOTAL	**42,895.93**	**45,953.52**	**48,744.65**	**39,578.30**	**47,615.80**	**45,330.41**
GRAND TOTAL	**46,232.04**	**46,244.01**	**46,684.69**	**31,645.16**	**34,804.42**	**29,802.32**

RESTATED IND AS STANDALONE FINANCIAL INFORMATION OF PROFITS AND LOSSES

(₹ in million, unless otherwise stated)

Particulars	For the Half year ended September 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015 (Proforma)
INCOME						
I. Revenue from operations	5,787.83	16,683.68	14,841.62	15,481.37	11,933.46	5,791.12
II. Other income	246.14	3,364.73	3,274.54	5,405.79	5,969.65	849.17
III.Total Revenue (I +II)	**6,033.97**	**20,048.41**	**18,116.17**	**20,887.16**	**17,903.11**	**6,640.29**
IV. EXPENSES:						
Cost of materials consumed	683.48	2,837.14	3,134.44	925.75	413.33	430.27
Purchase of Stock-in-Trade	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59
Changes in inventories of finished goods, work-in-progress and stock-in-trade	97.19	(112.88)	117.65	(176.22)	4.38	20.56
Installation & Maintenance Charges	1,286.47	7,839.33	5,260.73	6,420.79	3,180.55	2,138.76
Employee benefit expense	1,124.55	2,042.22	2,255.04	3,008.72	3,324.59	3,211.89
Finance costs	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Depreciation and amortization expense	208.41	370.92	248.55	169.45	129.02	153.24
Other expenses	387.95	1,865.19	940.24	1,226.70	625.04	672.40
Total expenses	**6,577.99**	**19,123.03**	**15,810.52**	**18,223.25**	**15,530.93**	**9,620.24**
V.Profit/(Loss) before exceptional items and tax (III-IV)	**(544.03)**	**925.39**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
VI. Exceptional items	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
(i) Income	0.00	0.00	0.00	0.00	0.00	1,650.00
(ii) Expenses	0.00	0.00	0.00	0.00	0.00	(1,650.00)
VII. Profit/(Loss) before tax (V + VI)	**(544.03)**	**925.39**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
VIII. Tax expense:						
(1) Current tax	0.00	0.00	0.00	0.00	0.00	0.00
(2) Deferred tax	0.00	0.00	0.00	0.00	0.00	0.00
IX. Profit(Loss) for the year(VII-VIII)	**(544.03)**	**925.39**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
X. Other comprehensive income						
A. (i) Items that will not be reclassifled to proflt or loss						
Remeasurements of Defined Benefit Plans	90.36	183.17	45.68	387.30	173.26	0.00
B. (i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
XI. Total Comprehensive Income for the year (IX+X) comprising profit (loss) and Other comprehensive Income for the year)	**(453.67)**	**1,108.56**	**2,351.32**	**3,051.21**	**2,545.44**	**(2,979.95)**
XII. Earnings per equity share (for continuing operation):						
Basic anddiluted (face value of ₹ 10/- each): (in₹)	(0.64)	0.95	3.23	6.77	7.89	(11.29)
Weighted average number of shares	897,000,000	878,875,000	643,333,333	410,000,000	288,000,000	288,000,000

RESTATED IND AS STANDALONE FINANCIAL INFORMATION OF CASH FLOWS

(₹ in million, unless otherwise stated)

Particulars	For the Half year ended September 30, 2019	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015 (Proforma)
(A) CASH FLOW FROM OPERATING ACTIVITIES:						
NET PROFIT/(LOSS) BEFORE TAX	**(544.03)**	**925.38**	**2,305.64**	**2,663.91**	**2,372.18**	**(3,334.39)**
Adjustment for :						
Depreciation	208.41	370.92	248.55	178.32	129.02	153.24
Financing Charges	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Profit on Sale of Investment	0.00	0.00	0.00	0.00	0.00	0.00
Interest/Dividend Received	(67.30)	(39.37)	(15.98)	(10.00)	(22.66)	(25.84)
Loss on Sale of Asset	0.00	0.00	0.00	0.00	0.00	0.00
Profit on Sale of Asset	0.00	0.00	(921.15)	0.00	0.00	(0.31)
Transfer from Grant-in-Aid	(41.70)	(6.25)	(1,367.83)	(3,796.56)	(4,987.17)	(40.29)
Transfer from Grant-in-Aid(Prior Period Adj.)	0.00	0.00	0.00	0.00	0.00	0.00
Other Comprehensive Income	90.36	183.17	45.68	387.30	173.26	354.45
Non-Cash Expenditure	10.77	1,170.81	33.67	42.11	(33.38)	9.58
TOTAL – ADJ.	**888.27**	**2,743.99**	**(442.95)**	**(1,672.68)**	**(3,169.38)**	**2,023.36**
OPERATING CASH PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES	**344.24**	**3,669.37**	**1,862.70**	**991.23**	**(797.20)**	**(1,311.03)**
Adjustment for:						
Trade and Other Receivables	655.56	(1,062.81)	(11,610.83)	4,564.00	(5,245.87)	(342.13)
Inventories	42.33	70.79	(169.10)	(399.57)	(105.24)	28.03
Trade Payables	(3,072.49)	(2,461.90)	8,828.83	(8,672.90)	3,114.50	143.92
Direct Taxes Paid	3.69	2.02	(6.04)	42.79	(154.67)	(4.41)
TOTAL – ADJ.	(2,370.91)	(3,451.89)	(2,957.14)	(4,465.68)	(2,391.28)	(174.59)
CASH FLOW FROM OPERATING ACTIVITIES [A]	**(2,026.67)**	**217.47**	**(1,094.44)**	**(3,474.45)**	**(3,188.48)**	**(1.485.62)**
(B) CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase of Fixed Assets Including:						
Capital Work-in-Progress	(489.37)	(1,278.17)	(1,895.54)	(760.75)	(1,065.49)	(126.79)
Sale of Fixed Assets	0.00	0.00	921.15	0.00	0.00	0.31
Interest Received	67.30	39.37	15.98	10.00	22.66	25.84
NET CASH USED IN INVESTING ACTIVITIES [B]	**(422.06)**	**(1,238.81)**	**(958.41)**	**(750.75)**	**(1,042.83)**	**(100.65)**
(C) CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds from Short Term Borrowings	(609.98)	323.84	471.53	402.54	(819.17)	3,449.04
Share Application Money	1,050.00	550.00	1,370.00	0.00	0.00	1,920.00
Issue of Share Capital	0.00	0.00	2,000.00	800.00	0.00	0.00
Grant-in-Aid Received	3,093.00	0.00	1,329.80	5,000.00	5,121.70	178.61
Financing Expenses	(687.74)	(1,064.71)	(1,534.11)	(1,526.15)	(1,571.55)	(1,572.54)
NET CASH USED IN FINANCING ACTIVITIES [C]	**2,845.28**	**(190.87)**	**3,637.22**	**4,676.39**	**2,730.98**	**3,975.12**
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	**396.55**	**(1,212.20)**	**1,584.37**	**451.19**	**(1,500.33)**	**2,388.85**
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	**2,035.29**	**3,247.49**	**1,663.11**	**1,211.92**	**2,712.25**	**323.40**
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	**2,431.84**	**2,035.29**	**3,247.49**	**1,663.11**	**1,211.92**	**2,712.25**

THE ISSUE

The following table summarises the Issue details:

Issue(1)(3)	Upto [●] Equity Shares of ₹10 each aggregating to ₹[●] million(3)
Of which :	
Employee Reservation Portion	Upto 1,800,000 Equity Shares of ₹10 each aggregating to ₹[●] million
Net Issue	Upto 180,000,000 Equity Shares of ₹10 each aggregating to ₹[●] million
Of which :	
A. QIB Portion(2)	Not less than [●] Equity Shares of ₹10 each
Of which:	
Mutual Fund Portion	[●] Equity Shares of ₹10 each
Balance for all QIBs including Mutual Funds	[●] Equity Shares of ₹10 each
B. Non-Institutional Portion(2)	Not more than [●] Equity Shares of ₹10 each
C. Retail Portion(2)	Not more than [●] Equity Shares of ₹10 each
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	897,000,000 Equity Shares of ₹10 each
Equity Shares outstanding after the Issue	[●] Equity Shares of ₹10 each
Use of proceeds of this Issue	See "*Objects of the Issue*" on page 82.

(1) The Issue was authorised by the CCEA in its meeting held on March 21, 2018, which was communicated to the Company by the Department of Telecommunications, Ministry of Communications, Government of India *vide* its letter bearing reference number 20-36/2012-FAC.II dated April 3, 2018. The board of directors of the Company pursuant to a resolution dated February 13, 2018 have approved the Issue and the shareholders of the Company have approved the Issue pursuant to the special resolution at the extraordinary general meeting held on April 5, 2018 in accordance with Section 62 of the Companies Act, 2013.

(2) Eligible Employees Bidding in the Employee Reservation Portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to an Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Issue. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on 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 a combination of categories. For further details, see "*Issue Structure*" on page 341.

(3) Upto 1,800,000 Equity Shares, constituting 1% of the Net Issue shall be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion.

Allocation to Bidders in all categories, except the Retail Portion, shall be made on a proportionate basis. For further details, see "*Issue Procedure – Allotment Procedure and Basis of Allotment*" on page 344.

GENERAL INFORMATION

Our Company was originally incorporated as Indian Telephone Industries Private Limited on January 25, 1950 at Bengaluru, Karnataka, India as a private limited company under the Mysore Companies Act, XVIII of 1938. Subsequently, the name of our Company was changed to Indian Telephone Industries Limited pursuant to a notification no. G.S.R 1234 dated December 30, 1958 issued by the Ministry of Commerce and Industry.Our Company became a deemed public limited company under Section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1975. Thereafter, the name of our Company was changed from Indian Telephone Industries Limited to its present name, ITI Limited, and a fresh certificate consequent upon change of name dated January 24, 1994 was issued by the RoC.

The Company has previously offered its equity shares through disinvestment by the President of India in 1992 and the equity shares of our Company were listed on BSE and NSE.

For details of change in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 144.

For details of the business of our Company, see "*Our Business*" on page 119.

Registered and Corporate Office of our Company

ITI Limited
ITI Bhavan
Doorvaninagar
Bengaluru 560 016
Karnataka, India
Tel: +91 80 2561 7486
Fax: +91 80 2561 4400
E-mail: cosecy_crp@itiltd.co.in
Website: www.itiltd-india.com

Corporate Identification Number: L32202KA1950GOI000640
Registration Number: 000640

Address of the RoC

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

Registrar of Companies
'E' Wing, 2nd Floor
Kendriya Sudana Koramangala
Bengaluru 560 034 Karnataka, India

Board of Directors

The following table sets out the composition of our Board as on the date of this Red Herring Prospectus:

Name	Designation	DIN	Address
Rakesh Mohan Agarwal	Chairman and Managing Director	07333145	A-2, Central Avenue, ITI Township, Doorvaninagar, Bengaluru 560 016, Karnataka, India
Chittaranjan Pradhan	Director (Finance)	08094340	No. 124, 1st Floor, 10th Main Road, near Ashoka Pillar Jayanagara 1st Block, Bengaluru South, Jayanagar III block, Bengaluru 560 011, Karnataka, India
Shashi Prakash Gupta	Director (Human Resources)	08254999	12/356, Vasundhra, Ghaziabad 201012, Uttar Pradesh, India
D. Venkateswarlu	Director (Production)	08605954	Srinivasa Nilayam, 3rd Block, Gurumurthy Reddy Layout, Ramamurthy Nagar, Bengaluru 560 016
Rajesh Sharma	Government Director, Nominee (Non-Executive)	08200125	A-104, CGRC, DDU Marg, New Delhi – 11 002, India
Lt. General Rajeev Sabherwal	Government Director, Nominee (Non-Executive)	08420761	Aravali, Signals Enclave, 1 Army HQ Signal Regiment, Rao Tula Ram Marg, New Delhi 110 010, India
Asha Kumari Jaswal	Non-Official, Independent Director (Non-Executive)	07786698	#110, Sector 21-A, Chandigarh 160 022, India
Dr. K. R. Shanmugam	Non-Official, Independent Director (Non-Executive)	08211253	11/12, Dew Apts., 3rd North, II Floor, Mandaveli, Chennai 600 028, Tamil Nadu, India

Name	Designation	DIN	Address
Dr. Akhilesh Charan Dube	Non-Official, Independent Director (Non-Executive)	08195896	No. 60/103, Dangania Mod, Sri Ram Hospital Ward 69, Dangania Sunder Nagar, Raipur 492 013, Chattisgarh, India
Mayank Gupta	Non-Official, Independent Director (Non-Executive)	03501227	H.No. 244/4, Yoganand Vihar, Purva Deendayal, Roorkee, Haridwar 247 667, Uttarakhand, India
Rajen Vidyarthi	Non-Official, Independent Director (Non-Executive)	08196235	Vishram – 200A, MC Nier Road, Prem Nagar, Bareilly 243 005, Uttar Pradesh, India

For brief profiles and further details of our Board of Directors, see "*Our Management*" on page 158.

Company Secretary and Compliance Officer

S. Shanmuga Priya is the Company Secretary and Compliance Officer of our Company. Her contact details are as follows:

S. Shanmuga Priya
ITI Limited
ITI Bhavan
Doorvaninagar
Bengaluru 560 016
Karnataka, India
Tel: +91 80 2561 7486
Fax: +91 80 2561 7525
E-mail: cosecy_crp@itiltd.co.in

Chief Financial Officer

Rajeev Srivastava is the Chief Financial Officer of our Company. His contact details are as follows:

Rajeev Srivastava
ITI Limited
ITI Bhavan
Doorvaninagar
Bengaluru 560 016
Karnataka, India
Tel: +91 80 2561 7522
E-mail: rajeevs_nsu@itiltd.co.in

Investor Grievances

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

All grievances in relation to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, UPI 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.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary with whom the Bid cum Application Form was submitted. In addition to the information indicated above, the ASBA Bidder should also specify the Designated Branch or the collection centre of the SCSB or the address of the centre of the Syndicate Member at the Specified Locations or the Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location or the CDP at the Designated CDP Location where the Bid cum Application Form was submitted by the ASBA Bidder and the ASBA Account number (for RIBs other than those bidding through the UPI Mechanism) or the UPI ID (for RIBs who make the payment of the Bid Amount through the UPI Mechanism) linked to the ASBA Account.

All grievances relating to Bids submitted with Registered Brokers may be addressed to them with a copy to Stock Exchanges and to the Registrar to the Issue.

Further, the Bidders 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

BOB Capital Markets Limited
1704, B Wing, 17th Floor
Parinee Crescenzo
Plot No.C- 38/39, G Block
Bandra Kurla Complex, Bandra East
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6138 9300
Fax:+91 22 6671 8535
E-mail: iti.fpo@bobcaps.in
Investor grievance email: investorgrievance@bobcaps.in
Website: www.bobcaps.in
Contact Person: Nivedika Chavan
SEBI Registration No.: INM00000926

PNB Investment Services Limited
2nd Floor, PNB Pragati Tower
Bandra Kurla Complex,
Bandra (East)
Mumbai 400051
Tel: +91 22 2653 2745
Fax: +91 22 2653 2687
E-mail: iti.fpo@pnbisl.com
Investor grievance e-mail: complaints@pnbisl.com
Website: www.pnbisl.com
Contact Person: Abhishek Gaur/ Vinay Rane
SEBI Registration No.: INM000011617

Karvy Investor Services Limited
Plot No. 31, 8th Floor
Karvy Millenium, Nanakramguda
Financial District, Gachibowli
Hyderabad 500 032
Telangana, India
Tel: +91 40 2342 8774
Fax: +9140 2337 4714
E-mail: cmg@karvy.com
Investor grievance e-mail: cmg@karvy.com
Website: www.karvyinvestmentbanking.com
Contact Person: P. Balraj/ Bhavin Vakil
SEBI Registration No: MB/INM000008365

Syndicate Members

Emkay Global Financial Services Limited
7th Floor, The Ruby
Senapati Bapat Marg, Dadar (West)
Mumbai – 400 028
Maharashtra, India
Tel: +91 22 6612 1268
Fax: +91 22 6612 1299
E-mail: yogesh.mehta@emkayglobal.com
Investor grievance e-mail: grievance@emkayglobal.com
Website: www.emkayglobal.com
Contact Person: Yogesh Mehta
SEBI Registration No.: INZ000203933

Prabhudas Lilladher Private Limited
3rd Floor, Sadhana House
570, P.B. Marg
Worli
Mumbai – 400 018
Maharashtra, India
Tel: +91 22 6632 2222
Fax: +91 22 6632 2229
Email: plpl-iti@plindia.com
Investor grievances e-mail: grievance-br@plindia.com
Website: www.plindia.com
Contact Person: A. Subrahmanian
SEBI Registration No.: INB010502855; INB230597738

Indian Legal Counsel to the Company

Cyril Amarchand Mangaldas
3rd Floor, Prestige Falcon Tower
Brunton Road, Craig Park Layout
Bengaluru 560025
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Indian Legal Counsel to the BRLMs

ALMT Legal
R.F. Building
No.2, Lavelle Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 4016 0000

International Legal Counsel

Norton Rose Fulbright US LLP*
2200 Ross Avenue, Suite 3600
Dallas
Texas – 75201 7932

United States
Tel: +1 214 855 8000

**Clyde & Co. was named as the International Legal Counsel to the Company in the Draft Red Herring Prospectus. Pursuant to the letter dated October 3, 2019, Norton Rose Fulbright US LLP will replace Clyde & Co. and act as the International Legal Counsel to the Company.*

Statutory Auditors to the Company

M/s. Sankaran & Krishnan
Chartered Accountants
Flat 1E, Marble Arch Apartments,
No. 4 & 5, Bishop Wallers Avenue East
Mylapore, Chennai 600 004
Tamil Nadu, India
Tel: 044 2499 0722/ 2499 0723/ 4214 4516
Contact Person : Sri.S.Chandran,
Email Id: sk@sankrish.ind.in
Firm Registration No: 03582S
Peer Review No: 010713

Registrar to the Issue

KFin Technologies Private Limited*
Selenium Tower B
Plot No – 31 & 32, Financial District
Nanakramguda, Serilingampally
Hyderabad, Rangareddi, 500 032
Telangana, India
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: iti.fpo@kfintech.com
Investor grievance email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration No.: INR000000221
**Formerly known as Karvy Fintech Private Limited*

Banker(s) to the Issue

ICICI Bank Limited
Capital Markets Division, 1st Floor
122, Mistry Bhavan
Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 6681 8911
Fax: +91 22 2261 1138
Email: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact person: Saurabh Kumar

Public Issue Account Bank/Refund Bank/ Sponsor Bank

ICICI Bank Limited
Capital Markets Division, 1st Floor
122, Mistry Bhavan
Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 6681 8911
Fax: +91 22 2261 1138
Email: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact person: Saurabh Kumar

Bankers to our Company

DCB Bank Limited
128, Prestige Meridian Annexe
M.G. Road

Indian Bank
110, United Mansions
M.G. Road

Bengaluru 560 001
Karnataka, India
Tel: +91 80 6735 0313
Fax: N/A
Email: yuvaraj.sankaran@dcbbank.com
Website: www.dcbbank.com
Contact Person: Yuvaraj S.

Bengaluru 560 001
Karnataka, India
Tel: +91 80 2295 8833/ 32
Fax: +91 80 2558 9014
Email:
mgroadbangalore@indianbank.co.in
Website: www.indianbank.co.in
Contact Person: Srimathy B.

Punjab National Bank
Large Corporate Branch
Centenary Building, 28
M.G. Road
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2558 1861/ 2558 6196
Fax: +91 80 2558 2515
Email: bo2273@pnb.co.in
Website: www.pnbindia.in
Contact Person: S.R. Bilgundi

State Bank of India
Industrial Finance Branch
#25, Residency Plaza
Residency Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 2512 9503
Fax: +91 80 2558 1853
Email: sbi.09077@sbi.co.in
Website: www.sbi.co.in
Contact Person: Ramesh Govindaswamy

Bank of Baroda
Corporate Financial Services Branch
Nitesh Lexington Avenue
1st Floor, No. 72, Brigade Road
Bengaluru 560 025
Karnataka, India
Tel: +91 80 2513 0815
Fax: +91 80 2530 4606
Email: corban@bankofbaroda.com
Website: www.bankofbaroda.com
Contact Person: Vikas Khandelwal

Canara Bank
#86, Spencer Tower
M.G. Road
Bengaluru 560 002
Karnataka, India
Tel: +91 80 2559 9771
Fax: +91 80 2558 6559
Email: cb0404@canarabank.com
cb0404advcorp@canarabank.com
Website: www.canarabank.com
Contact Person: P.V. Kamath

Central Bank of India
Sona Towers, 71
Millers Road
Bengaluru 560 052
Karnataka, India
Tel: +91 80 22200781
Email: agmbang3861@centralbank.co.in
Website: www.centralbankofindia.co.in
Contact Person: N. S. Bhaskaram

Axis Bank Limited
Express Building, Second Floor
No. 1. Queens Road,
Bengaluru 560 001
Karnataka, India
Tel: +91 80 2205 8554
Email:
venkataramana.kota@axisbank.com
Website: www.axisbank.com
Contact Person: Kota Venkataramana

ICICI Bank Limited
Shobha Pearl,
Commissariat Road, 5th Floor
Bengaluru 560 025
Karnataka, India
Tel: +91 8008402822
Email: vinod.v@icicibank.com
Website: www.icicibank.com
Contact Person: Vinod V

Designated Intermediaries

Self Certified Syndicate Banks

The banks registered with SEBI, which offer the facility of ASBA services (i) in relation to ASBA, where the Bid Amount will be blocked by authorising an SCSB, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 and updated from time to time and at such other websites as may be prescribed by SEBI from time to time, (ii) in relation to RIBs using the UPI Mechanism, a list of which is available on the website of SEBI at https://sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40 or such other website prescribed by SEBI as updated from time to time.

Applications through UPI in the Issue can be made only through the SCSBs mobile applications (apps) whose name appears on the SEBI website. A list of SCSBs and mobile application, which, are live for applying in public issues using UPI mechanism is provided as Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019. The said list shall be updated on SEBI website.

Syndicate SCSB Branches

In relation to Bids submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes as updated from time to time.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx? and www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.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 the BSE and NSE at www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6and www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

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

Experts

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

Our Company has received written consent dated January 13, 2020 from the Statutory Auditors namely, M/s. Sankaran & Krishnan, Chartered Accountants, who hold a valid peer review certificate, to include its name as “expert” as defined under Section 2(38) of the Companies Act, 2013 read with 2009 SEBI ICDR Regulations in relation to the examination report dated November 15, 2019 of the Statutory Auditors on the Restated Financial Statements of our Company for the six month period ended September 30, 2019 and Fiscals 2019, 2018, 2017, 2016 and 2015 of our Company and the statement of tax benefits dated January 13, 2020, included in this Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Red Herring Prospectus.

Monitoring Agency

Our Company has appointed ICICI Bank Limited as the Monitoring Agency in relation to the Issue in accordance with Regulation 16(2) of 2009 SEBI ICDR Regulations. The Audit Committee and the Monitoring Agency will monitor the utilization of the Net Proceeds. Our Company will disclose the utilisation of the Net Proceeds under a separate head in our balance sheet along with details, for all such proceeds of the Issue that have not been utilised clearly specifying the purpose for which such Net Proceeds have been utilised in the interim. The Company will indicate deployment, if any, of unutilised Net Proceeds in the balance sheet of the Company for the relevant financial years subsequent to the listing.

ICICI Bank Limited
Capital Markets Division
1st Floor, 122, Mistry Bhavan
Dinshaw Vachha Road
Backbay Reclamation, Churchgate
Mumbai – 400 020
Maharashtra, India
Tel: +91 22 6681 8911
Email: kmr.saurabh@icicibank.com
Website: www.icicibank.com
Contact person: Saurabh Kumar

Appraising Entity

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

Credit Rating

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

Inter-se allocation of Responsibilities:

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

Sl. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/ management/ business plans/ legal. Drafting and design of the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus, including memorandum containing salient features of the Prospectus. Ensuring compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC, and SEBI including finalisation of Prospectus and registering with the RoC	BOBCAPS, Karvy and PNBISL	BOBCAPS
2.	Drafting and approval of all statutory advertisement	BOBCAPS, Karvy and PNBISL	BOBCAPS
3.	Co-ordination of auditor deliverables	BOBCAPS, Karvy and PNBISL	BOBCAPS
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. Co-ordination for the filing of media compliance report with SEBI	BOBCAPS, Karvy and PNBISL	PNBISL
5.	Appointment of intermediaries, viz., Registrar to the Issue, advertising agency, printers, Bankers and monitoring agency (including coordinating all agreements to be entered with such parties)	BOBCAPS, Karvy and PNBISL	Karvy
6.	Preparation of road show presentation and FAQs for the road show team	BOBCAPS, Karvy and PNBISL	Karvy
7.	Domestic institutional marketing of the Issue, which will cover, among others: Institutional marketing strategy Finalising the list and division of domestic investors for one-to-one meetings Finalising domestic roadshows and investor meeting schedule	BOBCAPS, Karvy and PNBISL	BOBCAPS
8.	International Institutional marketing (Asia) of the Issue, which will cover, among others ▪ Finalising the list and division of investors for one-to-one meetings ▪ Finalising international roadshows and investors meeting schedule	BOBCAPS, Karvy and PNBISL	Karvy
9.	International Institutional marketing (excluding Asia) of the Issue, which will cover, among others ▪ Overall Institutional marketing strategy ▪ Finalising the list and division of investors for one-to-one meetings ▪ Finalising international roadshows and investors meeting schedule	BOBCAPS, Karvy and PNBISL	PNBISL
10.	Non-institutional and retail marketing of the Issue, which will cover, among others ▪ Finalising media, marketing, and public relations strategy ▪ Finalising centers for holding conferences for brokers, etc. ▪ Follow-up on the distribution of publicity and Issue material including forms, Prospectus and deciding on the quantum of the Issue material ▪ Finalising Syndicate ASBA collection centers	BOBCAPS, Karvy and PNBISL	Karvy
11.	Co-ordination with Stock Exchanges for book building software, bidding terminals, mock trading and payment of 1% security deposit	BOBCAPS, Karvy and PNBISL	BOBCAPS
12.	Managing the book and finalisation of Issue Price in consultation with the Company	BOBCAPS, Karvy and PNBISL	PNBISL
13.	Post Issue activities, which shall involve: ▪ Essential follow-up steps, advising the Company about the closure of the Issue based on the Bid file, finalisation of the Basis of Allotment or weeding out of multiple applications, listing of Equity Shares, demat credit etc.,	BOBCAPS, Karvy and PNBISL	PNBISL

Sl. No.	Activity	Responsibility	Co-ordination
	including co-ordination with various agencies connected with the intermediaries such as Registrar to the Issue ▪ Coordinating with Stock Exchanges and SEBI for release of 1% security deposit post-closure of the Issue		

IPO Grading

As this is not an initial public offer of equity shares, grading of the Issue is not required.

Trustees

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

Book Building Process

Book building, in the context of the Issue, refers to the process of collection of Bids from bidders on the basis of this Red Herring Prospectus and the Bid cum Application Form within the Price Band, which will be decided by our Company in consultation with the BRLMs, and advertised in all editions of Financial Express, all editions of Jansatta and Bengaluru editions of Hosadigantha, which are widely circulated in English, Hindi and Kannada newspapers (Kannada being the regional language of Karnataka where our Registered and Corporate Office is located) at least one Working Day, as per the 2018 SEBI ICDR Regulations, prior to the Bid/Issue Opening Date. The Issue Price shall be determined by our Company in consultation with the BRLMs after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the BRLMs;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Issue;
- the Escrow Collection Bank(s);
- the RTAs; and
- the Collecting Depository Participants
- the Sponsor Bank

All Bidders shall mandatorily participate in the Issue only through the ASBA process, by providing the details of their respective bank accounts in which the corresponding Bid Amount will be blocked by the SCSBs. In addition to this, RIBs may participate through the ASBA process by either (a) providing the details of their respective ASBA Account in which the corresponding Bid Amount will be blocked by the SCSBs; or (b) through the UPI Mechanism. In accordance with the 2018 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 and Eligible Employees bidding in the Employee Reservation Portion can revise their Bids during the Bid/Issue Period and withdraw their Bids until the Bid/Issue Closing Date.

Our Company confirms that it will comply with the 2009 SEBI ICDR Regulations and the 2018 SEBI ICDR Regulations, as amended and any other directions issued by SEBI for this Issue.

The process of Book Building under the 2018 SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Issue.

For further details on the method and procedure for Bidding, see "*Issue Procedure*" on page 344.

Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Compliance with 2009 SEBI ICDR Regulations and 2018 SEBI ICDR Regulations, as applicable

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time. Further, our Company is also complying with certain procedural regulations under the 2018 SEBI ICDR Regulations, as applicable**.**

Compliance with accounting norms

Our Company shall comply with applicable accounting norms and disclosures as specified by SEBI from time to time.

Illustration of Book Building Process and Price Discovery Process

The Book Building Process is in accordance with the guidelines, rules, regulations, prescribed by SEBI. Bidders are advised to make their own judgement about an investment through this process prior to submitting a Bid.

For an illustration of the Book Building Process and price discovery process, see "*Issue Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*" on page 386.

Underwriting Agreement

After the determination of the Issue Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be issued through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLMs shall be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. 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 the Issue Price and Basis of Allotment and subject to the provisions of the 2018 SEBI ICDR Regulations.

In the opinion of the Board of Directors, the resources of the above mentioned 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/FPO 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 commitments 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 arrangements mentioned above shall not apply to the applications by the ASBA Bidders in the Issue, except for ASBA Bids procured by any member of the Syndicate.

CAPITAL STRUCTURE

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

(In ₹ except share data)

	Particulars	Aggregate value at face value	Aggregate value at Issue Price
A.	**AUTHORIZED SHARE CAPITAL**(1)		
	2,800,000,000 Equity Shares of face value of ₹10 each	28,000,000,000	-
	70,000,000 Redeemable Cumulative Preference Shares of ₹100 each	7,000,000,000	-
B.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE ISSUE**		
	897,000,000 Equity Shares of face value of ₹10 each	8,970,000,000	-
C.	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS**		
	Employee Reservation Portion of up to 1,800,000 Equity Shares*	10	[●]
	Fresh Issue of 180,000,000 Equity Shares of face value of ₹10 each(2)	1,800,000,000	[●]
	Which includes:		
	A) QIB portion of not less than [●] Equity Shares (3)	[●]	
	Of which:		
	Mutual Fund Portion of [●] Equity Shares	[●]	
	Balance [●] Equity Shares for all QIBs including Mutual Funds	[●]	
	B) Non-Institutional Portion of not more than [●] Equity Shares (3)	[●]	
	C) Retail Portion of not more than [●] Equity Shares (3)	[●]	
D.	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE ISSUE**		
	[●] Equity Shares of face value ₹10 each	[●]	
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	2,961,000	
	After the Issue	[●]	

Note 1: Pursuant to the BIFR Order, the CCEA has granted a revival package of ₹41,567.90 million, consisting of ₹22,640 million towards capital expenditure in the form of equity, to our Company, which our Company receives in various tranches. For further details, please see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 283 of this Red Herring Prospectus. In accordance with the revival package, our Company has received ₹500 million, ₹50 million, ₹350 million and ₹700 million pursuant to sanctions letters dated December 6, 2018, March 29, 2019, May 8, 2019 and August 29, 2019, respectively, issued by the DoT, in lieu of which our Company is required to allot Equity Shares to our Promoter, the President of India. However, owing to the restriction on the Company from undertaking further capital issue after the date of filing the Draft Red Herring Prospectus, till the listing of the Equity Shares, set out in Regulation 19 of the 2009 SEBI ICDR Regulations, we have been unable to allot Equity Shares to our Promoter. Accordingly, we have received an extension letter bearing reference number 20-36/2012-FAC.II dated January 14, 2020 issued by the DoT granting us the time upto March 31, 2020 to allot shares to our Promoter at the prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Further, the total amount of ₹1,600 million received in the form of capital expenditure is being accounted under the head of 'share application money pending allotment'. For further details, please see "Risk Factor - We shall allot Equity Shares of our Company on a preferrential allotment basis to the President of India, post completion of the Issue" on page 35 of this Red Herring Prospectus.

*Note 2: Our Company issued 20 million 7% redeemable cumulative preference shares of ₹100 each to BSNL ("**BSNL Preference Shares**") and 10 million 8.75% redeemable cumulative preference shares of ₹100 each to MTNL ("**MTNL Preference Shares**"), aggregating to ₹3,000 million (together the "**Preference Shares**"). We received ₹3,000.00 million as a grant from the GoI on August 29, 2019 towards redemption of the Preference Shares. The BSNL Preference Shares were redeemed on September 6, 2019. The amounts were paid in three tranches on September 25, 2019, September 30, 2019 and November 12, 2019. As on date of this Red Herring Prospectus, a balance ₹500 million is outstanding to be paid to BSNL. The MTNL Preference Shares were redeemed on September 5, 2019 and ₹ 1,000.00 million was paid to MTNL with no amounts outstanding as on date of this Red Herring Prospectus. For further details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters - Amendments to Memorandum of Association of our Company" on page 149.*

(1) The Issue was authorised by the CCEA in its meeting held on March 21, 2018, which was communicated to the Company by the Department of Telecommunications, Ministry of Communications, Government of India vide its letter bearing reference number 20-36/2012-FAC.II dated April 3, 2018. The Board of Directors pursuant to a resolution dated February 13, 2018 have approved the Issue and the shareholders of the Company have approved the Issue pursuant to the special resolution at the extra ordinary general meeting held on April 5, 2018 in accordance with Section 62 of the Companies Act, 2013.

(2) Subject to valid Bids being received at or above the Issue 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 BRLMs and the Designated Stock Exchange.

* *Eligible Employees bidding in the Employee Reservation Portion must ensure that the Bid Amount does not exceed ₹500,000. Allotment to an Eligible Employee in the Employee Reservation Portion may exceed ₹200,000 only in the event of an under-subscription in the Employee Reservation Portion, post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.*

Notes to the Capital Structure:

1. Except as stated below, our Company has not issued any Equity Shares for consideration other than cash:

Date of Allotment/date when fully paid up	No. of Equity Shares	Face Value (₹)	Allottees and Reason for Allotment/Benefits to our Company
April 10, 1950	6,667	100	Allotment of Equity Shares to Automatic Telephone and Electric Company Limited for consideration other than cash
September 20, 1950	6,667	100	Allotment of Equity Shares to Automatic Telephone and Electric Company Limited for consideration other than cash
February 13, 1952	59,587	100	Allotment of 59,587 Equity Shares to President of India for consideration other than cash for transfer of moveable and immoveable property from GoI to the Company
May 12, 1964	23,810	100	Allotment of Equity Shares to International Standard Electric Corporation for consideration other than cash

Note 1: *Our Company is unable to retrieve certain historical corporate records and filings in relation to allotments/transfers made to/by the President of India prior to January 2, 1992. Accordingly, the aforesaid details are based on the limited documents available with our Company, which maybe incomplete or may not be completely accurate. For details, see, "Risk Factors - We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures. Further there have been certain lapses in compliance with the provisions of the Companies Act and SEBI Listing Regulations in the past."*

2. Our Company has not made any issue of specified securities at a price that may be lower than the Issue Price during the preceding one year from the date of this Red Herring Prospectus.

3. **History of the Equity Share capital held by our Promoter:**

As on the date of this Red Herring Prospectus, our Promoter holds, 806,987,500 Equity Shares, which constitutes 89.97% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) *Details of the build-up of the Promoter's shareholding in our Company:*

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

Date of Allotment/ Transfer of Equity Shares*	No. of Equity Shares Allotted/ Transferred	Face Value (₹)	Issue price/ Transfer price per Equity Share (₹)	Nature of consideration	Nature of Transaction	Cumulative number of Equity Shares	Percentage of pre-Issue issued and paid up capital* (%)	Percentage of post-Issue issued and paid up capital* (%)
As on March 6, 1992, our Promoter held 8,768,750 Equity Shares of ₹100 each. (*see Note 1 below*) With effect from March 6, 1992, each equity shares of face value of ₹100 was split into 10 Equity Shares of the face value of ₹10 each. Accordingly, the shareholding of the Promoter stood revised from 8,768,750 Equity Shares of ₹100 each to 87,687,500 Equity Shares of ₹10 each.								
January 2, 1992	(8,655,100)	10	49.44	Cash	Phase I - Disinvestment	79,032,400	(0.96)	[●]
February 5, 1992	(402,300)	10	49.44	Cash	Phase I - Disinvestment	78,630,100	(0.04)	[●]
February 26, 1992	(8,480,600)	10	49.44	Cash	Phase I - Disinvestment	70,149,500	(0.95)	[●]
December, 1992	(1,000,000)	10	107.80	Cash	Phase II - Disinvestment	69,149,500	(0.11)	[●]
March, 1993	(700,000)	10	69.29	Cash	Phase III - Disinvestment	68,449,500	(0.08)	[●]

Date of Allotment/ Transfer of Equity Shares*	No. of Equity Shares Allotted/ Transferred	Face Value (₹)	Issue price/ Transfer price per Equity Share (₹)	Nature of consideration	Nature of Transaction	Cumulative number of Equity Shares	Percentage of pre-Issue issued and paid up capital* (%)	Percentage of post-Issue issued and paid up capital* (%)
June 29, 1995	(981,310)	10	59.00	Cash	Phase IV-Disinvestment	67,468,190	(0.11)	[●]
January 7, 2005	200,000,000	10	10	Cash	Preferential allotment	267,468,190	22.30	[●]
March 31, 2014	(8,580,690)	10	Not Applicable*	Not Applicable*	Transfer to Special National Investment Fund	258,887,500	(0.96)	[●]
August 11, 2016	192,000,000	10	10	Cash	Preferential Allotment	450,887,500	21.40	[●]
February 9, 2017	80,000,000	10	10	Cash	Preferential Allotment	530,887,500	8.92	[●]
August 23, 2017	(19,200,000)	10	Not Applicable*	Not Applicable*	Transfer to Special National Investment Fund	511,687,500	(2.14)	[●]
September 13, 2017	100,000,000	10	10	Cash	Preferential Allotment	611,687,500	11.15	[●]
December 1, 2017	(8,000,000)	10	Not Applicable*	Not Applicable*	Transfer to Special National Investment Fund	603,687,500	(0.89)	[●]
December 14, 2017	100,000,000	10	10	Cash	Preferential Allotment	703,687,500	11.15	[●]
May 19, 2018	137,000,000	10	10	Cash	Preferential Allotment	840,687,500	15.27	[●]
August 29, 2018	(33,700,000)	10	Not Applicable*	Not Applicable*	Transfer to Special National Investment Fund	806,987,500	(3.76)	[●]
Total						**806,987,500**	89.97	

Note 1: *Our Company is unable to retrieve certain historical corporate records and filings in relation to allotments/transfers made to/by the President of India prior to January 2, 1992. Further, our Company is unable to determine the price at which equity shares were transferred to/by the Promoter and from/to whom such equity shares were transferred. Accordingly, the aforesaid details of the build-up of the shareholding of the Promoter are based on the limited documents available with our Company, which maybe incomplete or may not be completely accurate. For details, see, "Risk Factors - We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures. Further there have been certain lapses in compliance with the provisions of the Companies Act and SEBI Listing Regulations in the past."*

Note 2*: Pursuant to the BIFR Order, the CCEA has granted a revival package of ₹41,567.90 million, consisting of ₹22,640 million towards capital expenditure in the form of equity, to our Company, which our Company receives in various tranches. For further details, please see "Management's Discussion and Analysis of Financial Conditions and Results of Operations" on page 283 of this Red Herring Prospectus. In accordance with the revival package, our Company has received ₹500 million, ₹50 million, ₹350 million and ₹700 million pursuant to sanctions letters dated December 6, 2018, March 29, 2019, May 8, 2019 and August 29, 2019, respectively, issued by the DoT, in lieu of which our Company is required to allot Equity Shares to our Promoter, the President of India. However, owing to the restriction on the Company from undertaking further capital issue after the date of filing the Draft Red Herring Prospectus, till the listing of the Equity Shares, set out in Regulation 19 of the 2009 SEBI ICDR Regulations, we have been unable to allot Equity Shares to our Promoter. Accordingly, we have received an extension letter bearing reference number 20-36/2012-FAC.II dated January 14, 2020 issued by the DoT granting us the time upto March 31, 2020 to allot shares to our Promoter at the prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Further, the total amount of ₹1,600 million received in the form of capital expenditure* *is being accounted under the head of 'share application money pending allotment'. For further details, please see "Risk Factor - We shall allot Equity Shares of our Company on a preferential allotment basis to the President of India, post completion of the Issue" on page 35 of this Red Herring Prospectus.*

*** The Company has obtained CCEA approval to transfer such Equity Shares from the President of India to the Special National Investment Fund to meet the applicable minimum public shareholding requirements. The Special National Investment Fund was created by DIPAM, then Department of Disinvestment, for six CPSEs (one of them being the Company) to help them in complying with the applicable minimum public shareholding requirements applicable to public sector companies.*

Our Promoter presently holds 89.97% of the issued, subscribed and paid up Equity Share capital of our Company and all the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares.After the Issue, the shareholding of our Promoter will be [●]% of the fully diluted post Issue paid-up Equity Share capital of our Company.

(b) *The details of the shareholding of our Promoter and the member of the Promoter Group as on the date of filing of this Red Herring Prospectus*:

Name of the Shareholder	Total Equity Shares	Percentage (%) of Pre-Issue Capital
Promoter		
President of India	806,987,500	89.97
Total Holding of the Promoter (A)	806,987,500	89.97
Promoter Group		
Governor of Karnataka	312,500	0.03
Total Holding of the Promoter Group (B)	**312,500**	0.03
Total Holding of the Promoter and Promoter Group (A+B)	**807,300,000**	**90.00**

(c) Details of Promoter's contribution locked in for three years:

As per Regulation 32(1)(b) and 36 of the 2009 SEBI ICDR Regulations, an aggregate of 20% of the Issue Size or post-Issue paid-up Equity Share capital of our Company, i.e. 215,760,000 Equity Shares held by our Promoter shall be considered as Promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Promoter's Contribution**").

The Department of Telecommunications, Ministry of Communications, Government of India, pursuant to its letter bearing reference No.20-36/2012-FAC II dated July 25, 2018 granted consent to include 20% of the post-Issue Equity Share capital of the Company held by the President of India, acting through the Ministry of Communications, as Promoter's Contribution and has agreed not to sell or transfer or pledge or otherwise dispose-off in any manner, the Promoter's Contribution from the date of filing of this Red Herring Prospectus until the commencement of the lock-in period specified above.

Details of Promoter's shareholding that would be locked in as Promoter's Contribution is as provided below:

Date of transaction/date when fully paid up	Nature of transaction	Number of the equity shares	Nature of consideration	Face value (₹)	Issue/ acquisition / sale price (₹)	Percentage of total pre-Issue paid-up Equity Share capital (%)	Percentage of total post-Issue paid-up Equity Share capital (%)
NA*	Pre-preferential holding	38,947,500	NA*	NA*	NA*	4.34	3.61
August 11, 2016	Preferential Allotment	19,212,500	Cash	10.00	10.00	2.14	1.78
December 14, 2017	Preferential Allotment	48,000,000	Cash	10.00	10.00	5.35	4.45
May 19, 2018	Preferential Allotment	109,600,000	Cash	10.00	10.00	12.22	10.16
	TOTAL	**215,760,000**				**24.05%**	**20.00%**

**Some of our historical form filings and corporate data is not available with our Company. For further details, see "Risk Factor - We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures. Further there have been certain lapses in compliance with the provisions of the Companies Act and SEBI Listing Regulations in the past" on page 35. Accordingly, we are unable to ascertain the date of transaction/ date when the said shares became fully paid-up. Further, pursuant to SEBI Exemption Letter 2018, SEBI has granted us with the permission to release lock-in on 19,212,500 Equity Shares for the purpose of promoters' contribution as required under the 2009 SEBI ICDR Regulations.*

The minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as 'Promoter' under the 2009 SEBI ICDR Regulations. All Equity Shares offered as minimum Promoters' contribution were fully paid up at the time of their issue.

The Equity Shares that are being locked-in are not in-eligible for computation of Promoter's Contribution under Regulation 33 of the 2009 SEBI ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered 20% Promoter's Contribution are not acquired in the last three years: (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets or (b) arising from bonus issue by utilization of revaluation reserves or unrealised profits of our Company or from a bonus issue against Equity Shares which are otherwise ineligible for computation of Promoter's contribution;

(ii) The Equity Shares offered for Promoter's Contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which Equity Shares are being offered to the public in the Issue;

(iii) The Equity Shares offered for Promoter's Contribution have not been formed by the conversion of partnership firm into a company;

(iv) The Equity Shares offered for Promoter's Contribution are not pledged;

(v) The Equity Shares offered for Promoter's Contribution does not consist of Equity Shares for which specific written consent has not been obtained from the Promoter for inclusion of its subscription in the minimum Promoter's Contribution subject to lock-in; and

(vi) All the Equity Shares held by the Promoter and Promoter Group are held in dematerialised form.

(d) Details of other equity share capital locked-in for one year:

In terms of Regulation 36 of 2009 SEBI ICDR Regulations and in addition to the above Equity Shares (forming part of the Promoter's Contribution) that are locked-in for three years, the entire pre-Issue share capital of our Promoter, will be locked-in for a period of one year from the date of Allotment

(e) Other requirements in respect of lock-in:

In terms of Regulation 39 of 2009 SEBI ICDR Regulations, Equity Shares held by our Promoter which are locked in for a period of one year may be pledged only with scheduled commercial banks or PFIs as collateral security for loans granted by such banks or financial institutions, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

The Equity Shares held by the Promoter may be transferred to new promoters or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended.

4. **Shareholding Pattern of our Company**

Pursuant to Regulation 31 of the SEBI Listing Regulations, the holding of specified securities are divided into the following three categories:

(a) Promoter and promoter group;
(b) Public; and
(c) Non Promoter - Non Public.

Summary statement holding of Equity Shareholders as on January 16, 2020 is as follows:

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 Shares	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 and Promoter Group	2	807,300,000	-	-	807,300,000	90.00	807,300,000	90.00	-	-	541,787,500	67.11		-	807,300,000
(B)	Public	55,356	89,700,000	-	-	89,700,000	10.00	89,700,000	10.00	-	-	-	-		-	89,054,166
(C)	Non Promoter-Non Public	-	-	-	-	-	-	-	-	-	-	-			-	-
(C1)	Shares underlying DRs	-	-	-	-	-	-	-	-	-	-	-			-	-
(C2)	Shares held by Employee Trusts	-	-	-	-	-	-	-	-	-	-	-			-	-
(C3)	Shares underlying ESOP's	-	-	-	-	-	-	-	-	-	-	-			-	-

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 Shares	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)	
	Total	**55,358**	**897,000,000**	**-**	**-**	**897,000,000**	**100.00**	**897,000,000**	**100.00**	**-**	**-**	541,787,500	67.11		**-**	**896,354,166**

5. Our Company has not allotted any shares in terms of any scheme approved under Sections 391-394 of the Companies Act, 1956 or under Sections 230-240 of the Companies Act, 2013.

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

7. Only Eligible Employees would be eligible to apply in the Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis.

8. Any unsubscribed Equity Shares in the Employee Reservation Portion shall be added to the Net Issue. 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 a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Such *inter-se* spillover, if any, would be effected in accordance with applicable laws, rules, regulations and guidelines. Undersubscription, if any, in the QIB Category will not be allowed to be met with spill-over from any category or combination thereof.

9. Neither the Promoter nor the Directors and their immediate relatives have purchased or sold any Equity Shares during the period of six months immediately preceding the date of filing of this Red Herring Prospectus.

10. Pursuant to the BIFR Order, the CCEA has granted a revival package of to our Company, which our Company receives in various tranches. For further details, please see *"Management's Discussion and Analysis of Financial Conditions and Results of Operations"* on page 283 of this Red Herring Prospectus. In accordance with the revival package, our Company has received several tranches of capital expenditure amounts from the DoT, in lieu of which our Company is required to allot Equity Shares to the President of India. However, owing to the restriction on the Company from undertaking further capital issue after the Issue, we have been unable to allot Equity Shares to the President of India. Accordingly, we have received an extension letter bearing reference number 20-36/2012-FAC.II dated January 14, 2020 issued by the DoT granting us the time upto March 31, 2020 to allot shares to our Promoter at the prevailing market price or average share price for three months prior to the date of allotment, whichever is lower. Therefore, our Company's capital structure will be altered within six months from the Bid/Issue Opening Date by way of preferential allotment to the President of India. For further details, please see *"Note 1 to the Share Capital of our Company - Capital Structure"* and "*Risk Factor - We shall allot Equity Shares of our Company on a preferrential allotment basis to the President of India, post completion of the Issue"* on page 73 and 35, respectively, of this Red Herring Prospectus.

11. None of our Directors hold the Equity Shares in their individual capacities.

12. The total number of holders of the Equity Shares as on January 16, 2020 is 55,358.

13. The Promoter, our Company, the Directors and the BRLMs have not entered into, and shall not enter into any buyback or standby arrangements or any other similar arrangement for purchase of Equity Shares from any person, being offered in this Issue.

14. 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.

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

16. Except the issuance of any Equity Shares under the Issue, as disclosed in this Red Herring Prospectus and as will be disclosed in the Prospectus, there will be no further issue of share capital whether by way of issue of bonus shares, preferential allotment and rights issue or in any other manner during the period commencing from submission of this Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges.

17. There has been no financing arrangement by which the Directors of our Company and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of business of the financing entity during the period of six months immediately preceding the date of filing of this Red Herring Prospectus with the SEBI.

18. The Equity Shares, issued pursuant to the Issue will be fully paid-up and there are no partly paid-up Equity Shares as on the date of this Red Herring Prospectus.

19. Our Company does not currently have any employee stock option scheme / employee stock purchase scheme for its employees.

20. This Issue is being made under Rule 19(2)(b) of the SCRR read with Regulation 41 of the 2009 SEBI ICDR Regulations, wherein [●]% of the post-Issue paid-up Equity Share capital our Company will be offered to the public.

21. The Issue is being made in terms of Regulation 26(2) of the 2009 SEBI ICDR Regulations and through a Book Building Process in accordance with the provisions of 2018 SEBI ICDR Regulations wherein at least 75% of the Net Issue shall be allocated on a proportionate basis to QIBs. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the 2018 SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price. Further, upto 1,800,000 Equity Shares of the Issue constituting 1% of the Net Issue shall be offered for allocation and Allotment on a proportionate basis to the Eligible Employees Bidding in the Employee Reservation Portion, conditional upon valid Bids being received from them at or above the Issue Price. For further details, see "*Issue Procedure*" on page 344.

22. Based on the available historical corporate records and filings, our Company has not made any public issue or rights issue of its Equity Shares of any kind since its incorporation. For details see, *"Risk Factors - We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures. Further there have been certain lapses in compliance with the provisions of the Companies Act and SEBI Listing Regulations in the past."*

23. Our Promoter divested its shareholding in our Company in four phases, in 1992, 1993 and 1995, post which the equity shares of our Company were listed on BSE and the Bangalore Stock Exchange Limited. Thereafter, our Equity Shares were listed on the NSE in April 2003. For details see *"Capital Structure - History of the Equity Shares held by our Promoter - Details of the build-up of the Promoter's shareholding in our Company"* on page 74. However, in light of the circulars issued by SEBI for the 'Exit Policy for De-recognised/ Non-operational Stock Exchanges', due to the de-recognition of Bangalore Stock Exchange Limited pursuant to a SEBI order dated December 26, 2014, our Company was delisted from the Bangalore Stock Exchange Limited.

24. No person connected with the Issue, including, but not limited to, the BRLMs, the members of the Syndicate, our Company, the 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.

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

26. There are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares after the Issue.

27. An oversubscription to the extent of 10% of the Net Issue can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.

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

29. Our Company shall ensure that transactions in the Equity Shares by the Promoter between the date of registering this Red Herring Prospectus with the RoC and the Bid/ Issue Closing Date, if any, shall be reported to the Stock Exchanges within 24 hours of such transaction.

30. Our Promoter will not submit Bids, or otherwise participate in this Issue.

OBJECTS OF THE ISSUE

Requirement of Funds

Our Company proposes to utilise the Net Proceeds towards the following objects:

A. Funding working capital requirements of our Company;

B. Repayment of loans availed by our Company; and

C. General corporate purposes (collectively, referred to herein as the "**Objects**")

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing business activities and the activities for which funds are being raised by our Company through the Issue. Further, the loans availed by our Company, which are proposed to be repaid from the Net Proceeds, are for activities carried out as enabled by the object's clause of its memorandum of association.

Issue Proceeds and Net Proceeds

The details of the Net Proceeds of the Issue are summarised in the table below:

(₹ in million)

Particulars	Amount[(1)]
Gross proceeds from the Issue	[●]
(Less) Issue related expenses[(1)]	[●]
Net Proceeds of the Issue	**[●]**

(1) *To be finalised upon determination of the Issue Price*

Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds will be in accordance with the details is set forth in the table below:

(₹ in million)

Particulars	Amount
A. Funding working capital requirements of our Company	6,424.80
B. Repayment of loans of our Company	6,072.91
C. General corporate purposes[(1)]	[●]
Total Net Proceeds	[●]

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

Means of Finance

The fund requirements described below are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there is no requirement to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals, as required under Regulation 4(2)(g) of the 2009 SEBI ICDR Regulations.

Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company. This may entail rescheduling and revising the schedule of the planned expenditure and funding requirement and increasing or decreasing the expenditure for a particular purpose from the planned expenditure at the discretion of the management of our Company in accordance with applicable law. In case of any increase in the actual utilisation of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company including from internal accruals. If the actual utilisation towards any of the Objects is lower than the proposed deployment, such balance will be used for general corporate purposes, subject to applicable law. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilising 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 this Issue. If surplus funds are unavailable, the required financing will be through our internal accruals and/ or debt, as required subject to compliance with applicable law.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. 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 further details of factors that may affect these estimates, see "*Risk Factors – Our funding requirements and the proposed deployment of Net Proceeds are not appraised by any independent agency*" on page 27.

Schedule of implementation and deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule as set forth below:

(₹ in million)

Sr. No.	Particulars	Amount to be financed from Net Proceeds	Estimated utilisation of Net Proceeds
			Financial Year 2020
A.	Funding working capital requirements of our Company	6,424.80	6,424.80
B.	Repayment of loans of our Company	6,072.91	6,072.91
C.	General corporate purposes(1)	[●]	[●]
	Total	**[●]**	**[●]**

(1) To be finalised upon determination of the Issue Price.

To the extent our Company is unable to utilise any portion of the Net Proceeds towards the aforementioned objects of the Issue, as per the estimated schedule of deployment specified above, our Company shall deploy the Net Proceeds in the subsequent Financial Years towards the aforementioned objects.

Details of the utilisation of Net Proceeds

A. Funding working capital requirements of our Company

We fund the majority of our working capital requirements in the ordinary course of business from our internal accruals and financing from various banks. As on December 31, 2019, our Company's working capital facility consisted of an aggregate fund-based limit of ₹10,520.00million and an aggregate non-fund based limit of ₹20,758.40 million. As of December 31, 2019, the aggregate amounts outstanding under the fund based and non-fund based working capital facilities were ₹9,348.74million and ₹9,783.86 million respectively. For further information, see "*Financial Indebtedness*" on page 309. We propose to utilise ₹6,424.80 million from the Net Proceeds to fund the working capital requirements in Fiscal 2020. For details see, "*Financial Indebtedness*" on page 309.

Basis of estimation of working capital requirements

The details of our Company's existing working capital requirement as at March 31, 2018 and March 31, 2019 and the source of funding of the same are as set out in the table are stated below:

(₹ in million)

Sr. No	Particulars	As at March 31, 2018*	As at March 31, 2019*
I	**Current Assets**		
1	Inventories	1,558.96	1,487.56
2	Trade Receivables	30,799.36	26,574.00
3	Bank Balance towards Escrow & Margin Money Deposit	2,834.88	1,768.28
4	Loans and advances	3,854.75	4,705.13
5	Unbilled Revenue	2,372.41	5,502.49
6	Other current assets	488.25	673.80
	Total Current Assets (A)	**41,908.61**	**40,711.26**
II	**Current Liabilities**		
1	Trade Payable	22,616.50	18,048.63
2	Other current liabilities	7,422.92	5,946.21
3	Short-term provisions	1,200.58	1,060.87
4	Others	8,241.43	11,310.74
	Total Current Liabilities (B)	**39,481.42**	**36,366.45**
	Total Working Capital Requirements (A)-(B)	**2,427.19**	**4,344.81**
	Funding Pattern		

Sr. No	Particulars	As at March 31, 2018*	As at March 31, 2019*
	Internal Accruals/Grant-in aid	2,427.19	1,296.29
	Borrowings	-	2,498.52[(1)]
	Government infusion	-	550.00
	Total	**2,427.19**	**4,344.81**

**Based on the Restated Consolidated Financial Statements*

[(1)] *As on March 31, 2019, the outstanding borrowings of our Company stood at ₹9,587.07 million*

The details of our Company's expected working capital requirements for the Fiscal 2020 and funding of the same are as set out in the table below:

(₹ in million)

Sr. No	Particulars	As at March 31, 2020 (Expected)
I	**Current Assets**	
1	Inventories	3,490.39
2	Trade Receivables	14,289.92
3	Bank Balance towards Escrow & Margin Money Deposit	2,668.28
4	Loans and advances	4,705.13
5	Other current assets	673.80
	Total Current Assets (A)	**25,827.53**
II	**Current Liabilities**	
1	Trade Payable	5,302.90
2	Other current liabilities	2,834.88
3	Short-term provisions	1,060.87
4	Others	8,053.80
	Total Current Liabilities (B)	**17,252.45**
	Total Working Capital Requirements (A)-(B)	**8,575.09**
	Funding Pattern	
	Internal Accruals	1,296.29
	Borrowings	-
	Government infusion	854.00
	Proceeds from the Issue	6,424.80
	Total	**8,575.09**

Assumptions for working capital requirements

Holding Levels

Provided below are details of the holding levels (days) considered:

Particulars	Actuals (No. of days) As at March 31, 2019	Projected (No. of days) As at March 31, 2020
Inventories	81	54
Trade Receivable	581	187
Loans & Advances	103	61
Other Current Assets	15	9
Trade Payables	1109	101
Other Current Liabilities	130	37
Short Term Provisions	23	14

Key Material assumptions and justifications

Inventories	For the annual maintenance contracts, our Company is required to stock minimum quantity of all components, while for manufacturing activity, inventories are built on the basis of lead time required for procurement, processing timelines and customer delivery schedules. The absolute value of inventories is expected to increase along with growth in our business. Our Company's inventory holding period (calculated as closing inventories divided by value of production after excluding service income) as per Restated Financial Statements, was 81 days for Fiscal 2019. Our Company expects to improve its inventory management system and optimise its inventory holding period. Considering such improvements and also considering our growth requirements, our Company has assumed inventory holding period of 54 days for Fiscal 2020.
Trade Receivables	Our trade receivable depends upon the payment terms against each purchase order. For certain contracts, we procure items from our vendors and supply to our customers on a back-to-back basis. In such cases when the end customer pays the money the creditors also get paid and our Company gets its margin. Our outstanding trade receivables (calculated as closing trade receivables divided by annualised revenues from operations over 365 days) based on the Restated Consolidated Financial statements was 581 days for Fiscal 2019. All our customers are PSUs/Government departments. In order to improve the payment cycle, the Department Of Telecommunication has constituted a Synergy Committee of PSUs under the Ministry of Communications. The PSU members are expected to meet fortnightly to resolve issues related to delay of payment or any other disputes. Any unresolved dispute needs to be taken up with the Ministry of Communications for resolving the same. This is expected to substantially reduce the receivables cycle. The Trade Receivables have fallen from ₹30,799.36 million in Fiscal 2018 to ₹26,574.00 million in Fiscal 2019. After considering our Company's actual realizations, projected realizations and effect of back-to-back orders, our Company expects Trade Receivables to further reduce to ₹ 14,289.92 million in Fiscal 2020. Further, considering the effect of any expected growth in our Company's business, our Company has assumed trade receivables for the Fiscal 2020 as 187 days. The advances given by BSNL for West Zone project to the extent of ₹5,491 million have been adjusted by providing project bills for the same. Our Company assumes that receivables due from our top 10 debtors will be realised by March 31, 2020.
Loans and Advances and other current assets	Loans and advances predominantly consist of claims recoverable in cash or in value (inland and foreign) and other deposits. The days of outstanding for loans and advances and other current assets based on the Restated Consolidated Financial Statements (calculated as short term loans and advances and other current assets divided by total revenues over 365 days) was 103 days for Fiscal 2019 in case of loans and advances and 15 days for Fiscal 2019 in case of other current assets. For Fiscal 2020 we have assumed 61 days in case of loans and advances and 9 days in case of other current assets.
Bank Balance towards Escrow & Margin Money Deposit	Our bank balance mainly consists of escrow balance for VRS, margin money deposit with banks and CAPEX money provided by the GOI for implementing the revival plan both plan and non- plan accounts which can be used only for the specific purpose for which it is granted.
Trade payables	This is based on the average standard payment terms of our vendors. Our trade payables predominantly comprise of payables towards purchase of raw materials and packaging materials. Days of outstanding trade payable (calculated as trade payable divided by annualized total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Financial statements, were 1,109 days for Fiscal 2019. Due to synergy meeting at the DOT level the debtors will be realised fast and corresponding creditors will be paid fast due to which our Company has assumed trade payables as 101 days of total material expenses for Fiscal 2020. The Ministry of Rural Development creditors have been paid to the extent of ₹500 million and the balance creditors of MLLN & SSTP AMCs including SMPS creditors have been paid to the extent of ₹4,000 million. The balance creditors will be paid subject to realisation of money before, March 31, 2020. Many of the creditors being from the Medium & Small-Scale Enterprise sector, payment need to be made to such creditors as per MSME Act, which is 45 days.
Other Current Liabilities	Our Other current liabilities and others predominantly comprise of taxes, VRS and capex money, preference shares, wage revision arrears and statutory dues. Days of outstanding other current liabilities (calculated as other current liabilities divided by total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Financial Statements, was 130 days for Fiscal 2019. Our Company has assumed other current liability as 37 days of total expenses (excluding depreciation, finance cost and tax expenses) for Fiscal 2020. This is mainly due to the reduction in the financing cost due to expected sovereign guarantee as well the improved performance of the company in Fiscal 2020. Due to which external credit rating will go up and accordingly the interest will fall and payments to the creditors will be carried out faster.

	The other current liabilities which consist of privilege leave encashment of employees need to be paid as per the court directive and a sum of ₹854 million payable by DOT needs to be paid to the employees PF Trust.
Short-term Provisions	Our provisions predominantly comprise of provision for gratuity, privilege leave and sick leave. Days of outstanding provisions divided by total expenses (excluding depreciation, finance cost and tax expense) over 365 days) based on the Restated Financial Statements, was 23 days for Fiscal 2019. Our Company has assumed as 14 days for provisions for Fiscal 2020.

Further, we propose to utilise ₹6,424.80 million of the Net Proceeds in Fiscal 2020, towards our working capital requirements for meeting our future business requirements.

Pursuant to the certificate dated January 13, 2020, , our Statutory Auditors, M/s. Sankaran & Krishnan, Chartered Accountant, have compiled the working capital estimates from the Restated Consolidated Financial Statements for Fiscal 2020 as approved by the Board pursuant to its resolution dated January 06, 2020.

B. Repayment of loans of our Company

Our Company has entered into financing arrangements with banks and financial institutions. Arrangements entered into by our Company include a consortium arrangement for borrowings in the form of working capital facilities. For a summary of these debt financing arrangements including the terms and conditions, see "*Financial Indebtedness*" on page 309. As on December 31, 2019, the amount outstanding from the fund based short term credit facilities of our Company, as stated below, was ₹9,348.74 million.

Our Company intends to utilize ₹6,072.91 million of the Net Proceeds towards full or partial repayment of certain borrowings availed by our Company. We believe that such repayment will help reduce the outstanding indebtedness and debt servicing costs and enable utilization of the internal accruals for further investment in the business growth and expansion. In addition, we believe that this would improve the ability to raise further resources in the future to fund the potential business development opportunities.

The borrowings proposed to be repaid form part of our consortium arrangement for working capital facilities, which provides for the repayment, subject to certain conditions. For details, see section "*Risk Factors – Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions*" on page 24. We will take such provisions and conditions into consideration while deciding the loans to be repaid from Net Proceeds. We may also be required to provide notice to some of our lenders prior to repayment.

The following table provides details of the loans availed by our Company out of which any or all of the loans may be repaid from Net Proceeds, without any obligation to any particular bank/ financial institution:

Sr. No.	Outstanding Loans	Nature of Borrowing	Amount Sanctioned (₹ mn)	Amount outstanding as on December 31, 2019 (₹ mn)	Purpose
	Consortium of lenders*	Working capital facilities	10,520.00	9,348.74	Working capital requirements
1.	State Bank of India	Cash Credit***	7,350.00	6,210.30	
2.	Canara Bank		774.00	761.17	
3.	Bank of Baroda**		1,286.00	1,286.07	
4.	Punjab National Bank**		460.00	443.29	
5.	Central Bank of India		440.00	438.22	
6.	DCB Ltd		30.00	30.00	
7.	IndusInd Bank		-	-	
8.	Axis Bank Limited		80.00	79.72	
9.	Indian Bank		100.00	99.97	
TOTAL			**10,520.00**	**9,348.74**	

** Our Company has obtained working capital facilities from the concortium of banks comprising of State Bank of India, Bank of Baroda, Central Bank of India, Punjab National Bank, Development Credit Bank Limited, IndusInd Bank Limited, Indian Bank and Canara Bank.*

*** After considering interchangibility of ₹1,500 million from non-fund based to fund based limit among the consortium.*

****BRLMs namely BOBCAPS and PNBISL, are related to our lenders viz. Bank of Baroda and Punjab National Bank. However, on account of this relationship, BOBCAPS and PNBISL does not qualify as an associate of our Company in terms of Regulations 21(A)(1) of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, read with Regulation 5(3) of the SEBI ICDR Regulations. Further, in this connection, please note that the loans provided by Bank of Baroda and Punjab National Bank to our Company are a part of ordinary course of lending business.*

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are repaid/ pre-paid or further drawn-down prior to the completion of the Issue, we may utilize Net Proceeds towards repayment of such additional indebtedness.

As per the certificate dated January 13, 2020 issued by the Statutory Auditors, the above facilities have been utilised for the purposes for which they were sanctioned.

C. General corporate purposes

Our Company proposes to deploy the balance Net Proceeds aggregating to ₹[●] million towards general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds of the Issue, in compliance with Regulation 4(4) of the 2009 SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilise Net Proceeds including marketing efforts, meeting expenses incurred towards any strategic initiatives, partnerships, tie-ups, joint ventures or acquisitions, long term or short term working capital requirements, meeting exigencies and expenses incurred by our Company in the ordinary course of business. In addition to the above, our Company may utilise 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 utilisation 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, and the Government of India shall have flexibility in utilising surplus amounts, if any.

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 Net Proceeds in deposits in one or more Scheduled Commercial Banks included in the Second Schedule of 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.

Issue expenses

The total Issue related expenses are estimated to be approximately ₹[●] million. The Issue related expenses consist of listing fees, underwriting fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Issue, Banker to the Issue including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares issued pursuant to the Issue on the Stock Exchanges. The fees and expenses relating to the Issue shall be borne by the Company. The break-up for the estimated Issue expenses are as follows:

Activity	Amount [(1)] (₹ in million)	As a % of total estimated Issue related expenses[(1)]	As a % of Issue size[(1)]
Fees payable to the BRLMs including underwriting commission, brokerage and selling commission, as applicable	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to the Registrar to the Issue	[●]	[●]	[●]
Brokerage, selling and bidding charges payable to Syndicate Members and SCSBs, Registered Brokers, RTAs and CDPs [(2) (4)]	[●]	[●]	[●]
Selling commission and processing fees for SCSBs and fees payable to the Sponsor Bank [(3)]	[●]	[●]	[●]
Others (listing fees, legal fees, SEBI processing fees, etc.) a) Listing fees, SEBI filing fees, book building software fees and other regulatory expenses b) Printing and stationery expenses c) Fees payable to the monitoring agency d) Miscellaneous	[●]	[●]	[●]
Total estimated Issue expenses	**[●]**	**[●]**	**[●]**

(1) *Will be completed after finalisation of the Issue Price*

(2) *Selling commission payable to the SCSBs on the portion for Retail Individual Bidders, Non-Institutional Bidders and Eligible Employee Reservation portion 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)*
*Portion for Eligible Employee Reservation**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

No additional uploading/processing charges shall be payable by the Company to the SCSBs on the applications directly procured by them. The 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.

(3) Processing fees payable to the SCSBs of Rs 10/- per valid application (plus applicable taxes) for processing the bid cum application of , Non-Institutional Bidders which are procured by the members of the Syndicate/Sub-syndicate Members/Registered Broker/RTAs/ CDPs and submitted to SCSBs for blocking would be as follows:

(4) Brokerage/ Selling commission and processing/ uploading charges on the portion for Retail Individual Bidders (using the UPI mechanism), portion for, Non-Institutional Bidders and Eligible Employee Reservation portion which are procured by Syndicate Members (including their sub Syndicate Members,) Registered Brokers/RTAs/CDPs or for using 3 in 1 type accounts - linked online trading demat and bank account provided by some of the brokers which are members of Syndicate (including 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)*
*Portion for Eligible Employee Reservation**	*0.20% of the Amount Allotted (plus applicable taxes)*

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

Bidding Charges payable to the members of the Syndicate (including their Sub-syndicate Members), Registered Brokers, RTAs and CDPs on the portion for Retail Individual Bidders, Eligible Employee Reservation portion and Non-Institutional Bidders which are procured by them and submitted to SCSBs for blocking would be ₹10, plus applicable taxes, per valid application bid by the Syndicate (including their Sub-syndicate Members), RTAs and CDPs.

The brokerage/selling commission payable to the Syndicate/Sub-syndicate Members will be determined on the basis of the application form/ series, provided that the application is also bid by the respective Syndicate/ Sub-syndicate Member. For clarification, if a Syndicate ASBA application on the application form number/ series of a Syndicate/ Sub-syndicate Member, is bid for by an SCSB, the brokerage/ selling commission will be payable to the SCSB and not to the Syndicate/ Sub-syndicate Member.

The brokerage/ selling commission and Bidding Charges payable to the SCSBs, Registered Brokers, RTAs and CDPs will be determined on the basis of the bidding terminal ID as captured in the Bid book of the BSE or the NSE. Payment of Brokerage/ Selling Commission payable to the sub-brokers / agents of the Sub-syndicate Members need to be handled directly by the Sub-syndicate Members, and the necessary records for the same shall be maintained by the respective Sub-syndicate Member.

The Selling Commission payable to the RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

Uploading Charges/ Processing Charges of ₹ 30/- valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs:

- for applications made by Retail Individual Investors using the UPI Mechanism

Uploading Charges/ Processing Charges of ₹ 10/- valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, RTAs and CDPs:

- for applications made by Retail Individual Investors using 3-in-1 type accounts
- for Non-Institutional Bids using Syndicate ASBA mechanism / using 3- in -1 type accounts,

Selling commission payable to the registered brokers on the portion of Non-Institutional Bidders which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows:

Portion for Retail Individual Bidders & Non-Institutional Bidders	₹ 10/- per valid application* (plus applicable taxes)

**Based on valid applications*

(5) The commissions and processing fees shall be payable within 30 Working Days post the date of the receipt of the final invoices of the respective intermediaries by the Company.

Processing fees for applications made by Retail Individual Investors using the UPI Mechanism will be

Sponsor Bank	₹Rs 8/- *per valid Bid cum Application Form* (plus applicable taxes).* *The Sponsor Bank shall be responsible for making payments to the third parties such as remitter bank, NCPI and such other parties as required in connection with the performance of its duties under the SEBI circulars, the Syndicate Agreement and other applicable laws.*

( ) For each valid application*

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.

Monitoring utilization of funds

Our Company shall appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to filing of the Red Herring Prospectus. The Monitoring Agency shall submit its report to our Company in the format specified in Schedule IX of 2009 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, publicly 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 Listing Regulations, our Company shall disclose to the Audit Committee the uses and application of the Net Proceeds, on a quarterly basis. 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 utilised 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 utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with the 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 of the Issue as stated above and details of category wise variation in the actual utilization of the Net Proceeds from the objects of the Issue 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 and applicable rules, our Company shall not vary the objects of the Issue without our Company being authorised 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 and applicable rules. 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 Office is situated. Our Promoter will be required to provide an exit opportunity to such shareholders who do not agree to the above stated proposal, at a price and in such manner as prescribed in chapter VI-A of the 2009 SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilized have been appraised by any bank/financial institution.

Other confirmations

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

BASIS FOR ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the BRLMs on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and is justified on the basis of the following qualitative and quantitative factors. See the section "*Risk Factors*" beginning on page 14 and the consolidated and standalone restated summary statements as set out in "*Financial Statements*" beginning on page 179 and 282 to have a more informed view. The trading price of the Equity Shares of the Company could decline due to the factors mentioned in "*Risk Factors*" and you may lose all or part of your investment. The face value of the Equity Shares is ₹10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Qualitative Factors

Competitive strengths

- Diverse product and services offering across sectors;
- Well established relationship with PSUs, the Ministry of Defence, other GoI agencies and state governments;
- Strong Order Book comprising of a diversified suit of products and services across various sectors;
- Modern manufacturing infrastructure, equipment and technology;
- Revitalized Company with improving financial performance; and
- Experienced Board, management team and skilled workforce.

For further details regarding some of the qualitative factors which form the basis for computing the Issue Price, see "*Our Business*" on page 119.

Quantitative Factors

Information presented in this section is derived from our Restated Financial Statements for the six month period ended September 30, 2019 and for Fiscals 2019, 2018 and 2017 in the section titled "*Financial Statements*" on page 179.

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

1. *Earnings per shares ("EPS"), (as adjusted for changes in Capital if any):*

As per Restated Consolidated Financial Information:

Financial Year	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2019	0.97	0.97	3
Fiscal 2018	3.18	3.18	2
Fiscal 2017	6.72	6.72	1
Weighted Average	**2.67**	**2.67**	
Six month period ended September 30, 2019	(0.65)	(0.65)	

As per Restated Standalone Financial Information:

Financial Year	Basic EPS (₹)	Diluted EPS (₹)	Weight
Fiscal 2019	0.95	0.95	3
Fiscal 2018	3.23	3.23	2
Fiscal 2017	6.77	6.77	1
Weighted Average	**2.68**	**2.68**	
Six month period ended September 30, 2019	(0.64)	(0.64)	

Notes:
(a)Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights]
(b) EPS calculations have been done in accordance with Indian Accounting Standard (Ind AS) –33- "Earning per share" issued by the Institute of Chartered Accountants of India.

$$\text{Basic Earnings Per Share (₹)} = \frac{\text{Net Profit after tax (as restated) attributable to Shareholders}}{\text{Weighted Average Number of Equity Shares outstanding for the period/year}}$$

$$\text{Diluted Earnings Per Share (₹)} = \frac{\text{Net Profit after tax (as restated) attributable to Shareholders}}{\text{Weighted Average Number of Equity Shares}}$$

For the end of the period/year and potential Equity Shares if any, for diluted EPS.

(c) The face value of each Equity Share is ₹10

2. Price Earning Ratio ("P/E") in relation to the Price Band of ₹[●] to ₹[●] per Equity Share*:*

Particulars	P/E Ratio at the Lower end of Price band (no. of times)	P/E Ratio at the Upper end of Price band (no. of times)
Basic EPS for the year ended March 31st 2019 on a Standalone Basis	[●]	[●]
Basic EPS for the year ended March 31st 2019 on a Consolidated Basis	[●]	[●]
Diluted EPS for the year ended March 31, 2019 on a Consolidated Basis	[●]	[●]
Diluted EPS for the year ended March 31, 2019 on a Standalone Basis	[●]	[●]

3. Return on Net worth ("RoNW"):

As per Restated Consolidated Financial Information of our Company:

Period	RoNW (%)*	Weights
Fiscal 2019	NA	NA
Fiscal 2018	NA	NA
Fiscal 2017	NA	NA
Weighted Average	NA	-
Six month period ended September 30, 2019	NA	NA

**RoNW not calculated as net worth is negative.*

As per Restated Standalone Financial Information of our Company:

Period	RoNW (%)*	Weights
Fiscal 2019	NA	NA
Fiscal 2018	NA	NA
Fiscal 2017	NA	NA
Weighted Average	NA	-
Six month period ended September 30, 2019	NA	NA

**RoNW not calculated as net worth is negative.*

Notes:

(1) Weighted average = Aggregate of year-wise weighted EPS divided by the aggregate of weights i.e. [(EPS x Weight) for each year] / [Total of weights

(2) EPS calculations have been done in accordance with the Indian Accounting Standards (IND AS) – 33 – "Earning per share" issued by the ICAI

(3) Average Return on Net Worth (%) = Net Profit after Tax (as restated) divided by Net worth at the end of the year/period

(4) Net worth has been computed by aggregating Equity share capital and Other Equity excluding Revaluation Reserve as per the restated financial statements.

4. Minimum Return on Increased Net Worth after Issue required to maintain Pre-Issue EPS for the Fiscal ended March 31, 2019:

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	[●]	[●]

5. Net Asset Value per Equity Share of face value of ₹10 each

Period	Standalone NAV (₹)	Consolidated NAV (₹)
2019	(6.03)	(5.59)
2018	(9.36)	(8.87)
2017	(23.02)	(22.30)
Six month period ended September 30, 2019	(1.89)	(1,46)
Issue Price*	[●]	[●]

After the Issue on a standalone basis:

(a) At the Floor Price: [●]
(b) At the Cap Price: [●]

After the Issue on a consolidated basis:

(a) At the floor Price: [●]
(b) At the Cap Price: [●]

Notes:
(1) Issue Price per Equity Share will be determined on conclusion of the Book Building Process.
(2) *NAV (book value per share)= Total shareholder's funds divided by the number of shares outstanding for that period.*
(3) *Net worth has been computed by aggregating Equity share capital and other Equity as per the audited restated financial information.*

6. Comparison with industry peers

There are no listed companies in India that are engaged in a similar business portfolio as that of the Company. Hence, it is not possible to provide an industry comparison in relation to the Company.

7. The Issue Price will be [●] times of the face value of the Equity Shares

The Issue Price of ₹[●] has been determined by our Company, in consultation with the BRLMs on the basis of the demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the aforementioned qualitative and quantitative factors. For further details, please see the section titled "*Risk Factors*" on page 14 and "*Financial Statements*" on page 179.

STATEMENT OF TAX BENEFITS

The Board of Directors
ITI Limited,
F29, Ground Floor, Doorvaninagar,
Bangalore, 560 016, India.

Dear Sirs,

Re: The Proposed offering of equity shares of the face value of ₹10 each by ITI Limited pursuant to a Follow-on Public Offering in India.

We, SANKARAN & KRISHNAN, Chartered Accountants, hereby report that the enclosed statement in **Annexure** prepared by the Company states there are no special tax benefits available to the Company and to its shareholders under the provisions of the Income-tax Act, 1961, ("**the Act**") and Income-tax Rules, 1962, as amended (together "**Tax Laws**") presently in force in India.
The benefits discussed in the enclosed **Annexure** covers only special tax benefits available to the Company and to its shareholders and do not cover general tax benefits available to the Company and to its shareholders.

Further, the preparation of the Statement and its contents is the responsibility of the Company's management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Issue or holding/selling of the Equity Shares thereafter, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither we are suggesting nor advising the investor to invest money based on this statement.

The contents of the enclosed **Annexure** are based on information, explanations and representations obtained from the Company and based on our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. 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. We will not be liable to any other person in respect of this Statement

This Statement is intended solely for your information and for the inclusion in the Red Herring Prospectus, the Prospectus and in any other material used in connection with the proposed Issue by the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For SANKARAN & KRISHNAN
Chartered Accountants
Firm Registration No. 03582S

VV Krishnamurthy
Partner
Membership No. 027044
Place: Bangalore
Date: 13th January 2020

Enclosed: ANNEXURE

ANNEXURE TO STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the tax laws in force in India (i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfil.

1. SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no special tax benefits available to the Company under the provisions of the Income Tax Act.

2. SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no special tax benefits available to the shareholders under the provisions of the Income Tax Act.

Note: *All the above benefits are as per the current provisions of the Income Tax Act, 1961 and any change or amendment in the laws/regulation, which when implemented would impact the same.*

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

Unless otherwise specified, the information and statistics in this section are extracted from the report entitled "Information & communication technology scenario in India" (the ***"CRISIL Report"****). The information presented in this section, including forecasts and projections, have not been prepared or independently verified by us, our Directors, the GoI, the BRLMs, or any of our or their respective affiliates or advisors or any other party involved in the Issue, and no representation is made as to its accuracy.*
Unless otherwise specified, the information and statistics in this section are extracted from the report entitled "Information & communication technology scenario in India" (the ***"CRISIL Report"****). The information presented in this section, including forecasts and projections, have not been prepared or independently verified by us, our Directors, the GoI, the BRLMs, or any of our or their respective affiliates or advisors or any other party involved in the Issue, and no representation is made as to its accuracy.*

Indian Economy

The Indian economy is the third largest economy in the world in terms of GDP at purchasing power parity (PPP) exchange rates, with an estimated GDP, in PPP terms for 2017 of US$9.47 trillion. (Source: CIA World Factbook, 2019). India has the world's second largest population, estimated at 1,297 million people in July 2018 (Source: CIA World Factbook, 2019), and the second largest labour force, estimated at 521.9 million people in 2017. (Source: "CIA World Factbook", 2019). India also has one of the youngest populations in the world with a median age of 28.1 years (2018 estimate), a high share of working population and a rapid rate of urbanisation with 2.37% change per annum (2015-2020 projection). (Source: "CIA World Factbook", 2019).

India is developing into an open-market economy. Economic liberalization measures including industrial deregulation, privatization of state-owned enterprises and reduced controls on foreign trade and investment began in the 1990s and have accelerated India's growth which averaged nearly 7% per annum from 1997 to 2017. (Source: CIA World Factbook, 2019). In recent years, India has become a popular destination for foreign direct investment ("FDI"), owing to its well-developed private corporate sector, large consumer market potential, large well-educated and English-speaking workforce and well-established legal systems. Overall, India attracted FDI inflows of a provisional US$64.38 billion in Fiscal 2019 and US$60.97 billion in Fiscal 2018 as compared to an average of US$23.1 billion from Fiscal 2001 to Fiscal 2013. (Source: "Department of Industrial Policy and Promotion, Ministry of Commerce & Industry, Government of India – Fact Sheet on FDI from April 2000 to March 2019").

India's GDP at constant prices is provisionally estimated to be ₹140.78 trillion for Fiscal 2019 showing a growth rate of 6.8% over the first revised estimates of GDP for Fiscal 2018. (Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, May 2019). India's GDP at current prices is provisionally estimated to be ₹190.10 trillion for Fiscal 2019 showing a growth rate of 11.2% over the first revised estimates of GDP for Fiscal 2018. (Source: Central Statistical Office of India's Ministry of Statistics and Programme Implementation, May 2019).

India's inflation movements have become favourable over the last three fiscal years. The consumer price index ("CPI") inflation has fallen from 4.5% in Fiscal 2017, to 3.6 % in Fiscal 2018 and to 3.4% in Fiscal 2019. (Source: RBI Annual Report 2017-18 and RBI Bulletin July 2019).

Overall, the prospects for domestic growth remain positive based on expectations that the current Government, which took office in May 2014 and re-elected in May 2019 with a strong mandate, would bolster the reform process to address the structural and liquidity issues that have hampered growth. The Government appears to be firmly committed to deficit reduction and fiscal responsibility. This has enhanced the credibility of fiscal policy which it is expected will help to anchor inflation expectations and improve the business environment, including by fostering credibility amongst international investors. The fiscal deficit has been reduced from 4.1% in Fiscal 2015 to a provisional 3.5% in Fiscal 2018 and a 3.3% estimate for Fiscal 2019. (Source: RBI Annual Report 2017-18).

India continued to be one of the world's fastest growing major economies in Fiscal 2019; however, domestic economic activities were sluggish in the second half of Fiscal 2019 and the first half of Fiscal 2020. In Fiscal 2019, the Indian economy showed positive signs of recovering from the economic impacts of the programme of the Government on demonetisation (which commenced in November 2016) and the introduction of Goods and Services Tax (GST) (implemented on July 1, 2017). However, the crisis related to the performance of Non-Banking Financial Companies (NBFC), which began in August 2018, reduced consumption demand and adversely affected market sentiment in second half of Fiscal 2019 and has continued into Fiscal 2020. As economic activities decelerated in the second half of Fiscal 2019 due to a slowdown in both public and private consumption, GDP growth estimates were revised downwards. The current economic environment appears stable but without any immediate signs of better than modest growth.

Optical and Data Network Products and Services and Passive Infrastructure Products in India

Overview

According to CRISIL Research, the telecommunication equipment industry in India can be classified into active and passive equipment, based on the operating nature of the equipment. (Source: CRISIL Report) Active equipment or infrastructure includes base transceiver stations ("**BTSs**"), which are directly responsible for transmitting data. Passive equipment or infrastructure refers to telecommunication towers, BTS shelters, high-density polyethylene (HDPE) pipes and ducts, and battery backups, all of which support the active infrastructure.

The domestic telecommunication equipment manufacturing space, according to CRISIL Research, is evolving rapidly with companies adopting newer technologies to compete with global manufacturers. (Source: CRISIL Report) The GoI's initiatives, such as "Make in India" and Digital India, CRISIL Research suggests, have provided the impetus for the development of local manufacturing units. (Source: CRISIL Report) Projects such as BharatNet and the Smart Cities Mission have also boosted demand for telecommunication equipment. (Source: CRISIL Report)

With the increase in the number of local manufacturers, CRISIL Research believes that India's dependence on imports will decline. (Source: CRISIL Report) Apart from this, foreign companies have set up manufacturing plants and assembly lines in India due to its conducive environment for growth and development. (Source: CRISIL Report) CRISL Research expects continued foreign direct investment growth in the telecommunications equipment industry, leading to an influx of foreign technology. (Source: CRISIL Report)

In the view of CRISIL Research, the Indian telecommuncications sector will drive the demand in the telecommunications equipment space. (Source: CRISIL Report) CRISIL Research expects that growth in the telecommunications equipment industry will supported by long-term telecom services industry growth, the focus on improving service quality by telecommunications operators and introduction of 5G technology. (Source: CRISIL Report)

CRISIL Research projects that the revenue of Indian telecommunications services industry is set to grow at a 12-14% compound annual growth rate (CAGR) between Fiscal 2019 and Fiscal 2024. (Source: CRISIL Report) The key industry drivers, according to CRISL Research, are the expected increase in the subscriber base and the introduction of 5G technology. (Source: CRISIL Report) These will drive investments in the telecommunication equipment industry, as operators incur capital expenditure to improve backhaul (optic fibre, HDPE ducts, wireless access network products and batteries) and to adopt newer technologies (such as 5G). (Source: CRISIL Report)

The following table shows the projected growth in telecommunication subscribers in India.

Telecommunications subscriber base	**FY16**	**FY17**	**FY18**	**FY19E**	**FY20P**	**FY21P**		**FY24P**
Wireless subscribers (mn)	1,034	1,170	1,183	1,162	1,145	1,204		1,331
Data subscribers (mn)	322	401	473	614	657	678		849
Data subscriber proportion	31%	34%	40%	58%	68%	70%		80%
2G and 3G data subscriber (mn)	314	270	186	136	89	44		2
2G and 3G data subscriber proportion	30%	23%	16%	12%	8%	4%		0%
4G & 5G data subscriber (mn)	8	131	287	478	568	634		847
4G and 5G data subscriber proportion	1%	11%	24%	41%	50%	53%		64%

E: Estimated; P: Projected
Source: CRISIL Report

Gigabit-optical transport network elements and infrastructure

Gigabit-passive optical network (GPON)

Gigabit-passive optical network ("**GPON**") products are passive optical network ("**PON**") equipment that are based on optical fibre, to provide broadband access for FTTX (fibre-to-home/building/premise) connections. This forms a part of active infrastructure, such as fibre cable, couplers, combiners and splitters, used in GPON networks to transmit data from one point to another. Other GPON equipment includes optical line terminals ("**OLTs**"), which are installed at the service provider's exchange, and optical network terminals ("**ONTs**"), which are installed at client locations.

In 2011, the Centre for Development of Telematics ("**C-DOT**") transferred the GPON technology, which it designed and developed, to seven telecommunications manufacturers in the public and private sectors including our Company, Bharat Electronics Ltd, VMC Systems Ltd, United Telecoms Ltd, Sai Info System (India) Ltd, Larsen & Toubro Ltd, SM Creative Electronics Ltd. and Tejas Networks Ltd. (Source: CRISIL Report) This GPON technology transfer has been used increasingly for fibre optic connections.

The ongoing BharatNet project is also based on GPON technology. To execute BharatNet, the GoI has set up a special-purpose vehicle, Bharat Broadband Network Ltd ("**BBNL**"), for the management and operation of the network. Funding for the project is from the Universal Service Obligation Fund under the Department of Telecom. (Source: CRISIL Report)

The following summarises the GPON projects awarded by BBNL.

GPON project awarding by BBNL

Year	**Purchase order (PO)**	**Vendor Name**	**Purchase Order Value** estimated (**₹** billions**)**
FY17	Turnkey project for supply, installation, commissioning and maintenance of GPON and solar-power equipment	ITI Ltd	2.06
FY17	Turnkey project for supply, installation, commissioning and maintenance of GPON and solar-power equipment	Tejas Networks Ltd.	0.97
FY17	Turnkey project for supply, installation, commissioning and maintenance of GPON and solar-power equipment	Larsen & Toubro Ltd, Construction Division	1.22
FY18	Turnkey project for supply, installation, commissioning and maintenance of GPON and solar-power equipment	ITI Ltd	0.89

Source: CRISIL Report

CRISIL Research, quoting BBNL's annual report, indicates that investment of ₹6 billion value of GPON equipment is estimated for the project. In the view of CRISIL Research, 65% of the committed investment has been made, which leaves a room for some investments in GPON in the short term, driven by BharatNet. (Source: CRISIL Report)

DWDM and OTN

Dense wave division multiplexing ("**DWDM**") and optical transport networking ("**OTN**") help improve the efficiency of data transfer. In fibre optic communications, wavelength-division multiplexing ("**WDM**") is a technology, which 'multiplexes' a number of optical carrier signals onto a single optical fibre by using different wavelengths (i.e., colours) of laser light. This technique enables large volumes of data to be transmitted over the same fibre. WDM systems are divided into three different wavelength patterns: normal WDM, coarse WDM and DWDM.

CRISIL Research expects demand growth for DWDM equipment manufacturers as internet service providers look to improve the quality of service and efficiency of data transmission. (Source: CRISIL Report)

Optical transport networking ("**OTN**") is an industry-standard protocol that provides an efficient and globally accepted way to 'multiplex' different services onto optical light paths. As defined by the International Telecommunication Union, OTN is a set of optical network elements connected by optical fibre links capable of providing optical channel transport, multiplexing, routing, management, supervision and survivability.

Optic fibre cable (OFC)

An OFC comprises one or more optical fibre cables to carry data in the form of light. OFCs are primarily used for point-to-point transfer of data for communication and providing high-speed data connections. OFCs are increasing in popularity across India.

CRISIL Research suggests that the fibre represents approximately 25-30% of the network backbone in India. (Source: CRISIL Report) Fiberisation is the connectivity of telecom towers with fiber. Private players, according to CRISIL Research, are increasing investments in their fibre backbone for backhaul. (Source: CRISIL Report) Moreover, demand for OFCs from GoI projects, such as BharatNet, is expected to increase. (Source: CRISIL Report) Additionally, 5G is expected to be launched commercially in India by 2022. 5G usually requires fiberisation above 65-70%. CRISIL Research estimates an investment of approximately ₹1 trillion in order to reach such fiberisation levels in the next two to three years. (Source: CRISIL Report)

Permanently lubricated high-density polyethylene (HDPE) is commonly used as a casing to enclose fibre optic wires. Demand for HDPE is expected to grow, due to higher demand for OFC as building of India's fibre backbone increases. In the view of CRISIL Research, the HDPE industry is fairly fragmented, with numerous players involved in the manufacturing of HDPE pipes that house OFCs. (Source: CRISIL Report)

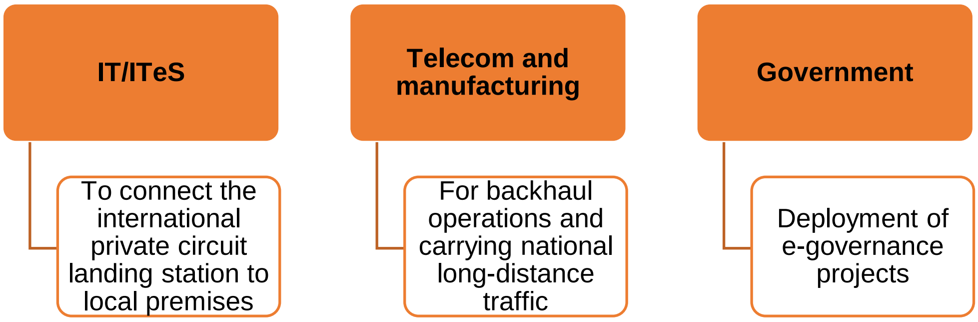
Managed leased lines (domestic leased circuits)

A leased line is a private bi-directional circuit between two or more locations for telecommunication. A leased circuit is a facility for communication between two or more designated points, set aside for exclusive use by a subscriber. Unlike broadband, a leased line is not contended or shared, but delivers dedicated and guaranteed bandwidth. A domestic leased circuit (a "**DLC**") is connected to a subscriber's premises within India. The telecommunication service providers provide DLCs to connect two or more customer sites or customers to their own or other service provider's networks. A DLC can carry data, digitised voice, fax, video or any other form of digital transmission, at bandwidths from 64 Kbit/s to 1Gbit/s.

DLCs involve the use of a physical wire to connect two points and are extensively used to connect systems and offices. According to CRISIL Research, the usage of DLCs has reduced with the advent of new connectivity methods, especially virtual private networks ("**VPNs**"). (Source: CRISIL Report) DLCs are now often used as a last-mile connectivity option by many sectors, including the IT sector, which had used them as an end-to-end solution. (Source: CRISIL Report)

The following chart shows DLC deployment by key sectors.

DLC deployment by key sectors



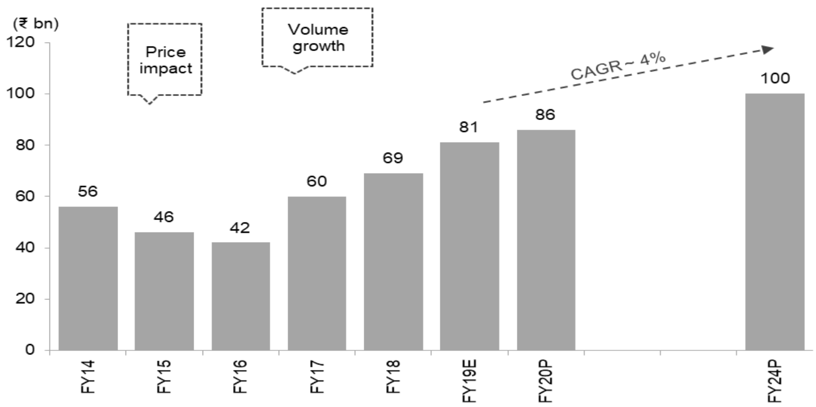
Source: CRISIL Report

CRISIL Research expects demand for DLCs will be supported by increase in wired broadband penetration, backhauling requirements owing to increased adoption of 4G, and GoI initiatives like BharatNet.

According to CRISIL Research, the DLC segment, which is estimated to have risen at 5% CAGR in value terms between Fiscal 2014 and Fiscal 2019, is expected to grow at 3-4% CAGR up to Fiscal 2024, to ₹100 billion. (Source: CRISIL Report) The increase in revenue will be because improvement in wired broadband penetration will more than offset a decline in leased line prices. The GoI has set a target of connecting 250,000 homes through its BharatNet project, of which only half of the target has been achieved as of September 2019. CRISIL Research suggest that this provides a huge opportunity for DLC demand. (Source: CRISIL Report)

The graph below shows revenue from the DLC segment from Fiscal 2014 to Fiscal 2019 (estimated) and shows the projected revenue from the DLC segment from Fiscal 2020 to Fiscal 2024.

DLC segment revenue may grow



Source: CRISIL Report

The DLC segment is highly consolidated in the view of CRISIL Research. Private market participants include Bharti Airtel, Reliance Communications and Tata Communications, while BSNL and MTNL are the GoI entities that provide this service. (Source: CRISIL Report)

Other participants in the DLC sector include our Company and Tejas Networks, which provide managed leased line solutions including products such as switches, dense-wave division multiplexing (DWDM) products, and other last-mile connectivity solutions. (Source: CRISIL Report) Under BharatNet, both our Company and Tejas Networks have been awarded contracts for supplying, installing, commissioning and maintaining equipment for expanding fibre optic connectivity under the project. (Source: CRISIL Report)

Wireless access network products

Wireless access network products include base transceiver stations (BTSs)and broadband wireless terminals as well as radio modems, microwave antennas, set-top boxes and li-ion batteries (which are discussed under electronic products below).

Base transceiver stations (BTS)

A BTS uses radio waves to transmit and receive voice and data from and to mobile phones using spectrum. The BTS device, which comprises a transceiver, a power amplifier, a combiner, a multiplexer, an antenna, an alarm extension system and a baseband receiver unit, is stored in a BTS shelter to safeguard against environmental elements (except for the equipment mounted on the tower-antenna).

BTS can be classified based on the technology they are programmed to offer, such as 2G, 3G and 4G services. New technologies in BTSs include single radio access node (RAN), which allows telecommunication operators to offer two technologies using the same BTS.

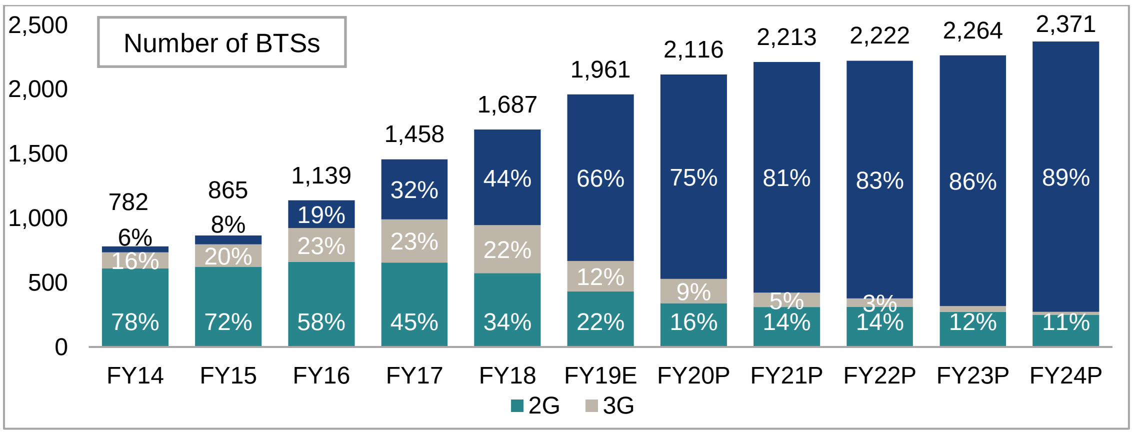
BTS shelters, being an essential part of the passive infrastructure in the telecommunication towers space, are categorised by characteristics, such as cooling delivery (open-air shelters, AC-cooled), fire compliance, and their usage for roof-tops or ground-based towers.

In the view of CRISIL Research, the installed BTS ecosystem in the towers industry is set to undergo a change in mix of 2G, 3G, and 4G BTS. (Source: CRISIL Report) CRISIL Research expects that the overall BTS numbers will grow at approximately 5% CAGR between Fiscal 2019 and Fiscal 2024, which is a lower rate of growth than the approximate 18% CAGR in the past 5 fiscal years. (Source: CRISIL Report)

In Fiscal 2018, CRISIL Research reports that the number of 2G and 3G BTSs was reduced by operators. (Source: CRISIL Report) CRISIL Research expects that this trend will continue as telecommunication service providers encourage subscribers to migrate from 2G and 3G to 4G. (Source: CRISIL Report) In line with this, CRISIL Research projects a reduction in 2G and 3G BTS between Fiscal 2018 and Fiscal 2023, alongside an increase in 4G BTS. (Source: CRISIL Report) CRISIL Research expects that the growth in the 4G BTS will offset the reduction in 2G and 3G BTS and help overall BTS numbers grow. (Source: CRISIL Report)

The following graph shows the historical growth in 4G BTS from Fiscal 2014 to Fiscal 2019 (estimated) and the projected growth in 4G BTS from Fiscal 2020 to Fiscal 2024.

Growth in 4G BTSs to offset a decline in 2G and 3G BTSs



Source: CRISIL Report

According to CRISIL Research, the majority of demand for high-end 4G BTSs and single-RAN BTSs is fulfilled through imports. Domestic suppliers include our Company which manufactures low-power CDOT technology BTSs at its manufacturing facility in Mankapur, Uttar Pradesh.

Broadband wireless terminal (BBWT)

C-DOT's Broadband wireless terminal ("**BBWT**") is identified by CRISIL Research as a cost-effective solution for expanding internet protocol (IP) connectivity to remote areas, where fixed-line access is limited or ethernet cabling is not possible, through wireless networks. (Source: CRISIL Report) C-DOT's BBWT can also be used for backhaul link in Wi-Fi hotspots, cellular base stations and base station controllers, ATMs and database servers. C-DOT's BBWT is designed to work in harsh outdoor conditions, as it has a centrally managed smart Wi-Fi access point.

C-DOT's BBWT is a solution for educational campuses, railway stations, warehouses, hotels, and other enterprises that need to extend managed wireless LANs outdoors. Further, C-DOT's BBWT offers a solution for offloading data traffic from congested 3G networks and deploying multimedia hotspots or offering wireless broadband services, where fixed-line access is limited. Our Company has a facility for the manufacturing of BBWT Wi-Fi systems at our Mankapur plant.

Some of the applications of BBWT include hotspots, indoor and outdoor access points, video telephony, sensor networks, backhaul link for Wi-Fi hotspots, meteorological applications and video surveillance.

In the opinion of CRISIL Research, a primary reason for low-data pickup in India has been the low mobile broadband data speed, which is among the lowest in countries offering 4G services. (Source: CRISIL Report) In India, the majority of data traffic flows through mobile networks that face congestion during peak hours, leading to a poor mobile broadband experience. (Source: CRISIL Report) In addition, low volume capacity also restricts usage.

Globally, approximately 85-90% of the traffic flows through fixed broadband, including managed IP, which is an enterprise service provided by network operators, managed service providers, and system integrators. (Source: CRISIL Report) It includes IP telephony, IP contact centres, unified communications, application hosting, security and LAN, and desktop management. (Source: CRISIL Report) This compares with approximately 75-80% in India, of which Wi-Fi caters to 25-30% of demand for Fiscal 2018 as per CRISIL Research estimates. (Source: CRISIL Report)

In the view of CRISIL Research, poor Wi-Fi infrastructure in India also constrains growth of data services. (Source: CRISIL Report) According to CRISIL Research, network outages and low speed can be easily addressed through a robust Wi-Fi infrastructure. (Source: CRISIL Report) On average, a global consumer spends over 45% of time on the internet on Wi-Fi, compared with an estimated 20% in India. (Source: CRISIL Report) Moreover, most of this is on home Wi-Fi in India. CRISIL Research suggest that the reason Indian consumers often do not access internet on Wi-Fi outside home is because of the lack of public Wi-Fi hotspots. (Source: CRISIL Report) Currently, CRISIL Research reports that there are about 40,000 Wi-Fi public hotspots in India. (Source: CRISIL Report) areas under 'Sansad Adarsh Gram Yojna', the GoI proposed to set up 25,000 Wi-Fi hotspots at existing rural exchanges of BSNL. Among some state specific measures, (i) the Telangana government launched the 'Hyderabad City Wi-fi Project' in June 2017 to cover 3,000 hotspots locations within the city, (ii) Andhra Pradesh government along with a global MNC in 2018, announced setting up of Wi-Fi hotspots at all gram panchayats in the state, and (iii) the Odisha government launched 'Bhubaneswar Me Wifi' project in 2018 to cover 500 spots. (Source: CRISIL Report)

According to CRISIL Research, as of March 2019, rural tele-density in India is 57.50%, compared with urban penetration of 159.66%. (Source: CRISIL Report) In the opinion of CRISIL Research, this tele-density gap indicates that there is a great potential in rural India for additional Wi-Fi penetration.

To boost rural connectivity and provide a thrust to the Digital India initiative, the GoI has taken various steps. BharatNet (described in the section below) is a GoI initiative aimed at providing broadband connectivity to 250,000 villages (gram panchayats) with a speed of 100 Mbps. The new National Telecom Policy 2018 envisages enabling access to high-quality wireless broadband services at affordable prices for 90% of the population, developing 10 million public Wi-Fi hotspots in the country, and achieving 900 million broadband connections at a minimum download speed of 2 Mbps. Under this policy, CRISIL Research expects that the number of Wi-Fi hotspots in India to increase significantly from 40,000 at present to approximately 500,000 over the medium term. (Source: CRISIL Report)

BharatNet Infrastructure Project

BharatNet is a key infrastructure project of the GoI, under which the GoI aims to connect 250,000 villages (gram panchayats) across the country with block headquarters by developing an optical fibre network. The infrastructure is designed primarily to provide for broadband internet in rural areas and remote regions of the country. The project is one of the nine pillars of the Digital India programme, which aims to provide GoI services electronically to all Indian citizens.

The following diagram shows the nine pillars of the GoI's Digital India initiative.

Nine pillars of Digital India

Source: CRISIL Report

To execute BharatNet, Government of India has set up a special purpose vehicle called BBNL, which is responsible for management and operation of the network. Funding for the project comes from the Universal Service Obligation Fund under Department of Telecom.

The project, which began in 2011, has undergone many changes in terms of scope and timeline of execution. In 2017, the BharatNet project was split into two phases owing to difficulties and technical deficiencies in earlier work. (Source: CRISIL Report)

Phase I, which covered 100,000 gram panchayats, was completed and was implemented by three PSUs: BSNL, RailTel Corporation of India and Power Grid Corporation of India. Phase II, which will cover the remaining 150,000 gram panchayats, is currently underway. According to CRISIL Research, the GoI has earmarked approximately ₹310 billion for Phase II, which a significant step-up from approximately ₹115 billion spent for Phase I. (Source: CRISIL Report)

The BharatNet infrastructure provides bandwidth and dark fibre between block headquarters and gram panchayats which can be utilised by telecommunication and internet service providers to provide internet in rural areas. The infrastructure utilises GPON technology, which allows for point to multi-point connections. The BharatNet infrastructure is built to act as a key middle layer connecting unconnected areas to existing networks with central network monitoring and with last-mile connectivity being provided by telecommunication players and internet service providers. The GPON architecture utilises a variety of components, namely, optical fibre cable pipes, and optical fibre cables and terminals which transmit and receive information.

In late 2017, the Ministry of Communications announced plans to set up a minimum of one Wi-Fi hotspot per village. As all hotspots will not be commercially viable initially, the GoI has announced a viability gap funding of ₹36 billion to telecommunication operators for these Wi-Fi hotspots. (Source: CRISIL Report)

According to CRISIL Research, this large-scale project has seen wide participation by players across the telecommunications spectrum -from infrastructure and equipment providers to telecommunication and internet service providers. (Source: CRISIL Report)

The following table sets forth the key player in the BharatNet project.

Key players in BharatNet project

Network Component	Key Players Involved in BharatNet project
Optical Fibre Cable	Paramount Cables, Sterlite Technologies, Vindhya Telelinks, Finolex Cables , Aksh Optifibre
GPON Network Equipment	ITI Ltd, Tejas Networks, United Telecoms Limited, Larsen & Toubro

Source : CRISIL Report

Defence Communications Projects in India

According to CRISIL Research, there are two major defence communication projects in India: the Army Static Switched Communication Network ("**ASCON**") project and the Network for Spectrum ("**NFS**") project.

Army Static Switched Communication Network (ASCON)

ASCON is an Indian Army communications project, which seeks to develop and enhance the army's communication network across India. The defence services utilise encrypted and secure channels for communications, as they deal with information that is vital to national security. According to CRISIL Research, a key enabler to this security and encryption has been the presence of dedicated infrastructure, which the ASCON project has strived to establish.

ASCON is a four-phase project. Phase I was started in 1987, followed by Phase II and III, which were completed in 1998 and 2009, respectively. The cumulative cost of the three phases, according to CRISIL Research, was in the range of ₹ 6 billion to ₹7 billion, with our Company being awarded all the three phases of the project. (Source: CRISIL Report)

We are in negotiations for the ASCON, Phase IV, project. In accordance with the terms of the tenders for the ASCON Phase IV project, each bidder who is selected as the lowest bidder (L-1) is called for final negotiations of the tender, and we have concluded such negotiations on this project. ASCON, Phase IV, is a project with the Ministry of Defence that entails the establishment of an optical fiber network for the Indian army, including the supply, installation, and maintenance of the optical fiber network and telecom equipment, mobile terminals, microwave towers, power supply equipment, test instruments and infrastructure. The project is to be executed over a period of three years from the date of contract signing followed by 2 years of warranty support and 8 years of AMC support.

The following table shows the timeline for the four phases of the ASCON project.

Timeline of the ASCON project

Phase	Timeline	Comments
I	1987 - 1991/92	Utilised mainly by wireless radio technology
II	1995 - 1998	Utilised mainly by optical fibre technology
III	2000 - 2009	Utilised asynchronous transfer mode (ATM) and integrated services digital network (ISDN) technology along with a satellite overlay network
IV	2017 - 2021	Will utilise new technologies based on IP/multiprotocol label switching (MPLS) technologies utilising IPv6-capable devices

Source: CRISIL Report

The main objective of Phase IV of the ASCON project is to interconnect 300 locations across the country through installation of a 24-fibre 10,000-km-long optical fibre cable network. The secure and exclusive network will utilise IP/MPLS based communication network. In addition to the fibre backbone, 35 microwave radio links also will be established.

Phase III of the ASCON project utilised technologies such as the ATM and ISDN. ATM and ISDN are older technologies, which utilised circuit-switching technologies, wherein more resources are required, as the data is physically routed to destinations with pre-decided start and end points. (Source: CRISIL Report) However, Phase IV will utilise devices based on IPv6, which allows for higher security, safety and efficiency compared with the older IPv4 standards. (Source: CRISIL Report) Phase IV also involves the usage of DWDM-based transmission networks, which utilise faster and higher capacity optical cables. (Source: CRISIL Report) The focus is also on software-defined networking (SDN) in conjunction with the IP and MPLS technology, which allows for better control and higher scalability for the armed forces. (Source: CRISIL Report)

NFS OFC

Network for Spectrum (**NFS**) is a strategic communications network project to develop and install an OFC network to be owned and operated by the defence services under the Project Implementation Core Group ("**PIGC**") of the Ministry of Defence (the "**MoD**"). The NFS project involves establishing an exclusive OFC-based nationwide optical backbone for 414 defence sites and access networks at 219 army sites. The NFS project comprises all OFC routes, aggregating to 57,015 km, divided into seven packages. The NFS project, which has been awarded to BSNL, with an estimated cost ₹133.34 billion. (Source: CRISIL Report)

The PICG was created to plan, operated and maintain the NFS project on behalf of the MoD. The implementation of this project is undertaken jointly by BSNL and PICG, whereby all essential project monitoring, installation, testing and acceptance will be carried out by joint teams. After successful implementation of this project, all the network assets created for this project will be handed over by BSNL to the PICG for subsequent operations and maintenance. The GoI has allocated ₹30 billion for laying of OFC and procurement of equipment for the project in Fiscal 2018. (Source: CRISIL Report)

Our Company has an order for laying optical fiber cable under the NFS project for the Indian defence forces in the Eastern and North-Eastern regions.

As of November 2019, we had completed about 86% the fiber-laying. Delays in the project are mainly due to non-availability of right of way permissions to the customer in the north eastern states and West Bengal, and change of optical fibre cabling from underground to aerial type at certain locations. The project is expected to be completed by May 2020. (Source: CRISIL Report)

Internet of Things (IoT)

The Internet of Things ("**IoT**") is a seamless connected network of embedded objects and devices with identifiers, in which machine to machine ("**M2M**") communication without human intervention is possible using communication protocols. According to CRISIL Research, IoT provides opportunities across the telecommunications spectrum, from telecommunication and internet service providers to sensors and telecommunication equipment manufacturers. (Source: CRISIL Report)

IoT is still at a nascent stage in India in the view of CRISIL Research. (Source: CRISIL Report) In July 2015, as a part of the Digital India campaign, a centre of excellence for IoT was announced by the Ministry of Electronics and Information Technology. The Smart Cities Mission, which seeks to modernise cities with an emphasis on smart technologies, also utilises IoT-based technologies. For more information, "—Smart Cities Solution" below.

In the opinion of CRISIL Research, IoT, both globally and in India, faces bottlenecks from (i) the lack of common standards for M2M communication (ii) information security and (iii) the lack of uniformity of data speed. (Source: CRISIL Report) Notwithstanding, in the view of CRISIL Research, some general developments are working in the favour of IoT development in India including the lower cost of sensors, faster communication speeds such as 4G and 5G, the rise of cloud computing, faster processing power and deep network coverage and low power consumption. (Source: CRISIL Report)

A recent beneficial development in IoT is the introduction of the narrowband internet of things (NB-IoT), which is a new cellular access technology, tailored to form an attractive solution for emerging low power wide area (LPWA) applications. (Source: CRISIL Report) According to CRISIL Research, this new technology will allow large number of devices to connect, consuming significantly lower power, thus finding applications in next generating application such as smart metering, tracking devices, smart agriculture. (Source: CRISIL Report)

Smart City Solutions

The Indian government launched the Smart Cities Mission on June 25, 2015. A smart city is a designation given to a city using information and communications technology ("**ICT**") to enhance the quality and performance of urban services such as energy, transportation, and utilities to reduce resource consumption, wastage and costs. The overarching aim of a smart city is to enhance the quality of living for its citizens through smart technology.

Under the Smart Cities Mission, each selected city gets central assistance of ₹2 billion in the first year and ₹1 billion per year for the next three years, with a matching contribution from its respective state. (Source: CRISIL Report) A city's proposal can also include funding from other sources, such as private participation, municipal bonds, user charges, and convergence with existing schemes, such as Atal Mission for Rejuvenation and Urban Transformation (AMRUT) and Pradhan Mantri Awas Yojana (PMAY). CRISIL Research, quoting the Handbook of Urban Statistics, 2019, suggests that total investment of approximately ₹2.05 trillion will be made on smart cities over the next few years. (Source: CRISIL Report) With the GoI and state government funding fixed at ₹5 billion each per city (approximately 45% of envisaged investment), the financial position of each city's union-local bodies (ULBs) is critical, in the view of CRISIL Research, as funding for various projects will significantly depend on the bonds raised by the respective city ULBs. (Source: CRISIL Report) About 5% of total investment (₹60 billion) will be funded through municipal bonds in the coming years. (Source: CRISIL Report) With most cities aiming to improve core infrastructure facilities (housing, roads and water supply), the mission is expected to provide for a large construction opportunity.

According to CRISIL Research, as of January 2019, the value of tendered smart city projects was ₹1,057.8 billion, the value of work orders issued was ₹626.52 billion, and value of all completed projects was ₹110.4 billion. (Source: CRISIL Report)

Under the Smart Cities Mission, each smart city has two plans, an area-based development plan and a pan-city plan.

Area-based development plan: Under the plan area-based development plan, one chosen area of the city will be developed through retrofitting, redevelopment, or green field efforts or a combination of these. The delineated areas should be contiguous within the city. (Source: CRISIL Report)

Pan-city plan: Under this pan-city plan, the entire city area is considered, and ICT is used for diverse purposes such as traffic management, water and electricity supply (smart metering), and solid-waste management. (Source: CRISIL Report)

The following table sets forth the smart cities announced under the Smart Cities Mission.

Smart cities – 100th city announced in June 2018

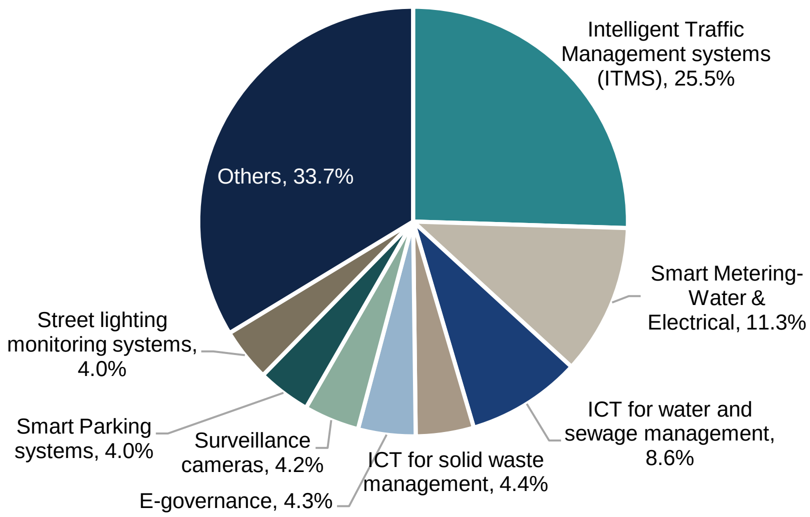
Stage 1	Stage 2				
List of all potential smart cities announced after intra-state challenge	Round 1 – 20 cities Jan 28th, 2016	Fast Track – 13 cities May 24th, 2016	Round 2- 27 cities Sept 20th, 2016	Round 3- 30 cities June 23rd, 2017	Round 4 – 9 cities Jan 19th, 2018
	Funding from FY17	Funding from FY17	Funding from FY18	Funding from FY19	Funding from FY19
	Bhubaneswar	Lucknow	Amritsar	Thiruvananthpuram	Erode
	Pune	Warangal	Kalyan-Dombivili	Naya Raipur	Saharanpur
	Jaipur	Dharamshala	Ujjain	Rajkot	Moradabad
	Surat	Chandigarh	Tirupati	Amaravati	Bareilly
	Kochi	Raipur	Nagpur	Patna	Itanagar
	Ahmedabad	New town Kolkata	Managaluru	Karimnagar	Silvassa
	Jabalpur	Bhagalpur	Vellore	Muzaffarpur	Diu
	Visakhapatnam	Panaji	Thane	Puducherry	Kavaratti
	Solapur	Port Blair	Gwalior	Gandhinagar	Bihar Sharif
	Davanagere	Imphal	Agra	Srinagar	
	Indore	Ranchi	Nashik	Sagar	
	New Delhi Municipal Council	Agartala	Rourkela	Karnal	
	Coimbatore	Faridabad	Kanpur	Satna	
	Kakinada		Madurai	Bengaluru	
	Belagavi		Tumakuru	Shimla	
	Udaipur		Kota	Dehradun	
	Guwahati		Thanjavur	Tiruppur	
	Chennai		Namchi	Pimpri Chinchwad	
	Ludhiana		Jalandhar	Bilaspur	
	Bhopal		Shivamogga	Pasighat	
			Salem	Jammu	
			Ajmer	Dahod	
			Varanasi	Tirunelveli	
			Kohima	Thootukkudi	
			Hubbali-Dharwad	Tiruchirapalli	
			Aurangabad	Jhansi	
			Vadodara	Aizawl	
				Allahabad	
				Aligarh	
				Gangtok	

Note: Shillong has been chosen as the 100th city in June 2018
Source: CRISIL Report

CRISIL Research reports that ICT, non-residential development and housing will account for more than 40% of planned investment in the Smart City Mission. (Source: CRISIL Report) The GoI primary focus is to enable local area development by using digital technology and ICT, which represents approximately 16-17% of overall funds. (Source: CRISIL Report) Projects such as data visualisation, intelligent traffic management systems (ITMS), bus-fleet tracking and smart-parking systems, are also gaining importance according to CRISIL Research, as these services enable a city to function properly and efficiently. (Source: CRISIL Report) CRISIL Research estimates that under ICT, investment in ITMS to be the at approximately 26%.

The following diagram shows the breakup of ICT investments estimated for Fiscal 2017.

ITMS to get large share of ICT Investments



Note: Estimates for Fiscal 2017
Based on the smart city proposals of the announced smart cities
Source: CRISIL Report

CRISIL Research includes our Company as one of the key players providing smart-city solutions in India. (Source: CRISIL Report)

The following table lists the key risks associated with the Smart City Mission in the opinion of CRISIL Research.

Key risks associated with the Smart Cities Mission

Key risks	Nature	Description
Financing	High	Financing is said to be one of the biggest challenges when it comes to the smart city challenge. The total investment approved under the smart city plans of 99 cities has gone upto ~Rs 2 trillion. Banks financing these projects as of now is the major reason of a considerable increase in the number of non-performing assets. Whether or not the government is successful in bringing the investment required, remains a key risk for smart cities mission.
Lack of Center-State Co-ordination	Moderate	Fruitful implementation of a project can be done only if there is a co-ordination between various government bodies. There is a need of proper regulation when it comes to planning for the development of smart cities. Achieving horizontal and vertical co-ordination remains a key risk for smart cities mission.
No timeline attached	Moderate	The entire smart city plan is a one big plan which should get all the clearances if not before time then on time. Everything should be online and timely which is very difficult to achieve given the progress/status of other schemes and remains a key risk.
Availability of facilities	Moderate	India as of now is not that equipped when it comes to skilled manpower and advanced technology requirements for developing 100 smart cities. Availability of such resources in the future remains to be one of the key risks assosciated with successful completion of smart cities mission.

Source: CRISIL Report

Electronic Products and Services

Our Company is involved in the supply of various electronic products and services. Set forth below is a brief description of the markets for smart energy meters, Aadhaar cards, digital wallets, smart phones, smart cards, solar panels, 3D printing, radio modems and set top boxes.

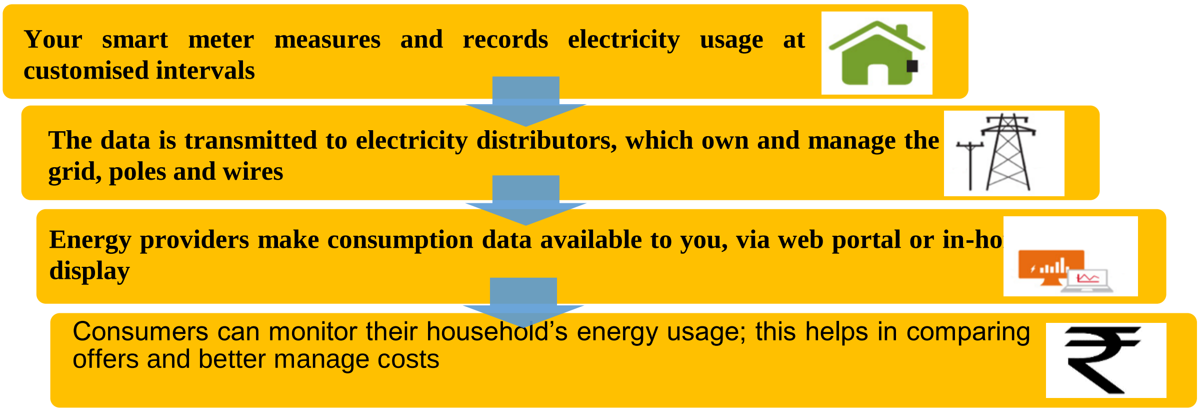
Smart Energy Meters

Advanced metering infrastructure ("**AMI**") is used to describe an entire range of infrastructure, from smart meters to two-way communication network and all applications that enable gathering and transferring of energy-usage information in almost real time. AMI makes two-way communication between electricity distribution companies ("**Discoms**") and customers possible and is the backbone of a smart grid. The objectives of AMI can be remote meter reading for error-free data, network-problem identification, load profiling, energy audit and partial load curtailment in place of load shedding. AMI brings financial gains to Discoms by reducing equipment and maintenance costs, enabling faster restoration of electric service during outages and streamlining the billing process. (Source: CRISIL Report)

Smart meters are an important part of AMI and benefit the entire grid by improving the accuracy of meter readings, energy-theft detection and response to power outages, while eliminating the need for onsite meter reading. (Source: CRISIL Report)

The following diagram shows the way smart energy meters work.

Workings of smart energy meters



Source: CRISIL Report

The installation of smart meters has received support from the GoI only in recent years, through policies and programmes such as the National Tariff Policy, the Integrated Power Development Scheme, the Ujwal Discom Assurance Yojana ("**UDAY**") and smart-grid pilot projects. The Ministry of Power (the "**MoP**") has come up with several policy initiatives and programmes to promote smart metering. In 2012, the MoP sanctioned 14 pilot projects for smart grids, with 50% funding to be provided as a grant by the GoI. Four of these projects were dropped, five have been completed and the rest are currently under implementation. (Source: CRISIL Report) Under these MoP-funded smart-grid pilot projects, as of March 2019, 174,000 smart meters have been sanctioned, of which over 100,000 smart meters have been installed. (Source: CRISIL Report)

Under UDAY, which was launched in 2015, the target was to install smart meters for all consumers with a monthly consumption of more than 500 units per month by December 31, 2017. (Source: CRISIL Report) The deadline for those with a consumption of 200-500 units per month is December 31, 2019. According to CRISIL Research, as of December 2019, only 5% of the targeted 5.73 million smart meters had been installed for consumers with a monthly consumption of more than 500 kWh. (Source: CRISIL Report) For consumers in the 200-500 kWh category, CRISIL Research reports that the achievement of the target was only 4% of the targeted installation of 18.45 million smart meters. (Source: CRISIL Report) In the opinion of CRISIL Research, this indicates a large potential for the smart meter market. (Source: CRISIL Report)

CRISIL Research reports that Himachal Pradesh is the top performer among the Indian states, having over-achieved the target of smart meters to be installed in the above-500 kWh category and making over 80% progress in the 200-500 kWh category. (Source: CRISIL Report)

The following table shows the progress of smart meter installation by state as of March 2019.

State	**Consumers with monthly electricity consumption above 200 kWh and up to 500 kWh**		**Consumers with monthly electricity consumption above 500 kWh**	
	Target number of smart meters	**Progress (%)**	**Target number of smart meters**	**Progress (%)**
Himachal Pradesh	914	101.2%	490	81.0%
Rajasthan	56,000	0	31,136	57.8%
Manipur	216,940	56.9%	134,527	38.2%

Madhya Pradesh	776,487	2.8%	295,644	21.2%
Assam	150,000	10.4%	31,000	38.3%
Tripura	79,026	34.4%	32,502	34.3%
Meghalaya	189,553	2.8%	86,368	1.7%
Haryana	822,747	0.5%	431,797	2.2%
Telangana	689,446	1.5%	168,634	13.7%
Karnataka	291,650	0.6%	137,456	0.4%
Andhra Pradesh	1,671,543	0.1%	399,713	0.1%
Bihar	336,113	0.2%	197,831	0.0%
Chhatisgarh	652,146	0.0%	488,307	0.0%
Goa	120,307	0.0%	34,163	0.0%
Gujrat	632,581	3.4%	247,583	0.4%
Jammu & Kashmir	582,149	0.0%	215,828	0.0%
Jharkhand	125,896	0.0%	26,534	0.0%
Kerala	745,000	0.0%	136,000	0.0%
Maharashtra	49,680	0.0%	10,385	0.0%
Tamil Nadu	8,256,000	0.0%	1,552,000	0.0%
Uttar Pradesh	781,220	19.1%	278,722	0.0%
Uttarakhand	225,000	0.0%	75,000	0.0%
Punjab	934,394	0.0%	697,711	0.0%
Arunachal Pradesh	35,230	15.9%	20,499	34.4%

Note: Data is not available for Odisha, Nagaland, Mizoram, West Bengal and Sikkim.
Source: CRISIL Report

Energy Efficiency Services Ltd (EESL) is installing smart meters through the Smart Meter National Programme (SMNP) to reduce the Discoms' billing inefficiencies. The SMNP aims to replace 250 million conventional meters with smart meters. Under the procurement model, EESL plans to invest the entire amount required to procure meters while Discoms make zero investment. The amount to be repaid to EESL by the Discoms will be met through savings from enhanced billing efficiency. (Source: CRISIL Report)

EESL launched a mega tender to procure 5 million smart meters in July 2017 on behalf of the Uttar Pradesh and Haryana Discoms for implementing smart-grid projects in these states. (Source: CRISIL Report) The smart meters are planned to be installed over three years, with Uttar Pradesh receiving approximately 4 million smart meters and Haryana getting the rest. In August 2018, EESL entered two memoranda of understanding with North Bihar Power Distribution Company Limited and South Bihar Power Distribution Company Limited (to deploy smart meters in 130 towns and adjacent rural areas covering about 1.8 million customers in the state

Our Company has a contract to manufacture and supply 2,500,000 smart energy meters to EESL. At December 31, 2019, the value of this smart meter order was ₹6581.78 Million representing 5.96% of our Order Book

Apart from the initiatives undertaken by the GoI, several Discoms are undertaking installation of smart meters for their customers. According to CRISIL Research, one recent such initiative was undertaken by Tata Power Delhi Distribution Ltd, wherein it announced that it would roll out 250,000 smart meters (200,000 single-phase meters and 50,000 three-phase meters) for its customers. (Source: CRISIL Report) In a similar move, Calcutta Electric Supply Corporation Ltd is implementing AMI based on the RF mesh technology, in its franchise area in Kota under Jaipur Vidyut Vitran Nigam Ltd. The rollout of smart meters by the utility will cover over 180,000 consumers across the franchise service area. (Source: CRISIL Report)

CRISIL Research suggests that the high investment costs entailed in smart-meter installations and lack of expertise among Discoms have weighed down success in smart metering. (Source: CRISIL Report) CRISIL Research, however, believes that UDAY is helping the financial position of the Discoms which it expects will promote investments in smart grids. (Source: CRISIL Report)

Aadhaar Cards

The Unique Identification Authority of India (UIDAI) is a statutory authority established on July 12, 2016, by the GoI under the Ministry of Electronics and Information Technology. Aadhaar is a 12-digit unique identification number issued to Indian citizens by the UIDAI. The UIDAI is responsible for enrolling, authenticating, issuing and managing the Aadhaar.

The UIDAI is given a GoI budgetary allocation each financial year. For Fiscal 2020, the UIDAI has been allocated a 8.7% lower budget funds at ₹12.27 billion, compared with ₹13.75 billion in Fiscal 2019. (Source: CRISIL Report) CRISIL Research expects that these funds will be used for operations such as replacement of old hardware, upgrading information technology and strengthening overall capacity. (Source: CRISIL Report)

The Aadhaar card, which is essentially an identification document, is issued upon recording and verifying the applicant's details, including biometric and demographic data. The Aadhaar card is not meant to replace existing identification documents, such as the permanent account number (PAN), passport and driving licence. However, the Aadhaar card can be used as a single-identification document. Banks, financial institutions and telecom companies can also use it as a know-your-customer (KYC) verification document and maintain profiles using the Aadhaar number.

The Aadhaar has grown to be the world's largest biometric ID system, with over 1.25 billion enrolled members as of December 2019 according to CRISIL Research. (Source: CRISIL Report)

The following table sets forth the uses for the Aadhaar card.

Document/ Service	Description
PAN card	The Central Board of Direct Taxes (CBDT) has made it mandatory for people filing income tax returns to link their PAN with Aadhaar.
Bank account	Account holders having savings account in all banks have to link their bank accounts with Aadhaar to prevent their accounts from getting deactivated.
Employees' Provident Fund	The Employees' Provident Fund Organisation (EPFO) has made it mandatory for its members to link their Universal Account Number (UAN) with Aadhaar. This linking will enable them to check their PF balance, submit claims and withdraw funds online through the EPF member portal.
LPG subsidy-PAHAL	The GoI has linked the bank accounts of all domestic liquefied petroleum gas (LPG) users with their connections. It has been reimbursing the subsidy amount directly in the bank accounts of beneficiaries for more than a couple of years now.
Academic scholarship	The GoI has made it mandatory for students to furnish their Aadhaar at the time of filling the form/enrolling to avail academic scholarships and other educational benefits. Aadhaar also has been made mandatory for sitting in the National Institute of Open Schooling examinations.
Ration card	Before Aadhaar, a large portion of subsidised food and other benefits provided by GoI to people below the poverty line went into the black market, depriving the actual beneficiaries. The GoI linked the ration cards of beneficiaries with their Aadhaar numbers to check corruption and correct leakage.
Crop insurance for farmers	The GoI has made provisions to ensure the crop production of farmers to help them economically when there is a tragedy or calamity. However, to avail the crop insurance facility, farmers need to provide their Aadhaar details.

Source: CRISIL Report

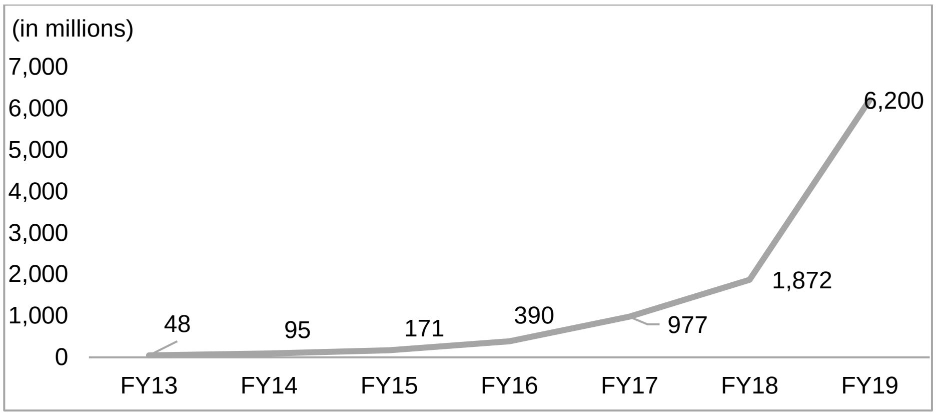
Our Company has ventured into the business of providing Aadhaar-based authentication services based on the "software as a service" (SaaS) model to address various segments. We perform the role of an authentication service agency and KYC service agency to various departments of the Government of Gujarat. In addition, we also provide support to authentication user agencies and KYC user agency entities to integrate Aadhaar services in their core platforms.

Digital Wallets

A mobile wallet is a smart phone app that allows cashless transfer of money. In western and developed nations, mobile wallets create virtual copies of credit/debit and other types of payment cards and utilise technologies such as near-field communication to complete payments. In India, most mobile wallets require the user to input money prior to transaction, similar to that in prepaid wireless cellular connections. Accordingly, mobile wallets are often referred to as prepaid payment instruments ("**PPIs**").

According to CRISIL Research, the GoI's decision to demonetise ₹500 and ₹1,000 notes on November 8, 2016, and the subsequent government emphasis on cashless transactions led to an upsurge in mobile transactions over the Fiscal 2016 and Fiscal 2019 period, with the rise in adoption of mobile wallets and other mobile based payment systems. (Source: CRISIL Report) According to CRISIL Research, the subsequent GoI emphasis on cashless transactions has led to an increased demand for mobile transactions and mobile wallets, which have further received impetus from cheaper handsets and reduced mobile data costs. (Source: CRISIL Report)

The following graph shows the increase in mobile transactions from Fiscal 2013 to Fiscal 2019.



Source: CRISIL Report

The RBI has divided PPIs into three broad categories: closed, semi-closed, and open PPIs. Closed PPIs allow for transaction only between the wallet provider and the customer. Semi-open PPIs allow the wallet holder to transact with more entities, but the holder is not able to withdraw cash using the wallet. An open system allows for multi-party transactions with the potential for cash withdrawal.

The following table sets forth the characteristics of the three types of PPIs based on the RBI's classifications.

Mobile wallet classification and key players in India

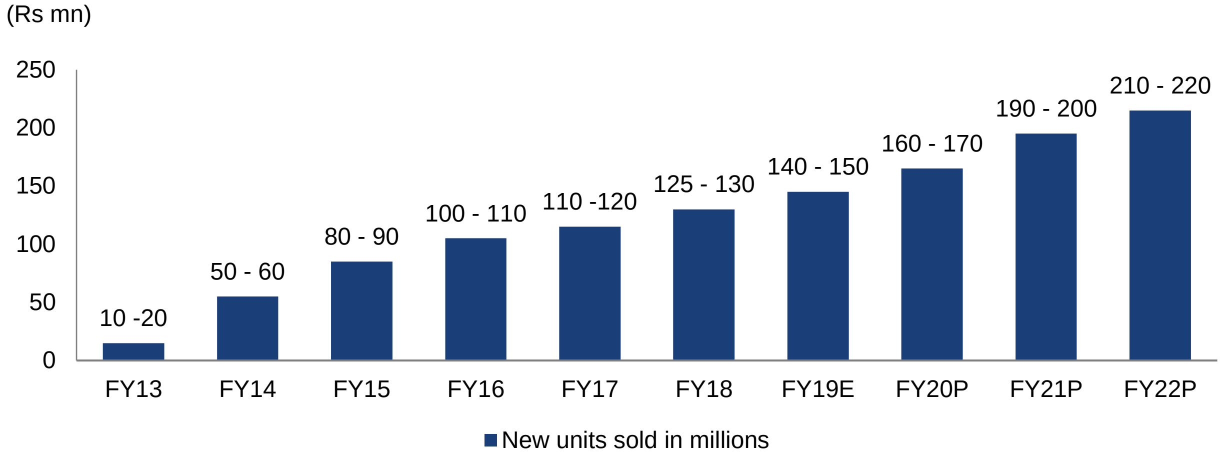
Type of wallet/PPI	Use case of wallet money	Where are the funds stored?	Interest on funds	Key players
Closed	Payment instruments issued by a person for facilitating the purchase of goods and services from him/her; does not permit cash withdrawal or redemption for the user.	Payment instrument issuer's account	Interest is earned by the issuer and is not shared with the user.	e-commerce player platforms such as MakeMyTrip, Ixigo, Flipkart.
Semi-open	Payment instruments, which can be used to purchase of goods and services from entities that have a specific contract with the issuer. The instruments do not permit cash withdrawal or redemption by the holder.	An escrow account	Depending on the average balance calculation of 4-8% interest may be earned by the issuer. Interest earned is not shared with user.	FreeCharge, ITI Tag wallet, MobiKwik, Oxigen, PayTM
Open	Payment instruments that can be used for the purchase of goods and services, including financial services such as funds transfer at any accepting merchant location (points-of-sale terminals) and also permit cash withdrawal at ATMs/BCs.	To users' bank accounts	Earns interest that is shared between payment service provider and the bank depending on the agreement. The user may or may not earn interest.	Bank-based platforms such as SBI's Buddy, ICICI Bank's Pockets

Source: CRISIL Report

According to CRISIL Research, the key enabling driver for mobile wallets is smartphone technology. In Fiscal 2014 and 2019, CRISIL Research reports that smart phone sales in India have registered growth of approximately 21% CAGR, propelled by the entry of cheaper handsets and affordable data plans. (Source: CRISIL Report) In the view of CRISIL Research, smart phone sales and user base are only expected to grow in the future by a CAGR of approximately 14%, driven by their rising acceptability in India. (Source: CRISIL Report) In addition, CRISIL Research suggests that some wallet providers are tying up with financial institutions, banks and shopping portals to provide users incentives to start using their wallets more frequently.

The following graph shows the historical growth in smart phone sales in India from Fiscal 2012 to Fiscal 2019 (estimated) and the projected growth in smart phone sales from Fiscal 2020 to Fiscal 2022.

Smartphone sales



Source: CRISIL Report

In the view of CRISIL Research, the main competitor for most wallet services providers is cash. (Source: CRISIL Report) India traditionally has been a cash-heavy economy and changing this mindset may be a challenge to contend with. Also, developing trust and ensuring security are other key challenges faced by PPI providers according to CRISIL Research. (Source: CRISIL Report)

Smart-cards

A smart card is a plastic card with either built-in microprocessors and/or memory units, which are utilised for multiple purposes. Over the past few years, smart cards have found increased adoption across the country for financial transactions, access and identifications. These cards are termed smart, as they store and process data, unlike conventional cards.

Smart cards are of three types, depending on how information is read from them.

The first type is contact cards, which require a card user to make a contact with a designated reading device. For example, older banking debit cards, which utilise magnetic strips for storage of information and need to be swiped at terminals to be read. Such cards follow the ISO/IEC 7816 standard.

The second type is contactless cards, which utilise wireless communication technologies, such as RFID and NFC. These cards can transmit data without a physical contact. For example, fast tags used across toll plazas in India utilise the RFID technology to wirelessly transmit and authenticate vehicle information. Such cards follow the ISO/IEC 10536 standard.

The third type is dual-interface cards, which have both wired and wireless capabilities. For example, modern-day banking cards utilise both technologies. Such cards follow both contact and contactless ISO/IEC standards.

Smart cards have applications across a number of industries in India, with the key industries being banking, financial services and telecom. (Source: CRISIL Report) The main drivers for smart cards, in the opinion of CRISIL Research, are financial inclusion and the expansion of the wireless telecommunication subscriber base. (Source: CRISIL Report)

The following table sets forth many of the industrial uses for smart cards.

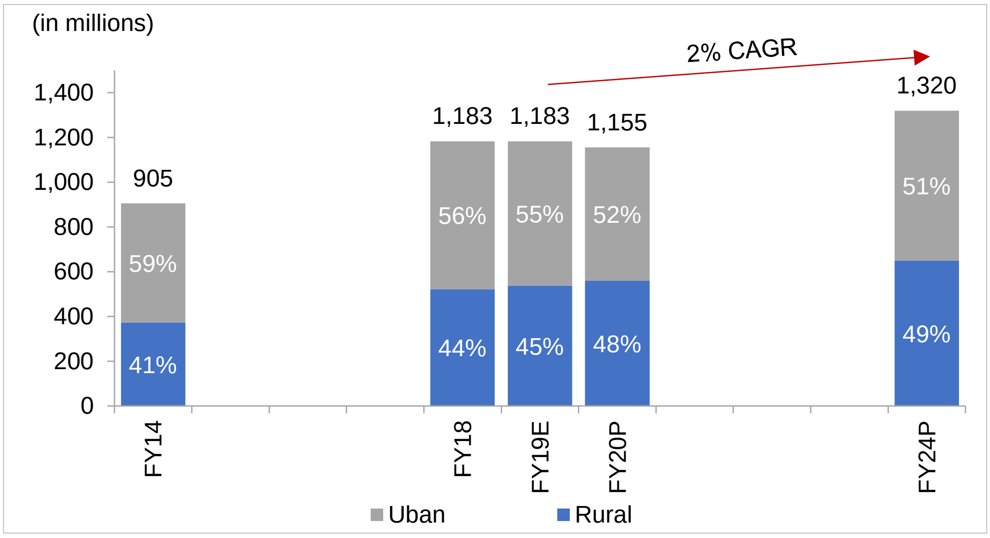
Industrial use of Smart Cards

Industry	Utilisation of smart cards
Banking	Debit / credit cards and other payment cards
Retail	Shopping and rewards cards
Telecom	SIM cards
Transport	Fast tags, metro rail cards
Government	ID cards, driving licenses, new ration cards

Source : CRISIL Report

As subscriber identity module (SIM) cards are a key enabler for wireless telecom, CRISIL Research suggests that subscriber additions provide an opportunity for SIM card manufacturers. (Source: CRISIL Report) CRISIL Research reports that India currently has the second-largest wireless telecommunication subscriber base in the world with over 1,162 million subscribers as of March 31, 2019. (Source: CRISIL Report) CRISIL Research estimates, subscriber base to fall to 1,145 million in fiscal 2020 from 1,162 million in fiscal 2019. (Source: CRISIL Report) CRISIL Research estimates the number of wireless subscribers to grow at 2% CAGR, from an estimated 1.18 billion at the end of Fiscal 2018 to 1.32 billion by the end of Fiscal 2024. (Source: CRISIL Report)

The following graph shows wireless telecommunication subscribers in India from Fiscal 2014 to Fiscal 2019 (estimated) and the projected growth in wireless telecommunication subscribers from Fiscal 2020 to Fiscal 2024.



Source : CRISIL Report

Manufacturing smart cards is a multistep process, which involves the production of the smart-card chip module, followed by milling of the plastic card, and implantation of the smart-card chip module on the card. (Source: CRISIL Report)

According to CRISIL Research, our Company is one of the major players in India. (Source: CRISIL Report). We manufacturing smart cards at our plant at Palakkad, Kerala.

Solar Panels

A solar panel is an assembly of solar cells that can convert light directly into electricity. Solar panels use silicon cells that possess the property of generating electricity whenever light falls on them through a phenomenon called the photovoltaic effect. Silicon cells are paired with a metal casing and wiring, which allow the cells to generate and supply power. Silicon cells used in solar panels fall into three categories, depending on the type of silicon used: monocrystalline, polycrystalline and amorphous.

Despite a significant jump in the solar-installed base to 28.8 GW at the end of March 2019 from 12.3 MW at the end of March 2017, CRISIL Research is of the view that Indian solar cell and module manufacturers have been unable to capitalize on the increased demand for solar power. (Source: CRISIL Report) According to CRISIL Research, Indian manufacturers have not been competitive with their Chinese and US counterparts. (Source: CRISIL Report) Additionally, equipment-linked financing and a longer repayment schedule offered by foreign countries have also encouraged foreign imports. (Source: CRISIL Report)

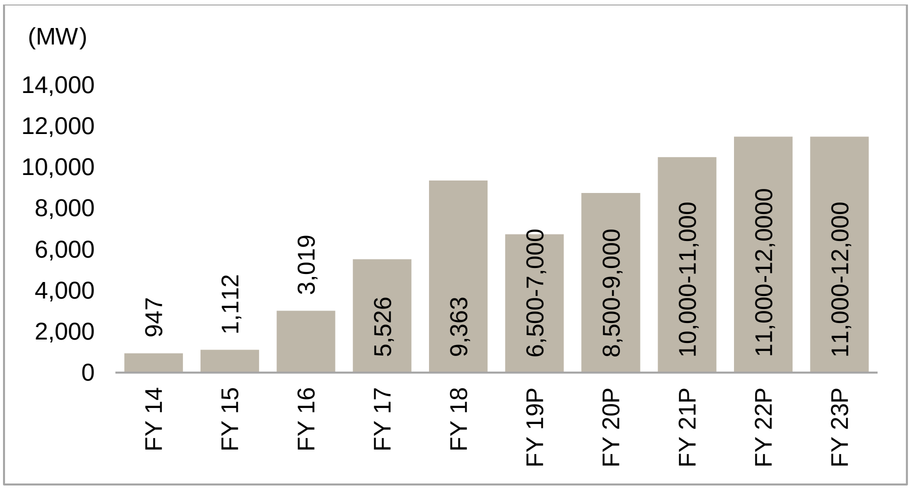
According to CRISIL Research, four companies control more than half of total PV cell manufacturing capacity in India. (Source: CRISIL Report) As of March 2019, the installed capacity in India is estimated to have been 3.2 GW for solar PV cells (with an operational capacity of approximately 1.7GW). (Source: CRISIL Report) Technology dependence on foreign manufacturers and high capital intensity have limited the number of solar manufacturers according to CRISIL Research. (Source: CRISIL Report)

We produce solar panels in our manufacturing facility in Naini, Uttar Pradesh. We have upgraded the capacity of the unit to 18 MW.

CRISIL Research expects 48-50 GW of solar PV capacity addition over the Fiscal 2019 -2023 period to be driven by (i) additions under the National Solar Mission (NSM) Phase II Batch II, III, IV, V and VI; (ii) capacities tendered by Discoms in various states, including Maharashtra, Karnataka, Telangana, Andhra Pradesh (AP), Punjab, Madhya Pradesh, Jharkhand and Tamil Nadu to fulfil renewable purchase obligations, and rooftop projects and other schemes. (Source: CRISIL Report)

The following graph shows solar capacity addition in India in India from Fiscal 2014 to Fiscal 2018 and the projected solar capacity addition from Fiscal 2019 to Fiscal 2023.

Outlook on Solar Capacity Addition



Source: CRISIL Report

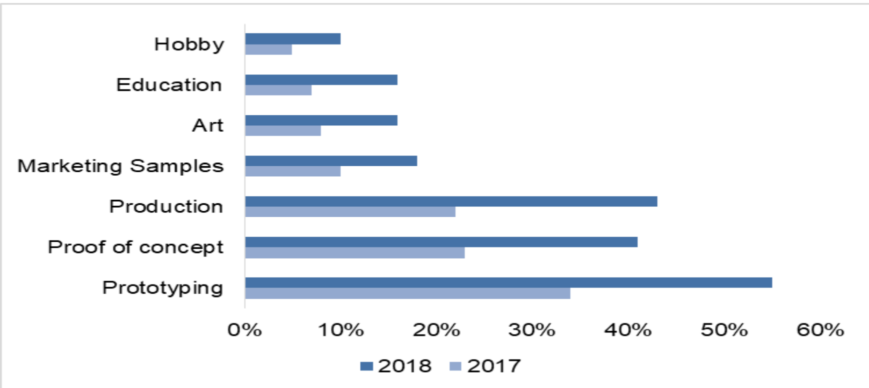
CRISIL Research believes that the growth in demand will only have a limited benefit to Indian manufacturers as domestic modules are priced higher than imported modules, particularly those from China and the United States. (Source: CRISIL Report) CRISIL Research expects 7 to 8 GW of demand for domestic cell and module manufacturers over the Fiscal 2019-2022 period. (Source: CRISIL Report)

3D Printing

3D printing is a manufacturing process used to make physical objects from a pre-existing digital model. It is an additive process in which the final product is manufactured by layer-wise addition of the material. By contrast, subtractive manufacturing, uses methods where material is removed to get the final shape or form. Currently, 3D printing finds wide application in various industries, especially in automotive, aerospace, and consumer electronics sectors. (Source: CRISIL Report) With its capabilities to render complex geometries and produce objects from a wide variety of materials, 3D printing has found wide applications across many sectors. (Source: CRISIL Report)

The follow chart shows the uses of 3D printing for prototyping, proof of concepts, production and other uses.

Uses of 3D Printing



Source: CRISIL Report

CRISIL Research reports that, currently, the highest uses of 3D printing globally are in research and development and design functions across organisations. (Source: CRISIL Report)

The following table sets forth the major uses of 3D printing by industry sector.

Major use of 3D printing by sectors

Sector	Usage of 3D printing
Automotive	Production of parts, such as mirror housings and mounts
Aerospace	Production of lightweight parts, such as structural brackets
Consumer electronics	Production of compact assemblies and new technologies, such as stretchable electronics
Medical industry	Production of bio-compatible implants

Source : CRISIL Report

In the view of CRISIL Research, the 3D printer market in India is at a nascent stage compared with the US and Europe. (Source: CRISIL Report) According to CRISIL Research, most of the revenue for the Indian players come from electronics and automotive sectors. (Source: CRISIL Report) In the opinion of CRISIL Research, the thrust on domestic production, demand for lean manufacturing, increasing penetration and Make in India campaign will spur the 3D printer market in India. (Source: CRISIL Report)

Our Company offers 3D printing services through our Bengaluru facility.

Radio modems

Radio modems are devices that encode, transmit, receive and decode serial data using radio waves. They connect to serial ports on devices and send and receive signals to and from other radio modems. Radio modems transmit serial data as radio waves in a specific frequency according to a defined radio technique. This digital data is encoded prior to transmission, and then decoded prior to receipt. Once decoded, the serial data is provided to the connected device.

Radio modems are quite useful because of their ability to encode, transmit, and decode data over long distances (up to approximately 10km). Radio modems also have the required security features and band and power selections, allowing for relatively easy deployment. Radio modems use radio waves for data transmission, offering users an added advantage over wired data transfers.

Radio modems are used to create private radio networks that are used in critical industrial applications, when real-time data communication is needed, enabling users to be independent of telecommunication or satellite network operators. In most cases, users use licensed frequencies, either in the ultra-high frequency (UHF) or very high frequency (VHF) bands. In certain areas, licensed frequencies may be reserved for a given user, thus ensuring a lesser likelihood of radio interference from other radio frequency transmitters. Radio modems can also be used in multiple access networking, as well as to extend LAN networks and CCTV applications, among others.

Since radio modems usually require high reliability of data transfer and very high uptime, their performance is influenced by various factors, including uneven terrain, antenna height and type, sensitivity and output power.

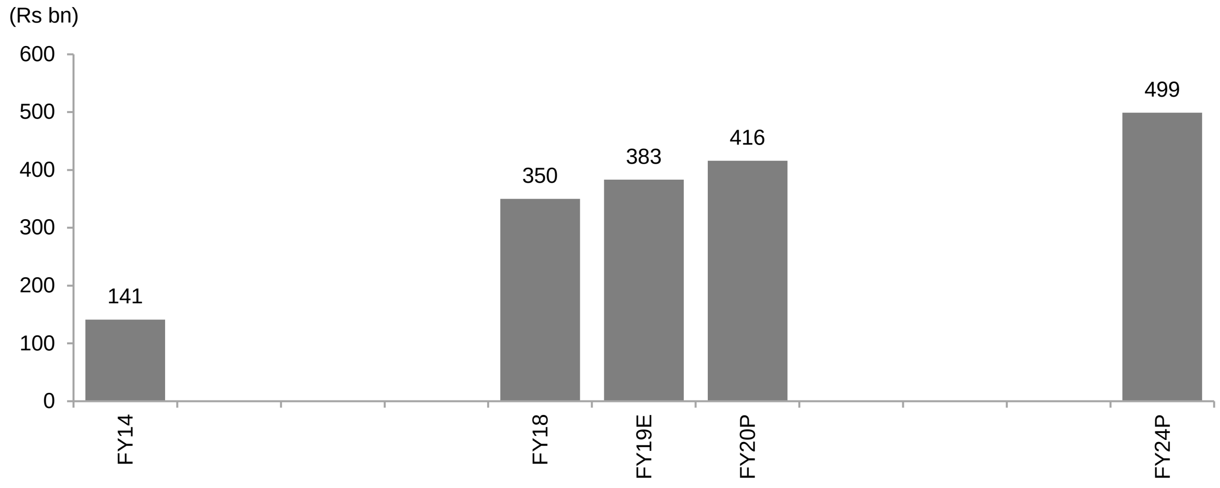
Set-top boxes

A set-top box (a "**STB**") acts as a connecting link between a television and a satellite. It consists of a tuner that connects to a TV at the subscriber's premises. It receives unencrypted subscribed channels through an addressable system and provides encrypted channels (to which the user has subscribed). There are four basic types of STBs (based on technology): standard definition (SD), high definition (HD), 4K (Ultra-HD) and hybrid. These STBs differ in terms of features such as image resolution, picture quality, aspect ratio, colour, dolby digital, video on demand (VoD), record, pause and auto standby.

CRISIL Research estimates the STB market size at ₹363 billion in Fiscal 2019 after growing at an approximately 21% CAGR between Fiscal 2014 and Fiscal 2019. CRISIL Research projects the STB market to grow at a CAGR of approximately 6% between Fiscal 2019 and Fiscal 2024. (Source: CRISIL Report) According to CRISIL Research, SD STBs account for more than 90% of the total market in India; however, with the increasing penetration of HDTVs, CRISIL Research reports that subscribers are increasingly replacing their STBs with HD STBs. (Source: CRISIL Report) In the view of CRISIL Research, this move to HD STB coupled with increasing TV penetration, will drive growth in STBs. (Source: CRISIL Report)

The following graph shows the historical STB market growth from Fiscal 2014 to Fiscal 2019 (estimated) and the projected growth from Fiscal 2020 to Fiscal 2024.

STB market growth



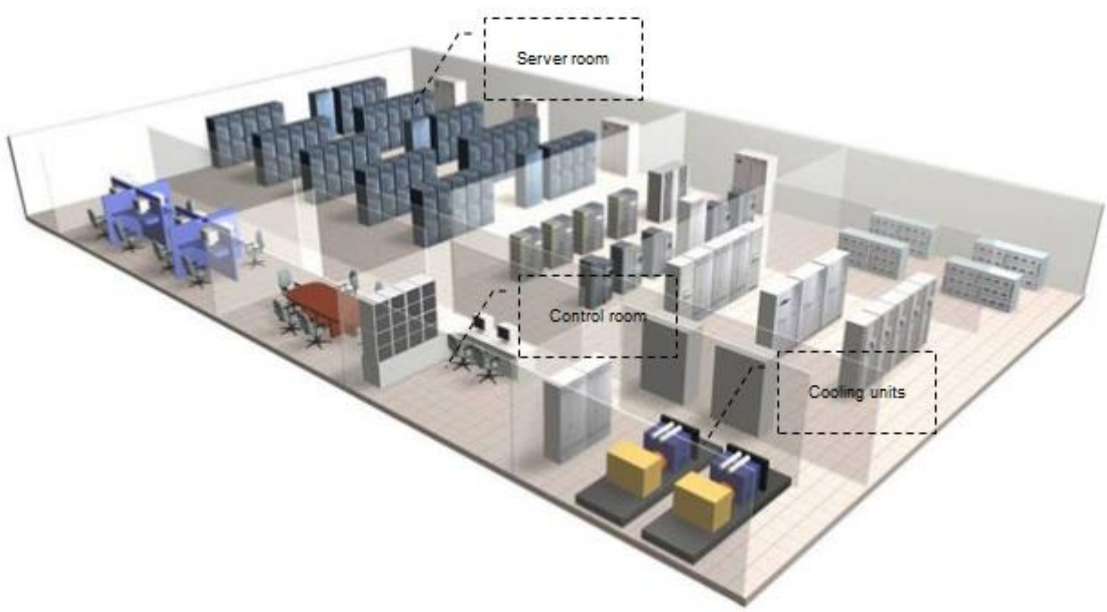
Source: CRISIL Report

Data Centres

A data centre is a facility that centralises an organisation's IT operations and equipment. A data centre comprises networked computers and storage that businesses or other organisations use to organise, process, store, and disseminate large amounts of data. A business typically relies heavily on the applications, services, and data contained within a data centre, making it a focal point and critical asset for everyday operations.

The following illustration shows a typical data centre architecture.

A typical data centre architecture



Source : CRISIL Report

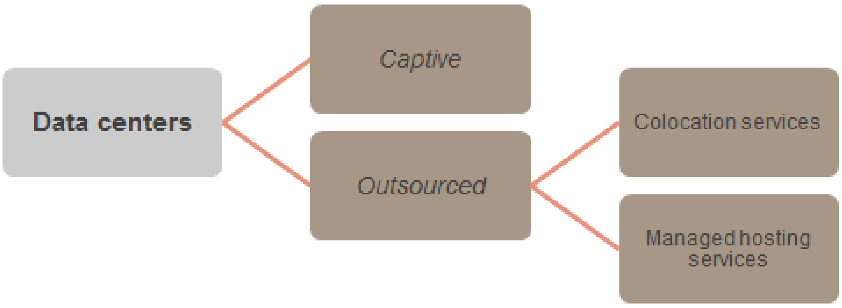
According to CRISIL Research) is imperative for a data centre to have adequate infrastructure such as (1) power distribution and supplemental power subsystems, including electrical switching, uninterruptable power supplies and backup generators; (2)

ventilation and data centre cooling systems, such as computer room air-conditioners; and (3) adequate provisioning for network carrier (telco) connectivity. (Source: CRISIL Report)

According to CRISIL Research, businesses may use two or more data centre installations across multiple locations for better application performance, as this lowers latency (the delay in starting a data transfer after an instruction for the transfer) by locating workloads closer to users. (Source: CRISIL Report) Alternatively, a business with multiple data centres may consolidate them, reducing the number of locations in order to minimise the cost of IT operations. (Source: CRISIL Report)

The following diagram shows data centre operating models.

Data centre operating models



Source: CRISIL Report

There are two major types of data centres, according to CRISIL Research. When organisations build, operate, and manage their own data centres, they are labelled as 'captive data centres'. (Source: CRISIL Report) The other type is an outsourced model, where organisations lease space or hosting services from external data-centre providers. (Source: CRISIL Report) CRISIL Research suggests that the outsourced model is gaining popularity, as a higher number of businesses are looking for an asset-light model. (Source: CRISIL Report) In this case, the businesses only need to bear the burden of rental expenses to be paid to the data centre entity. This eliminates the otherwise heavy capital expenditure that entails installing a captive data centre. (Source: CRISIL Report)

Data centres involved with outsourcing operate under two major models:

Colocation services: This model includes leasing space along with cages or racks to house the equipment. Basic infrastructure M-level support (such as cooling and power), along with basic network connectivity, may also be a part of the lease agreement. In this model, businesses pay a monthly rent, according to the services availed of, but they need to purchase their own servers and other equipment and hire in-house IT resources to manage the servers. (Source: CRISIL Report)

Managed hosting services: In this model, the service providers assist businesses with servers, in addition to the other services provided in the colocation model. Hence, businesses save on capital expenses related to purchasing servers. In addition to this, the businesses do not have to dedicate an IT resource, as the data centre operators provide system support, such as monitoring, operating systems management, rebooting, and software security management. Businesses can opt for an exclusive server or share a server with other clients. (Source: CRISIL Report)

High initial capital expenditure as an entry barrier

The data centre business entails high capital expenditure due to costs required for land, building, servers, other infrastructure, and compliance with cleanliness norms. (Source: CRISIL Report) This poses a serious entry barrier to new entrants in the view of CRISIL Research. (Source: CRISIL Report) Data centre operators are characterised by proximity to businesses, server uptime, scalability and security.

A major part of demand for data centres comes from industries with large amounts of data, such as e-commerce websites, telecommunications, IT, banking and finance and consumer durables. Our Company established a tier-3 data centre in Bengaluru in partnership with a private company, Trimax Datacenter Services Ltd. Currently, our data centre is used for colocation services.

Data volume is growing

According to CRISIL Research, the volume of data generated globally by enterprises and consumers have registered large growth over the past decade. (Source: CRISIL Report) Studies by IBM in 2018 estimate that 90% of all data generated by humans has been generated only in the past two years. In fact, it was estimated that approximatley 2.5 quintillion bytes of data was generated daily in 2018. (Source: CRISIL Report)

India has also seen data volumes growing. (Source: CRISIL Report) For example, India had the highest average data usage per smartphone at about 9.8 gigabytes (GB) per month in 2018. (Source: CRISIL Report) This is expected to increase to about 18 GB per month by 2024. (Source: CRISIL Report). Increasing 4G subscription, attractive data plans offered by service providers and young people's changing video viewing habits are driving the monthly usage growth. (Source: CRISIL Report) Moreover, as technologies such as IoT become more pervasive, data generated will increase in the opinion of CRISIL Research. (Source: CRISIL Report)

Cost optimisation to drive growth

CRISIL Research reports that the cost of storage media, such as solid-state drives (SSD) and hard drives, has declined. (Source: CRISIL Report) The price of hard drive storage dropped globally from over $50,000 per GB in 1981 to approximately $0.03 per GB in 2018, and is expected by CRISIL Research to stay at these lower levels in the future. (Source: CRISIL Report) While the cost of storage has declined, the rising volumes of data means that players must invest more capital and contend with rising energy costs. (Source: CRISIL Report)

CRISIL Research suggests that, in response, many players are adopting virtualisation of infrastructure wherever possible. (Source: CRISIL Report) Virtualisation allows firms to utilise the existing hardware to connect to virtual machines hosted either in-house or by a third party. An increase in virtualisation, especially by startup firms and small and medium enterprises, is likely to boost demand for data centres in the view of CRISIL Research. (Source: CRISIL Report)

Data centres face competition from cloud-based services

CRISIL Research suggests that cloud-based storage and platforms have become increasingly popular in recent years with players, such as Amazon Web Services and Microsoft Azure, seeing increasing adoption across India. (Source: CRISIL Report)

Cloud-based solutions differ from traditional data centres, as the “cloud” is an off-premise computing platform that utilises the internet and is used on a pay-per-use basis. Data centres utilise physical infrastructure to store data and provide computation to organisations.

Our Company has been offering data centre hosting services since 2009. Our existing capacity of 350 racks is now being expanded with 1,000 rack space at Bengaluru. For more information, see “*Our Business*” on page119.

Recent Developments

Recent developments in the telecommunications industry include 5G fifth generation technology, implementation of the 13 digit machine number plan, transition to IPv6, introduction of internet and mobile communication on aircraft, internet telephony and bundling of over-the-top content. (Source: CRISIL Report)

5G Fifth Generation Technology

5G networks are the next generation of mobile internet connectivity, which will offer faster speeds and more reliable connections. As per International Mobile Telecommunications-2020 2020, 5G is expected to deliver peak data rates of up to 20 Gbps. (Source: CRISIL Report) In addition, it is also expected to provide much more network capacity by expanding into new spectrum, such as millimeter wave (mmWave). (Source: CRISIL Report) The new 5G technology will reduce latency, facilitate quicker response, and more uniform user experience overall, so that the data rates stay consistently high even when the users are moving around. The launch of 5G services is expected to boost data volume growth, given it unfolds various use cases requiring high-speed data. (Source: CRISIL Report)

Response time

Technology	Response time (milliseconds)
4G - LTE systems	20-30 ms
5G - enhanced mobile broadband	4-5 ms
5G - URLLC (Ultra Reliable Low Latency Communications) systems	1 ms

Source: CRISIL Report

With development well underway and testbeds already live across the world, 5G networks are expected to launch across the world by 2020. (Source: CRISIL Report) In the US, Verizon launched its 5G network at the start of April 2019, making it the first one to offer services on the next generation technology globally. In the UK, EE Ltd was the first one to launch 5G network as it switched on the technology in six cities on May 30, 2019.

According to CRISIL Research, traditionally India has been a late adopter of advanced technologies; however, the GoI aims to roll out 5G along with the other countries. In September 2017, the GoI constituted a high-level 5G India 2020 Forum aimed at starting services based on the technology by 2020. Primarily, the forum is set to achieve early deployment of 5G in India and position the country as a globally synchronised participant in the design, development and manufacturing of 5G-based technologies. (Source: CRISIL Report) An estimated budget of approximately ₹5 billion has been allocated for research and development in this regard. The investment will be done by three ministries: telecom; electronics and IT; and science and technology. (Source: CRISIL Report)

CRISIL Research estimates after the commercial launch, uptake of 5G is expected to be rapid. (Source: CRISIL Report) By Fiscal 2024, CRISIL Research projects that 35% of the total data subscribers in the countrywill be on 5G. (Source: CRISIL Report)

While newer bands will be made available for 5G services in India, CRISIL Research believes that the reserve price for the spectrum bands recommended by the Telecom Regulaory Authority of India (“TRAI”) is too high. (Source: CRISIL Report) For instance, the price in India is approximately $0.23/MHz/pop (for metros) while that in the UK (in June 2018 auction) was approximately $0.12/MHz/pop. (Source: CRISIL Report) At the price recommended by TRAI, according to CRISIL Research, owning a block of 20 MHz spectrum across circles in the 3.3-3.6 GHz band would cost approximately ₹98 billion. (Source: CRISIL Report)

Developing an ecosystem is crucial to the success of any next generation technology. The implementation of a paradigm-shifting technology like 5G spawns manifold ecosystem changes such as spectrum usage, network infrastructure, and devices.

In the view of CRISIL Research, an important pre-requisite for 5G is optic fibre network. (Source: CRISIL Report) Fiberisation is expensive and it comes on top of the spectrum costs for the operators. India lags considerably in fiberisation – less than 30% network is currently fiberised compared with over 70% in the US and China. (Source: CRISIL Report) CRISIL Research estimates that India needs to lay another 1.0-1.2 million fibre km in order to be 5G-ready. That would require an investment of over Rs 1 trillion. (Source: CRISIL Report)

As for devices, 5G-enabled ones are expected to make an entry in late 2019 or early 2020 in India. But affordable versions, key for widespread adoption, may take another three to four years. (Source: CRISIL Report)

5G will enable more devices to connect to each other. IoT will unfold newer revenue streams across domains such as healthcare, education and transportation. However, with telecommunication companies in India saddled with a staggering debt of approximately ₹4.3 trillion as of March 2019, in the view of CRISIL Research, nothing major on the 5G front is likely before Fiscal 2022 as they are unlikely to develop an enabling infrastructure ecosystem in the near term. (Source: CRISIL Report)

Other Recent Developments

Implementation of 13-digit M2M (machine to machine) numbering plan for M2M communication: M2M communication/IoT refers to technology which involves machines or devices communicating among themselves through a network without human intervention. The Department of Telecommunications (the “DoT”) had issued 13-digit M2M numbering series for commercial purpose to BSNL, MTNL, Idea, Vodafone, and Reliance Jio as of August 2018. (Source: CRISIL Report) This new 13-digit M2M numbering series will be used for SIM card based M2M devices which are different from regular mobile phones and tablets that use SIM cards for calls and to use data. Moreover, telecom access technologies are rapidly evolving to meet the requirements of M2M communication/IoT; for instance, NB-IoT is a new cellular access technology (mMTC - massive machine type communication), tailored to form an attractive solution for LPWA applications. (Source: CRISIL Report)

Transition to IPv6: Internet Protocol version 6 (IPv6) is the next generation of the Internet protocol. (Source: CRISIL Report) It was developed to succeed version 4 (IPv4) as IPv4 addresses have almost run out globally. The DoT has taken several initiative to ensure transition to IPv6 framework. (Source: CRISIL Report) According to CRISL Research, this transition is essential for sustainable growth of Internet, which is one of the key pillars of Digital India. As per the Asia Pacific Network Information Centre (APNIC) report, as on May 8, 2019, India ranks 2nd with 52.07% IPv6 users. (Source: CRISIL Report)

Introduction of internet and mobile communication on aircraft (MCA): Several steps have been taken to introduce in-flight connectivity ("IFC") in the Indian airspace. (Source: CRISIL Report) Focus is on ensuring communication via an Indian gateway, where the satellite system could be an Indian satellite system or a satellite system approved by the government. Major commercial airlines have announced their intent to introduce IFC in Indian airspace. (Source: CRISIL Report)

Internet telephony: Internet telephony refers to voice and video call using public internet to any public switched telephone network/public land mobile network. With internet telephony, subscribers will be able to make voice and video calls through applications of their own telecom service providers, which was earler possible only through over-the-top (OTT) players such as 'WhatsApp' and 'Facebook'. (Source: CRISIL Report)

Bundling of over-the top ("OTT") content: Bundling of OTT content by telecom service providers on their own entertainment application, in the view of CRISL Research, is driving data consumption across players. (Source: CRISIL Report) Accoring to CRISIL Research, examples of bundling of OTT content in India include Airtel's Xtream, Vodafone's Vodafone Play, and Jio's JioTV. (Source: CRISIL Report)

OUR BUSINESS

Before making an investment in the Equity Shares, this section should be read in conjunction with the sections entitled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 14, 95, 283 and 179, respectively.

In this section, references to "we", "our" and "our Company" are to ITI Limited. Unless otherwise stated or required by context, the financial information used in this section has been derived from the Restated Consolidated Financial Statements.

Certain information contained in this section is derived from the CRISIL Report which has been commissioned by our Company. For details, please see "Risk Factors - The statistical and market information contained in this Red Herring Prospectus relating to India and the telecommunications and defence products and services industries has been derived or extracted from the CRISIL Research Report commissioned by us and from various government and other publicly-available publications. We are unable to guarantee the accuracy, adequacy or completeness of this industry information" on page 35.

Overview

We are a public sector company under the Department of Telecommunications with over seven decades of experience in telecommunications technology. We cater to a wide customer base across various industry segments like telecommunications, defence, information technology, banks, financial institutions and solar energy. We have a diverse suite of products including defence security encryption products, optical and data network products and passive infrastructure products such as gigabit passive optical network ("**GPON**"), Wi-Fi products, and manage leased line products ("**MLLN**"), multi-capacity encryption units, electrical products such as smart energy meters, smart cards, solar panels, set-top boxes and mini personal computers and Internet of Things ("**IoT**") products and other diverse products such as HDPE ducts, 3D printing and sanitary napkin vending machines. We manufacture certain products ourselves at our five manufacturing facilities and produce other products in collaboration with our various technology partners. We also purchase traded products that are installed as part of our projects. In addition, we provide a wide range of services including operation and maintenance of base transceiver stations ("**BTS**"), data centre hosting solutions, IT and software services like digital wallet solutions, Aadhaar authentication services, optical fiber cable ("**OFC**") laying services, telecom product testing services, start-up hub services, skill development services and citizen centric services like the National Population Register ("**NPR**") and Socio Economic and Caste Census ("**SECC**") and annual maintenance contracts ("**AMC**") for supplied products.

Our diverse products, services and solutions portfolio has helped us forge relationships with our customers including Public Sector Units ("**PSUs**") like Bharat Sanchar Nigam Limited ("**BSNL**"), Mahanagar Telephone Nigam Limited ("**MTNL**"), Energy Efficiency Services Limited ("**EESL**"), Bharat Broadband Network Limited ("**BBNL**"); the Ministry of Defence, the Ministry of Rural Development ("**MORD**"), the Registrar General of India and certain other Government agencies.

We are engaged in Government of India ("GoI") projects of national importance including:

- ***ASCON***: Providing maintenance services for the Army Static Switched Communication Network ("**ASCON**") in its first three phases, which we had earlier installed for the Ministry of Defence.

- ***BharatNet (including MahaNet, GujaratNet, Rajnet and WBNet):*** Manufacturing, supplying and installing GPON technology equipment for the GoI's flagship project "BharatNet" which aims to provide high-speed broadband connectivity to over 250,000 Gram Panchayats in India. We are also providing 54,000 kms of OFC and broadband connectivity to approximately 25,500 Gram Panchayats under the BharatNet Phase II project in Maharashtra state (under the MahaNet project) and in Gujarat state (under the GujaratNet project). We also have been awarded the orders in Rajasthan (under the Rajnet project) and West Bengal (under the WBNet project) under the BharatNet Phase II project;

- ***Network for Spectrum***: Laying OFC under the Network for Spectrum ("**NFS**") project for the Indian defence forces in the Eastern and North-Eastern regions with BSNL;

- ***Smart Energy Meters***: Manufacturing and supplying 2.5 million smart energy meters for EESL;

- ***Space Programs***: Providing screening of electronic components and assembly and testing of various flight packages for the Indian space program; and

- ***E-Governance Projects***: Manufacturing and supplying products and services for e-Governance projects like the NPR, the SECC project, and Aadhaar authentication services.

We contribute to a number of campaigns and policy initiatives sponsored by the GoI including "Make in India", to encourage various companies to manufacture their products in India; "Digital India" to ensure that GoI's services are made available to citizens electronically; Pradhan Mantri Kaushal Vikas Yojana ("**PMKVY**") under Skill India Program to develop and standardize skills among India's workforce and "Swachh Bharat" to improve the cleanliness and hygiene in public places. In addition, we benefit from the GoI's Preferential Market Access policy where indigenous manufacturers are given preference in procurement by Government agencies.

Our first manufacturing plant was set up in Bengaluru in 1948. We were established as a PSU in the year 1950 and became a deemed public limited company with effect from July 1, 1975. We are under the administration of the DoT under the Ministry of Communications. We have one joint venture, India Satcom Limited, in which our Company owns 49.06% of its outstanding equity share capital as on the date of this Red Herring Prospectus. The GoI currently owns 89.97% of our Company's outstanding share capital as on the date of this Red Herring Prospectus. In calendar year 2004, we were referred to the Board for Industrial and Financial Reconstruction ("**BIFR**") and declared a "Sick Company" under the provisions of the Sick Industrial Companies Act, 1985. The BIFR approved the rehabilitation plan pursuant to an order dated January 8, 2013. We have been actively restoring our financial health, and our revival plan was approved by the GoI's Cabinet Committee on Economic Affairs ("**CCEA**") in February 12, 2014. As part of the revival plan, the GoI approved grants in aid to settle part of statutory dues and to meet our operational requirements and grants for capital expenditure. For details, see "*History and Certain Corporate Matters*" on page 144.

We have manufacturing facilities in Bengaluru, Mankapur, Naini, Palakkad and Raebareli and a research and development ("**R&D**") centre in Bengaluru and skill development centres under PMKVY in Bengaluru and Srinagar. We have used grants for capital expenditure from the GoI to modernize our manufacturing infrastructure and to develop our capabilities to manufacture a diverse range of information and communication products, defence security encryption products and electronic products. In addition, as at December 31, 2019, we had 8 regional offices in India that are located in Bengaluru, Bhubaneshwar, Chennai, Hyderabad, Kolkata, Lucknow, Mumbai and New Delhi along with 16 area offices across the country. We also have a network system unit headquartered in Bengaluru that executes turnkey projects for installation and commissioning of telecommunication networks. As at December 31, 2019, we had 3,520 employees which includes over 731 employees with technical and professional qualifications.

We have entered into transfer of technology agreements and teaming agreements to provide us with access to new technology and products to expand our offering to customers, as well as to drive our efforts towards innovation. We enter into these agreements in the ordinary course of our business. We have technology transfer agreements (under which we pay a royalty and other fees) with various technology and telecommunications companies for certain technology and products including MLLN and optical transport network ("**OTN**") equipment, telecommunication and IT products like GPON, Wi-Fi, terabit routers and fixed line and GSM technology. Our teaming partners, with whom we are working together to offer new products and services, include Centre for Development of Telematics for GPON products, Coriant OY for Managed Leased Line Network products, Z-Com, Taiwan, for Wi-Fi products, Inesh for Smart Energy meters, Shreenath Smart Technologies Pvt Ltd for Aadhaar Authentication services, Centre for Development of Advanced Computing ("**CDAC**") for IoT solutions and Trimax Data Centre Services Private Ltd for data centre services.

Our consolidated revenues from operations in Fiscal 2019, Fiscal 2018 and Fiscal 2017 were ₹16,683.68 million, ₹14,841.62 million and ₹15,481.37 million, respectively. Our consolidated revenues from operations for the six months ended September 30, 2019 were ₹5,787.83 million. We made consolidated operating losses (not including GoI grants included in other income) in Fiscal 2017 of ₹943.19 million. In the Fiscal 2019 and 2018, we made a consolidated operating profit (not including GoI grants included in other income) of ₹925.38 million and ₹975.84 million, respectively. In the six months ended September 30, 2019, we made a consolidated operating loss (not including GoI grans included in other income) of ₹544.03 million. In addition, after GoI grants, we made a consolidated profit in Fiscal 2019, Fiscal 2018 and Fiscal 2017 of ₹925.38 million, ₹2,305.64 million and ₹2,663.91 million, respectively.

As at December 31, 2019, our Order Book was ₹110,511.21 million (including advance purchase orders but net of GST), of which 29.09% comprises large turnkey projects, 57.87% comprises AMCs and 13.05% comprises other product and services orders. For further information on our Order Book, see "—*Our Order Book*" on page 128. Our Order Book includes anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre- conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract, and advance purchase orders/ advance work orders for which we are yet to receive final purchase orders/ work order). For further information, see "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects*" on page 15.

In addition to our Order Book, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 had informed us that the subject proposal regarding establishment of ASCON Phase IV Project was under consideration and final approval of the competent authority was being sought, and the bid offer, which valid up to October 30, 2019, may be extended by six months up to April 30, 2020 and sought response from our Company regarding the same. Further, pursuant to a letter dated October 9, 2019, our Company responded to the Ministry of Defence and has extended the validity of the bid until April 30, 2020. We are currently awaiting further communications from the Ministry of Defence in this regard. ASCON, Phase IV, is a project that entails the establishment of an optical fiber network for the Indian army, including the supply, installation, and maintenance of the optical fiber network and telecom equipment, mobile terminals, microwave towers, power supply equipment, test instruments and infrastructure. The value of this project is approximately ₹77,000.00 million. The project is to be executed over a period of three years from the date of contract signing followed by 2 years of warranty support and 8 years of AMC support.

For further information about our history, milestones and corporate structure, see "*History and Certain Corporate Matters*" on page 144.

Our Strengths

Diverse product and services offering across sectors

Our Company continues to evolve from a telecommunications equipment manufacturer to a telecommunications technology company. We cater to a wide customer base across various industry segments like telecommunications, defence, information technology, banks and financial institutions and solar energy. We have a diverse suite of products including defence security encryption products; optical and data network products and passive infrastructure products such as GPON, Wi-Fi products, and MLLN and signalling transfer point ("**STP**") solutions; multi-capacity encryption units, electrical products such as smart energy meters, smart cards, solar panels, set-top boxes and mini personal computers and Internet of Things ("**IoT**") products and other diverse products such as HDPE ducts, 3D printing and sanitary napkin vending machines.

In addition, we also provide a wide range of services including IT and software services like data centre hosting solutions, digital wallet solutions, Aadhaar authentication services, cable and fiber laying services, telecom products testing services, start-up hub services, skill development services and citizen centric services like the NPR and SECC and annual maintenance contracts for our supplied products. We manufacture certain products in collaboration with our various technology partners and certain products are only supplied and installed by our Company. We believe that our business model, which focuses on collaborations with third parties for technology, research and development, as well as utilizing our large and modernized manufacturing capabilities enables us to provide comprehensive and integrated products and service offerings to our customers across sectors thereby de-risking our business model.

Well established relationship with certain PSUs, the Ministry of Defence and other Government agencies

Our diverse products, services and solutions portfolio has helped us forge relationships with our customers including PSUs like BSNL, BBNL, MTNL and EESL the Ministry of Defence, Ministry of Rural Development, Ministry of Urban development, the Registrar General of India and other Government agencies.

We are engaged in GoI projects of national importance including:

- ***ASCON***: Providing maintenance services for the ASCON in its first three phases.

- ***BharatNet (including MahaNet, GujaratNet, Rajnet and WBNet)***: Manufacturing, supplying and installing GPON technology equipment for the GoI's flagship project "BharatNet" which aims to provide high-speed broadband connectivity to over 250,000 Gram Panchayats in India. We are also providing 54,000 kms of OFC and broadband connectivity to approximately 25,500 Gram Panchayats under the BharatNet Phase II project in Maharashtra state (under the MahaNet project) and in Gujarat state (under the GujaratNet project). We also have been awarded the orders in Rajasthan (under the Rajnet project) and West Bengal (under the WBNet project) under the BharatNet Phase II project;

- ***Network for Spectrum:*** Laying OFC under the NFS project for the Indian defence forces in the Eastern and North-Eastern regions with BSNL;

- ***Smart Energy Meters***: Manufacturing and supplying 2.5 million smart energy meters for EESL;

- ***Space Programs***: Providing screening of electronic components and assembly and testing of various flight packages for the Indian space program; and

- ***E-Governance Projects***: Manufacturing and supplying products and services for e-Governance projects like the NPR, the SECC project, and Aadhaar authentication services.

We have a history of high customer retention from our customers and derive a significant proportion of our revenues from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements. For example, we have supplied MLLN equipment to BSNL since 2001 and MTNL since 2002 and have designed, supplied, installed and maintained all the first three phases of ASCON for the Ministry of Defence.

We also benefit from the GoI's preferential market access policy under which indigenous manufacturers are given preference in procurement by Government agencies, including PSUs. Indian manufacturers with a defined value addition through contribution within the country are given preference over foreign manufacturers or domestic manufacturers not meeting the value addition requirement.

Strong order book comprising of a diversified suite of products and services across various sectors

As at December 31, 2019, our Order Book was ₹110,511.21 million (including advance purchase orders but net of GST), of which 29.09% comprises large turnkey projects, 57.87% comprises AMCs and 13.05% comprises other product and services orders. For further information, see "--*Order Book*" on page 128.

The following table summarizes our Order Book as at December 31, 2019 (including advance purchase orders but net of GST).

Particulars	**As at December 31, 2019**	**Percentage of Total Order Book**
Project/ Product	(in ₹millions)	
BTS O&M*	56,216.61	50.87%
MahaNet	19,889.58	18.00%
ROs/CCOs/IT/ITI/Misc. products	10,461.86	9.47%
Smart energy meters	6,581.78	5.96%
GujaratNet	5,358.73	4.85%
Rajnet	2,836.02	2.57%
WBNet	1,978.22	1.79%
NFS project	1,664.92	1.51%
GPON	1,550.42	1.40%
GSM SZ AMC	667.97	0.60%
Defence business/AMC	809.58	0.73%
HDPE Duct	538.31	0.49%
AMC for ASCON	507.97	0.46%
AMC for OCB	38.31	0.03%
MLLN/SSTP AMC	16.95	0.02%
Others	1,393.98	1.26%
Total	**110,511.21**	**100.00%**

** The order relating to BTS O&M includes two advance work orders issued by BSNL, each dated August 29, 2018 for approximately ₹17,831.21 million and ₹38,385.40 million (both exclusive of GST) aggregating to an amount of approximately ₹56,216.61 million (exclusive of GST) for the execution of outsourcing of operations and maintenance (O&M) services for BTS sites. Our Company has also furnished a corporate guarantee, dated September 10, 2018 of ₹284.33 million which is valid until September 5, 2021. In addition, our back-end partner on the project has provided a bank guarantee to BSNL of ₹284.33 million which is valid until September 5, 2021. We have been regularly interacting with BSNL for conversion of these advance work orders into confirmed work orders; however, we are yet to receive the confirmed work orders. Further, we are yet to initiate action for the execution of the said project.*

Our Order Book includes anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) and from advance purchase orders and advance work orders for which we are yet to receive final purchase orders or work orders. For further information, see "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects.*"In addition to our Order Book, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 have informed us that the subject proposal regarding establishment of ASCON Phase IV Project is under consideration for seeking final approval of the competent authority.

Modern manufacturing infrastructure, equipment and technology

We have manufacturing facilities in Bengaluru, Mankapur, Naini, Palakkad and Raebareli and a R&D centre in Bengaluru and skill development centres under PMKVY in Bengaluru and Srinagar. We have upgraded and continue to modernize, our manufacturing facilities, infrastructure, machines, equipment and technology to allow us to offer a diverse product suite, reduce operating costs and drive productivity. Our capital expenditure was ₹1,278.17 million, ₹1,895.54 million and ₹760.75 million in each of Fiscal 2019, Fiscal 2018 and Fiscal 2017, respectively. Our capital expenditure was ₹489.37 million for the six months ended September 30, 2019. We have added manufacturing capability of GPON products including optical line terminals

("**OLTs**") and optical network terminals ("**ONTs**"), OFC and a high-density polyethylene ("**HDPE**") manufacturing line to our Raebareli facilities. We also have established HDPE duct manufacturing lines at our Palakkad unit. In addition, the electronic manufacturing facilities in our Bengaluru, Raebareli, Palakkad and Mankapur plants have been upgraded to manufacture a diverse suite of products including other optical and data network products, defence security encryption products, IoT products as well as other products like smart energy meters, smart cards, solar panels, set-top boxes, mini personal computers, 3D printing, security surveillance products, radio modems and other allied products.

Revitalized Company with improving financial performance

As part of the revival plan approved by the CCEA, the GoI approved grants in aid to settle part of statutory dues and to meet our operational requirements and grants for capital expenditure for upgrading our infrastructure, machines and equipment. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received grants in aid of ₹Nil, ₹1,329.80 million and ₹5,000.00 million respectively. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received capital grants in the form of equity for capital expenditure of ₹550.00 million, ₹3,370.00 million and ₹800.00 million, respectively. During six months ended September 30, 2019, we received a further grant from the GoI of ₹1,050.00 million for capital expenditure. On December 31, 2019, the GoI allocated a further ₹854.00 million as a grant in aid to our Company (funds not yet received) to settle partial statutory dues and to meet our operational requirements.

Our Company has been transformed from telecommunications equipment manufacturer to telecommunications technology company catering to diverse industry segments. Our strategy of diversification has helped us improve our financial performance. We made consolidated operating losses (not including GoI grants included in other income) in Fiscal 2017 of ₹943.19 million. In Fiscal 2019 and 2018, we made a consolidated operating profit (not including GoI grants included in other income) of ₹925.38 million and ₹975.84 million, respectively. In the six months ended September 30, 2019, we made a consolidated operating loss (not including GoI grants included in other income) of (₹544.03 million). In addition, after the GoI grants, we made a consolidated profit in Fiscal 2019, Fiscal 2018 and Fiscal 2017 of ₹925.38 million, ₹2,305.64 million and ₹2,663,91 million, respectively.

Experienced Board, management team and skilled workforce

Our management team is well qualified and experienced in the industry. We believe that the combination of our experienced Board and our experienced management team have been key to revitalizing our business and would enable us to capitalize on further growth opportunities. For further information on our Board and management team, see "*Our Management*" on page 158. As at December 31, 2019, we had 3,520 employees, including more than 731 employees with technical and professional qualifications. Most of our employees, particularly senior management, have worked with our Company for over two decades. We are dedicated to the development of the expertise and know-how of our employees and have commenced a focused leadership and skills development program.

Our Strategies

In line with our revival plan approved by the CCEA, we have adopted various comprehensive strategies as set forth below.

Continuously diversify our products and services and leverage our relationships with the GoI and PSUs

We have been developing and introducing new products in collaboration with our technology partners including optical and data network products, defence security encryption products, IoT products as well as other diversified products like smart energy meters, smart cards, solar panels, set-top boxes, mini personal computers, HDPE duct, optical fiber, 3D printing, sanitary napkin vending machines and other communication and electronic products. In addition, we offer a range of services including fiber laying services, data centre hosting solutions, annual maintenance contracts (post completion of our projects), contract manufacturing services and IT and software services like Aadhaar authentications and digital wallet offerings. We also are one of the three agencies appointed by the GoI for the citizen centric projects of the NPR for collecting data based on guidelines similar to that of Unique Identification Authority of India for Aadhaar data collection and SECC project to collect economic and caste-based data of Indian citizens.

We plan to continuously upgrade and invest in our technology, through the acquisition of technology from strategic partners with a specific focus on high growth industry segments. Accordingly, we intend to continue to develop products and services with applications targeting customers across sectors such as telecommunications, defence, information technology, banks, financial institutions and solar energy.

We currently are implementing numerous GoI projects and intend to continue to leverage our relationships with PSUs, the Ministry of Defence and other Government agencies to win large tenders and contracts. We believe that large projects allow us to benefit from economies of scale, to develop relationships with technology partners and to drive revenue growth. In addition, we intend to leverage a new PSU synergy initiative by the DoT to utilize strengths of each PSU and for transfer of technology. In order to market our business, we hold regular interactions with stakeholders by way of conducting conferences. For example, a vendor meeting on infrastructure management for BharatNet Type EPC projects in Bengaluru was held in December 2017 and start-ups' road show meetings were held in Bengaluru in September 2018 and in May 2019.

Augment our manufacturing capabilities by upgrading and modernizing our infrastructure and technology

We have been upgrading our manufacturing facilities, infrastructure, machines, equipment, technology and employee skill sets that has allowed us to enhance our product offerings, reduce operating costs and drive productivity. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received capital grants in the form of equity for capital expenditure of ₹550.00 million, ₹3,370.00 million and ₹800.00 million, respectively. We have utilized these grants to modernize our manufacturing infrastructure and to develop and diversify our product lines. During six months ended September 30, 2019, we received a further grant from the GoI of ₹1,050.00 million for capital expenditure.

Our capital expenditure plans include the following:

- Upgrading our electronic and mechanical manufacturing facility;
- Expanding our data centre operations by building a Tier 3 plus data centre with 1,000 racks space at Bengaluru;
- Setting up our radio modem and smart energy meter manufacturing facility;
- Building electromagnetic compatibility and interference (EMC and EMI) chambers for testing telecommunication and defence products;
- Expanding our defence encryption products and solutions capabilities;
- Setting up a solar panel manufacturing facility in our Naini plant with 18MW capacity;
- Expanding smart card manufacturing;
- Expanding our OFC and HDPE duct manufacturing;
- Setting up a manufacturing facility for Wi-Fi products;
- Setting up 3D printing facilities;
- Setting up a manufacturing facility for manufacturing of Smaash PC's and set top boxes;
- Setting up a manufacturing facility for component screening projects; and
- Setting up a manufacturing facility for SMPS manufacturing.

Teaming with innovative technology leaders and start-ups

We intend to continue executing teaming agreements, memoranda of understanding and technology transfer agreements with synergistic technology and telecommunications companies as well as start-ups to provide us with access to new technology and products to expand our offering to customers as well as to drive our efforts toward innovation.

We have technology transfer agreements (under which we pay a royalty and other fees) with various technology and telecommunications companies for certain technology and products including MLLN and OTN equipment, telecommunication and IT products like GPON, Wi-Fi, terabit routers and fixed line and GSM technology. Our teaming partners, with whom we are working together to offer new products and services, include Centre for Development of Telematics for GPON products, Coriant OY for Managed Leased Line Network products, Z-Com, Taiwan, for Wi-Fi products, Inesh for Smart Energy meters, Shreenath Smart Technologies Pvt Ltd for Aadhaar Authentication services, CDAC for IoT solutions and Trimax Data Centre Services Private Ltd for data centre services.

We intend to continue to build relationships across the communication and technology eco-system with institutions including system integrators, software and hardware companies and network service companies. We believe that this knowledge of both products and the entire product development ethos helps us to evolve a product and service development culture that is aligned with our customer requirements, employees and processes. We also engage in discussions with our technology partners to bring each other opportunities and to assist each other to grow our businesses and enrich our respective understandings of the telecommunications technology industry and our technical knowledge. In addition, we expect to continue to cultivate a cooperative research and development culture with our customers, technology partners and employees.

Reduce our operating costs, increase operational efficiencies and improve productivity

In order to improve our margins and profitability, we endeavour to continue to rationalize our costs. We believe that our large manufacturing operations will allow us to benefit from economies of scale particularly in respect of purchases of equipment, components and materials as well as finished goods. Our management strives to place a great emphasis on cost control and improving operating efficiencies, especially in light of upgrading of our infrastructure, equipment and technology and our expanded product suite. In particular, we intend to drive cost savings by teaming with technology partners through subcontracting and outsourcing. We are also looking to reduce our social overheads including our medical costs, canteen subsidies and transportation expenses.

In addition, we plan to drive improved productivity per employee by our (i) modernized and upgraded infrastructure, equipment and technology, (ii) by our company-wide emphasis on research and development and innovation and (iii) continued training and improvement of our employees' skills and training.

Furthermore, we intend to monetize our land and property by finding additional and alternative uses. For example, we are planning to (a) offer our vacant office space and factory hangers on rental basis to outside agencies (b) offer vacant sheds and RCC structures for warehousing/logistics purposes, (c) offer our unused auditorium space in our Bengaluru plant for conducting functions or for sporting purposes, (d) offer our unused community hall in our Bengaluru plant for marriage purposes, (e) convert our existing hospital in Bengaluru manufacturing township into a multi/super specialty hospital and (g) offer open spaces for sporting events, CNG/PNG station and distribution outlets.

Our Products and Services

Our Company continues to evolve from a telecommunications equipment manufacturer to a telecommunications technology company. We cater to a wide customer base across various industry segments like defence, telecommunications, information technology, banks, financial institutions and solar energy. We offer a diverse suite of products and services including

- Defence encryption products and services;
- MLLN and STP solutions;
- Transmission and terminal end products and solutions;
- Optical and data network products and services like GPON technology and passive infrastructure products for telecommunications including OFC and HDPE pipes;
- IT products and services including hosting solutions and data centre as well as financial and banking software services including Aadhaar authentication, and digital wallet services;
- Electronics and digital products like smart energy meters, smart cards, solar panels, set-top boxes, mini personal computers, 3D printing, security surveillance products and radio modems;
- High reliability electronic contract manufacturing services;
- IoT related products and solutions;
- Telecom products testing services;
- Start-up hub services;
- Skill development services; and
- Annual maintenance contracts for defence and telecommunications networks.

Defence Communication Projects and Security Encryption Products and Services

We are working on communication network projects for India's defence forces and have developed proprietary products for the Ministry of Defence for security encryption.

Communication Projects

We designed, manufactured, and installed all the earlier three phases of ASCON of Indian Army and this network has been maintained by us for more than two decades. ASCON is an Indian Army communications project, which seeks to develop and enhance the army's communication network across India. The defence services utilise encrypted and secure channels for communications, as they deal with information that is vital to national security.

We also have an order for laying OFC under the NFS project for the Indian defence forces in the Eastern and North-Eastern regions. The NFS project is a strategic communications network project to develop and install an OFC network to be owned and operated by the defence services. The NFS project involves establishing an exclusive OFC-based nationwide optical backbone for defence.

For a description of the ASCON Phase IV project, see "*Our Order Book – New Business*" on page 128 below.

Defence Security Encryption Products

Our defence security encryption products include

- BEU encryptors to encrypt and decrypt Internet Protocol (IP) data; and
- PCM encryptors to encrypt and decrypt various types of data in PCM format.

We have developed three types of IP encryptors: BEUs (Bulk Encryption Units),10/100 Mbps IP Encryptors and Terminal End Secrecy Devices (TESDs). Bulk Encryptor Units (BEUs) encrypt and decrypt different data rates to E1.E3, STM1 and STM4. Our encryptors to encrypt and decrypt Internet Protocol (IP) data are designed for 10/100T.10/100/100 T and now 1GigE and 10GigE encryptors are being developed for high bandwidth requirement.

Optical and Data Network Products and Services and Passive Infrastructure Products

We provide an end-to-end portfolio of optical and data networking products covering access, metro and long-haul networks as well as defence networks. Our products are used to build communication networks that carry voice, data and video traffic from fixed line, mobile and broadband networks over optical fiber. 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 fiber.

Broadband Access Products and Services

Under technology transfer ("**ToT**") from C-DOT, we manufacture GPON technology equipment to address the growing demand for high-speed mobile and fixed broadband networks. We offer turnkey solutions for supply, installation, commissioning, operation and maintenance of GPON and associated equipment.

At our Raebareli facility, we have introduced 3D automatic optical inspection machines along with X-ray and solder paste inspection machines for manufacturing of GPON equipment. In addition, our Bengaluru facility has been upgraded for manufacturing GPON equipment, and we provide testing services for GPON cards and equipment as part of our AMC with BSNL and BBNL.

We have successfully completed the supply, installation and commissioning of GPON OLT units and ONTs as part of Phase I of GoI's project "BharatNet". This also included supply of solar power products as part of ONTs. In January 2018, the DoT recognised our contribution in achieving the BharatNet Phase I target of connecting 100,000 gram panchayats.

Passive infrastructure products for telecommunications

In addition to GPON, we have a suite of passive infrastructure products for optical network, data and voice traffic equipment like HDPE pipes and OFC. We offer solutions for supply, installation, commissioning, operation and maintenance of our optical networking products.

Managed Leased Line Network (MLLN) Products and Services

We offer MLLN products and services, including turnkey solutions for supply, installation, integration, commissioning, operation and maintenance of network equipment to BSNL and MTNL. BSNL is the major leased line solution provider in India, and BSNL's network of MLLN has been installed by us, with technology provided by Coriant OY (earlier Tellabs) and managed by our Company. Our offering includes active technical support being extended for all the installed network equipment to our customers. Currently, we are now migrating to IP based MLLN technology.

IT Products and Services

We offer hosting and managed services through our data centre, a suite of software as service (SaaS) financial and banking solutions along with IT support services in collaboration with Trimax Data Center Services Private Limited.

Data Centre

We have established a Tier 3 data centre in Bengaluru in 2009 in collaboration with Trimax Data Centre Services Pvt Ltd., which provides our Company with technical support and operates our data centre. Our data centre offers hosting and managed services to GoI organizations and private companies and currently has 96% occupancy. We are in the process of expanding our data centre operations by building a Tier 3 plus data centre with 1,000 rack capacity at Bengaluru. In addition, we intend to expand our data centre offering to include end-to-end hosting services such as co-location, cloud services and managed services.

SaaS Services

We offer a suite of software as service (SaaS) financial and banking solutions including Aadhaar authentications and digital wallet services.

IT Support Services

Our SaaS packages are backed by active customer support services. We also offer customer care services as part of many of our hosting services.

Telecom Products Testing Services

The GoI has mandated that all telecom equipment must undergo mandatory testing and certification prior to sale or import for use in an Indian telecom network, which is known as mandatory testing and certification of telecom equipment (MTCTE). We have established EMI-EMC and safety test in our Bengaluru facility for the purpose of providing such MTCTE testing. We are also establishing a security testing laboratory and specific absorption rate (SAR) testing laboratory for testing telecommunication products.

Start-up Hub services

As part of our vision to contribute to the Start-up India mission of the GoI, we established a 125 seat start-up hub at our Bengaluru plant named "Vinyas" to encouraging Indian start-ups. The start-up hub is being expanded up to a 1000 seat capacity along with amenities like dedicated corporate hub meeting room, demo room and highly secure Wi-Fi connectivity. Our start-up hub customers can also utilize our manufacturing facilities like PCB, SMT and 3D printing facilities to enhance their operations from this facility.

Skill development services

As a part of 'Skill India' flagship program, we offer skill development and capability building training at our plants. Our skill development training includes training for optical fiber technicians, optical fiber splicers; solar module assembly technicians; PCB fabricators; circuit image operator (PCB Manufacturing); field technicians in computing and peripherals; pick-and-place assembly operator; through-hole-assembly operators and BSS support engineers. In addition, we also provide training to graduate engineers, diploma (technicians) and trade apprentices in various trades under the Apprentices' Act/National Apprentices Promotion Scheme (NAPS).

Electronic Products

We have diversified suite of products, solutions and services. Our manufactured electronic products include

- Smart energy meters;
- GPON OLT and ONT;
- PCM multiplexers;
- Electronic push button telephones;
- Ruggedized telephones for defence forces;
- Smart cards and banking cards;

- Handheld terminals for smart card authentication;
- Set top boxes;
- Wi-Fi equipment;
- Multiple types of encryption devices for defence;
- PCM multiplexers;
- Solar panels
- Switch mode power supply systems;
- IoT products;
- Radio modems;
- AN rack hardware;
- Mini personal computers; and
- Bank automation products.

We also supply traded products (electronic and communication) manufactured by others. Our traded products include:

- Optical transport network products, like DWDM;
- Managed leased line network products;
- Signalling point network products;
- IP/MPLS routers and switches;
- Network management system solution;
- Microwave and satellite communication equipment;
- Next generation network equipment; and
- IT products and solutions.

In addition, we offer customers a variety of contract manufacturing services and solutions. Our contract manufacturing services include electronic manufacturing in our Bengaluru, Palakkad, Raebareli and Mankapur plants; mechanical fabrication services and 3D printing services in our Bengaluru plant; and electronic printed circuit board manufacturing in Bengaluru and Palakkad plants.

Products for Space Applications

We provide screening of electronic components and assembly and testing of various flight packages for the Indian space programme as well as electronic contract manufacturing services.

Using our SMT and PCB technology, we provide contract manufacturing to various customers requiring space applications.

Internet of Things ("IoT")

We partner with technology companies and start-ups to offer various types of IoT products and solutions. In particular we are focusing our efforts on products including smart metering, smart health, smart environment, smart surveillance, smart agriculture, intelligent transport, smart e-governance, other similar smart products and solutions. We intend to manufacture various IoT products using our state-of-the-art infrastructure. For further information on our technology partners, see "*Our Business—Technology Transfer Agreements and our Technology Partners*" on page 132.

Annual Maintenance Contracts (AMC) and Operation and Maintenance Contracts (O&M)

We have AMCs for telecommunications and defence networks. We have been providing maintenance services for all the first three phases of ASCON for the Ministry of Defence. We have AMCs with BSNL and MTNL for maintaining the OCB exchanges of fixed line communication network, MLLN and signalling transfer point network.

We have a purchase order for operation and maintenance of BTS for the GSM network of BSNL in Tamil Nadu, Uttar Pradesh and Uttarkhand for the next ten years. The scope of work includes operation and maintenance of passive infrastructure of BTS sites covering taking care of the sites, diesel filling, payment of electricity bills, preventative and shut-down maintenance, annual Maintenance, overhaul, and spares, energy management, maintenance of site status alarms, set-up of web-enabled remote monitoring systems, coordination and housekeeping.

Our Order Book

As at December 31, 2019, our Order Book was ₹110, 511.21 million (including advance purchase orders but net of GST). The following table summarizes our Order Book (including advance purchase orders but net of GST) as at December 31, 2019.

Particulars	As at December 31, 2019	Percentage of Total Order Book
Project/ Product	(in ₹millions)	
BTS O&M*	56,216.61	50.87%
MahaNet	19,889.58	18.00%
ROs/CCOs/IT/ITI/Misc. products	10,461.86	9.47%
Smart energy meters	6,581.78	5.96%
GujaratNet	5,358.73	4.85%
Rajnet	2,836.02	2.57%
WBNet	1,978.22	1.79%
NFS project	1,664.92	1.51%
GPON	1,550.42	1.40%
GSM SZ AMC	667.97	0.60%
Defence business/AMC	809.58	0.73%
HDPE Duct	538.31	0.49%
AMC for ASCON	507.97	0.46%
AMC for OCB	38.31	0.03%
MLLN/SSTP AMC	16.95	0.02%
Others	1,393.98	1.26%
Total	**110,511.21**	**100.00%**

** The order relating to BTS O&M includes two advance work orders issued by BSNL, each dated August 29, 2018 for approximately ₹17,831.21 million and ₹38,385.40 million (both exclusive of GST) aggregating to an amount of approximately ₹56,216.61 million (exclusive of GST) for the execution of outsourcing of operations and maintenance (O&M) services for BTS sites. Our Company has also furnished a corporate guarantee, dated September 10, 2018 of ₹284.33 million which is valid until September 5, 2021. In addition, our back-end partner on the project has provided a bank guarantee to BSNL of ₹284.33 million which is valid until September 5, 2021. We have been regularly interacting with BSNL for conversion of these advance work orders into confirmed work orders; however, we are yet to receive the confirmed work orders. Further, we are yet to initiate action for the execution of the said project.*

Our Order Book includes anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) and from advance purchase orders and advance work orders for which we are yet to receive final purchase orders or work orders. For further information, see "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders or will be converted into confirmed orders or that we will actually realize revenues from any such projects.*"

The following table sets forth certain information relating to our Order Book as at December 31, 2019 by different types of customers.

Particulars	As at December 31, 2019	Percentage of Total Order Book
Project/ Product	(in ₹millions)	
PSU Customers	72,830.08	65.90%
Ministry of Defence	595.85	0.54%
Other GoI agencies	3,337.80	3.02%
State Governments	32,872.03	29.75%
Other Customers	875.45	0.79%
Total	**110,511.21**	**100.00%**

Order Summaries

The following summaries describe certain large projects or orders, which are in our Order Book as at December 31, 2019.

- ***BTS O&M:*** – We have advanced purchase orders for operation and maintenance of BTS for the GSM network of BSNL in Tamil Nadu, Uttar Pradesh and Uttarakhand for the next ten years. The scope of work includes operation and maintenance of passive infrastructure of BTS sites. We have not commenced work, and we have been regularly interacting with BSNL for conversion of these advance work orders into confirmed purchase orders.

- ***MahaNet***: – The MahaNet project in Maharashtra state includes laying of OFC cable, supply of access equipment and other related products as well as maintenance services. The MahaNet project execution period is one year from the date of the purchase order, followed by a five years operation and maintenance period.

- **RO/CCOs/Misc Products**: – Our regional offices and area offices are extending operational support for the projects undertaken by our manufacturing plants in the respective regions. They are also executing orders received from different agencies like State Governments, PSUs, and educational institutions for supply and installation of CCTV surveillance systems, Wi-Fi systems, networking solutions, video conferencing solutions, smart classrooms, online examination systems, GIS base map survey of properties, supply and installation of fiber optic cable.

- ***Smart Energy Meters***: – We have a contract to manufacture and supply 2,500,000 smart energy meters to EESL.

- ***GujaratNet***: – In Gujarat state, we have been awarded one of two packages and this project involves establishing a broadband network using GPON equipment between the Gram Panchayats and the blocks and connecting the blocks to the state headquarters to provide high speed link connectivity to 3,925 Gram Panchayats. It also involves laying of underground OFC to a route length of approximately 16,800 kms and setting up of a Network Operations Centres to manage the network.

- ***Rajnet***: – We have been awarded the order for supplying, installation and maintenance of RF links and 40,000 outdoor Wi-Fi access points across Rajasthan state under the BharatNet Phase II Project.

- ***WBNet Project***: – The WBNet project includes survey, procurement, supplying, trenching, laying, installation, testing and maintenance of OFC, accessories and GPON equipment for the BharatNet Phase-II network in West Bengal. Our order is to supply 1,560 kms of OFC and broad band connectivity to approximately 183 Gram Panchayats in West Bengal.

- ***NFS Project***: – We have a contract with BSNL for laying OFC under the NFS project for the Indian defence forces in the Eastern and North-Eastern regions. The project has experienced some delays and is expected to be completed by Fiscal 2020. See "*Risk Factors -We could incur losses under our purchase orders and contracts with our customers or be subjected to disputes or contractual penalties as a result of cost overruns, delays in delivery or failures to meet contract specifications or delivery schedules which may have a material adverse effect on our business, financial condition and results of operations*" on page 25.

- ***GPON Equipment***: – We have received contracts from BSNL and BBNL for a turnkey project to supply and install the GPON technology equipment for "BharatNet", which is aiming to providing high-speed broadband connectivity to over 250,000 villages (Gram Panchayats) in India. We have already executed supply of OLTs, ONTs and solar power equipment in respect of the project. The existing order covers AMC of the supplied products.

- ***GSM SZ***: –We have received orders for the AMC of GSM equipment previously supplied by us to BSNL south zone circles including Karnataka, Tamil Nadu, Kerala, Andhra Pradesh, and Chennai.

- ***AMC for ASCON***: – We have orders for the AMC for maintaining the nodes, OFC and optical terminal and secrecy equipment for the Ministry of Defence's ASCON Phase I, II and III projects.

New Business

In addition to our Order Book, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 had informed us that the subject proposal regarding establishment of ASCON Phase IV Project was under consideration and final approval of the competent authority was being sought, and the bid offer, which valid up to October 30, 2019, may be extended by six months up to April 30, 2020 and sought response from our Company regarding the same. Further, pursuant to a letter dated October 9, 2019, our Company responded to the Ministry of Defence and has extended the validity of the bid until April 30, 2020. We are currently awaiting further communications from the Ministry of Defence in this regard. ASCON, Phase IV, is a project that entails the establishment of an optical fiber network for the Indian army, including the supply, installation, and maintenance of the optical fiber network and telecom equipment, mobile terminals, microwave towers, power supply equipment, test instruments and infrastructure. The value of this project is approximately ₹77,000.00 million. The project is to be executed over a period of three years from the date of contract signing followed by 2 years of warranty support and 8 years of AMC support.

Customers

We cater to various customers across different industry segments like telecommunications, defence, information technology, banks, financial institutions, and solar power. At present, we sell our products and services to PSUs like BSNL, MTNL and BBNL; PSU Banks; EESL; the Ministry of Defence; the MORD; the Registrar General of India and certain GoI agencies as well as State governments entities.

We have a history of high customer retention from our customers and derive a significant proportion of our revenues from repeat business (defined as repeat business generated from a customer in the past three fiscal years) built on our successful execution of prior engagements. For example, we have supplied MLLN for BSNL since Fiscal 2001 and MTNL since Fiscal 2002 and have designed, supplied, installed and maintained all the first three phases of the ASCON for the Ministry of Defence since 1987.

Our revenue and Order Book are concentrated with, and we are dependent on, a limited number of customers and projects. In the six months ended September 30, 2019, Fiscal 2019, Fiscal 2018 and Fiscal 2017, our top three customers accounted for 72.30%, 70.83%, 69.06% and 81.38% of our revenue from operations, respectively, and our largest customer accounted for 47.25%, 35.93%, 48.89% and 66.93% of our revenue from operations, respectively. As at December 31, 2019, approximately 79.67% of our Order Book was concentrated in four projects with four customers.

In addition, our revenue and Order book are concentrated with the GoI and GoI entities, mainly PSUs like BSNL, BBNL, MTNL and EESL and the Ministry of Defence as well as State Governments entities. In the six months ended September 30, 2019, Fiscal 2019, Fiscal 2018 and Fiscal 2017, the GoI, PSUs and State Government entities accounted for approximately 99.28%, 86.41%, 91.21% and 98.16% of our revenue from operations, respectively. As at December 31, 2019, approximately 97.72% of our Order Book was concentrated in eleven projects with the GoI, PSUs and State Government entities as customers.

For further information, see "*Risk Factors - We are dependent on and derive a substantial portion of our revenue from a limited number of PSU customers and other GoI entities as well as State Governments in India and our relationship with GoI and State Government entities exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition*" and "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects*" on page 20 and 15, respectively**.**

Sales and Marketing

As at December 31, 2019, our sales and marketing team had 214 employees who were involved in sales, pre-sales and marketing activities. As at December 31, 2019, we had 8 regional offices in India, which were located at Bengaluru, Bhubaneshwar, Chennai, Hyderabad, Kolkata, Lucknow, Mumbai and New Delhi as well as 16 area offices spread across the country. Our regional offices and area offices perform duel operations including (a) marketing of our products and extending operational support for the projects undertaken by our manufacturing plants in the respective regions and (b) participating directly in the tenders floated by different agencies in the respective regions and executing orders in case of winning tenders.

Tenders, Quotas and Preferential GoI Policies

Most of our contracts with Government agencies and 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 the future but use the tender price as the basis.
In order to win tenders from various departments of the GoI and PSUs, we may have to lower our pricing. The terms and conditions of our contracts with such entities, including tenders, tend to be more onerous and are often more difficult to negotiate than those for other commercial contracts.

Preferential Market Access Policy

Under the GoI's Preferential Market Access policy, indigenous manufacturers are given preference in procurement by Government agencies, including PSUs. Indian manufacturers with a defined value addition through contribution within the country ("**PMA Manufacturers**") are given preference over foreign manufacturers or domestic manufacturers not meeting the value addition requirement. Under the policy, PMA Manufacturers are given priority for allocation of tenders by Government agencies subject to the condition that their quoted rates are within 20% of the lowest (L-1) rate, and such PMA Manufacturer is ready to supply the products or services at the L-1 rate. We believe that this policy will help us and other indigenous manufacturers to compete and get more GoI orders.

Our Participation in Government of India Campaigns and Initiatives

We contribute to a number of campaigns and policy initiatives sponsored by the GoI as described below.

Make in India

"Make in India" is a campaign and policy initiative launched by the GoI in September 2014 to encourage companies to manufacture their products in India. In line with this policy we manufacture number of electronic, information communication technology and encryption products for various industries such as defence communication and security, IT products and communication technology. We have invited multinational companies to enter into agreements with us or manufacturing their products in India.

Digital India

"Digital India" is a campaign and policy initiative to ensure that GoI's services are made available to citizens electronically by improved online infrastructure and by increasing Internet connectivity. Our products and services including our data centre, our digital wallet offering, Aadhaar authentication and smart cards are all examples of contributions to this campaign. In addition, we have been supplying IoT products to our customers. We are also supplying and installing the GPON technology equipment for the GoI's flagship project "BharatNet", which is aiming to providing high-speed broadband connectivity to over 250,000 Gram panchayats in India.

In 2018, our company launched a Digital wallet called "TAG ITI", a mobile application for cashless transactions for the public. Within our Company TAG ITI is used for cashless transaction with our employees.

Skill India - Pradhan Mantri Kaushal Vikas Yojana (PMKVY) Skills Development

PMKVY is a skill development initiative scheme of the GoI for recognition and standardization of skills. We have established a skill development centres in our Bengaluru and Srinagar plants.
To further the GoI's scheme, we have plans to set up skills centres in other manufacturing facilities.

Swachh Bharat

Swachh Bharat is a campaign and policy initiative to clean up the streets, roads and infrastructure of India's cities, smaller towns, and rural areas. Swachh Bharat includes eliminating open defecation through the construction of household-owned and community-owned toilets and establishing an accountable mechanism of monitoring toilet use. As part of this campaign, we have been awarded the contract to install an IOT based solution to capture real time feedback from community and public toilets used by the public in 12 states across India. We have also launched a Swachh Bharat website for customer feedback.

Start-up India

The GoI has initiated a flagship program called Start-up India aiming to develop start-up culture to build an ecosystem for the development of innovation and entrepreneurship. To support this initiative and to utilize the vacant hangars and building space, the Company has established a start-up hub in its Bengaluru plant, named "Vinyas". This start-up hub is designed to provide air-conditioned working space with internet and other facilities for new Start-up companies. A 125 seat hub has already been established. We plan to expand the start-up hub to a 1000 seat capacity.

Research and Development

We engage in R&D in network management systems, encryption equipment digital access products and consumer premises equipment. We develop our own products, systems and equipment as well as customized solutions for our customers. For example, we have developed our encryption products for the defence communications including BEUs (Bulk Encryption Units), 10/100 Mbps IP encryptors, terminal end secrecy devices (TESDs).
Our R&D department is based at our Bengaluru manufacturing facility. As at December 31, 2019, we had 53 employees in our research and development team.

Technology Transfer Agreements and Technology Partners

Set out below are brief details of entities with whom our Company has arrangements for technology and technical collaborations.

Name of collaborator/ technology partner	Place of registration/ incorporation of the collaborator/ technology partner	Year of incorporation of the collaborator/ technology partner	Paid up share capital of the collaborator/ technology partner	Turnover of the collaborator/ technology partner in the last financial year	General information regarding such persons relevant to the issuer
Coriant OY (formerly called Telabs Oy)	Espoo, Finland	1993	€1,093.23 million	€ 89.67 million[#]	Coriant is a company engaged in designing, developing and selling telecommunication products, including for access network solutions.
Centre for Development of Telematic	Bengaluru	1984	Not applicable	Not applicable	The Centre for Development of Telematics (C-DOT) is the telecom technology development centre of the GoI under DoT. C-Dot was established in 1984 as an autonomous body. It was vested with full authority and total flexibility to develop telecommunication technology.
Shreenath Smart Techologies Private Limited ("**SSTPL**")	Ahmedabad, Gujarat	2008	₹1.80 million	₹480 million	SSTPL is an ISO 9001:2008 certified company in the business of smart card technology, secure identification systems, smart card/ GSM card manufacturing, personalization, and testing equipment in India
Centre for Development of Advanced Computing	Pune	1988	Not applicable	Not applicable	Centre for Development of Advanced Computing (C-DAC) is the R&D organization of the Ministry of Electronics and Information Technology for carrying out R&D in IT, Electronics and associated areas.
Trimax Data Centre Services Limited	Mumbai	2008	₹180 million	₹123 million	The business of maintaining and managing the data centre
Inesh Smart Energy Pvt Ltd	Chennai, Tamil Nadu	2014	₹10.98 million	₹88.93 million	Design and manufacturing of smart energy meters
Z-Com Taiwan	HsinChu, Taiwan	1995	NTD 725 million	NTD 1,080 million	Z-COM, INC. is a company engaged in development, design and manufacturing of wireless network access point equipment and implementation of wireless network to provide broadband internet connectivity.
Z-Com India	New Delhi	2016	₹1 million	₹130 million	

[#]For the year beginning on January 1, 2016 and ending on December 31, 2016.
*** In accordance with the SEBI Exemption Letter 2019, our Company has been exempted from disclosing the aforesaid details in relation to certain collaborators and entities with whom technical and financial agreements have been executed by our Company.*

We have entered into teaming agreements and memorandum of understanding with technology and telecommunications companies as well as start-ups to provide us with access to new technology and products to expand our offering to customers as well as to drive our company-wide efforts towards innovation. We also have entered into various technology transfer agreements to give us access to technology and know-how necessary to execute many of our projects and customer orders under which we pay our technology partner a royalty for the technology used and other fees for their assistance and services.

A number of our key technology transfer and teaming arrangements are described below.

- *Managed leased line Network (MLLN):* Coriant OY of Finland assists us with MLLN products and solutions.
- *DWDM products:* Coriant OY of Finland assists us with DWDM products and solutions.
- *Optical transport network (OTN) equipment*: Coriant OY, of Finland, assists us with delivering, installing and maintaining OTN equipment and supplying DWDM products.
- *GPON Technology:* The Centre for Development of Telematics (C-DOT) assists us with *inter alia* manufacturing, quality

control, engineering, installation, maintenance and repair of GPON technology.

- *GSM Technology:* Assistance with fixed line and GSM technology in the BSNL west zone network (Maharashtra, Madhya Pradesh and Gujarat states) and assistance in the BSNL south zone network (in Karnataka, Andhra Pradesh, Tamil Nadu and Kerala states).
- *Data Centre:* Trimax Data Center Services Pvt Ltd assists us with the operation of our data centre.
- *Smart Meters*: Inesh Smart Energy Meter (Pvt) Ltd. provides assistance in setting up our manufacturing capabilities for smart meters and provides training to our personnel on the manufacturing, testing and technical support activities relating to the smart meters.
- *IoT and Smart City:* C-DAC (an autonomous scientific society of the Ministry of Electronics and Information Technology) assists us with various Smart City and other IoT based technology for business opportunities and tenders procured by our Company.
- *Aadhar based Authentication Services:* Shreenath Smart Technologies Private Limited, of Ahmedabad India, assists us with delivering, installing and maintaining Aadhar based authentication services on a software as a service model.
- *Wi-Fi Products:* C-DoT assists us with the manufacturing and supplying of our Wi-Fi products and with Z-Com, Taiwan (& India) assists us with the manufacturing, supply and maintenance of our Wi-Fi network offering.

Manufacturing

We have manufacturing facilities in Bengaluru, Mankapur, Naini, Palakkad and Raebareli. Our facilities manufacture a broad range of equipment, components and systems including digital switches, digital microwave equipment, optic fiber equipment and systems, broadband equipment (including G-PON and Wi-Fi), satellite communication equipment, access products, terminal equipment and LED products.

Our business is project specific and not of the nature of a manufacturing concern with specified installed capacity. Accordingly, it is not possible to determine the manufacturing capacity for a particular product. The ability to undertake a project depends on requisite pre-qualifications with respect to technical, managerial and financial ability to execute the project.

The following table sets forth the certification and product range of each of our manufacturing plants.

Manufacturing Facility	Principal Products, Solutions and Services
Bengaluru	• ASCON project solutions • Radio modems • Defence Security products • AN racks hardware • Next generation network products • 3D printing • Contract manufacturing • EMC and EMI testing services • Printed circuit board manufacturing • Wi-Fi hotspot modems • IoT products • GSM maintenance services • Data centre and Aadhar based services • Smart energy meters

Manufacturing Facility	Principal Products, Solutions and Services
	• Telecom products testing services • Start-up hub services
Mankapur	• GPON ONT • Wi-Fi products • Low Power BTS • Bank automation products • LED lights • Turnkey service for laying OFC • GSM maintenance services • Contract manufacturing services • Sanitary napkin vending and disposal machines • Third Party auditing for Odisha and Jharkhand BharatNet projects • Third party auditing for satellite based broad band equipment
Naini	• Solar panels • DWDM • STM • LED Lights
Palakkad	• Managed leased line network products • Signalling transfer point products • Smart cards, banking cards • Handheld devices • Smart energy meters • Set top boxes • Component screening services • Optical transport network products • HDPE pipes • Mini personal computers • Assembly and testing of third party electronic products • Smart electronic parcel delivery systems

Manufacturing Facility	Principal Products, Solutions and Services
	• AMI smart solutions • E-governance projects
Raebareli	• GPON OLT • GPON ONT • HDPE Duct manufacturing • Electronic contract manufacturing services • Cable laying project management • GSM Showroom sales

For further information, see "*History and Certain Corporate Matters*" on page 144.

Network System Unit

We also have a network system unit, headquartered in Bengaluru which provides telecommunication services like installation, commissioning and maintenance of the products supplied and turnkey projects executed by our Company.

Outsourcing

We outsource some services including for construction of buildings and OFC laying work. In addition, depending on project specifications some products and components may be sourced as traded goods. In addition, some services like civil activities or OFC laying are outsourced because we do not have the required resources for such activities.

Equipment, Components and Materials

Equipment, components and materials essential to our business are available from various sources. The principal materials we use in our products and services include various electrical and mechanical components, switches, optic fiber cable, surface mounted devices, discrete integrated circuits, capacitors, resistors and various application specific integrated circuits.

For the above materials we rely on various suppliers in India and abroad. Some of our suppliers are the sole sources for procuring such components. We procure our components from these suppliers on a purchase order basis, usually in connection with a project or customer order, and at present we do not have long-term contracts with any of our suppliers.

We monitor the availability and pricing of equipment and materials on a regular basis. Our procurement department actively leverages our size and purchasing power to ensure that we have access to key equipment, components and materials at the best possible prices and delivery schedule.

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, repair support, installation, commissioning and training. Our manufacturing plants, network system unit and the 8 regional offices and 16 area offices provide our customers with pan-India support.

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 facilities. We also use the facilities of our technology partners for repairs and return services.

Information Technology System

Our sales, manufacturing and supply chain management is supported by our integrated information technology infrastructure. For example, our enterprise resource planning (ERP) software and integrated material management system covering our finance, material, manufacturing, distribution, quality and human resources modules support end-to-end activities from customer orders to billing and realization.

Our internet based customer relationship management (CRM) package takes care of warranty maintenance and AMC through technical support and card repairing. Our project management software (PMS) supports pan-India projects for installation and field activities. Our information technology network allows us to record sales and customer information across our sales, distribution and manufacturing network.

Competition

The markets for telecommunication and defence products and services are highly competitive, rapidly evolving and are characterized by frequent introductions of new and improved solutions, applications, innovations and technologies. We expect competition to intensify in the future as the market for communication technology grows and new and existing competitors devote considerable resources to introducing and enhancing products and services. Accordingly, our ability to grow our business in accordance with our strategy will depend on our ability to introduce new products, respond to pricing strategies by competitors, redevelop our brand, improve our manufacturing capabilities and technology, develop intellectual property and reduce our expenses and our debt.

Health, Safety and Environmental Matters

We believe that ensuring the health and safety of our employees is critical to the successful conduct of our business and operations, and are committed to complying with applicable health, safety and environmental regulations and other requirements in our operations. We are committed to minimizing lost time due to accidents and preventable injury and we continually aim to improve our health safety and environment practices. Based on our sustained maintenance and compliance to safety standards, our plants have not reported any incident of injury to workmen at any time for over a decade.

For a description of the material environmental laws applicable to us, see "*Regulations and Policies*" on page 140.

Insurance

We have obtained various insurance policies for our business. We are covered by standard fire and special perils policy, burglary policy and marine cargo policy.

Employees

As at December 31, 2019, we had 3,520 employees (including 281 on a contract basis). As at December 31, 2019, approximately 20.76% of the employees had a professional qualification in the field of engineering, finance, human resource and medical, approximately 10.08% were graduates and post graduates, approximately 18.97% were diploma holders and approximately 33.49% were trade certificate holders.

We have the following active employee unions: (i) ITI Employees Union-Palakkad, (ii) ITI Employee Union, Bengaluru, (iii) ITI Prapt Karmacahari Sangh, Mankapur, (iv) ITI Mazdoor Sangh, Naini, (v) ITI Karamachari Sangh, Raebareli, and (vi) ITI Employee Union, Srinagar. We have one employee association, the ITI Employee Association, Palakkad.

Centre of Excellence

In connection with our efforts in the areas of IoT, smart infrastructure and smart cities, we have established a "Centre of Excellence" for IoT and skill development in Bengaluru. We plan to showcase the smart solutions from the start-up companies with which we've formed relationships as part of our IoT initiative.

Our Intellectual Property

Our Company has registered the trademark "" as Company logo and has also " SMAASH" as the company's trademark for the mini personal computer products. For further information, see "*Government and Other Approvals*" on page 320.

Properties

Our registered office is located at ITI Bhavan, Doorvaninagar, Bengaluru 560 016, Karnataka, India.

Principal Properties

The following table sets forth details of our principal properties as on the date of this Red Herring Prospectus.

Location	Type	Primary Purpose
ITI Bhavan, Bengaluru 560 016, Karnataka, India	Freehold	Registered office, corporate office and regional office
Doorvaninagar, Bengaluru, Karnataka, India	Government allotted land	Bengaluru plant, land allocated for industrial and residential purposes
Electronic City, Bengaluru, Karnataka, India	Freehold	EC Plant, land for industrial purposes
Gonda, Uttar Pradesh, India	Freehold	Mankapur plant, land for industrial and residential purposes
Naini Plant, Uttar Pradesh, India	Government allotted land	Naini plant, land for industrial purposes
ADA Colony Allahabad, Uttar Pradesh, India	Freehold	Naini township land for residential purposes
Palakkad, Kerala, India	Free Hold	Residential House at Chandranagar
Kanjikode West, Kerala, India	Government allotted land	Palakkad plant, land for commercial and residential purposes at Kanjikode
Palakkad, Kerala, India	Government allotted land	Officer’s colony, Chandranagar
Palakkad, Kerala, India	Government allotted land	ITI township, Yakkara, Palakkad
Raebareli Plant, Doorbhashnagar, Uttar Pradesh, India	Government allotted land	ITI Raebareli Plant, Raebareli, UP, land for industrial and residential purposes
Srinagar Plant, Jammu and Kashmir, India	Leasehold	Plant, Srinagar
Srinagar, Jammu and Kashmir, India	Government allotted land	Plant, Humhamma

Regional/Area Offices

The following table sets forth details of our regional offices as of the date of this Red Herring Prospectus.

Location	Primary Purpose	Freehold or Lease Expiration
Bengaluru	Office	Freehold
Mumbai	Office	Agreement to be renewed
Bhubaneswar	Office	January 31 2021
Kolkata	Office	April 30, 2020
New Delhi	Office	December 31, 2020
Chennai	Office	June 30, 2020
Hyderabad	Office	April 30, 2021
Lucknow	Office	July 19, 2082

The following table sets forth details of our area offices as on the date of this Red Herring Prospectus.

Location	Primary Purpose	Freehold or Lease Expiration
Kochi	Office	January 31, 2022
Trivandrum	Office	August 31, 2021
Pune	Office	Our Company has executed an Agreement to Sell dated August 05, 1994. Our Company is yet to execute the Sale Deed.
Nagpur	Office	June 30, 2023
Ahmedabad	Office	Freehold
Ranchi	Office	July 31, 2021
Dimapur	Office	Our Company has not entered into any agreement for the same.
Raipur	Office	Our Company has not entered into any agreement for the same.
Guwahati	Office	March 31, 2023
Jaipur	Office	January 31, 2023
Chandigarh	Office	The agreement expired on June 30, 2012. Our Company is yet to enter into a renewed agreement.
Bhopal	Office	November 30, 2021
Trichy	Office	Operating from residence. Our Company have not entered into any agreement for the same.
Madurai	Office	The agreement has expired, and our Company is yet to enter into a renewed agreement.
Patna	Office	January 31, 2021
Dehradun	Office	October 31, 2021

See also, “*Risk Factors - Certain of our plants, regional offices and area offices are situated on properties taken on lease. Certain of our leases have expired and are in the process of being renewed. We cannot assure that such leases will be renewed in the future with favourable terms.*” on page 33.

Legal Proceedings

For details of ongoing legal proceedings to which we are a party, see "*Outstanding Litigation and Material Developments*" on page 316.

Corporate Social Responsibility

Our Company has set up hospitals, schools and playgrounds at the townships of our manufacturing facilities for the benefit of employees and the local community, in compliance with its CSR obligations.

We have constituted a CSR committee to direct our CSR activities. Our CSR policy has been prepared pursuant to Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014. For further details regarding the composition of our CSR Committee and its responsibilities, see the section entitled "*Our Management*" on page 158.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that are applicable to the business of our Company. The information detailed below has been obtained from various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the investors and neither designed nor intended to substitute for professional legal advice. For details of government approvals obtained by us, see "Government and Other Approvals" on page 320.

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.

I. 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.

The Information Technology Act, 2000 (the "IT Act") and the rules made thereunder

The IT Act seeks to (i) provide legal recognition to transactions carried out by various means of electronic data interchange involving alternatives to paper-based methods of communication and storage of information, (ii) facilitate electronic filing of documents and (iii) create a mechanism for the authentication of electronic documentation through digital signatures. The IT Act has extraterritorial jurisdiction over any offence or contravention under the IT Act committed outside India by any person, irrespective of their nationality, if the act or conduct constituting the offence or contravention involves a computer, computer system or computer network located in India. Thus forming the policy framework governing Information Technology ("**IT**") and Information Technology Enabled Services ("**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.

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 Fiscal 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.

II. Environmental Regulations

The business of our Company is subject to various environment laws and regulations as the operation of our establishments might have an impact on the environment in which they are situated. The applicability of these laws and regulations varies with different operations. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, State Pollution Control Board ("**SPCB**"), 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 SPCBs 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 SPCBs, which are required to be periodically renewed. Major environmental laws applicable to the business operations include:

The Environment (Protection) Act, 1986, as amended ("EPA")

The EPA is an umbrella legislation in respect of the various environmental protection laws in India. Under the EPA, the GoI is empowered to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. This includes rules for, *inter alia,* laying down standards for the quality of environment in its various aspects, laying down standards for emission of discharge of environment pollutants from various sources as given under the Environment (Protection) Rules, 1986, inspection of any premises, plant, equipment, machinery, examination of manufacturing processes and materials likely to cause pollution among others. Penalties for violation of the EPA include fines up to ₹100,000 or imprisonment of up to five years, or both. The imprisonment can extend up to seven years if the violation of the EPA continues. There are provisions with respect to certain compliances by persons handling hazardous substances, furnishing of information to the authorities and agencies in certain cases, establishment of environmental laboratories and appointment of Government analysts.

The Air (Prevention and Control of Pollution) Act, 1981, as amended and in force from time to time ("Air Act")

The Air Act has been enacted to provide for the prevention, control and abatement of air pollution. The Air Act was enacted with a view to protect the environment and surroundings from any adverse effects of the pollutants that may emanate from any factory or manufacturing operation or activity. It lays down the limits with regard to emissions and pollutants that are a direct result of any operation or activity. Periodic checks on the factories are mandated in the form of yearly approvals and consents from the corresponding State Pollution Control Boards. Pursuant to the provisions of the Air Act, any person, establishing or operating any industrial plant within an air pollution control area, must obtain the consent of the relevant State Pollution Control Board prior to establishing or operating such industrial plant. The State Pollution Control Board is required to grant consent within a period of four months of receipt of an application, but may impose conditions relating to pollution control equipment to be installed at the facilities. No person operating any industrial plant in any air pollution control area is permitted to discharge the emission of any air pollutant in excess of the standards laid down by the State Pollution Control Board.

The Water (Prevention and Control of Pollution) Act, 1974, as amended ("Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the Central Pollution Control Board and the State Pollution Control Boards. Under the Water Act, any person establishing any industry, operation or process, any treatment or disposal system, use of any new or altered outlet for the discharge of sewage or new discharge of sewage, must obtain the consent of the relevant State Pollution Control Board, which is empowered to establish standards and conditions that are required to be complied with. In certain cases, the State Pollution Control Board may cause the local Magistrates to restrain the activities of such person who is likely to cause pollution. Penalty for the contravention of the provisions of the Water Act include imposition of fines, or imprisonment, or both.

The Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016, ("Hazardous Wastes Rules")

The Hazardous Wastes Rules impose an obligation on every occupier of a facility generating hazardous waste for safe and environmentally sound handling of hazardous waste generated at such facility. Every person engaged in generation, processing, treatment, packaging, storage, transportation, use, collection, destruction, conversion, offering for sale and transfer of hazardous waste, must obtain an approval from the applicable State Pollution Control Board. The occupier, the importer, the transporter and the operator of disposal facility are liable for damages to the environment or third party resulting from the improper handling and disposal of hazardous waste.

Manufacture, Storage and Import of Hazardous Chemical Rules, 1989 ("Hazardous Chemical Rules")

Entities which engage in any industrial activity involving hazardous chemicals are required to adhere to the Hazardous Chemical Rules. There are provisions in relation to major incidents involving hazardous chemicals, safety measures as well as import and transport of hazardous chemicals.

Public Liability Insurance Act, 1991 ("Public Liability Act")

The Public Liability Act, as amended, imposes liability on the owner or controller of hazardous substances for any damage arising out of an accident involving such hazardous substance. A list of hazardous substances covered by the Public Liability Act has been enumerated by the Government by way of a notification. The owner or handler is also required to take out an insurance policy insuring against liability under the legislation. The rules made under the Public Liability Act mandate that the employer has to contribute towards the environment relief fund, a sum equal to the premium paid on the insurance policies. This amount is payable to the insurer.

The Solid Wastes Management Rules, 2016 ("Solid Wastes Rules")

The Solid Wastes Rules apply to every domestic, institutional, commercial and any other non-residential solid waste generator except industrial waste, hazardous waste, hazardous chemicals, bio medical wastes, e-waste, lead acid batteries and radio-active waste, that are covered under separate rules framed under the Environment (Protection) Act, 1986. As per the Solid Waste Rules, the local authority or panchayat is required to make an application in Form-I for grant of authorisation for setting up waste processing, treatment or disposal facility, if the volume of waste is exceeding five metric tonnes per day including sanitary landfills from the State Pollution Control Board or the Pollution Control Committee, as the case may be. Any municipal solid waste generated is required to be managed and handled in accordance with the procedures specified in the Municipal Solid Wastes Rules. Penalties for contravention of the provisions of the Municipal Solid Wastes Rules will be as specified in the EPA.

The Batteries (Management and Handling) Rules, 2001, as amended ("Batteries Rules")

The Batteries Rules are framed under the EPA and apply to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. It prescribes the responsibilities of manufacturer, importer, assembler and dealers of the batteries as well as lays down the responsibilities of the recycler of the batteries.

E-Waste (Management) Rules, 2016 ("E-Waste Rules")

The E-Waste Rules apply to every manufacturer, producer, consumer, bulk consumer, collection centres, dealers, e-retailer, refurbisher, dismantler and recycler involved in manufacture, sale, transfer, purchase, collection, storage and processing of e-waste or electrical and electronic equipment, including their components, consumables, parts and spares which make the product operational.

III. Intellectual Property Laws

Intellectual Property in India enjoys protection under both common law and statute. Under the statute, India provides for patent protection under the Patents Act, 1970, copyright protection under the Copyright Act, 1957, trademark protection under the Trade Marks Act, 1999 and design protection under the Designs Act, 2000. The above enactments provide for protection of intellectual property by imposing civil and criminal liability for infringement.

IV. Public Procurement (Preference to Make in India), Order 2017

In order to encourage *'Make in India'* and promote manufacturing and production of goods and service in India, the Ministry of Commerce and Industry, Government of India has issued Public Procurement (Preference to Make in India), Order 2017 vide Memorandum No. P-45021/2/2017-B.E.-II. The said Public Procurement (Preference to Make in India), Order 2017 mandates all the CPSUs for giving purchase preference to local suppliers in all the procurements undertaken by them in the manner specified therein.

V. 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 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.

VI. Laws relating to taxation

The tax related laws that are pertinent include the Income Tax Act 1961, the Customs Act 1961, the Central Goods and Services Tax Act, 2017 and various service tax notifications.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was originally incorporated as Indian Telephone Industries Private Limited on January 25, 1950 at Bengaluru, Karnataka, India as a private limited company under the Mysore Companies Act, XVIII of 1938. Subsequently, the name of our Company was changed to Indian Telephone Industries Limited pursuant to a notification no. G.S.R 1234 dated December 30, 1958 issued by the Ministry of Commerce and Industry. Our Company became a deemed public limited company under Section 43A (1A) of the Companies Act, 1956 with effect from July 1, 1975. Thereafter, the name of our Company was changed from Indian Telephone Industries Limited to its present name, ITI Limited, and a fresh certificate consequent upon change of name dated January 24, 1994 was issued by the RoC.

Changes in Registered Office

The registered office of our Company was originally located at Doorvaninagar, Bengaluru 560 016, Karnataka. Following are the changes in the registered office of our Company since its date of incorporation:

Effective date of change of registered office	Details of the address of the registered office
April 22, 1981*#	From Doorvaninagar, Bengaluru 560 016, Karnataka to 16, "Shakuntala Complex", Museum Road, Bengaluru 560 001, Karnataka
February 26, 1990**#	From "Shakuntala Complex", 16, Museum Road, Bengaluru 560 001, Karnataka to 45/1 Magrath Road, Bengaluru 560 025, Karnataka
October 29, 2004**#	From 45/1 Magrath Road, Bengaluru 560 025, Karnataka to ITI Bhavan, Doorvaninagar, Bengaluru 560 016, Karnataka

*The change in the registered office was to ensure better co-ordination.
**The change in registered office was for administrative reasons
Our Company is unable to retrieve certain historical corporate records and form filings in relation to the changes in registered office. For details, see "*Risk Factors – We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures*" on page 22.

For further information on the business of our Company including description of the activities, services, products, market of each segment, the growth, exports and profit, technology, market, managerial competence and the standing with reference to the prominent competitors, see "*Our Business*" and "*Industry Overview*" on pages 119 and 95, respectively.

The activities carried out by our Company are in line with the objects of our Company as listed below.

The Main Objects of our Company:

The main objects as contained in the MoA of our Company are as follows:

1. (a) To carry on in India or in any part of the world all kinds of business relating to the manufacture, assembly, fitting up, repairing, converting, overhauling, maintaining, rendering services of all and every kind and description, buying, selling, exchanging, altering, hiring, letting on hire, improving, repairing and dealing in telephone, telegraph, radio and railway signalling and facsimile equipment of all kinds and descriptions and in particular switching systems and apparatus including all equipment within central offices, private branch exchanges or other similar switching centres for establishing, maintaining and releasing telephone circuits including all related signalling, supervisory and controlling equipment, traffic control, remote control and regulating appliances together with instrumentalities for testing, observing and maintaining such equipment, equipment for registering, recording, controlling, computing or accounting of monetary charges or other factors pertaining to telephone, telegraph, radio and railway signalling and facsimile communications, all instrumentalities of the types used on subscribers' or other users' stations for furnishing telephone, telegraph, radio, railway signalling and facsimile services and for use by personnel engaged in the construction, maintenance or operation of the plant employed in giving such service equipment for transmitting signals and currents representing speech over a landline, a cable conductor or a radio link including carrier current equipment for producing modulated waves and transmitting such waves over a landline, a cable conductor or radio link and demodulating such waves and includes repeaters, echo suppressors, accessories, loading coils, filters and other instrumentalities for improving or controlling the transmission of signals or currents involved in telephone, telegraphs, radio and railway signalling and facsimile communications; and also to manufacture, sell, buy, repair, alter, and exchange, let on hire, export, import, and deal in all kinds of articles and things which may be required for the purposes of the business or which may seem capable of being profitably dealt with in connection with any of the business of the Company; and also to act as agents for Government or Public Authorities or for any manufacturers, merchants and others and to carry on agency business of any description connected with the Company.

(b) *To acquire, provide, construct, establish and maintain factories, workshops, buildings, machinery, warehouses and other conventions.*

(c) *To establish, maintain, and operate training schools for apprentices, artisans, engineers, mechanics or any employees or personnel employed in connection with any of the business of the Company.*

(d) *To construct, erect, run, lay down, establish, fix and carry out all necessary cables, wires, lines, poles, strays and structures, cable chambers, manholes, ducts and distribution boxes.*

(e) *To manufacture plastics, plasticines, resins, and any other materials or substances.*

(f) *To manufacture, buy, sell, exchange, and/or install, dry cells, relays, meters, lamps, condensers, valves, rectifiers and air-raid precautions equipment.*

2. *To carry on the business of telephone engineers, telegraphs, radio and railway signalling and facsimile contractors, consulting engineers, mechanical engineers, machinists, fitters, millwrights, founders, wire drawers, enamelers, electroplaters and painters, suppliers of telephone, telegraph, radio, railway signalling and facsimile equipment and apparatus electric, magnetic, galvanic and other apparatus.*

3. *To manufacture, buy, sell, exchange, lease, install, work, alter, improve, manipulate, prepare for import or export and otherwise deal in all kinds of plant and machinery, apparatus, tools, utensils, substances, materials, computer systems and softwares and things necessary or convenient for carrying on any of the business which the Company is authorised to carry on or usually dealt in by persons engaged in such business.*

4. *To carry on in India and elsewhere the business of iron masters, steel makers, steel converters, manufacturers of ferro-manganese, engineers, tinplate makers and iron founders in all their respective branches and to conduct workshops and/or foundries or iron and brass, wood and any other substances.*

5. *To purchase, take on lease under licence or concession or otherwise, lands, buildings, works, licences, leases and any rights and privileges or interest therein and to explore, work, exercise, develop and to turn to account the same.*

6. *To search for and to purchase or otherwise acquire from any Government, State or Authority, and licences, concessions, grants, decrees, rights, powers and privileges whatsoever which may seem to the Company capable of or being turned to account in consonance with the objects of the Company and to work, develop, carry out exercise, and to turn to account the same.*

7. *To purchase, take on lease or in exchange or under amalgamation, licence or concession or otherwise, absolutely or conditionally, solely or jointly with others and make, construct, maintain, work, hire, hold, improve, alter, manage, let, sell, dispose of, exchange lands, buildings, warehouses, works, factories, mills, workshops, railways sidings, tramways, engines, machinery and apparatus, water rights, way leaves, trade marks, privileges or rights of any description or any kind in consonance with the objects of the Company.*

8. *To construct, execute, carry out, improve, work, develop, administer, manage, or control in India and elsewhere, works and conveniences of all kinds which expression in this Memorandum includes railways, tramways, improvement, sewage, drainage, sanitary, water, gas, electric lights, telephonic, telegraphic, and power supply works, warehouses, buildings and all other works of convenience whatsoever.*

9. *To apply for, tender, purchase, or otherwise acquire any contract and concessions for or in relation to the construction, execution, carrying out, equipment, improvement, management, administration or control of works and conveniences and to undertake, execute, carry out, dispose of or otherwise turn to account the same.*

10. *To enter into any contract, or arrangement for the more efficient conduct of the business of the Company or any part thereof and to sublet any contracts from time to time.*

11. *To establish, provide, maintain and conduct or otherwise subsidise research laboratories and experimental workshops for scientific and technical research and experiments, to undertake and carry on scientific and technical researches, experiments, and tests of all kinds, to promote studies and researches both scientific and technical, investigations and inventions by providing, subsidising, endowing or assisting laboratories, workshops, libraries, lectures, meetings and conferences and by providing or contributing to the remuneration of scientific or technical professors or teachers and by providing or contributing to the award of scholarships, prizes, grants to students or otherwise and generally to encourage,*

promote and reward studies, researches, investigations, experiments, tests and inventions of any kind that may be considered likely to assist any business which the Company is authorised to carry on.

12. *To take, or otherwise acquire, and hold shares in any other Company having objects altogether or in part similar to those of this Company and to underwrite solely or jointly with another or others shares in any such Company. To take or otherwise acquire shares in any other Company if the acquisition of such shares seems likely to promote further or benefit the business or interest of this Company.*

13. *To acquire or take over with or without consideration and carry on the business of managers, secretaries, and agents or managing agents by themselves or in partnership with others, of companies or partnership or concerns whose objects may be similar in part or in whole, to those of the Company.*

14. *To carry on any other trade or business which may seem to the Company capable of being conveniently carried on in connection with any of the company's objects or calculated directly or indirectly to enhance the value of or render profitable any of the Company's property or rights.*

15. *To acquire and undertake the whole or any part of the business, property and liabilities of any person, firm or company carrying on any business, which the Company is authorised to carry on or possessed of property suitable for the purposes of this Company.*

16. *To let out on hire or lease all or any of the property of the Company whether immovable or movable including all and every description of apparatus or appliances.*

17. *To enter into partnership or into any arrangement for sharing or pooling profits, amalgamation, union of interest, cooperation, joint adventure, reciprocal concession or otherwise or amalgamate with any person or Company carrying on or engaged in or about to carry on or engage in any business or transaction which this Company is authorised to carry on or engage in any business, undertaking or transaction which may seem capable of being carried or conducted so as directly or indirectly to benefit this Company, or otherwise calculated directly or indirectly to render any of the Company's properties or rights for the time being profitable.*

18. *To guarantee the payment of money unsecured or secured; to guarantee or become sureties for the performance of any contracts or obligations.*

19. *To sell, let, lease, exchange or otherwise deal with the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company and if thought fit to distribute the same among the shareholders of this Company.*

20. *To pay for any properties, rights or privileges acquired by the Company, either in shares of the Company or partly in shares and partly in cash, or otherwise.*

21. *To promote and undertake the formation of any institution or company for the purpose of acquiring all or any of the property and liabilities of this Company or for any other purpose which may seem directly or indirectly calculated to benefit this Company or form any subsidiary company or companies, and to carry on any business which may seem capable of being carried on conveniently with the business or objects of this Company and to acquire any interest in any industry or undertaking.*

22. *To procure the incorporation of, registration or other recognition of the Company in any country. State or place and to establish and regulate agencies for the purpose of the Company's business and to apply for or join in applying to any Parliament, Government, Local, Municipal or other Authority or Body, British, Colonial or Foreign and to obtain, or in any way, assist in obtaining any Acts of Parliament, laws, decrees, concessions, orders, rights, or privileges that may seem conducive to the Company's objects or any of them and to oppose any proceedings or applications which may seem calculated directly or indirectly, to prejudice the Company's interests.*

23. *To lend money on mortgage of immovable property or on hypothecation or pledge of movable property or without security to such persons and on such terms as may seem expedient and in particular to customers of and persons having dealings with the Company.*

24. *To transact and carry on all kinds of Agency business.*

25. *To acquire or hold shares in any undertaking of Company, to acquire the right to use or manufacture and to put up telegraphs, telephones, phonographs, radio transmitting or receiving stations, or sets, dynamos, accumulators and all apparatus in connection with the generation, accumulation, distribution, supply and employment of electricity or any power that can be used as a substitute thereof, including all cables, wires, or appliances for connecting apparatus at a distance with other apparatus and including the formation of exchanges or centres.*

26. *To apply for, purchase or otherwise acquire and obtain, prolong and renew any patents, brevets d'invention, licences, permissions, concessions, processes and the like conferring any exclusive or limited right (either in point of time or otherwise) to use the same or any secret or other information as to any invention which may seem capable of being used for any purposes directly or indirectly to benefit the Company and to use, exercise and develop or grant licences in respect of or otherwise turn to account any such patents, inventions, licences, permissions, concessions, processes and the like and the information so acquired, and to spend money in experimenting upon and testing, improving or seeking to improve any patents, inventions or rights which the company may acquire or propose to acquire.*

27. *To enter into any arrangements with the Government of India or any Local or Provincial Government or Government of a State or Union of States, in India, or with the Government of any other State, country or dominion or with any authorities, local or otherwise, or with any Rulers, Chiefs, Landholders or other persons that may seem conducive to the Company's objects or any of them and to obtain from them any rights, powers, and privileges, licences, grants and concessions, which the Company may think it desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.*

28. *To provide for the welfare of employees or ex-employees of the Company and the wives and families of the dependents or connections of such persons by building or contributing to the building of houses, dwellings or chawls or by grants of money, pensions, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to Provident Fund and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instruction and recreation, hospitals and dispensaries, medical and other attendance and other assistance as the Company shall think fit, and to subscribe or otherwise to assist or to guarantee money to charitable, benevolent, religious, scientific, national, public or other institutions or objects or purposes.*

29. *To distribute any of the property of the Company among the members in species or kind but so that no distribution amounting to a reduction of capital be made except with the sanction (if any) for the time being required by law.*

30. *To make, draw, accept, endorse, execute, and issue Cheques, Promissory Notes, Bills of Exchange, Bills of Lading, Debentures and other negotiable or transferable instruments.*

31. *To guarantee and issue the due payment, fulfilment and performance of contracts and obligations of any kind or nature.*

32. *To give guarantees, and carry on and transact every kind of guarantee and counter-guarantee business and in particular to guarantee the payment of any principal moneys, interests or other moneys secured by or payable under any debentures, bonds, debenture stock, mortgages, charges, contracts, obligations and securities, and the payment of dividends on and the repayment of the capital of stocks and shares of all kinds and descriptions.*

33. *To insure any of the properties, undertakings, contracts, guarantees or obligations of the Company of every nature and kind in any manner whatsoever.*

34. *To invest and deal with the moneys of the Company in any securities, shares, investments, properties, movable or immovable, and in such manner as may from time to time be determined and to sell, transfer or deal in with the same.*

35. *To adopt such means of making known the businesses and/or products of the Company or of any company in which this Company is interested as may seem expedient and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations.*

36. *To borrow or raise money or to receive money on deposit at interest or otherwise in such manner as the Company may think fit, and in particular by the issue of debentures or debenture stock, perpetual or otherwise, including debenture or debenture stock convertible into shares of this Company, or perpetual annuities; and in security of any such money so borrowed, raised or received, to mortgage, pledge, or charge the whole or any part of the property, assets or revenue of the Company, present or future, including its uncalled capital by assignment or otherwise or to transfer or convey the same absolutely or in trust and to purchase, redeem, or pay off any such securities.*

37. *To remunerate any person, firm or Company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any of the shares in the Company's capital or any debentures or debenture stock or other securities of the Company or in or about the formation or promotion of the Company or the conduct of its business.*

38. *To do all or any of the above things and all such other things as are incidental or may be thought conducive to the attainment of the above objects or any of them and as principal agents, contractors, trustees, agents or otherwise and either alone or in conjunction with others, and that the word "Company" in this Memorandum when applied otherwise than to this Company shall be deemed to include any authority partnership or other body of persons whether incorporated or not incorporated.*

39. *To dedicate, present or otherwise dispose of either voluntarily or for value, any property of the Company deemed to be of national, public or local interest, to any national trust, public body, museum, corporation, or authority or any trustees for or on behalf of any of the same or of the public.*

40. *The objects set forth in any sub-clause of this clause shall not be in any wise limited or restricted by reference to or inference from the terms of any other sub-clause or by the same of the Company. None of such sub-clauses or the objects therein specified or the powers thereby conferred shall be deemed subsidiary or auxiliary merely to the objects mentioned in the first sub-clause of this clause but the Company shall have full power to exercise all or any of the powers conferred by any part of this clause in any part of the world and notwithstanding that the business, undertakings, property or acts proposed to be transacted, acquired, dealt with or performed do not fall within the objects of the first sub-clause of this clause.*

41. *To plan, finance, establish, develop, provide, operate and maintain all types of Telecommunication Services including but not restricted to Telephone, Telex, Wireless, Data Communications, Telematic and other Value added services, Long distance trunk services, Satellite based services with or without hiring transponders under licence and/or delegated powers under Indian Telegraph Act from the Tele graph Authority and/or the Central Government in India and abroad.*

42. *To manufacture, buy, sell, exchange, lease, install, work, alter, improve, manipulate, prepare for import or export and otherwise deal in the areas of Consumer, Industrial, Medical and Strategic Electronics, Computer Systems, Hardwares and Softwares and Communications.*

43. *To provide service Telecommunication facilities of all types to the Telecom Commission and its units functioning in the areas managed by the Company and to work in close liaison with the Telecom Commission and Department of Telecommunications in the matters of :-*

    (a) *Overall development of Telecommunication services in India and in the field of Overseas Communications.*

    (b) *Technical specifications, standards and norms of services in the local and long distance communication.*

    (c) *Inter connection of the local networks services, long distance transmission systems and Overseas Communication systems managed by the Department of Telecommunications or any other Organisation /Company.*

    (d) *Implementation of any order and/or directive issued from time to time under the Indian Telegraph Act or Rules framed thereunder by the Telegraph Authority or any office duly authorised by the Telegraph Authority or the Act.*

    (e) *Introduction of new services.*

    (f) *Sharing of revenues collected by the Company for various services with the Department of Telecommunications or any other agency for the usage of the facilities provided by them and vice-versa.*

    (g) *Utilisation of the infrastructure facilities of the Department of Telecommunications like Quality Assurance and Inspection, Training, Telecommunications Engineering Centre, Stores and Factory Organisation, etc. by the Company on mutually agreed terms till such time as required by the Company.*

44. *To raise necessary financial resources for development needs for Telecommunication services in the areas managed by the Company and also for the other parts of the Telecommunication network in India and abroad*

The main objects as contained in the MoA of our Company enable our Company to carry on our existing business.

Amendments to the Memorandum of Association of our Company

Since the incorporation of our Company, the following changes have been made to the Memorandum of Association:

Date of Shareholders' Resolution	Nature of Amendment
As at March 31, 1954*	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹25,000,000 divided into 250,000 Equity Shares of ₹100 each to ₹40,000,000 divided into 400,000 Equity Shares of ₹100 each.
March 9, 1959	Clause I of the MoA was amended to reflect the change in the name of our Company from Indian Telephone Industries Private Limited to Indian Telephone Industries Limited.
As at March 31, 1965*	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹40,000,000 divided into 400,000 Equity Shares of ₹100 each to ₹50,000,000 divided into 500,000 Equity Shares of ₹100 each.
As at March 31, 1970*	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹50,000,000 divided into 500,000 Equity Shares of ₹100 each to ₹80,000,000 divided into 800,000 Equity Shares of ₹100 each.
February 6, 1979	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹80,000,000 divided into 800,000 Equity Shares of ₹100 each to ₹150,000,000 divided into 1,500,000 Equity Shares of ₹100 each.
September 28, 1981	Clause II of the MoA was amended to reflect that the registered office of the Company would be situated in the State of Karnataka
March 22, 1982	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹150,000,000 divided into 1,500,000 Equity Shares of ₹100 each to ₹300,000,000 divided into 3,000,000 Equity Shares of ₹100 each
As at March 31, 1983*	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹300,000,000 divided into 3,000,000 Equity Shares of ₹100 each to ₹500,000,000 divided into 5,000,000 Equity Shares of ₹100 each
As at March 31, 1985*	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹500,000,000 divided into 5,000,000 Equity Shares of ₹100 each to ₹700,000,000 divided into 7,000,000 Equity Shares of ₹100 each.
March 18, 1985	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹700,000,000 divided into 7,000,000 Equity Shares of ₹100 each to ₹1,000,000,000 divided into 10,000,000 Equity Shares of ₹100 each.
March 6, 1992	Clause V of the MoA was amended to reflect the sub-division of face value of equity shares from 10,000,000 Equity Shares divided of ₹100 each to 100,000,000 Equity Shares divided of ₹10 each.
December 16, 1993	Clause I of the MoA was amended to reflect the change in name of the Company, from Indian Telephone Industries Limited to ITI Limited.
December 16, 1993	Clause III of the MoA was amended to amend/ include the following clauses: "3. *To manufacture, buy, sell, exchange, lease, install, work, alter, improve, manipulate, prepare for import or export and otherwise deal in all kinds of plant and machinery, apparatus, tools, utensils, substances, materials, computer systems and softwares and things necessary or convenient for carrying on any of the business which the Company is authorised to carry on or usually dealt in by persons engaged in such business.* *16. To let out on hire or lease all or any of the property of the Company whether immovable or movable including all and every description of apparatus or appliances.* *19. To sell, let, lease, exchange or otherwise deal with the undertaking of the Company or any part thereof for such consideration as the Company may think fit and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of this Company and if thought fit to distribute the same among the shareholders of this Company.* *41. To plan, finance, establish, develop, provide, operate and maintain all types of Telecommunication Services including but not restricted to Telephone, Telex, Wireless, Data Communications, Telematic and other Value added services, Long distance trunk services, Satellite based services with or without hiring transponders under licence and/or delegated powers under Indian Telegraph Act from the Tele graph Authority and/or the Central Government in India and abroad.* *42. To manufacture, buy, sell, exchange, lease, install, work, alter, improve, manipulate, prepare for import or export and otherwise deal in the areas of Consumer, Industrial, Medical and Strategic Electronics, Computer Systems, Hardwares and Softwares and Communications.* *43. To provide service Telecommunication facilities of all types to the Telecom Commission and its units functioning in the areas managed by the Company and to work in close liaison with the Telecom Commission and Department of Telecommunications in the matters of :-* *(a) Overall development of Telecommunication services in India and in the field of Overseas Communications.* *(b) Technical specifications, standards and norms of services in the local and long distance communication.* *(c) Inter connection of the local networks services, long distance transmission systems and Overseas Communication systems managed by the Department of Telecommunications or any other Organisation /Company.*

Date of Shareholders' Resolution	Nature of Amendment
	(d) Implementation of any order and/or directive issued from time to time under the Indian Telegraph Act or Rules framed thereunder by the Telegraph Authority or any office duly authorised by the Telegraph Authority or the Act. *(e) Introduction of new services.* *(f) Sharing of revenues collected by the Company for various services with the Department of Telecommunications or any other agency for the usage of the facilities provided by them and vice-versa.* *(g) Utilisation of the infrastructure facilities of the Department of Telecommunications like Quality Assurance and Inspection, Training, Telecommunications Engineering Centre, Stores and Factory Organisation, etc by the Company on mutually agreed terms till such time as required by the Company.* *44. To raise necessary financial resources for development needs for Telecommunication services in the areas managed by the Company and also for the other parts of the Telecommunication network in India and abroad*"
March 26, 2002	Clause V of the MoA was amended to reflect the increase in authorised share capital and reclassification of the authorised share capital of our Company from ₹1,00,00,00,000 divided into 10,00,00,000 Equity Shares of ₹10 each to ₹2,500,000,000 divided into 100,000,000 Equity Shares of ₹10 each and 15,000,000 redeemable cumulative preference shares of ₹100 each.
May 27, 2003	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹2,500,000,000 divided into 100,000,000 Equity Shares of ₹10 each and 15,000,000 redeemable cumulative preference shares of ₹100 each to ₹5,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each and 40,000,000 redeemable cumulative preference Shares of ₹100 each.
March 18, 2005	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹5,000,000,000 divided into 100,000,000 Equity Shares of ₹10 each and 40,000,000 redeemable cumulative preference shares of ₹100 each to ₹7,000,000,000 divided into 300,000,000 Equity Shares of ₹10 each and 4,000,000 redeemable cumulative preference shares of ₹100 each.
January 9, 2015	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹7,000,000,000 divided into 300,000,000 Equity Shares of ₹10 each and 40,000,000 redeemable cumulative preference shares of ₹100 each to ₹12,00,000,000 divided into 80,00,00,000 Equity Shares of ₹10 each and 4,00,00,000 redeemable cumulative preference shares of ₹100 each.
April 5, 2018	Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹12,000,000,000 divided into 800,000,000 Equity Shares of ₹10 each and 40,000,000 redeemable cumulative preference shares of ₹100 each to ₹35,000,000,000 divided into 2,800,000,000 Equity Shares of ₹10 each and 70,000,000 redeemable cumulative preference shares of ₹100 each.

** Our Company is unable to trace the shareholder's resolution for this amendment to the MOA. Accordingly, the disclosures have been prepared based on the information set out in the annual reports for the relevant Financial Years.*

Major events and milestones of our Company

The following table illustrates the major events in the history of our Company:

Calendar Year	Event
1948	GoI establishes a departmental factory that later became our Company.
1950	Our Company was incorporated as a private limited company on January 25, 1950.
2000	Undertook a turnkey project for 100,000 lines of GSM cellular mobile equipment for MTNL, Mumbai
2001	• Undertook a project for supply of managed leased line network (MLLN) equipment to BSNL • Undertook a project for supply of goods for wireless local loop (WLL) system for rural applications for BSNL
2002	Undertook a turnkey project for, *inter alia*, for GSM cellular mobile equipment for BSNL, in the Gujarat telecom circle
2004	• Executed a five-year technical collaboration agreement with Tejas Networks India Limited, a telecom products company for, *inter alia*, assembly and manufacture of next-generation Synchronous Digital Hierarchy (SDH) products for BSNL and MTNL • Executed a collaboration agreement with Giesecke & Devrient (India) Private Limited for manufacturing SIM cards. • Commenced execution of the project for supply of STM-1 SDH equipment for BSNL
2005	• Commenced execution of a turnkey project for BSNL for standalone signalling transfer points and associated equipment • Successfully completed a turkey project in 11 districts of Afghanistan comprising of 35,000 subscriber lines of CDMA wireless local loop system • Declared itself as 'sick' under the under section 3(1)(o) of the Sick Industrial Companies Act, 1985 following the erosion of more than 50% of its net worth.
2006	Commenced execution of a project for supply of 32 channel dense wavelength division multiplexing (DWDM) for BSNL

Calendar Year	Event
2007	Commenced execution of a project for supply of digital circuit multiplex equipment (DCME) for BSNL
2008	• Commenced projects for supply of GSM SIM cards for BSNL and MTNL • Commenced a project for supply of STM-16 MADMs equipment for BSNL
2009	• Commenced projects for supply of STM-64 equipment, STM-16 ADMs equipment, ADSL2PLUS type II CPEs for broadband, GPON equipment, GSM products and radio modem equipment to BSNL • Set up a data centre in the Bengaluru Plant in association with Trimax Date Centre Services Limited
2010	• Was appointed for undertaking the National Population Register project by the Ministry of Home Affairs, GoI • Was appointed as the IT implementation agency by the Tamil Nadu Electricity Board for implementation of IT infrastructure in 110 towns of Tamil Nadu • Undertook a turnkey project for supply of active GPON equipment for MTNL Delhi and Mumbai
2011	Commenced solar project in various districts in Uttar Pradesh for the UP police
2012	Undertook a project for solar voltaic power systems for BTS sites for BSNL
2013	Executed an MoU with TSSC for special focus on skill development in the telecom industry
2014	• Commenced execution of a project for 1.2 million NGN access equipment for BSNL • Undertook the project for setting up intelligent fibre optic cable network for defence forces for BSNL • CCEA approved the Revival Plan
2016	• Achieved a turnover of ₹1,253,335 million registering an increase of 100% from ₹619,799 million • Commenced a turnkey project for implementation of a network management system for BSNL broadband network • Commenced the turnkey project for GPON products and solar power equipment for Bharat Broadband Network Limited
2017	• Received orders for deploying of 15 MW solar power project for the Solar Energy Corporation of India Limited • Received orders for supply of three models of mini personal computers to Mahatma Gandhi University, Kottayam • Received orders for manufacture and supply of 2.5 million smart meters for Energy Efficiency Services Limited • Received orders for manufacture and supply of permanently lubricated HDPE from BSNL • Received order for supply of CDOT ANRAX control cards to BSNL • Received an order from ISRO for providing full screening and re-screening services of Analog ICs
2018	• The Palakkad Plant received a certificate of compliance from the RuPay Compliance Program Board for adhering to the RuPay card quality and security standards for magnetic stripe encoding, card embossing/ indenting, chip data preparation, card mailing, chip embedding and chip personalisation – contact • Undertook a turnkey project for broadband network gateway for BSNL • Received an advance purchase order for procurement of multi capacity encryption units (MCEU) for defence networks for BSNL • Executed a transfer of technology agreement with Centre for Development of Telematics for manufacture of terabit router • Executed a MoU with C DOT and MTNL to, *inter alia*, address the smart city project • Executed a MoU with Tamil Nadu Telecommunications Limited to execute optical fibre cable business • Received an order for supply of mini PCs to the University of Calicut
2019	• Executed a MoU with Z-COM Inc. and Z-COM India for transfer of technology for manufacturing of Wi-fi access points • Set up a telecom testing lab for services like EMC/EMI and a safety lab. • Set up a 125 seater starter-up hub service called "*Vinyas*" in the Bengaluru plant.

Accreditations and Certifications

Our Company has received accreditations and certifications for our Registered Office, manufacturing units and regional offices. The details of units maintaining these certifications are as follows:

Description of Certificate/ Award	Certificate No.	Date of Issue/Date of Current Revision	Date of expiry
Bengaluru Plant			
ISO 9001:2015 issued by NVT Quality Certification Private Limited for all activities related to design, development and/or manufacture and supply transmission equipment, switching products, terminal equipment, SMD assemblies, PCBs, computer maintenance, computer networking, installation, commissioning and services for Bengaluru Plant	10019032	February 1, 2018	January 31, 2021

Description of Certificate/ Award	Certificate No.	Date of Issue/Date of Current Revision	Date of expiry
ISO 9001:2015 issued by NVT Quality Certification Private Limited for supply, installation, commission and maintenance of all types of transmission and switching telecom equipment, LAN/WAN networks, civil engineering work including construction and execution of buildings, underground cable laying, business development activities, etc., for Government, public sectors and private sectors.	10019117	December 30, 2018	December 29, 2021
Bharat Sanchar Nigam Limited, Quality Assurance and Inspection Circle, Jabalpur – Infrastructure Assessment Advice to Bengaluru Plant	CGM(QA&I)/TSEC/BNG/B/1A/17-18/037	August 22, 2017	August 31, 2022
Bharat Sanchar Nigam Limited, Quality Assurance and Inspection Circle, Jabalpur – Technical Specification Evaluation Certificate given to Executive Telephone System (ETS-04) of the Bengaluru Plant	TSEC/BNG/B/ETS-01/02/042.MAY 2017	May 9, 2017	April 30, 2020
Bharat Sanchar Nigam Limited, Quality Assurance and Inspection Circle, Jabalpur – Technical Specification Evaluation Certificate given to Controller (ARC-S02) & Interface (ARI) cards of C-DOT Access Network based 256 P RAX of the Bengaluru Plant.	TSEC/BNG/B/ANW-03/01/158.SEP 2017	September 22, 2017	September 30, 2020
Bharat Sanchar Nigam Limited, Quality Assurance and Inspection Circle, Bengaluru – Infrastructure Assessment Advice to Bengaluru Plant	CGMQA/TSEC/BG/IA/15-16/056	December 7, 2015	December 31, 2020
Bharat Sanchar Nigam Limited, Quality Assurance and Inspection Circle, Jabalpur – Technical Specification Evaluation Certificate given to 2 Mbps PCM Multiplexing Equipment (DE 10259) of the Bengaluru Plant.	TSEC/BNG/B/PCM-02/04/257.JAN 2018	January 25, 2018	January 31, 2021
Rae Bareli Plant			
ISO 9001:2015 issued by NVT Quality Certification Private Limited for design and development, production and servicing of electronic switching and transmission equipment, SMPS power plants,, new projects, mechanical components and electro-mechanical assemblies for the Rae Bareli Plant.	10019015	August 1, 2017	July 31, 2020
Palakkad Plant			
ISO 14001:2015 certification issued by IRClass Systems and Solutions Private Limited for the manufacture, supply, installation and servicing of populated printed circuit boards and electronic assemblies as per customer requirements and manufacture and supply of bare printed circuit boards and smart cards	IRQS/1630939	December 9, 2016	January 27, 2020
ISO 9001:2015 issued by IRClass Systems and Solutions Private Limited for the manufacture, supply, installation and servicing of populated printed circuit boards and electronic assemblies as per customer requirements and manufacture and supply of bare printed circuit boards and smart cards	IRQS/1710755	August 21, 2017	September 15, 2020
Certificate of compliance issued by the RuPay Compliance Program Board for adherence to RuPay Card Quality and Security Standards, version 1.5.	201905091ISAR	May 09, 2019	May 08, 2020
Certificate of compliance issued by the Mastercard Certification Body for compliance with Payment Card Industry Card Production and Provisioning Security Requirements.	1900054	April 01, 2019	April 30, 2020
Mankapur Plant			

Description of Certificate/ Award	Certificate No.	Date of Issue/Date of Current Revision	Date of expiry
ISO 9001:2015 issued by NVT Quality Certification Private Limited for design, development, manufacturing, installation and servicing of large digital electronic switching system mobile communication products based on GSM technology, banking automation products, patch panel antenna, electromechanical components, solar/grid based LED lighting products and signage systems	1990079	February 01, 2019	January 31, 2022
ISO 14001:2015 issued by NVT Quality Certification Private Limited for design, development, manufacturing, installation and servicing of large digital electronic switching system, CSN, C-DOT switching system, mobile communication products based on GSM technology, patch panel antenna, electromechanical components, banking automation products, solar/ grid based lighting products, hospital waste management system etc.	10019102	December 01, 2017	November 30, 2020
Naini Plant			
OHSAS 18001:2007 issued by SOCOTEC Certification International for manufacture, supply and servicing of solar photovoltaic power system	CN/16927HS	March 27, 2017	March 26, 2020
ISO 9001:2015 issued by NVT Quality Certification Private Limited for design, manufacture, supply and servicing of OPTO-electronics equipments including access products of telecommunication systems and solar photo voltaic power system.	100191134	December 1, 2017	November 30, 2020
ISO 14001:2015 issued by QACS International for design, manufacture, supply and servicing of OPTO- electronics equipments and solar photovoltaic power systems covering machine shop, finishing shop, assembly and related activities.	QAIS-E-IL-05.18.015 UIC No.: MSCB-150-45961	July 23, 2018	July 22, 2021

Awards and Recognitions

Our Company has received the following awards:

Calendar Year	Description of the award
1999	• Our Company received the Excellent Performing Public Sector Enterprise award 1998-1999 awarded by the CPSE
2004	• Our Company received the V&D 100 Award, 2004 for being a top turnkey services company
2005	• Lucent Technologies presented YK Pandey, the former chairman and managing director of our Company recognition for commitment in the partnership between Lucent Technologies and our Company
2006	• Our Company received the V&D 100 Award, 2006 for being the top company for a telecom turnkey project
2014	• Our Company received an award for loss reduction through cost cutting at the PSU Summit Awards, 2014 • Skoch Award awarded by the Skoch Group • Our Company was recognised as India’s No.1 Brand in India’s best telecom equipments category by the No. 1 Brand Awards Council
2015	• The Raebareli Plant was awarded the National Safety Award by the Minister of State (Independent Charge) for Labour and Employment, GoI for outstanding performance in industrial safety, as runner up, during the performance year 2014 for achieving an accident free year. • The Raebareli Plant was awarded the National Safety Award by the Minister of State (Independent Charge) for Labour and Employment, GoI for outstanding performance in industrial safety, as runner up, during the performance year 2014 for achieving lowest average frequency rate. • The Mankapur Plant was awarded the National Safety Award by the Minister of State (Independent Charge) for Labour and Employment, GoI for outstanding performance in industrial safety, as runner up, during the performance year 2013 for achieving lowest average frequency rate. • Our Company received the CEAMA award for demystifying set top box manufacturing in India • Our Company received a memento from ELCINR in appreciation of our participation as an exhibitor at the Bangalore International – Exhibition Centre, Bengaluru
2016	• Certificate of excellence award by the Institute of Economic Studies at the time of seminar on “Economic Development”

Calendar Year	Description of the award
2018	• Received a certificate of appreciation for significant contribution in achieving BharatNet Phase 1 target of one lakh gram panchayats from the Department of Telecommunications, Ministry of Communications, GoI • The Palakkad Plant received the award for outstanding safety performance for large size engineering industries from the National Safety Council, Kerala Chapter • Received a certificate of excellence from at the Indywood Excellence Awards, 2018 in the public sector – telecommunications category. • Received the award of 'Digital PSU of the Year' at the Governance Now 6th PSU awards 2018. • Received the "India's best Telecommunication Equipments Manufacturing Company, 2018" by the Berkshire Media LLC USA. • The Raebareli Plant received the National Safety Award by the Minister of State (Independent Charge) for Labour & Employment for outstanding performance in industrial safety as runner-up during the performance year 2016 in achieving an accident free year.
2019	• The Bengaluru Plant received the National Safety Award by the Minister of State (Independent Charge) for Labour & Employment for outstanding performance in industrial safety as runner-up during the performance year 2017 in achieving an accident free year. • Received the "India's most trusted companies award, 2019" by the International Brand Consulting Corporation • The Raebareli Plant received the National Safety Award by the Minister of State (Independent Charge) for Labour & Employment for outstanding performance in industrial safety as runner-up during the performance year 2017 in achieving an accident free year.

Corporate Profile of our Company

For details of our Company's corporate profile, business, description of activities, services, products, managerial competence and capacity built-up, location of facilities, marketing, competition, growth of our Company, standing of our Company in relation to prominent competitors with reference to our products and services, environmental issues, technology, major suppliers, major customers, and management, see *"Our Business", "Our Management"* and *"Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 119, 158 and 283 respectively.

Our Promoter divested its shareholding in our Company in four phases, in 1992, 1993 and 1995, post which the equity shares of our Company were listed on BSE and the Bangalore Stock Exchange Limited. Thereafter, our Equity Shares were listed on the NSE in April 2003. For details see *"Capital Structure - History of the Equity Shares held by our Promoter - Details of the build-up of the Promoter's shareholding in our Company"* on page 74. However, in light of the circulars issued by SEBI for the 'Exit Policy for De-recognised/ Non-operational Stock Exchanges', due to the de-recognition of Bangalore Stock Exchange Limited pursuant to a SEBI order dated December 26, 2014, our Company was delisted from the Bangalore Stock Exchange Limited.

BIFR proceedings involving our Company

Our Company filed a reference with the BIFR, bearing case number 504/2004, and was declared sick under Section 3(1)(o) of the Sick Industrial Companies (Special Provisions) Act, 1985, and State Bank of India was appointed as the operating agency under Section 17(3) of the Sick Industrial Companies (Special Provisions) Act, 1985. The BIFR approved the rehabilitation plan pursuant to order dated January 8, 2013 ("**BIFR Order**"). The BIFR Order noted the prior history of financial assistance received by our Company from the GoI from time to time, and set out the plan for revival of our Company, through further financial assistance to be extended by the GoI to our Company. The revival plan under the BIFR Order was approved by the CCEA on February 12, 2014 ("**CCEA Approval**"). As set out in the BIFR Order, the CCEA Approval and the letter issued by the Department of Telecommunications, dated February 24, 2014 ("**Sanction Letter**"), the GoI agreed to infuse ₹41,567.90 million, which included a capital grant of ₹22,640 million to be given in the form of equity and ₹18,927.90 million to be given in the form of grant- in aid.

Pursuant to the BIFR Order and approval by CCEA, our Company has received funds from the GoI from time to time. For details, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 283 and 179 respectively.

Raising of capital through equity and debt by our Company

Other than as disclosed in the section "*Capital Structure*" and "*Financial Indebtedness*" on pages 73 and 309, respectively, we have not raised any capital in the form of equity or debt.

Defaults or Rescheduling of Borrowings with Financial Institutions/ Banks

There are no defaults or rescheduling of borrowings with financial institutions/ banks, conversion of loans into equity in relation to our Company.

Time/Cost Over-runs

We have had instances of time and cost overruns in relation to setting up projects in the past. The time and cost overruns were mainly due to a constrain in resources in terms of expert manpower, mandatory compliance to stringent timelines in tender documents without which, the bids would have been disqualified, delayed availability of certain deliverables on the part of customers and non-availability of necessary rights and permissions from third party agencies while executing certain infrastructure project. For further details, see *"Risk Factors"* on page 14.

Lock outs and strikes

We have had no instances of industrial strikes, lock-outs or major labour unrests pertaining to issues directly related to our Company in the past five years.

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.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets

Our Company has neither acquired any entity, business or undertakings nor undertaken any mergers, amalgamation or revaluation of assets in the last fiscal.

Number of Shareholders

As on January 16, 2020, the total number of shareholders of our Company is 55,358..

Injunction or restraining order

As on the date of this Red Herring Prospectus, our Company is not operating under any injunction or restraining order.

Summary of key agreements

MoU dated March 31, 2011 ("Satcom MoU") between our Company, Chris Tech Systems Private Limited ("CTSPL") and India Satcom Limited ("Satcom")

Our Company, CTSPL and Satcom have executed the Satcom MoU to enable our Company and CTSPL to work together for the growth and revival of Satcom. Our Company and CTSPL, mutually agreed to determine 'reserved matter', related to the affairs of Satcom. The list of 'reserved matter' would indicate items where prior approval would be required by CTPSL and from our Company. CTSPL is required to make a viable business plan for the next five years. Our Company and CTSPL each reserve the right to terminate the Satcom MoU with a notice period of three months.

Memorandum of Understanding executed with the Department of Telecommunications, Ministry of Communications, GoI for the financial year 2019-2020

Our Company entered into a Memorandum of Understanding with Department of Telecommunications, Ministry of Communications, GoI every fiscal. The MoU sets out certain performance targets ("**Targets**") before the beginning of the financial year and the performance of our Company is evaluated against the Targets at the end of the financial year.

For Fiscal 2020, our Company has proposed to undertake, *inter alia*, the following in the MoU with the GoI: (i) to achieve revenue from operations (net) at ₹33,000 million; (ii) to achieve an operating profit as percentage of revenue from operations (net) of 1%; (iii) to reduce in total expenses as a percentage as compared to previous year by 3%; (iv) to design and develop CCU and BEU with spare algorithm by the end of December, 2019; (v) upgradation of level in line with PMMM or equivalent system by the end of January, 2020; (vi) capital infusion by ₹1,050 million; (vii) to reduce trade receivables (net) as no. of days of revenue from operations (gross) to 360 days; (viii) development & operationalization of startup hub by end of September, 2019; (ix) average utilization of seats in the startup hub from the date of development to be 60; and (x) achievements of HR parameters of continuous nature.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing this Red Herring Prospectus.

Our Holding Company

As on the date of this Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries and Joint Ventures of our Company

Subsidiaries of our Company

As on the date of this Red Herring Prospectus, our Company does not have any subsidiaries.

Joint Ventures

India Satcom Limited ("**Satcom**")

Corporate Information

Our Company entered into MoU dated July 18, 1986 with EPIC for setting up Satcom, formerly called ITI Equatorial Satcom Limited ("**IESL**"). Our Company held 60% of the shareholding of IESL while EPIC held 40% of the shareholding of IESL. Pursuant to board resolution dated March 1, 1996 the name of the company was changed to its current name, India Satcom Limited. Subsequently, the Administrator of the Specified Undertaking of the Unit Trust of India acquired 11% of the shares in Satcom and the shareholding pattern of our Company and EPIC was altered to 49% and 40%, respectively. EPIC and the Administrator of the Specified Undertaking of the Unit Trust of India transferred their equity shares to CTSPL. Accordingly, currently our Company holds 49.06% of the shareholding of Satcom, while CTSPL holds 50.94% of the shareholding of Satcom.

Satcom is a public limited company incorporated under the Companies Act, 1956 on October 5, 1987. The registered office of Satcom is situated at No.2, Kadugodi Industrial Area, Bengaluru 560 067, Karnataka, India.

Nature of Business

Satcom is engaged in, *inter alia*, the business of importing, assembling, manufacturing, installing, selling, marketing and maintaining the C-100 and C-200 series micro earth stations in India.

Capital Structure

	No. of equity shares of ₹10 each
Authorised capital	100,000,000
Issued, subscribed and paid-up capital	33,056,800

Shareholding Pattern

The shareholding pattern of Satcom as on September 30, 2019 is as follows:

Sr. No.	**Name of the shareholder**	**No. of equity shares of ₹10 each**	**Percentage of total equity holding (%)**
1.	Company*	1,621,800	49.06
2.	CTSPL**	1,683,880	50.94
Total		**3,305,680**	**100.00**

** Includes nominee shareholding of Shashi Prakash Gupta and Rakesh Mohan Agarwal, who hold 800 equity shares and 600 equity shares, respectively, as nominees for ITI Limited*

*** Includes nominee shareholding of P. Goldwin, who holds 800 equity shares and Sheba Goldwin, Daisy Paul Goldwin, Johnny Peter, Danny Paul and L. Narayana Swamy, who hold 400 equity shares each, as nominees for CTSPL.*

Material Transactions

Other than as disclosed in "*Related Party Transactions*" on page 177, there are no sales or purchase between the Joint Venture and our Company where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of our Company.

Common pursuits

Our Joint Venture is not engaged in lines of business that are similar and/or synergistic to our Company.

For details of transactions between our Company and Subsidiaries/Joint Ventures, see "*Related Party Transactions*" on page 177.

Interest of Joint Venture in our Company

Except as stated in "*Our Business*" and "*Related Party Transactions*" on pages 119 and 177, respectively, our Joint Venture does not have any interest in our Company's business.

Other Confirmations

Listing

Our Joint Venture is not listed on any stock exchange in India or abroad.

Accumulated profits or losses

There are no accumulated profits or losses of our Joint Venture that are not accounted for by our Company.

Public or rights issue

Our Joint Venture has not made any public or rights issue in the last three years

Sale or purchase of shares of our Subsidiaries during the last six months

Neither our Promoter nor our Directors and their relatives have sold or purchased securities of our Joint Venture during the six months preceding the date of this Red Herring Prospectus.

Other confirmations

Our Joint Venture has not become a sick company under the meaning of SICA or is in the process of being wound up.

OUR MANAGEMENT

Board of Directors

In terms of the Companies Act, 2013 and our Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. As on the date of this Red Herring Prospectus, our Board comprises of four Executive Directors, seven Non-Executive Directors, out of which five are Independent Directors and two is a Nominee Director. Further, we have one woman Director.

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.	**Rakesh Mohan Agarwal** ***Designation:*** Chairman and Managing Director ***Address:*** A-2, Central Avenue, ITI Township, Doorvaninagar, Bengaluru 560016, Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** As Chairman and Managing Director for a period of three years with effect from October 14, 2019 till the date of his superannuation i.e. June 30, 2022, or until further orders, which is earlier. ***DIN:*** 07333145	57	India Satcom Limited
2.	**Chittaranjan Pradhan** ***Designation:*** Executive Director (Finance) ***Address:*** No. 124, 1st Floor, 10th Main Road, near Asoka Pillar Jayanagara 1st Block, Bengaluru South, Jayanagar III block, Bengaluru 560 011, Karnataka, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of six months effective September 23, 2019, or till a regular incumbent joins the post, or until further orders, whichever is earliest ***DIN:*** 08094340	52	Nil
3.	**Shashi Prakash Gupta** ***Designation:*** Director (Human Resources) ***Address:*** 12/356, Vasundhra, Ghaziabad 201012, Uttar Pradesh, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For a period of five years effective October 15, 2018 or till the date of his superanniation or until further orders, whichever is earlier ***DIN:*** 08254999	58	India Satcom Limited

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
4.	**D. Venkateswarlu** ***Designation:*** Executive Director (Production) ***Address:*** Srinivasa Nilayam, 3rd Block, Gurumurthy Reddy Layout, Ramamurthy Nagar, Bengaluru 560 016 ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** With effect from November 7, 2019 till August 31, 2022 or until further orders, whichever is earlier ***DIN:*** 08605954	57	Nil
5.	**Rajesh Sharma** ***Designation:*** Government Director, Nominee (Non-Executive) ***Address:*** A-104, CGRC, DDU Marg, New Delhi – 11 002, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For a period of three years effective August 14, 2018, or till date of superannuation or until further orders, whichever is earlier ***DIN:*** 08200125	54	Tata Communications Limited
6.	**Lt. General Rajeev Sabherwal** ***Designation:*** Government Director, Nominee (Non-Executive) ***Address:*** Aravali, Signals Enclave, 1 Army HQ Signal Regiment, Rao Tula Ram Marg, New Delhi 110 010, India ***Occupation:*** Defence ***Nationality:*** Indian ***Term:*** For a period of three years effective April 12, 2019, or till date of superannuation or until further orders, whichever is earlier ***DIN:*** 08420761	59	Nil
7.	**Asha Kumari Jaswal** ***Designation:*** Non-Official, Independent Director (Non-Executive) ***Address:*** #110, Sector 21-A, Chandigarh 160 022, India ***Occupation:*** Professional ***Nationality:*** Indian	65	Nil

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Term: For a period of three years effective April 6, 2017 or until further orders, whichever is earlier ***DIN:*** 07786698		
8.	**Dr. K. R. Shanmugam** ***Designation:*** Non-Official, Independent Director (Non-Executive) ***Address:*** 11/12, Dew Apts., 3rd North, II Floor, Mandaveli, Chennai 600 028, Tamil Nadu, India ***Occupation:*** Service ***Nationality:*** Indian ***Term:*** For a period of three years effective August 30, 2018 or until further orders, whichever is earlier ***DIN:*** 08211253	59	Nil
9.	**Dr. Akhilesh Charan Dube** ***Designation:*** Non-Official, Independent Director (Non-Executive) ***Address:*** No. 60/103, Dangania Mod, Sri Ram Hospital Ward 69, Dangania Sunder Nagar, Raipur 492 013, Chattisgarh, India ***Occupation:*** Professional ***Nationality:*** Indian ***Term:*** For a period of three years effective August 8, 2018 or until further orders, whichever is earlier ***DIN:*** 08195896	62	Nil
10.	**Mayank Gupta** ***Designation:*** Non-Official, Independent Director (Non-Executive) ***Address:*** H.No. 244/4, Yoganand Vihar, Purva Deendayal, Roorkee, Haridwar 247 667, Uttarakhand, India ***Occupation:*** Businessman ***Nationality:*** Indian ***Term:*** For a period of three years effective August 13, 2018 or until further orders, whichever is earlier ***DIN:*** 03501227	56	Nil
11.	**Rajen Vidyarthi** ***Designation:*** Non-Official, Independent Director (Non-Executive) ***Address:*** Vishram – 200A, MC Nier Road, Prem Nagar, Bareilly 243 005, Uttar Pradesh, India ***Occupation:*** Professional	55	Nil

Sl. No.	Name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships
	Nationality: Indian ***Term:*** For a period of three years effective August 8, 2018 or until further orders, whichever is earlier ***DIN:*** 08196235		

Note: *The term of non-official, independent director of the Company, namely, Saday Krishna Kanoria, expired on November 23, 2019, and the Company is yet to receive official communication from the DOT in relation to either extension of his term, or appointment of a new non-official, independent director. Therefore, our Company is yet to file form DIR-12 in relation to his cessation as an Independent Director. Further, the Board composition of our Company is not in compliance with the SEBI Listing Regulations and our Company has received an exemption from SEBI from complying with Regulation 17(1)(b) of the SEBI Listing Regulations, pursuant to the SEBI Exemption Letter 2020.*

Relationship between our Directors

None of our Directors are related to each other.

Brief Biographies of Directors

Rakesh Mohan Agarwal is a Chairman and Managing Director. He has been a Director of our Company since June 8, 2016. He holds a bachelors degree of engineering in electronics from Madan Mohan Malviya Engineering College, Gorakpur, a master's degree in electronics and communications engineering from University of Roorkee and a master's in business administration from Indira Gandhi Open University. He has over 28 years of experience in the field of policy formulation, standardization planning, operation and maintenance of telecom services, and was previously the Government Nominee Director of our Company.

Chittaranjan Pradhan is the Director (Finance) of our Company. He has been a Director of our Company since December 11, 2017. He holds a bachelors and a master's degree in science, and a masters in philosophy from Sambalpur University. He has served over 20 years in the Indian P&T Accounts and Finance Service, Government of India. He has held the post of CCA, Tamil Nadu, Government of India.

Shashi Prakash Gupta is the Director (Human Resources) of our Company. He has been a Director of our Company since October 15, 2018. He holds a bachelors in technology in mechanical engineering degree from Kakatiya University, Warangal and a provisional certificate for master's in business administration from the Indira Gandhi Open University. He is also a Fellow with the Intitution of Engineers (India) and a member of the National Institute of Personnel Management, the Indian Institute of Metals and Quality Circle Forum of India. He has previously worked with the Steel Authority of India Limited for over 33 years in various management roles.

D. Venkateswarlu is the Director (Production) of our Company. He has been a Director of our Company since November 7, 2019. He holds a bachelor's and master's degree in chemical engineering from Andhra University. He has been working with our Company since 1985.

Rajesh Sharma is a Government Director, Nominee (Non-Executive) of our Company. He has been a Director of our Company since August 14, 2018. He holds a bachelors of engineering in electronics from Devi Ahilya Vishwavidyalaya, Indore and a post graduate diploma in management from Management Development Institute, Gurgaon. He has been working with the Department of Telecommunications, Ministry of Communications for the last 28 years.

Lt. General Rajeev Sabherwal a Government Director, Nominee (Non-Executive) of our Company. He has been a Director of our Company since April 12, 2019. He holds a degree of bachelor's in science degree from the National Defence College, Pune, a bachelor's in technology in electronics and communication engineering degree from the Military College of Telecommunication Engineering, Mhow and a master's of science in defence and strategic studies degree from the University of Madras. He has been a paratrooper with the Indian Military Services.

Asha Kumari Jaswal is a Non-Official, Independent Director (Non-Executive) of our Company. She has been a Director of our Company since April 6, 2017. She holds a bachelor of arts degree and master's degree in arts from Punjab University. She has over 15 years of experience in the legal profession and in the administrative field. She was the mayor of the Municipal Corporation of Chandigarh and is currently also the councillor of the Municipal Corporation of Chandigarh.

Dr. K. R. Shanmugam is the Non-Official, Independent Director (Non-Executive) of our Company. He has been a Director of our Company since August 30, 2018. He holds a bachelors degree of arts in economics from the University of Madras, a master's degree of arts in economics from the Bharathiar University, a master's degree of philosophy in econometrics from the University of Madras and a doctor of philosophy in econometrics from the University of Madras. He has been working as a Director and Professor with the Madras School of Economics for over 23 years.

Dr. Akhilesh Charan Dube is the Non-Official, Independent Director (Non-Executive) of our Company. He has been a Director of our Company since August 8, 2018. He holds an M.B.B.S degree from University of Jabalpur and a Master of Surgery in Orthopaedics from Devi Ahilya Vishwavidyalaya, Indore. He has previously worked as a Medical Officer with the Primary Health Center of the Birkony District in Chattisgarh.

Mayank Gupta is a Non-Official, Independent Director (Non-Executive) of our Company. He has been a Director of our Company since August 13, 2018. He holds a bachelor's degree in technology in electrical engineering from Gobind Ballabh Pant University of Agriculture and Technology. He has also, in the past, been the Director of Eurokids Schools, Roorkee, the President of The Nataraj Group and the President of the Yoganand Vikas Parishad.

Rajen Vidyarthi is a Non-Official, Independent Director (Non-Executive) of our Company. He has been a Director of our Company since August 8, 2018. He holds a bachelor's degree in commerce from Rohilkhand Uiversity and is a member with the Institute of Chartered Accountants of India**.** He has been a partner of the chartered accountancy firm, R. Vidyarthi & Co for the last 28 years.

Confirmations

None of our Directors is or was a director of any listed company during the last five years preceding 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. 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.

Understanding with major shareholders, customers, suppliers or others pursuant to which Director(s) were appointed

In terms of the Articles of Association, our Directors are appointed by the President of India. So long as the President of India holds not less than 51% of the paid-up share capital of our Company, the President of India shall, subject to Section 152 of the Companies Act appoint our Directors including the Chairman/Chairman and Managing Director. Further, the Directors shall be paid such remuneration as the President of India may, from time to time, determine. The Directors appointed in such manner shall be entitled to hold office for such period as the President of India may determine. Except as stated above, none of our Directors have been appointed pursuant to any arrangement or understanding with major shareholders, customers, suppliers or others.

None of our directors are appointed as directors pursuant to any arrangement with customers, suppliers or others.

Terms of appointment of Executive Directors

Terms of appointment of our executive Directors

1. Rakesh Mohan Agarwal

Pursuant to letter of the Department of Telecommunications, Ministry of Communications bearing reference no. F. No. E-14-3/2018-PSA dated October 14, 2019, Rakesh Mohan Agarwal has been appointed as the Chairman and Managing Director for a period of three years with effect from October 14, 2019 till June 30, 2022, or until further orders, whichever is earliest. Our Company is yet to receive the letter from the Ministry of Communications bearing his detailed terms of appointment as the Chairman and Managing Director.

2. Chittaranjan Pradhan

Chittaranjan Pradhan was appointed as Director (Finance) as per the Department of Telecommunications, Ministry of Communications letter bearing reference number F. No. 14-3/2013-PSA (Pt.I) dated December 11, 2017, for a period of six months from the date of assumption of charge, i.e., March 23, 2018. The charge of Director of Finance was extended through several orders issued by the Department of Telecommunications, Ministry of Communications, the latest being letter bearing reference number E-14-2/2018-PSA dated December 9, 2019 which extended his term as Director of Finance for a period of six months with effect from September 23, 2019. He is not entitled to any remuneration from our Company.

3. Shashi Prakash Gupta

Shashi Prakash Gupta was appointed as Director (Human Resources) of our Company as per the Department of Telecommunications, Ministry of Communications letter bearing reference number F.No. E-14-1/2018-PSA dated October 9, 2018, for a period of five years with effect from the date of assumption of charge, or till the date of his superannuation, or until further orders, whichever is the earliest. He assumed charge on October 15, 2018. Further, he has been appointed in the scale of pay of ₹25,750 - ₹30,950. The Department of Telecommunications, Ministry of Communications issued a letter bearing reference number F No.E-14-8/2018-PSA dated June 28, 2019 specifying the following terms and conditions for his appointment:

Term	For a period of five years with effect from October 15, 2018 (date of assumption of office) or till the date of his superannuation or until further orders, whichever is the earliest and in accordance with the provisions of Companies Act, 2013 as amended. After the expiry of the first year, the performance of Shashi Prakash Gupta will be reviewed to enable the Government to take a view regarding continuation or otherwise for the balance period of tenure.
Pay	Provisional basic pay of ₹30,950 per month in the existing pay scale of ₹25,750 – 650 – ₹30,950 with personal pay of ₹64,348 from date of assumption of charge of post w.e.f. October 15, 2018 with the subsequent increment on October 15, 2018.
Headquarters	His headquarters will be at Bengaluru where the registered office of our Company is located. He will be liable to serve in any part of India at the discretion of the CPSE.
Dearness Allowance	Dearness allowance would be paid in accordance with the new IDA scheme as per the DPE's O.M. dated August 3, 2017.
House Rent Allowance	House rent allowance shall be payable by our Company as per the requirements of DPE O.M. dated August 3, 2017 and August 4, 2017.
Residential Accommodation and recovery of rent	The appointment letter provides for certain accommodation options to the director and the ways of recovery for the accommodation so provided.
Annual Increment	He will be eligible to draw his annual increment at three percent of basic pay on the anniversary date of his appointment in the scale and further increments to the same date in subsequent years until the maximum pay scale is reached. After reaching the maximum of the pay scale, one stagnation increment equal to the rate of last increment drawn will be granted after completion of every two-year period from the date he reaches the maximum of his pay scale provided he gets a performance rating of "Good" or above. He will be granted a maximum of three such stagnation increments.
Conveyance	He will be entitled to the facility of staff car for private use as indicated below: **Name of the city** — **Ceiling on non-duty journeys** Delhi, Mumbai, Kolkata, Chennai, Bengaluru and Hyderabad — 1,000 kilometre per month All the other cities — 750 kilometre per month The monthly rate of recovery for the private use/non-duty runs of the staff car (AC/non-AC) would be made at the rate of ₹2,000 per month.
Performance Related Payment	He shall be eligible for approved performance related payments as per the requirements of DPE's O.M. dated August 3, 2017.
Other Allowance/Perks	The Board of Directors will decide on the allowances and perks subject to a maximum ceiling of 35% of his basic pay as indicated in of DPE's O.M.s dated August 3, 2017, august 4, 2017 and September 7, 2017.
Superannuation benefits	He shall be eligible for superannuation benefit based on approved schemes as per DPE's O.M. dated August 3, 2017.
Leave	He will remain subject to the leave rules of the CPSE.
Restriction on joining private commercial undertakings after retirement / resignation	He shall not accept after retirement/ resignation of the service of the CPSE and shall not accept any appointment or post, whether, advisory or administrative, in any firm or company whether Indian or Foreign, with which the CPSE has or had business relations, within one year from the date of his retirement/ resignation, without prior approval of the Government. He has furnished a bond of ₹2.24 million payable by him as damages for any violation for restrictions imposed regarding joining private commercial employment. In respect of any other item, concerning him which is not covered in preceding paras, he will be governed by the relevant terms of O.M. dated August 8, 2012.
Conduct, discipline and appeal rules	The Conduct, Discipline and Appeal Rules framed by the PSE in respect of their non-workmen category of staff would also mutatis mutandis apply to him with the modification that the disciplinary authority in his case would be the President of India. The Government also reserves the right not to accept his resignation, if the circumstances so warrant i.e. the disciplinary proceedings are pending or a decision has been taken by the competent authority to issue a charge sheet to him.

4. D.Venkateswarlu

D. Venkateswarlu was appointed as Director (Production) of our Company as per the Department of Telecommunications, Ministry of Communications letter bearing reference number No. E-14-3/2019-PSA dated November 5, 2019, with effect from the date of assumption of charge, which is November 7, 2018 till August 31, 2022, or until further orders, whichever is the earliest. He assumed charge on November 7, 2019. Further, he has been appointed in the scale of pay of ₹25,750- ₹30,950. Our Company is yet to receive the letter from the Ministry of Communications bearing his detailed terms of appointment.

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Fiscal 2019 are as follows:

1. **Remuneration to Executive Directors:**

(in ₹ million)

Name of the Director	Total remuneration
Rakesh Mohan Agarwal	2.88
Chittaranjan Pradhan	Nil*
Shashi Prakash Gupta	1.27
D. Venkateswarlu	Nil*

**Chittaranjan Pradhan is not entitled to any remuneration from our Company.*
***D.Venkateswarlu was not paid any remuneration by our Company in Fiscal 2019 as he was appointed as Director after March 31, 2019.*

2. **Remuneration to Non-Executive Directors and Independent Directors :**

The Department of Telecommunications, Ministry of Communications, by its letter bearing reference No. 5-1/2010-Fac II, dated May 12, 2010, has approved the sitting fees payable to our Independent Directors ₹3,000 for attending each meeting of the Board and each meeting of the committees thereof, respectively. Further, our Board of Directors at their meeting on September 24, 2018 approved the payment of ₹10,000 per meeting as sitting fees for meetings of the Board of Directors and ₹5,000 per meeting for meetings of sub-committees of the Board of Directors.

Our Independent Directors were paid the following sitting fees in Fiscal 2019:

(₹ in million)

Name of the Director	Total sitting fees
Asha Kumari Jaswal	0.06
Dr. K. R. Shanmugam	0.03
Dr. Akhilesh Charan Dube	0.03
Mayank Gupta	0.02
Rajen Vidyarthi	0.05

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.

Our Nominee Directors are not entitled to any remuneration or fees from our Company.

Shareholding of Directors in our Company

Our Directors are not required to hold any qualification shares.

None of our Directors in our Company hold any Equity Shares in the Company as of the date of filing this Red Herring Prospectus.

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 Non-executive Directors and Independent 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 other remuneration and reimbursement of expenses payable under our Articles of Association. Further, our Chairman and Managing Director, Rakesh Mohan Agarwal, who also holds the position of the chairman of our joint venture, Indian Satcom Limited, and our Director of Human Resources, Shashi Prakash Gupta who is a director on the board of India Satcom, may be deemed interested to the extent of the remuneration they are paid from India Satcom Limited.

Except as stated in "*Related Party Transactions*" on page 177, 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 building or supply of machinery.

The Executive Directors may also be regarded as interested in the Equity Shares held by them. All of our Directors may also be deemed to be interested to the extent of remuneration (if applicable), reimbursement of expenses (if applicable), to the extent of any Equity Shares held by them (if applicable) and to the extent of benefits arising out of such shareholding and to the extent of the transactions entered into in the ordinary course of business with the companies in which our Directors hold directorship. Our Nominee Directors may be interested to the extent of any Equity Shares held by the President of India, as the case may be, to the extent of benefits arising out of such shareholding.

None of our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

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.

None of our Directors is party to any bonus or profit sharing plan of our Company.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors, has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Borrowing Powers of Board

Pursuant to our Articles of Association, and in accordance with the provisions of the Companies Act and the rules made thereunder, our Board is authorised to borrow such monies together with the money already borrowed does not exceed the paid up share capital and free reserves of our Company.

Corporate Governance

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.

Pursuant to a MCA notification dated June 5, 2015 and July 5, 2017, the Central Government has granted exemption from/modified the applicability of certain provisions of the Companies Act in respect of Government companies. In accordance with this notification, the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises and pursuant to our Articles, matters pertaining to, amongst others, appointment, remuneration and performance evaluation of our Directors are determined by the President of India. Further, our Statutory Auditor is appointed by the Comptroller and Auditor General of India. Accordingly, in so far as the aforesaid matters are concerned, the terms of reference of our Nomination and Remuneration Committee and the Audit Committee only allow these committees to take on record the actions of the President of India or the Comptroller and Auditor General of India, as the case may be. SEBI has *vide* the SEBI Exemption Letter 2018 exempted our Company from compliance with the terms of aforesaid reference of our Nomination and Remuneration Committee and Audit Committee.

As on the date of this Red Herring Prospectus, the composition of our Board of Directors is not in compliance with Regulation 17(1)(b) of the SEBI Listing Regulations, since we are awaiting directions from the Department of Personnel for the appointment of an independent director on our Board. We have received an exemption from SEBI in this regard *vide* the the SEBI Exemption Letter 2020. For further details, please see "*Risk Factor - We are unable to trace certain records and data pertaining to certain historical, legal and secretarial information in relation to certain disclosures. Further there have been certain lapses in compliance with the provisions of the Companies Act and SEBI Listing Regulations in the past*" on page 22.

Except as stated above, we are in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the 2009 SEBI ICDR Regulations, in respect of corporate governance.

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 constituted by our Board in terms of the SEBI Listing Regulations, which are detailed below, our Board may from time to time, constitute committees for various functions.

Audit Committee

The Audit Committee was constituted by a meeting of the Board of Directors held on January 20, 2001 and was last re-constituted by a meeting of the Board of Directors held on January 06, 2020. The terms of reference of the Audit Committee were last revised by a meeting of the Board of Directors on May 28, 2019.

The members of the Audit Committee are:

1. Asha Kumari Jaswal, *Chairperson*;
2. Rajen Vidyarthi;
3. Dr. K.R. Shanmugam; and
4. Shashi Prakash Gupta

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 the Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

b) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

c) Approval of payments to the statutory auditors for any other services rendered by 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 Section 134(3)(c) 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 and modified opinions 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) Approval or any subsequent modification of transactions of the Company with related parties;

i) Scrutiny of inter-corporate loans and investments;

j) Valuation of undertakings or assets of the Company, wherever it is necessary;

k) Evaluation of 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) Discussion 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) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

r) Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;

s) To review the functioning of the whistle blower mechanism;

t) Approval of appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc of the candidate;

u) To review the follow up action on the audit observations of C&AG audit;

v) To review the follow up action taken on the recommendations of Committee on Public Undertakings (COPU) of the Parliament;

w) Certification / declaration of financial statements by the Chief Executive / Chief Finance Officer to be designated by the Board;

x) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provisions;

y) Carrying out any other functions as provided under the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws; and

z) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time.

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 with a maximum interval of 120 days between two meetings under the SEBI Listing Regulations.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on August 11, 2015 and was last re-constituted by a circular resolution dated December 27, 2019. The terms of reference of the Nomination and Remuneration Committee were last revised by a meeting of the Board of Directors on May 28, 2019.

The members of the Nomination and Remuneration Committee are:

1. Asha Kumari Jaswal, *Chairperson*;
2. Mayank Gupta; and
3. Dr. K.R. Shanmugam

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 as approved by the Board include the following:

a. Analysing, monitoring and reviewing various human resource and compensation matters;

b. To decide the annual bonus / variable pay pool and policy for its distribution across the executives, within the prescribed limits;

c. To review, adopt and recommend policy matters relating to service conditions, wages and salary structures including allowances, perquisites, bonus, Incentive Schemes, commission, stock option, severance fee, performance linked payments, retirement benefits including Post-retirement medical scheme / pension scheme, not requiring Government's approval (subject to government guidelines, if any);

d. To ensure that our Company has formal and transparent procedures for the selection and appointment of key management personnel (excluding directors) and senior management personnel i.e Executive Director including Company Secretary and Chief Financial Officer;

e. To consider and recommend to the Board for appointment and removal of key managerial personnel (excluding directors) and senior management personnel;

f. Recommend to the Board, all remuneration, in whatever form, payable to senior management;

g. Perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

h. 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; and

    (iii) Perform 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 Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on November 13, 2014 and last reconstituted on December 27, 2019

The members of the Stakeholders' Relationship Committee are:

1. Asha Kumari Jaswal, *Chairperson*;
2. Rakesh Mohan Agarwal; and
3. Shashi Prakash Gupta.

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 which were last revised by our Board of Directors on May 28, 2019, include the following:

a. Resolving the grievances of the security holders including complaints related to the transfer of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/ duplicate share certificate, general meetings etc.;

b. Reviewing the measures taken for effective exercise of voting rights by shareholders;

c. Reviewing of adherence to service standards adopted on respect of various services rendered by the Registrar & Share transfer agent;

d. Reviewing the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring the timely receipt of dividend warrants/ annual reports/ statutory notices by the shareholders of the Company;

e. Carrying out any other function as prescribed under the SEBI Listing Regulations, Companies Act, 2013 and the rules and regulations made thereunder, each as amended or other applicable law.

Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on June 27, 2016 and last reconstituted on January 6, 2020.

The members of the Corporate Social Responsibility Committee are:

1. Rakesh Mohan Agarwal, *Chairperson;*

2. Shashi Prakash Gupta ;

3. Asha Kumar Jaiswal

The terms of reference of the Corporate Social Responsibility Committee of our Company are as per Section 135 of the Companies Act, 2013. The terms of reference of the Corporate Social Responsibility Committee which were last revised by our Board of Directors on May 19, 2018, include the following:

(a) Formulate and recommend to the Board the corporate social responsibility policy, including any amendments thereto in accordance with Schedule VII of the Companies Act, 2013 and the rules made thereunder;

(b) Identifying corporate social responsibility policy partners and corporate social responsibility policy programmes;

(c) Recommend the amount of corporate social responsibility policy expenditure for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by our Company;

(d) Identifying and appointing the corporate social responsibility team of our Company including corporate social responsibility manager, wherever required;

(e) Delegating responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;

(f) Reviewing and monitoring the implementation of corporate social responsibility programmes and issuing necessary directions required for proper implementation and timely completion of corporate social responsibility programmes; and

(g) Performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of our Company.

FPO Committee

The FPO Committee was constituted by our Board of Directors on May 19, 2018, and was last re-constituted on December 27, 2019. The FPO Committee has been authorized to approve and decide upon all activities in connection with the Issue, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Issue, to appoint various intermediaries, negotiating and executing Issue related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

The members of the FPO Committee are:

1. Rakesh Mohan Agarwal, *Chairman*;

2. Chittaranjan Pradhan;

3. Shashi Prakash Gupta;

4. Rajesh Sharma; and

5. D. Venkateswarlu

The Company Secretary is to act as the Secretary of the Committee.

The terms of reference of the FPO committee were adopted by our Board of Directors on February 13, 2018. The terms of reference are as follows:

(a) To decide on the size, timing, pricing and all the terms and conditions of the issue and transfer of the Equity Shares for the Issue, including the number of the Equity Shares to be offered pursuant to the Issue (including any reservation, green shoe option and any rounding off in the event of any oversubscription), price and any discount as allowed under Applicable Laws that may be fixed and determined in accordance with the applicable law, and to accept any amendments, modifications, variations or alterations thereto;

(b) To appoint and enter into arrangements with the book running lead managers for the Issue ("**BRLMs**"), underwriters to the Issue, syndicate members to the Issue, brokers to the Issue, escrow collection bankers to the Issue, refund bankers to the Issue, registrar(s), legal advisors, advertising agency(ies), monitoring agency, Self-Certified Syndicate Banks and any other agencies or persons or intermediaries and advisors to the Issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the mandate letter with the BRLMs, negotiation, finalisation and execution of the issue agreement with the BRLMs, etc.;

(c) To negotiate, finalise, settle, execute and deliver or arrange the delivery of the syndicate agreement, underwriting agreement, escrow agreement, agreements with the registrar to the Issue and the advertising agency(ies) and all other documents, deeds, agreements, memorandum of understanding and other instruments whatsoever with the registrar to the Issue, legal advisors, auditors, stock exchange(s), BRLMs and any other agencies/intermediaries in connection with the Issue with the power to authorise one or more officers of the Company to negotiate, execute and deliver all or any of the aforesaid documents;

(d) To finalise, settle, approve and adopt the DRHP, the RHP, the Prospectus, the preliminary and final international wrap, Bid-cum-application form, Confirmation and Allocation Note and other application forms and/or documents and any amendments, supplements, notices or corrigenda thereto, for the issue of Equity Shares and take all such actions in consultation with the BRLMs as may be necessary for the submission and filing of these documents including incorporating such alterations/corrections/ modifications as may be required by SEBI, RoC, or any other relevant governmental and statutory authorities;

(e) To make applications to, seek clarifications and obtain approvals from, if necessary, Cabinet Committee on Economic Affairs, Government of India ("**CCEA**"), the Reserve Bank of India ("**RBI**"), the Securities and Exchange Board of India ("**SEBI**"), the Department of Industrial Policy & Promotion (DIPP) or any other authority, the relevant Registrar of Companies or any other statutory or governmental authorities in connection with the Issue and, wherever necessary,

(f) incorporate such modifications / amendments / alterations / corrections as may be required in the DRHP, the RHP and the Prospectus;

(g) To approve suitable policies on insider trading, whistle-blowing, risk management, and any other policies as may be required under Applicable Law and the listing agreement to be entered into by the Company with the relevant stock exchanges;

(h) To approve and to make to any amendments to any corporate governance requirements, code of conduct for the Board, officers and other employees of the Company that may be considered necessary by the Board or the FPO Committee or as may be required under the Applicable Laws;

(i) To seek, if required, the consent of the lenders to the Company and its subsidiaries, parties with whom the Company has entered into various commercial and other agreements, all concerned government and regulatory authorities in India or outside India, and any other consents that may be required in relation to the Issue or any actions connected therewith;

(j) To open and operate bank account(s) of the Company in terms of the escrow agreement for handling of refunds for the Issue and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(k) To open and operate bank accounts of the Company in terms of Section 40(3) of the Companies Act, 2013, as amended, and to authorise one or more officers of the Company to execute all documents/deeds as may be necessary in this regard;

(l) To determine and finalise the bid opening and bid closing dates, the floor price/price band for the Issue, approve the basis of allotment and confirm allocation/allotment of the equity shares to various categories of persons as disclosed in the DRHP, the RHP and the Prospectus, in consultation with the BRLMs and do all such acts and things as may be necessary and expedient for, and incidental and ancillary to the Issue including any alteration, addition or making any variation in relation to the Issue;

(m) To issue receipts/allotment letters/confirmations of allotment notes either in physical or electronic mode representing the underlying equity shares in the capital of the Company with such features and attributes as may be required and to provide for the tradability and free transferability thereof as per market practices and regulations, including listing on one or more stock exchange(s), with power to authorise one or more officers of the Company to sign all or any of the aforestated documents;

(n) To make applications for listing of the shares to be allotted pursuant to the Issue in one or more recognised stock exchange(s) and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s) in connection with obtaining such listing;

(o) To do all such deeds and acts as may be required to dematerialise the equity shares of the Company and to sign and/or modify, as the case may be, agreements and/or such other documents as may be required with National Securities Depository Limited, Central Depository Services (India) Limited, registrar and transfer agents and such other agencies, as may be required in this connection with power to authorise one or more officers of the Company to execute all or any of the aforestated documents;

(p) To authorize and approve in consultation with the BRLMs the incurring of expenditure and payment of fees, incentives, commissions, brokerage, remuneration and reimbursement of expenses in connection with the Issue, not limited to their bid value.

(q) To decide on the marketing strategy of the Issue and the costs involved.

(r) To authorize and approve notices, advertisements in relation to the Issue in consultation with the relevant intermediaries appointed for the Issue;

(s) To settle any question, difficulty or doubt that may arise in connection with the Issue including the issue and allotment of the Equity Shares as aforesaid in consultation with the BRLMs and to further delegate the powers conferred hereunder subject to such restrictions and limitations as it may deem fit and in the interest of the Company and to the extent allowed under applicable laws and to do all such acts and deeds in connection therewith and incidental thereto, as the Committee may in its absolute discretion deem fit; and

(t) To enter the names of the allottees in the register of members of the Company.

(u) To execute and deliver any and all other documents or instruments and doing or causing to be done any and all acts or things as the FPO Committee may deem necessary, appropriate or advisable in order to carry out the purposes and intent of the foregoing or in connection with the Issue and any documents or instruments so executed and delivered or acts and things done or caused to be done by the FPO Committee shall be conclusive evidence of the authority of the FPO Committee in so doing

Risk Management Committee

The Risk Management Committee was constituted by our Board of Directors on February 11, 2019.

The members of the Risk Management Committee are:

1. Shashi Prakash Gupta, *Chairperson*;

2. Chittarajan Pradhan;

3. Dr. Akhilesh Charan Dube;

4. Sunil Kumar – General Manager, Operations; and

5. K. Sasidharan – General Manager, Projects Planning.

The terms of reference of the Risk Management Committee were adopted by our Board of Directors on February 11, 2019. The terms of reference are as follows:

(a) Formulation of the risk management plan and policy of the Company;

(b) Overseeing implementation of the risk management plan and policy;

(c) Monitoring of risk management plan and policy;

(d) Periodical review of the Company's risk mitigation strategies relating to identified key risks including risk relating to cyber security as well as the process for mitigation of such risks; and

(e) Such other functions as may be determined by the Board for proper implementation of risk management plan and policy.

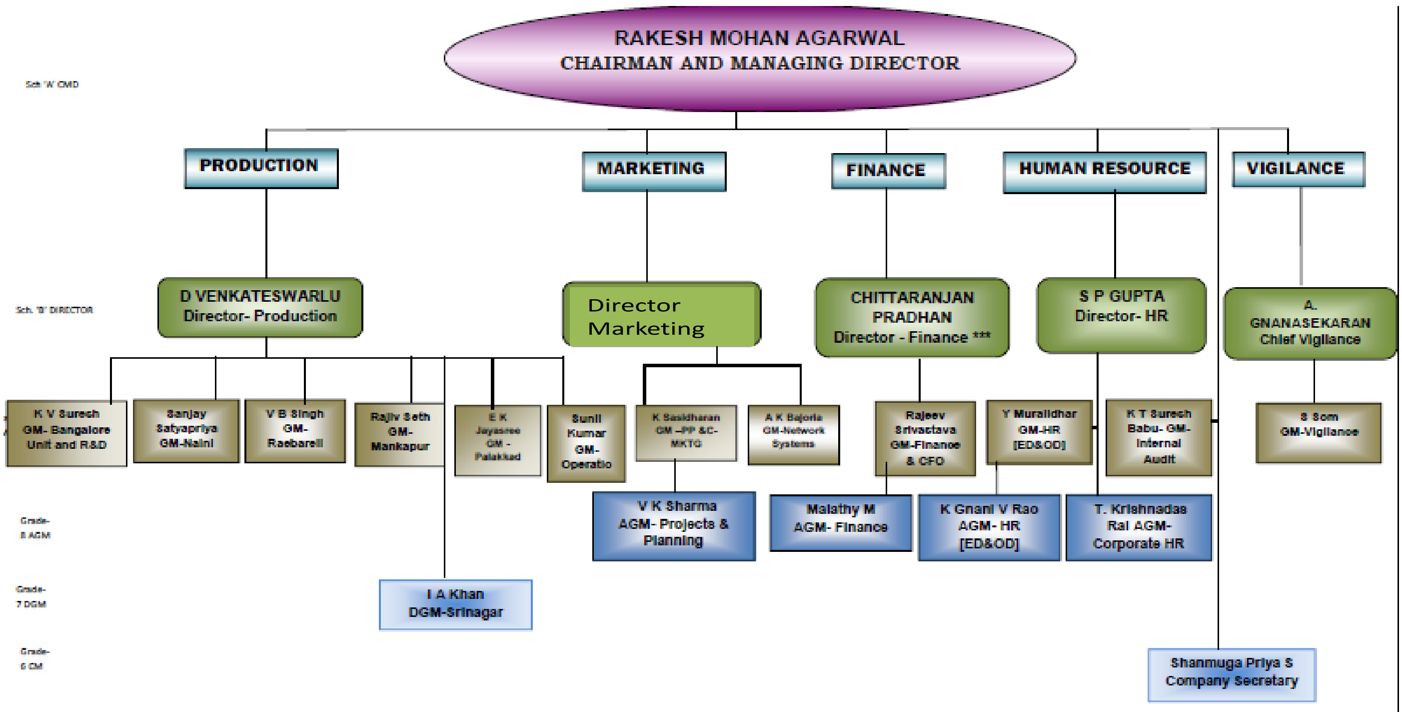
Changes in the Board in the last three years

Name	Date of Appointment/Change/ Cessation	Reason
Gopu Sundarsanam	January 1, 2017	Director Human Resources, entrusted with additional charge of Chairman and Managing Director
Asha Kumari Jaswal	April 6, 2017	Appointment as Non-Official, Independent Director (Non-Executive)
Dr. Janaki Ananthakrishnan	December 12, 2017	Cessation as Director Finance
Gopu Sundarsanam	January 23, 2018	Appointment as Chairman and Managing Director
Chittaranjan Pradhan	March 23, 2018	Appointment as Director Finance.
Rakesh Mohan Agrawal	April 27, 2018	Re-designated as Director (Marketing)
Gopu Sudarsanam	May 31, 2018	Cessation as Chairman and Managing Director.
Alagesan Kalingamuthu	June 1, 2018	Entrusted with additional charge of Chairman and Managing Director
Ashish Ranjan Prasad	July 31, 2018	Cessation as Non-Executive, Government nominee Director.
Suresh Chandra Panda	July 17, 2018	Appointment as Non-Official, Independent Director (Non-Executive)
Dr. Akhilesh Charan Dube	August 8, 2018	Appointment as Non-Official, Independent Director (Non-Executive)
Rajen Vidyarthi	August 8, 2018	Appointment as Non-Official, Independent Director (Non-Executive)
Mayank Gupta	August 13, 2018	Appointment as Non-Official, Independent Director (Non-Executive)
Dr. K. R. Shanmugam	August 30, 2018	Appointment as Non-Official, Independent Director (Non-Executive)
Rajesh Sharma	August 14, 2018	Appointment as Government Director, Nominee (Non-Executive)
Shashi Prakash Gupta	October 15, 2018	Appointment as Director (Human Resources)
Lt. General Rajeev Sabherwal	April 12, 2019	Appointment as Non-Executive, Government nominee Director.
Suresh Chandra Panda	September 9, 2019	Cessation as Non-Official, Independent Director (Non-Executive)
Alagesan Kalingamuthu	September 30, 2019	Cessation as Chairman and Managing Director and Director (Production)
Rakesh Mohan Agarwal	October 1, 2019	Entrusted with additional charge of Chairman and Managing Director
Shashi Prakash Gupta	October 1, 2019	Entrusted with additional charge of Director (Production)
Rakesh Mohan Agarwal	October 14, 2019	Appointment as Chairman and Managing Director
Rakesh Mohan Aggarwal	October 14, 2019	Entrusted with additional charge of Director (Marketing)
D.Venkateswarlu	November 7, 2019	Appointment as Director (Production)

Name	Date of Appointment/Change/ Cessation	Reason
Saday Krishna Kanoria	November 23, 2019*	Cessation as Non-Official, Independent Director (Non-Executive)

** The term of non-official, independent director of the Company, namely, Mr. Saday Krishna Kanoria, expired on November 23, 2019, and the Company is yet to receive official communication from the DOT in relation to either extension of his term, or appointment of a new non-official, independent director. Therefore, our Company is yet to file form DIR-12 in relation to his cessation as an Independent Director.*

Management Organisation Chart



* Additional Charge
** Controller of Communication Accounts, Karnataka with additional charge of Chief Vigilance officer, ITI Ltd.
*** Controller of Communication Accounts, Tamilnadu with additional charge of Director Finance, ITI Ltd.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter is the President of India, acting through the Department of Telecommunications, Ministry of Communications, Government of India. Our Promoter currently holds, 89.97% of the pre-Issue paid-up Equity Share capital of our Company. Assuming full subscription of the Issue, our Promoter shall hold around [●]% of the post-Issue paid-up Equity Share capital of our Company. As our Promoter is the President of India, acting through Department of Telecommunications, Ministry of Communications, Government of India, disclosures on the Promoter Group (defined in Regulation 2(zb) of the 2009 SEBI ICDR Regulations), as specified in the Schedule VIII of the 2009 SEBI ICDR Regulations have not been provided. The Governor of Karnataka forms a part of our Promoter Group. As on the date of this Red Herring Prospectus, the Governor of Karnataka holds 0.03% of the pre-Issue paid-up Equity Share capital of our Company.

OUR GROUP COMPANIES

As per the 2009 SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standards i.e. Accounting Standard 18 / Ind AS 24 issued by the Institute of Chartered Accountants of India in the Restated Consolidated Financial Statements.

Further, pursuant to a resolution of our Board dated January 6, 2020, our Board has noted that in accordance with the 2009 SEBI ICDR Regulations, Group Companies shall include companies covered under applicable accounting standards and such other companies as considered material by our Board. Pursuant to the aforesaid resolution, there are no companies which constitute a part of the related parties of our Company in accordance with the applicable accounting standards (AS 21 and/or Ind AS 24) as per the Restated Consolidated Financial Information of our Company, and there are no companies which are considered material by our Company. Hence, as on date of this Red Herring Prospectus, we do not have any 'Group Companies'.

RELATED PARTY TRANSACTIONS

The details of the related party disclosures, as per the requirements under Accounting Standard 18/ Ind AS 24 "Related Party Disclosures" specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act are stated in "*Financial Statements – Restated Consolidated Financial Statements – Statement of Related Party Transactions – Note 27*" and "*Financial Statements – Restated Standalone Financial Statements – Statement of Standalone Related Party Transactions – Note 27*".

DIVIDEND POLICY

As per extant memorandum F.No. PP/14(0005)/2016 dated June 20, 2016, of the Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises, GoI ("**DPE**") read with the memorandum F.No. 5/2/2016-Policy dated May 27, 2016 of the Department of Investment & Public Asset Management, Ministry of Finance, GoI, all central public sector enterprises are required to pay a minimum annual dividend of 30% of profit after tax or 5% of the net-worth, whichever is higher, subject to the maximum dividend permitted under the extant legal provisions and the conditions mentioned in the aforesaid memorandum.

However, the declaration and payment of dividends on our Equity Shares will be recommended by our Board and approved by our shareholders, at their discretion, subject to the provisions of the Articles and the Companies Act. Further, the dividends, if any, will depend on a number of factors, including but not limited to our earnings, guidelines issued by the DPE, capital requirements and overall financial position of our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including the results of operations, financial condition, contractual restrictions, and restrictive covenants under the loan or financing arrangements we may enter into. For further details, please refer to Annexure IX(c) of our Restated Consolidated Financial Information, as restated, in "*Financial Statements*" and "*Financial Indebtedness*" on pages 179 and 309, respectively. Our Company may also, from time to time, pay interim dividends.

Our Company has not paid dividend in the last five Financial Years. There is no guarantee that any dividends will be declared or paid or that the amount thereof will not decrease in the future. Future dividends will depend on guidelines issued by DPE, our profits, revenues, capital requirements, contractual restrictions and overall financial position of our Company. For further details see "*Risk Factors*" on page 14.

Our Company has adopted a dividend distribution policy in the meeting of the Board of Directors held on February 11, 2019 which provides for the financial parameters that would be considered for declaration of dividend including, *inter alia*, stability of earning without the aid from revival package, cash flow position, cost of borrowings etc. The policy also provide for the parameters to be adopted with regard to the distribution of dividend to the various classes of shareholders.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT ON RESTATED CONSOLIDATED 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,
ITI Limited
Regd & Corporate Office,
ITI Bhavan, Dooravaninagar
Bengaluru -560016

Dear Sirs,

1. We have examined the attached Restated Consolidated Financial Information of ITI Limited (the "Company") and its joint venture (collectively known as "Group"), which comprises of the Restated Consolidated Statement of Assets and Liabilities as at September 30, 2019 , as at March 31, 2019, 2018, 2017, 2016 and 2015 and Restated Consolidated Statement of Changes in Equity for the half year ended September 30, 2019 and each of the years ended March 31, 2019, 2018, 2017, 2016 and 2015 and the Restated Consolidated Statement of Cash Flows for the half year ended September 30,2019 and each of the years ended March 31, 2019, 2018, 2017, 2016 and 2015 and the Summary of Significant Accounting Policies read together with annexures and notes thereto and other restated financial information (collectively, the "Restated Consolidated Financial Information"), as approved by the Board of Directors of the Company at their meeting held on 15th November 2019 for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Followed on Public Offer through Offer for Sale ("FPO") 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 ("ICDR Regulations"); and

   c. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2. The preparation of the Restated Consolidated Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 15 below. The Company's Board of Directors is responsible with respect to the preparation of these Restated Consolidated Financial Information in accordance with the accounting principles generally accepted in India complies with the Act, Rules, ICDR Regulations and the Guidance Note about the presentation of the Restated Consolidated Financial Information.

   This responsibility includes maintenance of adequate records and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the records relevant to the preparation and presentation of the Restated Consolidated Financial Information are free from material misstatement, whether due to fraud or error.

3. Our responsibility is to examine the Restated Consolidated Financial Information and confirm whether such Restated Consolidated Financial Information comply with the requirements of the Act, the Rules, the ICDR Regulations and the Guidance Note.

4. We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with the Company in connection with the proposed FPO of the Company;

   b. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (ICAI); and The Guidance Note on Reports or Certificates for Special Purposes (Revised 2016), which include the concepts of test checks and materiality.

   c. This Guidance Note requires us to obtain reasonable assurance based on verification of evidence supporting the Restated Consolidated Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India

5. These Restated Consolidated Financial Information have been extracted by the management of the Company from the:

   a. Audited condensed interim consolidated financial statements of the Company as at September 30, 2019 which has been approved by the Board of directors at their meeting held on 15th November 2019.

   b. Audited consolidated financial statements of the Group as at and for the year ended March 31, 2019, approved by the Board of Directors at their meeting held on 29th May 2019, which includes the comparative Ind AS financial statements as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

   c. Audited consolidated financial statements of the Group as at and for the year ended March 31, 2018, approved by the Board of Directors at their meeting held on 19th May 2018, which includes the comparative Ind AS financial statements as at and for the year ended March 31, 2017, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

   d. Consolidated Financial Statements of the Group as at and for the year ended March 31, 2017, March 31, 2016 prepared by the management in accordance with the accounting standards referred to sub-section (3C) of Section 211 of the Companies Act, 1956 read with the general circular no. Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act 2013, which have been approved by the Board of Directors at its meeting held on 15th November 2019 and certified by us vide our report dated 15th November 2019.

6. The Restated Consolidated Financial Information also contains the proforma Ind AS consolidated financial statements as at and for the year ended March 31, 2015. These proforma consolidated Ind

AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015 which has been approved by the Board of Directors at their meeting held on 15th November 2019.

7. We did not audit the financial statements of the Company for the financial years 31st March 2015 to 31st March 2017 and its Joint Venture for the half year ended 30th September 2019 and for the financial years ended March 31, 2019, 2018, 2017, 2016 and 2015. These financial statements and other financial information of the Company and its Joint Venture have been audited by other auditors, whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information of the Company and joint ventures is based solely on the report of such other auditors. Based on the audited/certified Financial Statements (as mentioned aforesaid), we have restated consolidated financial information:

   a. to incorporate 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;

   b. to incorporate adjustments for the material amounts in the respective financial years to which they relate; and

   c. do not contain any extra-ordinary items that need to be disclosed separately other than those presented in the Restated Consolidated Financial Information.

   d. with respect to the proforma Ind AS financial statements as at and for the year ended March 31, 2015, the proforma Ind AS financial statements have been prepared by making appropriate Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015.

8. Based on our examination in accordance with the requirements of section 26 of Part I of Chapter III of the Act read with, Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the ICDR Regulations and the Guidance Note, we report that:

   a) The Restated Consolidated Statement of Assets and Liabilities of the Group as at September 30,2019 and as at March 31, 2019, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-I(c) to this report,

   b) The Restated Consolidated Statement of Profit and Loss (including other comprehensive income) of the Group, for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018 ,2017, 2016 and 2015 under Ind AS, as set out in Annexure-III(c) to this report. The Restated Consolidated Statement of changes in equity of the Group, for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure II(c) to this report,

   c) The Restated Consolidated Statement of Cash Flows of the Company, for the for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-IV(c) to this report,

   d) Based on the above, and according to the information and explanations given to us, we further report that the Restated Consolidated 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;

iii. do not contain any extra-ordinary items that needs to be disclosed separately other than those presented in the Restated Consolidated Financial Information; and

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iv. there are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at and for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 which require any adjustments to the Restated Consolidated Financial Information except for the following qualifications included in the auditor's report on the consolidated financial statements for the year ended March 31, 2019 and March 31, 2018. The impact of such adjustments is given as Consolidated Restated statement of Material Adjustments and Regroupings as detailed in B of Annexure VI (c). In respect of qualifications which are quantifiable, no adjustment is made in these Restated Consolidated Financial Information as detailed in *"Auditors Qualifications"* of Annexure VI (c).

As at and for the year ended 31st March 2019

- Non-provision of Rs 584.79 Million towards claims doubtful of recovery, being rent receivable from premises leased out to C-DOT up-to the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No. 31.22 of Audited Financial Statements);

As at and for the year ended 31st March 2018

- Non-provision of Rs 584.79 Million towards claims doubtful of recovery, being rent receivable from premises leased out to C-DOT up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.31.22 of audited financial statements);

v. **Emphasis of Matter** included in the auditor's reports on the audited Consolidated financial statement as at and for the half year ended September 30, 2019 and for the years ended March 31, 2019 and March 31, 2018 which do not require any further corrective adjustment in the Restated Consolidated Financial Information, are as follows:

As at and for the half year ended 30th September 2019: -

- The Company has not identified the suppliers of Micro, Small and Medium Enterprises. And we have been informed that in view of the units located geographical at different places, the same shall be identified at the end of the financial year. Accordingly, provision for interest for the delayed payment, if any, has not been made in the accounts, as the same is not ascertainable for the period under review.

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans, and other payables/receivables such as GST, Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company

As at and for the year ended 31st March 2019

- The profit for the year has been arrived at after making adjustments for the following items:
  - ♦ Other Income of Rs 3364.73 Million for the year includes Rs 2985.18 Million representing the Write back of liabilities of earlier years. (Refer Note. 23)
  - ♦ Rs 162.20 Million being GST collected in a contract remained unpaid as on 31st March 2019 in a back to back contract.
  - ♦ Finance Costs of Rs 1064.71 Million are after adjusting an amount of Rs 135.62 Million being nominal interest at 1% provided on the Govt of India. loan of Rs 3000 Million, which in the opinion of the company is no longer required. (Refer Note.28)
  - ♦ Revenue from operations of Rs 16683.68 Million includes Rs 4450.47 Million representing "Unbilled Revenue" recognised on the basis of percentage of completion of certain contracts. (Refer Note. 22)

- Formal conveyance/lease deeds in respect of lands, excepting part of land at Bangalore and Mankapur, are yet to be executed by the respective State Governments - (Refer Note No 1)

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable – (Refer Note No.31.17 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/ others, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company (Refer Note 31.4 of audited financial statements);

- The Company is a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41567.90 million in February, 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No 31.15 of audited financial statements)

- Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered. (Refer Note 31.19 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 31.20 of audited financial statements)

As at and for the year ended 31st March 2018

- The profit for the year has been arrived at after adjusting for the following items:
  - ♦ Write-back of liabilities of earlier years amounting to Rs 1121.45 Million. -Refer Note No. 31.12 (c) of audited financial statements.

- ♦ Rs 921.14 Million being the difference between the compensation received from KIADB for surrender of land and its original cost. -Refer Note No. 31.12(b) of audited financial statements.
- ♦ Rs 799.80 Million representing grants received related to previous years towards salaries, PF and Gratuity has been credited to Other Income. Refer Note No. 31.12 (d) of audited financial statements.
- ♦ Rs 15.40 Million being the profit recognised in Rae Bareli unit regarding transaction of earlier years.

- Further the Branch auditors of Rae Bareli Unit has reported that from FY 2012-13 onwards till 31st July 2017 based on provisional invoices for GPON AMC services rendered by a service provider to BSNL for a total amount of Rs. 615.1 Million as the turnover based on the provisional invoice and included under the head "Revenue from Operations" and the same has been included under the head "Unbilled revenue" under the head Current Assets" in the financial statements. -Refer Note No. 31.12 (e) of audited financial statements.
- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments - Refer Note No.1 of audited financial statements;
- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable – (Refer Note No. 31.17 of audited financial statements);
- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company (Refer Note 31.4 of audited financial statements);
- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41567.90 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 31.15 of audited financial statements)
- Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered. (Refer Note 31.19 of audited financial statements)
- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 31.20 of audited financial statements)

9. **Other audit qualifications** included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2016, as applicable, on the financial statements for the year ended March 31, 2019, and in the report on the audited interim condensed financial statements prepared as per the Ind AS 34 on Interim Financial Reporting as at and for the half year ended September 30,2019 which do not require any corrective adjustment in the restated Ind AS Summary Statements, are as follows.

a. As at and for the half year ended September 2019: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, GST, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 2347.98 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable.

ii. The Statutory Dues aggregating to Rs. 1786.09 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities.

b. As at and for the year ended March 31, 2019: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, GST, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 2437.10 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 1816.18 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

10. We have also examined the following restated Consolidated financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 15th November 2019 for the half year ended September 30, 2019 and for the year ended March 31, 2019, 2018, 2017, 2016 and 2015:

i. Summary of Significant Accounting Policies included in Annexure V(c)
ii. Restated Statement of Consolidated Property, plant and equipment included in Note 1 to Annexure I(c)
iii. Restated Statement of Consolidated Capital Work-In Progress included in Note 2 to Annexure I(c)
iv. Restated Statement of Consolidated Investment Property included in Note 3 to Annexure I(c)
v. Restated Statement of Consolidated Intangible Assets included in Note 3(a) of Annexure I(c)
vi. Restated Statement of Consolidated Non-Current Financial Assets- Investments included in Note 4 to Annexure I(c)
vii. Restated Statement of Consolidated Non-Current Financial Assets- Trade Receivables included in Note 4 (a) to Annexure I(c)
viii. Restated Statement of Consolidated Non-Current Financial Assets- Loans included in Note 5 to Annexure I(c)
ix. Restated Statement of Consolidated Inventories included in Note 6 to Annexure I (c)
x. Restated Statement of Consolidated Current Financial Assets-Trade Receivables included in Note 7 to Annexure I (c)
xi. Restated Statement of Consolidated Cash and Cash Equivalents included in Note 8 to Annexure I(c)
xii. Restated Statement of Consolidated Bank Balances other than Cash and Cash Equivalents included in Note 8(a) to Annexure I(c)
xiii. Restated Statement of Consolidated Current Financial Assets- Loans included in Note 9 to Annexure I(c).
xiv. Restated Statement of Consolidated Current Financial Assets- Unbilled Revenue included in Note 9 (a) to Annexure I(c)

xv. Restated Statement of Consolidated Other Current Assets included in Note 10 to Annexure I(c)
xvi. Restated Statement of Consolidated Equity Share Capital included in Note 11 to Annexure I(c)
xvii. Restated Statement of Consolidated Other Equity included in Note 12 to Annexure I(c)
xviii. Restated Statement of Consolidated Non-Current Liabilities- Govt Grants included in Note 13 to Annexure I(c)
xix. Restated Statement of Consolidated Non-Current Financial Liabilities- Borrowings included in Note 14 to Annexure I(c)
xx. Restated Statement of Consolidated Non-Current Financial Liabilities- Others included in Note 15 to Annexure I(c)
xxi. Restated Statement of Consolidated Non-Current Provisions included in Note 16 to Annexure I(c)
xxii. Restated Statement of Consolidated Current Financial Liabilities – Borrowings included in Note 17 to Annexure I(c)
xxiii. Restated Statement of Consolidated Current Financial Liabilities- Trade Payables included in Note 18 to Annexure I(c)
xxiv. Restated Statement of Consolidated Current Financial Liabilities- Others included in Note 19 to Annexure I(c)
xxv. Restated Statement of Consolidated Current Provisions included in Note 20 to Annexure I(c)
xxvi. Restated Statement of Consolidated Other Current Liabilities included in Note 21 to Annexure I(c)
xxvii. Restated Statement of Consolidated Revenue from Operations included in Note 22 to Annexure III(c)
xxviii. Restated Statement of Consolidated Other Income included in Note 23 to Annexure III(c)
xxix. Restated Statement of Consolidated Consumption of Raw Materials and Production Stores included in Note 24 to Annexure III(c)
xxx. Restated Statement of Consolidated Purchase of Stock-in-Trade included in Note 25 to Annexure III(c)
xxxi. Restated Statement of Consolidated Changes in Inventories of Finished Goods and Work in Progress included in Note 26 to Annexure III(c)
xxxii. Restated Statement of Consolidated Employee Benefit Expenses included in Note 27 to Annexure III(c)
xxxiii. Restated Statement of Consolidated Finance Costs included in Note 28 to Annexure III(c)
xxxiv. Restated Statement of Consolidated Depreciation and Amortization Expenses included in Note 29 to Annexure III(c)
xxxv. Restated Statement of Consolidated Other Expenditure included in Note 30 to Annexure III(c)
xxxvi. Restated Statement of Consolidated Contingent Liabilities included in Note 31 to Annexure I(c)
xxxvii. Restated Statement of Consolidated Material Adjustments and Regrouping included in Annexure in Annexure VI(c)
xxxviii. Restated Statement of Accounting Ratios included in Annexure VII (c).
xxxix. Restated Statement of Consolidated Capitalisation included in Annexure VIII (c).
xl. Statement of Dividend Paid included in Annexure IX (c).
xli. Statement of Tax Shelters included in Annexure X (c).

11. According to the information and explanations given to us, reliance placed on the reports for financial Years ended March 31, 2017, 2016 and 2015 of the Company submitted by previous auditors, M/s. Sundar Srini & Sridhar, Chartered Accountants, Bangalore as per the reliance placed on the reports for the half year ended 30th September 2019 and for the financial Years ended March 31, 2019, 2018, 2017, 2016, and 2015 of its Joint Venture submitted by the auditors, M/s K.V. Narasimhan & Co,

Bangalore, Chartered Accountants, in our opinion, the Restated Financial Information and the above restated financial information contained in Annexures I(c) to VII(c) accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure-V(c) have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

12. According to the information and explanation given to us, in our opinion, the restated consolidated financial information read with summary of Significant Accounting Policies as disclosed in Annexure V(c) have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

13. This report should not in any way be construed as a reissuance or re-dating of any of the previous Audit Reports issued, nor should this report be construed as a new opinion to any of the financial statements referred to herein.

14. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

15. Our report is intended solely for the use of the management for inclusion in the offer document to be filed with the Securities Exchange Board of India, National Stock Exchange of India Limited, BSE Limited and 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 SANKARAN & KRISHNAN
Chartered Accountants
Firm Registration No .03582S

V.V. Krishnamurthy
Partner
Membership Number: 027044
Place: Delhi

Date: 15th November 2019

UDIN: - 19027044AAAAAP3880

SIGNIFICANT ACCOUNTING POLICIES

ANNEXURE-V (C)

Corporate Information

India's first Public Sector Unit (PSU) - ITI Ltd was established in 1948. Ever since, as a pioneering venture in the field of telecommunications, it has contributed to 50% of the present national telecom network. With state-of-the-art manufacturing facilities spread across six locations and a countrywide network of marketing/service outlets, the company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

ITI joined the league of world class vendors of Global System for Mobile (GSM) technology with the inauguration of mobile equipment manufacturing facilities at its Mankapur and Rae Bareli Plants in 2005-06. This ushered in a new era of indigenous mobile equipment production in the country. These two facilities supply more than nine million lines per annum to both domestic as well as export markets.

1) Basis of Preparation

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (IND -AS) [as notified under section 133 of the Companies Act, 2013 read Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015] to the extent applicable, provisions of the Companies Act, 2013, which have been consistently applied except where a new Accounting Standard is initially adopted or revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

a. Derivative financial instruments, if any
b. Financial assets and liabilities that are qualified to be measured at fair value
c. Defined benefit asset/(liability) recognised at the present value of defined benefit obligation less fair value of plan assets.

2) Use of Estimates

The preparation of the financial statements in conformity with the Ind AS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all the available information, actual results could differ from the estimates and such differences are recognised in the period in which the results are ascertained.

3) Functional and presentation currency

Financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

4) Revenue Recognition

a. Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and reward of ownership have been transferred to the customer as per the terms of sale agreement, neither continuing management involvement nor effective control over the goods is retained, recovery of the consideration is probable, and the amount of cost incurred and the revenue can be measured reliably. Timing of transfer of risks and rewards is evaluated based on Inco-terms of the sales agreement.

Ex- Works Contract

When specified goods are unconditionally appropriated to the contract after prior Inspection and acceptance, if required.

b. FOR Contracts

In the case of FOR contracts, sale is recognised when goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period. Revenue is recognised even if goods are retained with the Company at the request of the customer.

c. Bill and Hold Sales

For bill-and-hold transactions, revenue is recognised when the customer takes title, provided that:

i. it is probable that delivery will be made;

ii. the item is on hand, identified and ready for delivery to the buyer at the time when the sale is recognised;

iii. the buyer specifically acknowledges the deferred delivery instructions;

the usual payment terms apply

d. Construction contracts

Contract revenue includes initial amount agreed in the contract and any variations in the contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably.

Contract revenue is recognised in proportion to the stage of completion of the contract. Stage of completion is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract.

If the outcome cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

e. Price escalations

In case of contracts where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

Where break up prices of sub units sold are not provided for, the same are estimated.

f. Bundled contracts

In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies recognition criteria to separately identifiable components (sale of goods, installation, commissioning, etc.) of the transaction and allocates revenue to those separate components based on their relative fair value.

g. Multiple elements

In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction, allocates the revenue to those separate components based on the contract.

h. Sales exclude Sales Tax / Value Added Tax (VAT)/Goods and Service Tax (GST)/Service Tax.

Export Sales are treated as sales on issue of Bill of Lading

Provision is made separately for likely disallowance by customers including Liquidated Damages for contracts executed during the year.

i. Supply of services

Revenue from annual maintenance contracts relating to the year is recognised when the contracts are entered into on time proportion basis. Revenue is recognized at the time of rendering services.

For other fixed-price contracts (including sale of software related services), revenue is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due or if the costs incurred or to be incurred cannot be measured reliably.

j. **Interest income**

Interest income is recognized using the effective interest rate method.

k. **Dividend**

Dividend income is recognised when the Company's right to receive dividend is established

l. **Rental income**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increases in rentals are in line with the expected inflation or otherwise justified (Fair Value).

m. **Duty Drawbacks**

Duty drawback claims on exports are accounted on preferring the claims.

n. **Other Income**

Other Income not specifically stated above is recognised on accrual basis.

5) **Property, plant and equipment, Capital Work-in progress**

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the PPE to its working condition for its intended use. Borrowing and other attributable costs relating to acquisition of the PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use. PPE are eliminated from the financial statements, either on disposal or when retired from such use. When significant parts of Plant and Equipment are required to be replaced at intervals, the same is recognised as a separate component.

Assets acquired free of cost or received as gift are stated at fair value which is credited to Other Equity at the time of acquisition or receipt less accumulated depreciation and impairment losses.

Capital work-in-progress

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-In-Progress.

Income pertaining to construction period such as interest on advance to contractors, sale of tender documents etc., is set off against expenditure during construction.

Expenditure on development of leasehold land is capitalised as Land Development Expenditure and amortised over the lease period or useful, life whichever is lower.

In the event of revaluation of entire class of PPE, if the revalued amount is greater than the carrying amount of the PPE, such difference is taken to the Revaluation Reserve. If the revalued amount is lower than the carrying amount of the PPE and if the class of PPE has already been revalued, difference is set off against the amount available under the Revaluation Reserve for the same class of PPE and excess thereof, life any, is charged to the statement of Profit and Loss.

6) **Intangible Assets, Intangible Asset under Development**

a. Cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an intangible asset when the same is ready for use. Intangible Assets not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development
b. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset.
c. Cost of developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".

d. Carrying amount includes amount funded by the Company to external agencies towards developmental project(s) and expenditure incurred by the Company towards material cost, employee cost and other direct expenditure.

7) **Research and development expenses:**

Research expenditure 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 capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

8) **Impairment of Non-financial assets**

At the end of each Balance Sheet date, carrying amount of assets are reviewed, if there is any indication of impairment based on internal/external factors. If the estimated recoverable amount is found to be lower than the carrying amount, then the impairment loss is recognised and assets are written down to the recoverable amount.

9) **Depreciation /Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Depreciation on additions and deletions to fixed assets during the year is provided on pro-rata basis as under:

a. Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.
b. In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.
c. Where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and depreciated on straight line method over its estimated useful life.
d. The Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically at each financial year end.

In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Incremental depreciation on account of Revaluation is recouped as a credit to the general Reserve, as per the Schedule II of the Companies Act 2013.

Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

Particulars	(Years)
A. (a)Building (other than factory buildings)	60
(b)Factory building	30
(c)Purely temporary erections	3
(d)Building with dwelling units each with	30
plinth area not exceeding 80 sqm.	
B. Furniture & Fittings	10
C. Plant & Machinery	
(a) General Rate (on double shift basis)	15
(b) Special Rate: - Servers & Networks	6
(c)Data Processing Machines including Computers	3
D. Roads and compound Walls	10
E. Office Machinery and Equipment	5
F. Vehicles	8
G. Assets costing less than ₹5,000/- are depreciated @ 100%	
However, in respect of assets having original cost of ₹50,000/- and above, a residual balance of ₹5/- has been retained in the books.	

10) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a Lessee

Finance leases are capitalised at lower of fair value and the present value of the minimum lease payments on commencement of the lease. Finance charges are recognised as Finance Costs in the Statement of Profit and Loss. A leased asset is depreciated over the useful life of the asset or lease term, whichever is lower.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except when the lease payments escalate in accordance general inflation or are otherwise justified

Company as a lessor

Operating lease income is recognised over the lease term on straight line basis, except when the escalations are due to general inflation or otherwise justified. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

In case of a finance lease, amounts due from lessees are recorded as receivables as the Company's net investment in the leases. Finance lease income is recognised in the Statement of Profit and Loss.

11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset.

General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate, which is the weighted average of the borrowing costs applicable to the general borrowings outstanding, other than specific borrowings, to the expenditure on that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, as also exchange differences to the extent regarded as an adjustment to the borrowing costs.

12) Government Grants

Grants from Government are measured at fair value and initially recognized as Deferred Income.

Amount lying under Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

Amount lying under Deferred Income on account of revenue expenses is transferred to the credit of the Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

13) Investments in joint venture and associates

Company accounts for its interests in associates and joint ventures at cost or in accordance with Ind AS 109 in the standalone financial statements but in the consolidated Financial statements under equity method.

14) Inventories

Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where same items are purchased as also manufactured, manufacturing costs are generally adopted.

Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

Manufactured items in stock and stock-in-trade are valued at lower of cost excluding interest charges, administration overheads & sales overheads and at the net realisable value, after providing for obsolescence, if any.

Precious metals scrap is brought to books at the year end at net realizable value.

15) Work-in-process

a. Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration & sales overheads and at the net realisable value, after providing for obsolescence, if any.

b. Work-in-process (Installation) is valued at lower of cost as recorded in the work orders and net realizable value, after providing for obsolescence, if any.

16) Tools and Gauges

Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment.

Loose tools are charged to revenue at the time of issue.

17) Financial assets (Trade Receivables & Other receivables)

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that the assets may be impaired, same is reviewed for impairment.

18) Errors and Estimates

The Company revises its accounting policies, if the change is required due to a change in the Ind AS or if the change provides more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied prospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of Profit or Loss is applied prospectively in the period(s) of change.

Discovery of errors and results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. Opening balances of the earliest period presented are also restated.

19) Income taxes

Income tax comprises of current and deferred income tax

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

20) Warranty Liability

Warranty liability for contractual obligation in respect of equipment sold to customers is accounted for the basis of an annual technical assessment.

21) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

22) Employee benefits

a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
b. Post-employment benefit viz. gratuity and other long-term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.
c. Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.
d. Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

23) Provision & Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements but are disclosed in the notes.

Onerous Contracts

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

24) Fair value measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

25) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

26) Financial Instruments

a. Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

b. Subsequent measurement

c. For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost,

ii. Debt instruments at fair value through other comprehensive income (FVTOCI),

iii. Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL),

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Derecognition

A financial asset or part of a financial asset is derecognised when• The rights to receive cash flows from the asset has expired

Embedded derivative

Embedded derivative, if required, is separated from host contract and measured at fair value.

27) Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

28) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

29) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

a. Time barred dues from the Government / Government Departments / Government Companies are generally not considered as increase in credit risk of such financial asset.

b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

c. In case of dues outstanding for a significant period of time, on a case to case basis

ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the Statement of Profit and Loss. This amount is reflected in a separate line in Profit and Loss Statement as an impairment gain or loss.

30) Financial Liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through Profit and Loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

b. Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss.

ii. Financial liabilities at fair value through Profit or Loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

c. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

d. Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

31) Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

32) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

33) Cash dividend and non-cash distribution to equity shareholders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised, and the distribution is no longer at the discretion of the Company.

34) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

35) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

36) New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2017 and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

37) Consolidation

ITI has invested in 49% of Equity Share Capital of its Joint Venture "India Satcom Limited" for the cost of ₹40.55 lakhs.

According to Ind AS 28, the consolidation of interest in joint ventures can be done by using "Equity Method", wherein the share of investor in the net worth of investee can be directly taken as value of investment in the books of investor and the difference between old value and new value will be credited/debited to Other Comprehensive income as the investment in equity shares has been classified as "Equity Instruments through Other Comprehensive Income".

As per our report of even date

For SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration No.03582S

For & On Behalf of Board of Directors

VV Krishnamurthy	**S SHANMUGA PRIYA**	**MALATHY M**	**R M AGARWAL**
Partner	**Company Secretary**	**Chief Financial Officer**	**Chairman & Managing Director**
M.No.027044			

Place: Bangalore
Date: 15-November-2019

ITI LIMITED

Annexure I(C)

Restated Financial Information of Consolidated Assets and Liabilities

₹ In millions

Particulars	Note No.	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
I.ASSETS							
(1) Non-current assets							
(a) Property, Plant & Equipment	1	3,723.28	3,589.11	2,795.15	1,569.70	1,029.45	618.84
(b) Capital work-in-progress	2	1,818.43	1,648.46	1,492.91	1,015.94	916.83	330.19
(c) Investment Property	3	10.08	10.39	10.80	11.02	11.25	11.48
(d) Intangible assets	3(a)	-	-	-	-	-	-
(e) Financial Assets							
(i) Investments	4	389.57	397.61	376.74	407.84	430.50	450.21
(ii) Trade receivables	4(a)	12.06	12.06	58.80	-	-	-
(iii) Loans	5	2.06	1.66	1.77	2.61	2.30	25.16
		5,955.48	5,659.29	4,736.17	3,007.11	2,390.32	1,435.88
(2) Current assets							
(a) Inventories	6	1,445.23	1,487.56	1,558.96	1,422.86	1,038.30	933.43
(b) Financial Assets							
(i) Trade receivables	7	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15
(ii) Cash and cash equivalents	8	199.67	267.01	412.61	244.02	499.51	458.07
(iii) Bank Blances other than above	8(a)	2,232.17	1,768.28	2,834.88	1,419.10	712.41	2,254.18
(iii) Loans	9	6,122.53	4,705.13	3,854.75	3,334.81	2,588.22	2,691.75
(iv) Unbilled Revenue	9(a)	3,622.26	5,502.49	2,372.41	366.66	212.93	-
(c) Other current assets	10	524.09	673.80	488.25	294.84	357.46	288.02
TOTAL		40,662.07	40,978.27	42,321.21	29,041.83	32,840.54	28,812.59
		46,617.56	46,637.56	47,057.38	32,048.93	35,230.86	30,248.47
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	11	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
(b) Other Equity	12	(10,281.08)	(13,985.23)	(14,339.70)	(18,085.82)	(19,251.01)	(21,985.05)
		(1,311.08)	(5,015.23)	(6,739.70)	(12,485.82)	(16,371.01)	(19,105.05)
Liabilities							
(1) Non-Current Liabilities							
(a) Government Grants	13	1,142.94	1,184.65	1,190.89	1,228.93	25.68	72.65
(b) Financial Liabilities							
(i) Borrowings	14	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
(ii) Others	15	684.93	703.34	181.50	144.42	121.31	63.01
(c) Provisions	16	804.84	811.29	680.04	583.11	839.08	887.45
		5,032.71	5,699.28	5,052.43	4,956.46	3,986.07	4,023.11
(2) Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	17	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
(ii) Trade payables	18	16,880.99	18,048.63	22,616.49	19,759.99	21,053.30	22,830.18
(iii) Others	19	8,314.30	11,310.74	8,241.43	7,235.90	8,091.46	8,338.10
(b) Provisions	20	1,085.11	1,060.87	1,200.58	1,483.70	2,419.03	3,525.27
(c) Other current liabilities	21	7,038.44	5,946.21	7,422.92	2,307.02	7,662.87	1,428.55
TOTAL		42,895.93	45,953.51	48,744.65	39,578.30	47,615.80	45,330.41
		46,617.56	46,637.56	47,057.38	32,048.93	35,230.86	30,248.47

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c)

Statement of Consolidated Accounting Ratios in Annexure-VII(c), Statement of Consolidated Capitalisation in Annexure-VIII(c) and Statement of Dividend Paid in Annexure-IX(c) & Statement of Tax Shelters Annexure X(c)

The accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy
Partner
M. No. 027044

S Shanmuga Priya
Company Secretary

MALATHY M
Chief Financial Officer

R M AGARWAL
Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

Annexure II(c)

Statement Of Consolidated Changes In Equity

A. Equity Share Capital — **₹ In millions**

Particulars	Amount
Balance as at 01.04.2014	**2,880.00**
Changes during the Financial Year 14-15	-
Balance as at 31.03.2015	**2,880.00**
Changes during the Financial Year 15-16	-
Balance as at 31.03.2016	**2,880.00**
Changes during the Financial Year 16-17	2,720.00
Balance as at 31.03.2017	**5,600.00**
Changes during the Financial Year 2017-18	2,000.00
Balance as at 31.03.2018	**7,600.00**
Changes during the Financial Year 2018-19	1,370.00
Balance as at 31.03.2019	**8,970.00**
Changes during the period (April to September 2019)	-
Balance as at 30.09.2019	**8,970.00**

B. Other Equity — **₹ In millions**

Particulars	Share application money pending allotment	Reserves and Surplus							
		Capital Reserve	Securities Premium	Retained Earnings	Revaluation Surplus	Other items of Other Comprehensive Income	Total Other Equity with Revaluation Reserve	Revaluation Surplus	Other Equity excluding revaluation reserve
Balance as at 01.04.2014	**-**	**27,129.53**	**2.96**	**(48,226.50)**	**23,744.13**	**-**	**2,650.12**	**23,744.13**	**(21,094.01)**
Changes in accounting policy or prior period error	-	-	-	(455.93)	-	464.61	8.68	-	8.68
balance as at 01.04.2014	**-**	**27,129.53**	**2.96**	**(48,682.43)**	**23,744.13**	**464.61**	**2,658.80**	**23,744.13**	**(21,085.33)**
Profit or Loss for the Year	-	-	-	(2,979.95)	-	-	(2,979.95)	-	(2,979.95)
Other Comprehensive income for the Year	-	-	-	-	-	(18.47)	(18.47)	-	(18.47)
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	178.70	-	-	-	-	178.70	-	178.70
Transfer to retained earning	-	-	-	-	(140.08)	-	(140.08)	(140.08)	-
Any other change	1,920.00	-	-	-	-	-	1,920.00	-	1,920.00
Balance as at 31.03.2015	**1,920.00**	**27,308.23**	**2.96**	**(51,662.38)**	**23,604.06**	**446.14**	**1,619.00**	**23,604.06**	**(21,985.05)**
Changes in accounting policy or prior period error	-	-	-	(33.57)	-	-	(33.57)	-	(33.57)
balance as at 01.04.2015	**1,920.00**	**27,308.23**	**2.96**	**(51,695.95)**	**23,604.06**	**446.14**	**1,585.43**	**23,604.06**	**(22,018.62)**
Profit or Loss for the Year	-	-	-	2,372.18	-	-	2,372.18	-	2,372.18
Other Comprehensive income for the Year	-	-	-	-	-	153.56	153.56	-	153.56
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	181.50	-	-	-	-	181.50	-	181.50
Transfer to retained earning	-	-	-	-	(60.37)	-	(60.37)	(60.37)	-
Any other change	-	-	-	60.37	-	-	60.37	-	60.37
Balance as at 31.03.2016	**1,920.00**	**27,489.73**	**2.96**	**(49,263.40)**	**23,543.69**	**599.69**	**4,292.67**	**23,543.69**	**(19,251.01)**
Changes in accounting policy or prior period error	-	-	-	-2.37	-	-	(2.37)	-	(2.37)
balance as at 01.04.2016	**1,920.00**	**27,489.73**	**2.96**	**(49,265.77)**	**23,543.69**	**599.69**	**4,290.30**	**23,543.69**	**(19,253.38)**
Profit or Loss for the Year	-	-	-	2,663.91	-	-	2,663.91	-	2,663.91
Appropriations				(1.53)			(1.53)	-	(1.53)
Other Comprehensive income for the Year	-	-	-	-	-	364.65	364.65	-	364.65
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	(60.54)	-	(60.54)	(60.54)	-
Any other change	-	-	-	60.54	-	-	60.54	-	60.54
Transfer to Equity Share Capital	(1,920.00)	-	-	-	-	-	(1,920.00)	-	(1,920.00)
Balance as at 31.03.2017	**-**	**27,489.73**	**2.96**	**(46,542.86)**	**23,483.14**	**964.34**	**5,397.32**	**23,483.14**	**(18,085.82)**
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	-
balance as at 01.04.2017	**-**	**27,489.73**	**2.96**	**(46,542.86)**	**23,483.14**	**964.34**	**5,397.32**	**23,483.14**	**(18,085.82)**
Profit or Loss for the Year	-	-	-	2,305.64	-	-	2,305.64	-	2,305.64
Other Comprehensive income for the Year	-	-	-	-	-	14.58	14.58	-	14.58
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	(92.35)	-	(92.35)	(92.35)	-
Any other change	-	-	-	55.89	-	-	55.89	-	55.89
Share Application money received	3,370.00						3,370.00		3,370.00
Transfer to Equity Share Capital	(2,000.00)	-	-	-	-	-	(2,000.00)	-	(2,000.00)
Balance as at 31.03.2018	**1,370.00**	**27,489.73**	**2.96**	**(44,181.32)**	**23,390.80**	**978.92**	**9051.09**	**23,390.80**	**(14,339.70)**

B. Other Equity (Contin…) ₹ In millions

Particulars	Share application money pending allotment	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income	Total Other Equity with Revaluation Reserve	Revaluation Surplus	Other Equity excluding revaluation reserve
		Capital Reserve	Securities Premium	Retained Earnings					
Balance as at 01.04.2018	**1,370.00**	**27,489.73**	**2.96**	**(44,181.32)**	**23,390.80**	**978.92**	**9,051.09**	**23,390.80**	**(14,339.71)**
Profit or Loss for the Year	-	-	-	925.38	-	-	**925.38**	-	**925.38**
Other Comprehensive income for the Year	-	-	-	-	-	204.05	**204.05**	-	**204.05**
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	(45.05)	-	**(45.05)**	(45.05)	-
Share application money Govt. of India	550.00	-	-	-	-	-	**550.00**	-	**550.00**
Any other change	-	-	-	45.05	-	-	**45.05**	-	**45.05**
Transfer to Equity Share Capital	(1,370.00)	-	-	-	-	-	**(1,370.00)**	-	**(1,370.00)**
Balance as at 31.03.2019	**550.00**	**27,489.73**	**2.96**	**(43,210.89)**	**23,345.75**	**1,182.97**	**9,360.52**	**23,345.75**	**(13,985.23)**
Profit or Loss for the period(April to September 2019)	-	-	-	**(544.03)**	-	-	**(544.03)**	-	**(544.03)**
Other Comprehensive income for the period	-	-	-	-	-	**82.32**	**82.32**	-	**82.32**
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the period	-	**3,093.00**	-	-	-	-	**3,093.00**	-	**3,093.00**
Transfer to retained earning	-	-	-	-	**(22.86)**	-	**(22.86)**	**(22.86)**	-
Share application money Govt. of India	**1,050.00**	-	-	-	-	-	**1,050.00**	-	**1,050.00**
Any other change	-	-	-	**22.86**	-	-	**22.86**	-	**22.86**
Transfer to Equity Share Capital	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2019	**1,600.00**	**30,582.73**	**2.96**	**(43,732.06)**	**23,322.89**	**1,265.29**	**13,041.81**	**23,322.89**	**(10,281.08)**

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c) Statement of Consolidated Accounting Ratios in Annexure-VII(c), Statement of Consolidated Capitalisation in Annexure-VIII(c) and Statement of Dividend Paid in Annexure-IX(c) & Statement of Tax Shelters Annexure X(c)

The accompanying notes form part of the financial statements
As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy
Partner
M. No. 027044

S Shanmuga Priya
Company Secretary

MALATHY M
Chief Financial Officer

R M AGARWAL
Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

Annexure III(c)

Restated Financial Information of Consolidated Profit and Loss

Particulars	Note No.	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
							₹ In millions
INCOME							
I. Revenue from operations	22	5,787.83	16,683.68	14,841.62	15,481.37	11,933.46	5,791.12
II. Other Income	23	246.14	3,364.73	3,274.54	5,405.79	5,969.65	849.17
III. Total Revenue (I +II)		6,033.97	20,048.41	18,116.17	20,887.16	17903.11	6,640.29
IV.EXPENSES:							
Cost of materials consumed	24	683.48	2,837.14	3,134.44	925.75	413.33	430.27
Purchase of Stock-in-Trade	25	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	97.19	(112.88)	117.65	(176.22)	4.38	20.56
Installation & Maintenance Charges		1,286.47	7,839.33	5,260.73	6,420.79	3,180.55	2,138.76
Employee benefit expense	27	1,124.55	2,042.22	2,255.04	3,008.72	3,324.59	3,211.89
Finance costs	28	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Depreciation and amortization expense	29	208.41	370.92	248.55	169.45	129.02	153.24
Other expenses	30	387.95	1,865.19	940.24	1,226.70	625.04	672.40
Total Expenses		6,577.99	19,123.03	15,810.52	18,223.25	15,530.93	9,620.24
V.Profit/(Loss) before exceptional items and tax (III-IV)		(544.03)	925.38	2,305.64	2,663.91	2,372.18	(2,979.95)
VI. Exceptional Items		-		-	-	-	-
(i) Income		-	-	-	-	-	1,650.00
(ii) Expenses		-	-	-	-	-	(1,650.00)
VII. Profit/(Loss) before tax (V + VI)		(544.03)	925.38	2,305.64	2,663.91	2,372.18	(2,979.95)
VIII. Tax expense:							
(1) Current tax		-	-	-	-	-	-
(2) Deferred tax		-	-	-	-	-	-
IX. Profit(Loss) for the year (VII-VIII)		(544.03)	925.38	2,305.64	2,663.91	2,372.18	(2,979.95)
X. Other Comprehensive Income							
A. (i) Items that will not be reclassifled to proflt or loss							
Remeasurements of Defined Benefit Plans		90.36	183.17	45.68	387.30	173.26	-
Changes in Fair value of Equity Instruments in TSL		(8.04)	20.88	(31.10)	(22.65)	(19.71)	(18.47)
B. (i) Items that will be reclassified to profit or los		-	-	-	-	-	-
XI. Total Comprehensive Income for the year (IX+X) Comprising Profit (Loss) and Other comprehensive Income for the year)		(461.71)	1,129.44	2,320.22	3,028.55	2,525.74	(2,998.42)
XII. Earnings per equity share (for continuing operation):							
Basic & Diluted (Face value of ₹ 10/- each):		(0.65)	0.97	3.18	6.72	7.82	(11.35)
Weighted average number of shares		89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(c), First time Adoption of Ind AS Annexure-VI(c)

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The accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy Partner M. No. 027044	S Shanmuga Priya Company Secretary	MALATHY M Chief Financial Officer	R M AGARWAL Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

I T I LIMITED
Annexure IV(c)
Restated Financial Information of Consolidated Cash Flow Statement

₹ in millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
(A)CASH FLOW FROM OPERATING ACTIVITIES:						
NET PROFIT/(LOSS) BEFORE TAX	(544.03)	925.38	2,305.64	2,663.91	2,372.18	(3,334.39)
Adjustment For :						
Depreciation	208.41	370.92	248.55	178.32	129.02	153.24
Financing Charges	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Interest/Dividend Received	(67.30)	(39.37)	(15.98)	(10.00)	(22.66)	(25.84)
Profit On Sale Of Asset	-	-	(921.15)	-	-	(0.31)
Transfer From Grant-In-Aid	(41.70)	(6.25)	(1,367.83)	(3,796.56)	(4,987.17)	(40.29)
Other Comprehensive Income	82.32	204.05	45.68	387.30	173.26	354.45
Non-Cash Expenditure	10.77	1,170.81	33.67	42.11	(33.38)	9.58
	880.23	2,764.87	(442.95)	(1,672.68)	(3,169.38)	2,023.36
OPERATING CASH PROFIT/(LOSS) BEFORE WORKING CAPITAL CHANGES	336.20	3,690.25	1,862.70	991.23	(797.20)	(1,311.03)
Adjustment For:						
Trade And Other Receivables	655.56	(1062.81)	(11,610.83)	4,564.00	(5,245.87)	(342.13)
Inventories	42.33	70.79	(169.10)	(399.57)	(105.24)	28.03
Trade Payables	(3072.49)	(2461.90)	8,828.83	(8,672.90)	3,114.50	143.92
Direct Taxes Paid	3.69	2.02	(6.04)	42.79	(154.67)	(4.41)
	(2370.91)	(3451.89)	(2,957.14)	(4,465.68)	(2,391.28)	(174.59)
CASH FLOW FROM OPERATING ACTIVITIES	(2034.71)	238.36	(1,094.44)	(3,474.45)	(3,188.48)	(1,485.63)
(B) CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase Of Fixed Assets Including:						
Capital Work-In-Progress	(489.37)	(1278.17)	(1,895.54)	(760.75)	(1,065.49)	(126.79)
Sale Of Fixed Assets		-	921.15	-	-	0.31
Investments	8.04	(20.88)	-	-	-	-
Interest Received	67.30	39.37	15.98	10.00	22.66	25.84
NET CASH USED IN INVESTING ACTIVITIES [B]	(414.02)	(1259.68)	(958.41)	(750.75)	(1,042.83)	(100.64)
(C) CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds From Short Term Borrowings	(609.98)	323.84	471.53	402.54	(819.17)	3,449.04
Share Application Money	1,050.00	550.00	1,370.00	-	-	1,920.00
Issue Of Share Capital	-	-	2,000.00	800.00	-	-
Grant-In-Aid Received	3,093.00	-	1,329.80	5,000.00	5,121.70	178.61
Financing Expenses	(687.74)	(1064.71)	(1,534.11)	(1,526.15)	(1,571.55)	(1,572.54)
NET CASH USED IN FINANCING ACTIVITIES [C]	2845.28	(190.87)	3,637.22	4,676.39	2,730.98	3,975.12
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	396.55	(1212.20)	1,584.37	451.19	(1,500.33)	2,388.85
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,035.29	3,247.49	1,663.11	1,211.92	2,712.25	323.40
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,431.84	2,035.29	3,247.49	1,663.11	1,211.92	2,712.25

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The accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy **Partner** **M. No. 027044**	**S Shanmuga Priya** **Company Secretary**	**MALATHY M** **Chief Financial Officer**	**R M AGARWAL** **Chairman & Managing Director**

Place: Bangalore
Date : 15.11.2019

STATEMENT OF CONSOLIDATED PROPERTY, PLANT & EQUIPMENT **₹ In millions**

PARTICULARS	Free Hold Land	Lease Hold Land	Building	Plant& Machinery	Other Equipment	Office Machinery & Equipment	Furniture Fixture & Fittings	Vehicles	Total
Opening Balance as at 01.04.2014	22,584.88	11.90	1,208.41	378.56	38.47	3.58	4.40	5.41	24,235.62
Additions	-	-	1.40	3.27	1.43	1.76	0.05	0.15	8.06
Disposal	(285.40)	-	(39.37)	-	-	-	-	-	(324.77)
Closing Gross Carrying Amount As At 31.03.2015	22,299.48	11.90	1,170.44	381.84	39.90	5.34	4.45	5.56	23,918.91
Depreciation For The Year	-	0.03	157.28	115.19	9.08	1.29	1.00	1.14	285.00
Disposals	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	0.03	157.28	115.19	9.08	1.29	1.00	1.14	285.00
Net Carrying Amount As At 31.03.2015 with revaluation reserve	22,299.48	11.87	1,013.16	266.65	30.82	4.05	3.45	4.43	23,633.91
Less: Revaluation Reserve	(22,204.23)	-	(810.84)	-	-	-	-	-	(23,015.07)
Net Carrying Amount As At 31.03.2015 without revaluation reserve	95.25	11.87	202.33	266.65	30.82	4.05	3.45	4.43	618.84
Opening Gross Carrying Amount As At 1.04.2015	22,299.48	11.90	1,170.44	381.84	39.90	5.34	4.45	5.56	23,918.91
Additions	-	-	7.92	393.17	74.32	2.26	0.90	0.29	478.85
Disposal	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount As At 31.03.2016	22,299.48	11.90	1,178.35	775.01	114.21	7.59	5.36	5.86	24,397.76
Opening Accumulated Depreciation	-	0.03	157.28	115.19	9.08	1.29	1.00	1.14	285.00
Depreciation For The Year	-	0.03	72.25	45.54	6.57	2.31	0.34	0.94	127.96
Closing Accumulated Depreciation	-	0.05	229.53	160.72	15.64	3.60	1.34	2.08	412.96
Net Carrying Amount As At 31.03.2016 with revaluation reserve	22,299.48	11.85	948.83	614.29	98.57	4.00	4.02	3.78	23,984.80
Less: Revaluation Reserve	(22,204.23)	-	(751.12)	-	-	-	-	-	(22,955.36)
Net Carrying Amount As At 31.03.2016 without revaluation reserve	95.25	11.85	197.70	614.29	98.57	4.00	4.02	3.78	1,029.45
Opening Gross Carrying Amount As At 1.04.2016	22,299.48	11.90	1,178.35	775.01	114.21	7.59	5.36	5.86	24,397.76
Additions	-	-	32.85	498.86	112.24	15.31	0.01	0.07	659.33
Disposal	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount As At 31.03.2017	22,299.48	11.90	1,211.20	1,273.86	226.46	22.91	5.36	5.92	25,057.09
Opening Accumulated Depreciation	-	0.05	229.53	160.72	15.64	3.60	1.34	2.08	412.96
Depreciation For The Year	-	0.03	79.37	81.23	13.23	2.43	1.75	0.94	178.97
Closing Accumulated Depreciation	-	0.08	308.89	241.95	28.87	6.03	3.09	3.02	591.93
Net Carrying Amount As At 31.03.2017 with revaluation reserve	22,299.48	11.82	902.31	1,031.92	197.58	16.88	2.28	2.90	24,465.17
Less: Revaluation Reserve	(22,204.23)	-	(691.24)	-	-	-	-	-	(22,895.47)
Net Carrying Amount As At 31.03.2017 without revaluation reserve	95.25	11.82	211.07	1,031.92	197.58	16.88	2.28	2.90	1,569.70
Opening Gross Carrying Amount As At 1.04.2017	22,299.48	11.90	1,211.20	1,273.86	226.46	22.91	5.36	5.92	25,057.09
Additions	-	-	110.71	1,243.67	51.66	1.63	0.14	10.76	1,418.57
Disposal	(116.56)	-	-	-	-		-	-	(116.56)
Closing Gross Carrying Amount As At 31.03.2018	22,182.92	11.90	1,321.91	2,517.53	278.11	24.54	5.51	16.68	26,359.10
Opening Accumulated Depreciation	-	0.08	308.89	241.95	28.87	6.03	3.09	3.02	591.93
Depreciation For The Year	-	0.03	72.57	145.64	21.04	5.44	1.02	1.40	247.14
Closing Accumulated Depreciation	-	0.11	381.46	387.59	49.91	11.47	4.11	4.42	839.07
Net Carrying Amount As At 31.03.2018 with revaluation reserve	22,182.92	11.79	940.45	2,129.95	228.20	13.07	1.39	12.26	25,520.03
Less: Revaluation Reserve	(22,088.06)	-	(636.82)	-	-	-	-	-	(22,724.88)
Net Carrying Amount As At 31.03.2018 without revaluation reserve	94.86	11.79	303.63	2,129.95	228.20	13.07	1.39	12.26	2,795.15
Gross Block as on 01.04.2018	22,182.92	11.90	1,321.91	2,517.53	278.11	24.54	5.51	16.68	26,359.10
Additions	-	-	29.40	1,043.22	40.99	4.87	1.05	1.26	1,120.79
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	1.99	1.99
Gross Block as on 31.03.2019	22,182.92	11.90	1,351.31	3,560.75	319.10	29.41	6.56	15.95	27,477.90
Accumulated Depreciation as on 01.04.2018	-	0.11	381.46	387.59	49.91	11.47	4.11	4.42	839.07
Depreciation for the year	-	0.03	75.14	262.10	24.06	5.70	0.35	1.85	369.23
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as on 31.03.2019	-	0.14	456.60	649.69	73.97	17.17	4.46	6.27	1,208.30
Net Block As On 31.03.2019	22,182.92	11.76	894.71	2,911.06	245.13	12.24	2.09	9.68	26,269.60
Less: Revaluation Reserve	22,088.06		592.43						22,680.49
Net Carrying Value Without Revaluation Reserve As At 31.03.2019	94.86	11.76	302.28	2,911.06	245.13	12.24	2.09	9.68	3,589.11

STATEMENT OF CONSOLIDATED PROPERTY, PLANT & EQUIPMENT (Contin…) ₹ In millions

PARTICULARS	Free Hold Land	Lease Hold Land	Building	Plant& Machinery	Other Equipment	Office Machinery & Equipment	Furniture Fixture & Fittings	Vehicles	Total
Gross Block as on 01.04.2019	22,182.92	11.90	1,351.31	3,560.75	319.10	29.41	6.56	15.95	27,477.90
Additions	-	-	180.68	132.54	5.84	0.35			319.41
Deletion	-	-	-	-	-				-
Adjustments	-	-	-	-	-				-
Gross Block as on 30.09.2019	22,182.92	11.90	1,531.99	3,693.29	324.94	29.76	6.56	15.95	27,797.31
Accumulated Depreciation as on 01.04.2019	-	0.14	456.60	652.99	70.67	17.17	4.46	6.27	1,208.30
Depreciation for the half year	-	0.02	34.17	131.00	38.85	2.99	0.20	0.84	208.07
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as On 30.09.2019	-	0.16	490.77	783.99	109.53	28.78	4.66	7.11	1,416.37
Net Block As On 31.03.2019	22,182.92	11.74	1,041.22	2,909.30	215.42	0.98	1.89	8.84	26,380.94
Less: Revaluation Reserve	22,088.06		569.60						22,657.66
Net Carrying Value Without Revaluation Reserve As At 30.09.2019	94.86	11.74	471.62	2,909.30	215.42	0.98	1.89	8.84	3,723.28

** Restated due to regrouping as investment property in the year 2018-19

NOTE NO. 2

STATEMENT OF CONSOLIDATED CAPITAL WORK-IN-PROGRESS

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Capital Work-in-Progress at Cost	665.46	613.84	688.32	634.65	494.84	322.38
Less: Provision	-	-	-	-	0.04	0.04
TOTAL	665.46	613.84	688.32	634.65	494.80	322.34
Materials with Contractors	2.89	2.89	2.89	2.89	2.89	2.89
Less : Provision	2.89	2.89	2.89	2.89	2.89	2.89
TOTAL	-	-	-	-	-	-
Machinery at Cost						
In-Transit	37.12	34.27	77.70	36.16	10.91	0.66
Awaiting Acceptance / Installation	1,116.50	1,001.01	727.53	345.78	411.73	7.81
	1,153.62	1,035.28	805.24	381.94	422.64	8.47
Less:Provision	0.65	0.65	0.65	0.65	0.61	0.61
TOTAL	1,152.97	1,034.62	804.58	381.28	422.03	7.86
GRAND TOTAL	1,818.43	1,648.46	1,492.91	1,015.94	916.83	330.19

NOTE NO. 3

STATEMENT OF CONSOLIDATED INVESTMENT PROPERTY

₹ In millions

PARTICULARS	Land	Building	Total
Opening Balance as at 01.04.2014	275.27	2.04	277.31
Additions	285.40	39.37	324.77
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2015	560.67	41.41	602.08
Depreciation For The Year	-	1.62	1.62
Disposals	-	-	-
Closing Accumulated Depreciation	-	1.62	1.62
Net Carrying Amount As At 31.03.2015 with revaluation reserve	560.67	39.79	600.46
Less: Revaluation Reserve	(556.89)	(32.10)	(588.98)
Net Carrying Amount As At 31.03.2015 without revaluation reserve	3.78	7.70	11.48
Opening Gross Carrying Amount As At 1.04.2015	560.67	41.41	602.08
Additions		-	-
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2016	560.67	41.41	602.08
Opening Accumulated Depreciation	-	1.62	1.62
Depreciation For The Year	-	0.89	0.89
Closing Accumulated Depreciation	-	2.50	2.50
Net Carrying Amount As At 31.03.2016 with revaluation reserve	560.67	38.91	599.58
Less: Revaluation Reserve	(556.89)	(31.44)	(588.33)
Net Carrying Amount As At 31.03.2016 without revaluation reserve	3.78	7.47	11.25
Opening Gross Carrying Amount As At 1.04.2016	560.67	41.41	602.08
Additions	-	-	-
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2017	560.67	41.41	602.08
Opening Accumulated Depreciation	-	2.50	2.50
Depreciation For The Year	-	0.89	0.89
Closing Accumulated Depreciation	-	3.39	3.39
Net Carrying Amount As At 31.03.2017 with revaluation reserve	560.67	38.02	598.69
Less: Revaluation Reserve	(556.89)	(30.79)	(587.67)
Net Carrying Amount As At 31.03.2017 without revaluation reserve	3.78	7.23	11.02
Opening Gross Carrying Amount As At 1.04.2017	560.67	41.41	602.08
Additions	78.92	-	78.92
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2018	639.59	41.41	681.00
Opening Accumulated Depreciation	-	3.39	3.39
Depreciation For The Year	-	0.89	0.89
Closing Accumulated Depreciation	-	4.28	4.28
Net Carrying Amount As At 31.03.2018 with revaluation reserve	639.59	37.13	676.72
Less: Revaluation Reserve	(635.79)	(30.13)	(665.92)
Net Carrying Amount As At 31.03.2018 without revaluation reserve	3.80	7.00	10.80
Gross Block as on 01.04.2018	639.59	41.41	681.00
Additions	-	-	-
Deletion	-	-	-
Adjustments	-	-	-
Gross Block as on 31.03.2019	639.59	41.41	681.00
Accumulated Depreciation as on. 01.04.2018	-	4.28	4.28
Depreciation For The Year	-	1.08	1.08
Deletion	-	-	-
Adjustments	-	-	-
Accumulated Depreciation as at. 31.03.2019	-	5.36	5.36
Net Block As At 31.03.2019	639.59	36.05	675.64
Less: Revaluation Reserve	635.79	29.47	665.25
Net Carrying Value Without Revaluation Reserve As At 31.03.2019	3.80	6.58	10.39
Gross Block as on 01.04.2019	639.59	41.41	681.00
Additions	-	-	-
Deletion	-	-	-
Adjustments	-	-	-
Gross Block as on 30.09.2019	639.59	41.41	681.00
Accumulated Depreciation as on. 01.04.2019	-	5.36	5.36
Depreciation for the period	-	0.34	0.34
Deletion	-	-	-
Adjustments	-	-	-
Accumulated Depreciation as at. 30.09.2019	-	5.70	5.70
Net Block As At 30.09.2019	639.59	35.71	675.30
Less: Revaluation Reserve	635.79	29.44	665.22
Net Carrying Value Without Revaluation Reserve As At 30.09.2019	3.80	6.27	10.08

**** Restated due to regrouping as investment property in the year 2018-19**

NOTE NO. 3(a) ₹ In millions

STATEMENT OF CONSOLIDATED INTANGIBLE ASSETS

PARTICULARS	Technical Knowhow
Opening Balance as at 01.04.2014	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2015	15.68
Depreciation For The Year	15.68
Disposals	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2015	-
Opening Gross Carrying Amount As At 1.04.2015	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2016	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2016	-
Opening Gross Carrying Amount As At 1.04.2016	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2017	-
Opening Gross Carrying Amount As At 1.04.2017	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2018	-
Opening Gross Carrying Amount As At 1.04.2018	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2018	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2019	-
Opening Gross Carrying Amount As At 1.04.2019	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 30.09.2019	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Period	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 30.09.2019	-

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 4						**₹ In millions**
STATEMENT OF CONSOLIDATED NON- CURRENT FINANCIAL ASSETS-INVESTMENTS						
Investment in Equity instruments						
Fully Paid at Cost (unquoted)=₹4.055 Million						
16,21,800 Equity Shares of ₹10/- each fully paid up in India Satcom Limited(joint venture with M/S Chris Tech System Pvt. Ltd) including 12,16,350 Bonus Shares(extent of investment 49%)						
Opening Balance	**397.61**	**376.74**	**407.84**	**430.50**	**450.21**	**468.67**
Changes in Fair Value	**(8.04)**	**20.88**	**(31.10)**	**(22.65)**	**(19.71)**	**(18.47)**
Closing Balance	**389.57**	**397.61**	**376.74**	**407.84**	**430.50**	**450.21**

Calculation of Change in Fair Value of Equity Instruments invested in ISL

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2016
Total Assets	1,217.45	1,218.72	1,326.61	1,334.52	1,334.97	1,335.41
Total Liabilities	(422.40)	(407.26)	557.76	502.21	456.41	416.64
Networth with Revaluation Reserve	795.05	811.45	768.85	832.32	878.55	918.77
Share of ITI @ 49%	389.57	397.61	376.74	407.84	430.49	450.20
Opening Value on 01.04	(397.61)	(376.74)	407.84	430.49	450.20	468.67
Change in Fair Value	**(8.04)**	**20.88**	**(31.10)**	**(22.65)**	**(19.71)**	**(18.47)**

NOTE NO. 4 (a)

STATEMENT OF CONSOLIDATED NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Secured						
Considered Good	**12.06**	**12.06**	**58.80**	-	-	-
Considered Doubtful	-	-	-	-	-	-
	12.06	**12.06**	**58.80**	-	-	-
Less: Provision	-	-	-	-	-	-
TOTAL	**12.06**	**12.06**	**58.80**	-	-	-
Un Secured						
Considered Good	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
GRAND TOTAL	**12.06**	**12.06**	**58.80**	-	-	-

NOTE NO. 5

STATEMENT OF CONSOLIDATED NON CURRENT FINANCIAL ASSETS - LOANS

Secured and considered good :						
Capital Advances	-	-	-	**1.00**	**0.69**	**0.69**
Security Deposits/ Margin money	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Considered Doubtful :						
Capital Advances	**0.16**	**0.16**	**0.16**	**0.16**	**3.00**	**2.84**
Security Deposits	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Total	**0.16**	**0.16**	**0.16**	**1.16**	**3.69**	**3.53**
less: provision	**0.11**	**0.11**	**0.11**	**0.11**	**2.95**	**2.84**
TOTAL SECURED LOANS & ADVANCES	**0.05**	**0.05**	**0.05**	**1.05**	**0.74**	**0.69**
Unsecured and considered good :						
Capital Advances	-	-	-	-	-	**0.16**
Security Deposits	-	-	**0.07**	**0.08**	**0.06**	**0.06**
Loans and advances	**2.01**	**1.61**	**1.65**	**1.48**	**1.50**	**1.83**
Considered Doubtful:						
Capital Advances	-	-	-	-	-	-
Security Deposits	-	-	-	-	-	**22.53**
Loans and advances	-	-	-	-	-	-
Total	**2.01**	**1.61**	**1.72**	**1.55**	**1.56**	**24.58**
less: provision	-	-	-	-	-	**0.11**
Loans and advances due from related parties :						
ISL	-	-	-	-	-	-
TOTAL UNSECURED LOANS & ADVANCES	**2.01**	**1.61**	**1.72**	**1.55**	**1.56**	**24.47**
GRAND TOTAL	**2.06**	**1.66**	**1.77**	**2.61**	**2.30**	**25.16**

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 6						**₹ In millions**
STATEMENT OF CONSOLIDATED INVENTORIES						
a) Raw material and Production stores	**944.05**	**880.07**	**710.03**	**806.23**	**565.36**	**562.20**
Less: Provision for Obsolescence	**179.08**	**179.08**	**179.08**	**168.80**	**154.08**	**155.10**
	764.97	**700.98**	**530.95**	**637.43**	**411.28**	**407.10**
b)Material issued against Fabrication Contracts	**9.69**	**9.69**	**9.81**	**9.81**	**9.81**	**10.02**
Less: Provision	**9.55**	**9.55**	**9.55**	**9.55**	**9.55**	**9.55**
	0.14	**0.14**	**0.26**	**0.26**	**0.26**	**0.48**
c)Non-Production Stores	**85.06**	**85.05**	**80.77**	**85.24**	**84.64**	**80.30**
Less: Provision for Obsolescence	**23.74**	**23.74**	**23.74**	**25.16**	**25.16**	**25.16**
	61.32	**61.31**	**57.03**	**60.08**	**59.49**	**55.14**
d)Work-in-Process Production	**352.76**	**402.18**	**307.00**	**417.28**	**223.40**	**268.23**
Less: Provision	**30.51**	**30.51**	**30.51**	**27.38**	**27.38**	**27.38**
	322.25	**371.67**	**276.49**	**389.91**	**196.03**	**240.85**
e)Work-in-Process Installation	**6.04**	**-**	**-**	**-**	**-**	**-**
Less: Provision	**-**	**-**	**-**	**-**	**-**	**-**
	6.04	**-**	**-**	**-**	**-**	**-**
f)Manufactured Components	**95.81**	**98.49**	**94.84**	**97.55**	**134.00**	**105.35**
Less: Provision	**4.01**	**4.01**	**4.01**	**3.39**	**3.39**	**3.39**
	91.80	**94.47**	**90.82**	**94.17**	**130.61**	**101.97**
g) Finished Goods						
Stock-in-Trade	**187.56**	**228.89**	**177.54**	**185.99**	**167.21**	**155.41**
Excise Duty thereon	**0.04**	**0.04**	**8.57**	**8.94**	**7.24**	**5.65**
	187.60	**228.93**	**186.11**	**194.93**	**174.44**	**161.06**
Less: Provision	**104.57**	**104.57**	**104.57**	**104.46**	**104.46**	**104.46**
	83.03	**124.36**	**81.54**	**90.47**	**69.98**	**56.60**
h) Stock Reconciliation Account	**1.03**	**1.03**	**1.03**	**1.03**	**1.01**	**0.99**
Less: Provision	**1.03**	**1.03**	**1.03**	**1.03**	**1.01**	**0.99**
	-	**-**	**-**	**-**	**-**	**-**
i)Goods Pending Inspection / Acceptance	**-**	**-**	**57.85**	**15.98**	**57.89**	**5.37**
j)Material-in-Transit Advances						
Considered Good	**115.68**	**134.62**	**464.01**	**122.51**	**108.01**	**61.61**
Considered Doubtful	**8.22**	**8.22**	**8.22**	**8.22**	**8.22**	**8.22**
	123.90	**142.84**	**472.24**	**130.73**	**116.23**	**69.84**
Less: Provision	**8.22**	**8.22**	**8.22**	**8.22**	**8.22**	**8.22**
	115.68	**134.62**	**464.01**	**122.51**	**108.01**	**61.61**
k)Material received and In-Transit Advances	**-**	**-**	**-**	**11.55**	**4.74**	**4.16**
l)Tools and Gauges*	**-**	**-**	**-**	**0.53**	**-**	**0.15**
GRAND TOTAL	**1,445.23**	**1,487.56**	**1,558.96**	**1,422.86**	**1,038.30**	**933.43**

***Tools and Gauges has been treated as Inventory rather than Property Plant & Equipment as these are not material in value.**

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 7						**₹ In millions**
STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES						
Secured						
Outstanding for a period exceeding 6 months from the date they become due for payment						
Considered Good	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	-
Other for a period of not exceeding 6 months: Considered Good	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Un Secured						
Outstanding for a period exceeding 6 months from the date they become due for payment						
Considered Good	21,932.19	23,900.75	24,631.18	17,766.03	23,468.42	20,220.54
Considered Doubtful	465.16	465.16	465.16	465.16	437.80	678.96
	22,397.35	24,365.91	25,096.34	18,231.19	23,906.22	20,899.49
Other for a period of not exceeding 6 months: Considered Good	4,583.94	2,673.26	6,168.18	4,193.51	3,963.29	1,966.61
	26,981.28	27,039.17	31,264.52	22,424.70	27,869.51	22,866.10
Less: Provision	465.16	465.16	465.16	465.16	437.80	678.96
TOTAL	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15
GRAND TOTAL	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is a example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss model on case to case basis

NOTE NO. 8

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
a)Cash-on-Transit	-	-	-	-	7.83	7.83
b)Cash on hand	4.56	2.74	6.63	2.65	2.46	4.10
c) Cheques & Stamps on Hand	0.10	0.01	-	0.01	0.05	0.09
d)Balance with Banks :		-				
- On Current Account	195.02	264.26	405.98	241.36	489.18	446.05
TOTAL	199.67	267.01	412.61	244.02	499.51	458.07

NOTE NO. 8 (a)

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS -BANK BALANCE OTHER THAN ABOVE

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Balance with Banks :						
- On Escrow Account	37.90	306.69	2,826.57	1,369.90	658.48	2,221.40
- On Current Account (Apprentices)	-	-	0.58	0.58	0.58	0.58
Unpaid Dividend	-	-	-	-	-	-
Security deposits/others	0.62	0.05	0.04	0.04	0.71	-
LC Margin money	-	-	-	-	-	25.00
On Savings Account(Apprentices Security Deposits)	-	-	0.25	0.25	0.25	0.62
On short term deposit (margin money)	16.43	6.11	7.44	4.79	7.39	6.57
On current Account(Margin money)	-	-	-	-	-	-
On Fixed Deposit Account- More than 12 months maturity	2,177.22	1,455.43	-	-	-	-
On Fixed Deposit Account- Less than 12 months maturity	-	-	-	43.55	45.00	-
TOTAL	2,232.17	1,768.28	2,834.88	1,419.10	712.41	2,254.18

NOTE NO. 9

STATEMENT OF CONSOLIDATED CURRENT FINANCIAL ASSETS - LOANS

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Secured Advances recoverable in cash or for value to be received						
Vehicles	-	-	-	-	0.00	0.00
House building	-	-	-	-	-	-
Other Deposits	104.67	104.81	54.17	53.70	53.62	217.96
Less: Provision	-	-	-	-	-	25.07
TOTAL	104.67	104.81	54.17	53.70	53.63	192.90
Un secured Advances recoverable in cash for value to be received						
Considered Good	3,576.39	2,570.88	1,789.07	1,461.74	843.94	784.97
Considered Doubtful	89.66	89.66	151.78	151.78	161.25	161.25
	3,666.05	2,660.54	1,940.85	1,613.52	1,005.19	946.22
Less: Provision	89.66	89.66	151.78	151.78	151.78	161.25
	3,576.39	2,570.88	1,789.07	1,461.74	853.41	784.97
Claims and Expenses Recoverable - Inland						
Considered Good	2,100.54	1,743.57	1,623.82	1,459.93	1,460.46	1,598.58
Considered Doubtful	69.67	69.67	69.67	67.87	67.87	67.87
	2,170.21	1,813.25	1,693.50	1,527.79	1,528.33	1,666.44
Less: Provision	69.67	69.67	69.67	67.87	67.87	67.87
	2,100.54	1,743.57	1,623.82	1,459.93	1,460.46	1,598.58

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Claims and expenses recoverable - Foreign						**₹ In millions**
Considered Good	7.13	0.96	1.02	48.61	4.73	6.97
Considered doubtful	120.43	120.43	120.43	120.43	120.43	120.43
	127.56	121.39	121.45	169.04	125.16	127.40
Less: Provision	120.43	120.43	120.43	120.43	120.43	120.43
	7.13	0.96	1.02	48.61	4.73	6.97
Advance for Civil Works/ Capital Goods						
Considered Good	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
	-	-	-	-	-	-
Vechicle advance	-	-	(0.00)	(0.00)	(0.00)	(0.00)
Other Deposits	357.62	308.82	410.50	334.69	239.89	97.20
Less: Provision	25.60	25.60	25.60	25.60	25.60	0.54
	332.02	283.22	384.90	309.09	265.49	96.67
Interest accrued but not due on short term deposits	1.77	1.69	1.77	1.75	1.72	11.67
TOTAL	6,017.85	4,600.33	3,800.58	3,281.11	2,534.60	2,498.86
GRAND TOTAL	6,122.53	4,705.13	3,854.75	3,334.81	2,588.22	2,691.75

a) Claims and expenses recoverable - inland- includes ₹169.02millions recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.

b) Claims and expenses recoverable - inland- ₹14.03 million (₹14.03 million) is due from Punjab National Bank towards interest charged in excess of SBAR w.e.f. 01.04.2009 and the same is expected to get realised during 2018-2019

c) Claim Recoverable - in land - ₹104.94 millions due from M/S Himachal futuristic communications towards LD. The Company has filed a legal case and the matter is pending before Delhi High court.

d) Rent Receivable of ₹584.79 millions on a premises leased out upto the period ended 31.03.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainity of realization

e) Claims and expenses recoverable - inland- includes ₹653.97 lakhs being the claim made to DOT for reimbursement of loss incurred for the FY 2017-18 by the Srinagar Unit. The Company is expected to get realised during 2019-2020.

NOTE NO. 9 (a)

Unbilled Revenue

Government	3,622.27	5,502.49	2,372.41	366.66	212.93	-
Non Government	-	-	-	-	-	
TOTAL	3,622.27	5,502.49	2,372.41	366.66	212.93	-

NOTE NO. 10

STATEMENT OF CONSOLIDATED OTHER CURRENT ASSETS

Taxes & Duties in put	434.92	614.99	432.09	56.74	59.38	0.75
Deposits with Customs Department	44.01	9.97	0.51	6.54	0.71	0.85
Payment of Advance tax (Net of refunds)	3.17	6.86	8.88	2.84	45.63	38.99
Deposits with Excise Authorities	41.99	41.98	45.50	227.19	250.18	245.88
WCT Recoverable	-	-	1.28	1.54	1.57	1.56
TOTAL	524.09	673.80	488.25	294.85	357.46	288.02

NOTE NO. 11

STATEMENT OF CONSOLIDATED EQUITY SHARE CAPITAL

a) Authorised						
280,00,00,000 equity shares of ₹10 each	28,000.00	28,000.00	8,000.00	8,000.00	8,000.00	8,000.00
b) Issued						
89,70,00,000 equity shares of ₹10 each	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
c) Subscribed and Fully Paid-up						
89,70,00,000 equity shares of ₹10 each	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
d) Subscribed & not fully paid up	-	-	-	-	-	-
e) Par value per share	-	-	-	-	-	-
f) Calles un paid	-	-	-	-	-	-
g) Forfeited shares	-	-	-	-	-	-

h) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	No.of shares	No.of shares	No.of shares	No.of shares	No.of shares	No.of shares
Number of shares outstanding O.B	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000	28,80,00,000
Add: Issues during the year	-	13,70,00,000	20,00,00,000	27,20,00,000	-	-
Less: Buy back/forfiture during the year	-	-	-	-	-	-
Number of shares outstanding C.B	89,70,00,000	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000

i) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of Equity share is entitled to one vote per share.

- In the event of liqudation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferencial amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
j)List of share holders holding more than 5% shares						**₹ In millions**
Name	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**
1. President of India	**80,69,87,500**	**80,69,87,500**	**73,08,87,500**	**53,08,87,500**	**25,88,87,500**	**25,88,87,500**
k)During last 5 years:						
i)Aggregate number of shares allotted without being received in cash	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
iii)Aggregate number and class of shares bought back	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
II. PREFERENCE SHARES:						
Authorised						
7,00,00,000 Preference Shares of ₹100 each	**7,000.00**	**7,000.00**				
NOTE NO. 12						
STATEMENT OF CONSOLIDATED OTHER EQUITY						
1)Capital Reserves						
i)Free Land Gifted	**2.53**					
O.B As per last B/S	**2.53**	**2.53**	**2.53**	**2.53**	**2.53**	**2.53**
Additions	-	-	-	-	-	-
Total	**2.53**	**2.53**	**2.53**	**2.53**	**2.53**	**2.53**
Deductions	-	-	-	-	-	-
Closing balance	**2.53**	**2.53**	**2.53**	**2.53**	**2.53**	**2.53**
ii) Capital Grant in aid						
As per last Balance Sheet	**27,487.20**	**27,487.20**	**27,487.20**	**27,487.20**	**27,305.70**	**27,127.00**
Transfer from Grant in aid (capital)	**3,093.00**	-	-	-	**181.50**	**178.70**
Closing Balance	**30,580.20**	**27,487.20**	**27,487.20**	**27,487.20**	**27,487.20**	**27,305.70**
TOTAL CAPITAL RESERVES	**30,582.73**	**27,489.73**	**27,489.73**	**27,489.73**	**27,489.73**	**27,308.23**
2) Securities premium reserve						
O.B as per last B/S	**2.96**	**2.96**	**2.96**	**2.96**	**2.96**	**2.96**
Additions	-	-	-	-	-	-
Total	**2.96**	**2.96**	**2.96**	**2.96**	**2.96**	**2.96**
Deductions	-	-	-	-	-	-
Closing balance	**2.96**	**2.96**	**2.96**	**2.96**	**2.96**	**2.96**
3) Revaluation Reserve						
i) Revaluation reserves- Land						
Opening balance as per last B/S	**22,723.85**	**22,723.85**	**22,761.12**	**22,761.12**	**22,761.12**	**22,761.12**
Less-Reversal on sale of land	-	-	**37.28**	-	-	-
Closing Balance	**22,723.85**	**22,723.85**	**22,723.85**	**22,761.12**	**22,761.12**	**22,761.12**
ii)Revaluation reserves-Buildings						
Opening balance as per last B/S	**621.90**	**666.95**	**722.02**	**782.56**	**842.93**	**983.01**
Less-Transfer to General Reserve	**22.86**	**45.05**	**55.07**	**60.54**	**60.37**	**140.08**
Closing Balance	**599.04**	**621.90**	**666.95**	**722.02**	**782.56**	**842.93**
TOTAL-REVALUATION RESERVE	**23,322.89**	**23,345.74**	**23,390.80**	**23,483.14**	**23,543.68**	**23,604.06**
4)Retained Earnings						
i) General reserve:						
Opening balance as per last B/S	**185.92**	**140.87**	**84.97**	**26.80**	-	-
Prior Period Adjustments	-	-	-	**(2.37)**	**(33.57)**	-
Add: Transfer from Revaluation Reserve (Dep)	**22.86**	**45.05**	**55.07**	**60.54**	**60.37**	-
Less-Transfer to P&L	-	-	-	-	-	-
Less-Transfer to Surplus	-	-	**(0.82)**	-	-	-
Closing Balance	**208.78**	**185.92**	**140.87**	**84.97**	**26.80**	-
ii)Profit on Sale of Fixed Assets						
Opening balance as per last B/S	-	-	-	-	-	-
Less-Transfer to Surplus	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
iii) Sale of Technical know-how						
As per last Balance Sheet	**0.35**	**0.35**	**0.35**	**0.35**	**0.35**	**0.35**
Less-Transfer to P&L	-	-	-	-	-	-
Closing Balance	**0.35**	**0.35**	**0.35**	**0.35**	**0.35**	**0.35**
iv) Industrial Housing Subsidy						
As per last Balance Sheet	**0.68**	**0.68**	**0.68**	**0.68**	**0.68**	**0.68**
Less-Transfer to P&L	-	-	-	-	-	-
Closing Balance	**0.68**	**0.68**	**0.68**	**0.68**	**0.68**	**0.68**
v)Investment allowance reserve						
As per last Balance Sheet	-	-	-	-	-	-
Less: Transfer to General reserve	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
vi)Surplus						
As per last Balance sheet	**(43,397.84)**	**(44,323.22)**	**(46,628.86)**	**(49,291.23)**	**(51,663.41)**	**(48,227.53)**
Add:Profit/(Loss) for the year	**(544.03)**	**925.38**	**2,305.64**	**2,663.91**	**2,372.18**	**(2,979.95)**
Add: Transfer from General Reserve	-	-	-	-	-	-
Add: Transfer from Profit on sale of fixed assets	-	-	-	-	-	-
TOTAL	**(43,941.87)**	**(43,397.84)**	**(44,323.22)**	**(46,627.32)**	**(49,291.23)**	**(51,207.48)**
Less- Appropriations	-	-	-	**1.53**	-	**(8.68)**
Less-Transfer from P&L A/C to OCI Opening Balance	-	-	-	-	-	**464.61**
Less-Transfer from P&L A/C-(Loss for the year)		-	-	-	-	-
Closing Balance	**(43,941.87)**	**(43,397.84)**	**(44,323.22)**	**(46,628.86)**	**(49,291.23)**	**(51,663.41)**
TOTAL-RETAINED EARNINGS	**(43,732.06)**	**(43,210.89)**	**(44,181.32)**	**(46,542.86)**	**(49,263.40)**	**(51,662.38)**

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
						₹ In millions
5)Share application money pending allotment*	1,600.00	550.00	1,370.00	-	1,920.00	1,920.00
6)Other Comprehensive Income						
Remeasurement of Defined Benefit Plans (Acturial Gain)						
Opening Balance	789.41	606.24	560.57	173.26	-	-
Changes during the Year	90.36	183.17	45.68	387.30	173.26	-
Closing balance	879.77	789.41	606.24	560.57	173.26	-
Changes in Fair Value of Investments classified as FVTOCI						
Opening Balance	393.56	372.68	403.78	426.43	446.14	464.61
Changes during the Year	(8.04)	20.88	(31.10)	(22.65)	(19.71)	(18.47)
Closing balance	385.52	393.56	372.68	403.78	426.43	446.14
Total Other Comprehensive Income	1,265.29	1,182.97	978.92	964.34	599.69	446.14
GRAND TOTAL - OTHER EQUITY with REVALUATION RESERVE	12,656.29	9,360.52	9,051.09	5,397.32	4,292.67	1,619.01
Less: Revaluation Reserve	23,322.89	23,345.75	(23,390.80)	(23,483.14)	(23,543.68)	(23,604.06)
GRAND TOTAL - OTHER EQUITY without REVALUATION RESERVE	(10,666.60)	(13,985.23)	(14,339.70)	(18,085.82)	(19,251.01)	(21,985.05)

*** 137 million additional equity shares were alloted to President of India on 15.05.2018**

NOTE NO. 13

STATEMENT OF CONSOLIDATED NON-CURRENT LIABILITIES

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Government Grants						
i)Free Equipment gifted						
Opening balance as per last B/S	-	6.25	15.62	25.00	34.37	43.74
Less-Transfer to P&L	-	6.25	9.37	9.37	9.37	9.37
Closing Balance	-	-	6.25	15.62	25.00	34.37
ii)Grant-in-aid (Capital) :						
As per last Balance Sheet	0.46	0.46	0.46	0.69	38.28	78.65
Add:Receipts during the year	3,093.00	-	-	-	181.50	178.62
Total	3,093.46	0.46	0.46	0.69	219.78	257.27
Less: Transfer to revenue GIA/Capital reserves	3,093.00	-	-	-	181.50	178.70
Less: Transfer to Profit & Loss Account	-	-	-	0.22	37.60	40.29
Closing Balance	0.46	0.46	0.46	0.46	0.69	38.28
iii)Grant-in-aid (Revenue)						
As per last Balance Sheet	1,184.18	1,184.18	1,212.84	-	-	-
Add : Receipts during the year	-	-	1,329.80	5,000.00	4,940.20	1,650.00
Total	1,184.18	1,184.18	2,542.64	5,000.00	4,940.20	1,650.00
Less: Transfer to Profit & Loss Account	41.70	-	1,358.46	3,787.16	4,940.20	1,650.00
Closing Balance	1,142.48	1,184.18	1,184.18	1,212.84	-	-
GRAND TOTAL	1,142.94	1,184.65	1,190.89	1,228.93	25.68	72.65

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 14						**₹ In millions**
STATEMENT OF CONSOLIDATED NON-CURRENT LIABILITIES						
FINANCIAL LIABILITIES - BORROWINGS						
i) Secured Loans						
Floating Rate Bonds	-	-	-	-	-	-
Term Loans from Banks	-	-	-	-	-	-
Others	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
II) Unsecured Loans						
Loan from Government of India*	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Interest accrued and due on the above	-	-	-	-	-	-
Floating Rate Bonds	-	-	-	-	-	-
Term Loans from Banks	-	-	-	-	-	-
Deferred payment liabilities	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Loans and advances from related parties	-	-	-	-	-	-
Long term maturities of finance lease obligation	-	-	-	-	-	-
Other loan - Ku Band	-	-	-	-	-	-
TOTAL	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
GRAND TOTAL	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00

* Loan amount of ₹3000 million shall be repayable in five years from FY 2019-20 to FY 2024-25 with interest rate @1% p.a.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 15						
STATEMENT OF CONSOLIDATED NON-CURRENT FINANCIAL LIABILITIES - OTHERS						
Security deposit received	684.93	703.34	75.88	68.81	75.69	47.39
Interest accrued and but not due on Loan from GOI	-	-	105.62	75.62	45.62	15.62
GRAND TOTAL	684.93	703.34	181.50	144.42	121.31	63.01
NOTE NO. 16						
STATEMENT OF CONSOLIDATED NON CURRENT PROVISIONS						
For privilege Leave						
As per Last Balance Sheet	798.59	660.17	569.33	820.13	863.58	1,017.04
Less : Transfer to Corporate	-	-	-	-	-	-
Add: Provision for the year	-	138.42	90.84	(250.80)	5.12	(153.46)
Less: Payments	-		-	-	48.57	-
TOTAL	798.59	798.59	660.17	569.33	820.13	863.58
For sick Leave						
As per Last Balance Sheet	6.25	8.79	13.78	18.95	23.87	26.71
Less : Transfer to Corporate	-	-	-	-	-	-
Add: Provision for the year	0.00	(2.54)	(4.99)	(5.17)	(4.92)	(2.85)
Less: Payments	-	-	0.00	-	-	-
TOTAL	6.25	6.25	8.79	13.78	18.95	23.87
ii) Others	-	6.45	11.09	-	-	-
GRAND TOTAL	804.84	811.29	680.04	583.11	839.08	887.45
NOTE NO. 17						
STATEMENT OF CONSOLIDATED CURRENT LIABILITIES						
i) Current Financial Liabilities - Loans						
Loans repayable on demand						
-Secured Loans						
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks,stores & raw materials, debts & advances and second charge on all Fixed Assets both movable and immovable.	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
-Unsecured Loans	-					
Loans and advances from related parties	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other loans and advances	-	-	-	-	-	-
TOTAL	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
NOTE NO. 18						
STATEMENT OF CONSOLIDATED CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES						
For goods supplied						
- Micro small and medium enterprises	-	110.95	0.38	0.78	1.38	0.54
- Others	14,036.16	14,493.72	16,765.45	14,961.01	13,075.48	14,348.97
TOTAL	14,036.16	14,604.67	16,765.83	14,961.79	13,076.86	14,349.50
For Expenses and Services	812.39	829.19	2,712.10	2,263.32	3,590.66	5,724.00
For Other Liabilities	2,032.43	2,614.77	3,138.56	2,534.88	4,385.78	2,756.68
TOTAL	16,880.99	18,048.63	22,616.49	19,759.99	21,053.30	22,830.18

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.
For the Stub Period, The Company has not identified the suppliers of Micro, Small and Medium Enterprises. And we have been informed that in view of the units located geographical at different places, the same shall be identified at the end of the financial year . Accordingly, provision for interest for the delayed payment, if any, has not been made in the accounts, as the same is not ascertainable for the period under review.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO.19						**₹ In millions**
STATEMENT OF CONSOLIDATED CURRENT FINANCIAL LIABILITIES - OTHERS						
Interest Accrued but not due on Borrowings	-	-	-	-	-	-
Interest Accrued and due on Borrowings	15.00	-	-	-	-	-
Unpaid matured deposits and interest accrued thereon	-	-	-	-	-	-
Loan from Government of India**	600.00	-	-	-	-	-
For Expenses and Services	355.23	358.19	566.34	393.27	320.89	494.55
For Other Liabilities (including Excise Duty on Stock in Trade)	2,999.79	2,661.72	4,085.78	3,286.70	3,877.77	3,798.53
Other payables	1,424.14	2,682.95	2.06	3.33	187.74	190.41
Salary Payable	67.58	86.93	40.94	-	-	-
Unclaimed Dividend	-	-	-	-	-	-
Royalty Payable	21.28	21.28	21.28	-	-	-
Wage revision Arrears	107.57	107.67	108.33	108.79	314.55	475.95
Preference Shares*	750.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Deposits from Contractors	366.38	457.66	416.71	443.80	390.51	378.66
Misc.Liabilities	1,607.32	1,934.33	-	-	-	-
TOTAL	8,314.30	11,310.74	8,241.43	7,235.90	8,091.46	8,338.10

*As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability. Inerest/Dividend has not been provided in the books of accounts.

The Company has received ₹3000 million as Grant from GOI towards redemption of:

a) 10000000, 8.75% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹1000 million issued on 14.02.2003 to MTNL, and the same was redeemed on 05.09.2019 at board meeting held on 04.09.2019.

b) 20000000, 7% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹2000 million issued on 04.06.2003 to BSNL, and the same was redeemed on 06.09.2019 at board meeting held on 04.09.2019, out of which ₹1250 million was paid and balance ₹750 million is outstanding as on 30.09.2019.

c) The arrears of dividend in respect of the above cumulative preference shares redeemed on 04.09.2019 (a & b) to MTNL and BSNL will be dealt with according to the prevalent rules and acts as applicable.

** Repayable during the year.

Preference Shares:

a) Authorised						
70000000 Preference Shares of ₹100 each 8.75% Cumulative Redeemable Preference Shares	7,000.00	7,000.00	4,000.00	4,000.00	4,000.00	4,000.00
b) Issued						
10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
c) Subscribed and Fully Paid-up						
10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
d) Subscribed & not fully paid up	-	-				
e) Calls un paid	-	-				
f) Forfeited shares	-	-				

g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period

Particulars	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Number of shares outstanding O.B	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Add issues during the year	-	-	-	-	-	-
Less: Redeemed/Buy back/forfeiture during the year	1,00,00,000	-	-	-	-	-
Number of shares outstanding C.B	-	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liqudation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

j)List of share holders holding more than 5% shares

Name	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held
1.Mahanagar Telephone Nigam Ltd. #	-	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
j)During last 5 years:						
i)Aggregate number of shares allotted without being received in cash	-	-	-	-	-	-
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-	-	-	-	-
iii)Aggregate number and class of shares brought back	-	-	-	-	-	-

10000000, 8.75% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹1000 million issued on 14.02.2003 to MTNL, and the same was redeemed on 05.09.2019 at board meeting held on 04.09.2019.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Dividend in respect of following class of Cumulative Redeemable Preference Shares are in arrears as detailed below:						**₹ In millions**
a) On 8.75% Cumulative Preference Shares from 2002-03	1,525.14	1,487.50	1,400.00	1,312.50	1,225.00	1,137.50
(The figures indicated are excluding Dividend Distribution Tax)						
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints						
Redemption installments due from 31st March 2005 to 31st March 2009 in respect of 8.75 % Preference Shares of ₹1000 millions	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
<u>7% Cumulative Redeemable Preference Shares</u>						
<u>a) Issued</u>						
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	-	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
<u>b) Subscribed and Fully Paid-up</u>						
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	-	2,000.00	2,000.00	2,000.00	2,000.00	2,000.00
c) Subscribed & not fully paid up						
d) Par value per share(₹100)	-		-	-	-	-
e) Calls un-paid	-		-	-	-	-
f) Forfeited shares	-		-	-	-	-
g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period						
Particulars	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**
Number of shares outstanding O.B	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
Add issues during the year	-	-	-	-	-	-
Less: Redeemed/Buy back/forfeiture during the year	2,00,00,000	-	-	-	-	-
Number of shares outstanding C.B	-	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of the preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liquidation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

i)List of share holders holding more than 5% shares

<u>Name</u>	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held
1.Bharat Sanchar Nigam Ltd. ##	-	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
j)During last 5 years:						
k)Aggregate number of shares allotted with out being received in cash	-	-	-	-	-	-
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-	-	-	-	-
iii)Aggregate number and class of shares brought back	-	-	-	-	-	-
a) On 7.00% Cumulative Preference Shares from 2003-04	2,301	2,240	2,100	1,960	1,820	1,680
(The figures indicated are excluding Dividend Distribution Tax)						
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints						
Redemption installments due from 31st March 2006 to 31st March 2010 in respect of 7% Preference Shares of ₹2000 millions	-	2,000	2,000	2,000	2,000	2,000

20000000, 7% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹2000 million issued on 04.06.2003 to BSNL, and the same was redeemed on 06.09.2019 at board meeting held on 04.09.2019, out of which ₹1250 million was paid and balance ₹750 million is outstanding as on 30.09.2019.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 20						₹ In millions
STATEMENT OF CONSOLIDATED CURRENT PROVISIONS						
For Taxation						
As per last Balance Sheet	-	-	5.37	5.38	5.37	5.38
Add: Provisions during the year	-	-	-	-	-	-
Less: Adjustments of provisions relating to earlier years	-	-	5.37	-	-	-
Total	-	-	-	5.38	5.37	5.38
For Gratuity						
As per Last Balance Sheet	967.86	853.97	1,085.03	2,017.96	3,020.11	2,793.04
Add: Provision for the year	24.62	113.89	198.95	(2.94)	297.85	227.07
Less: Transfer to gratuity trust	-	-	430.00	930.00	1,300.00	-
Add: Transfer from gratuity trust	16.54	170.87	468.91	789.27	593.91	647.64
Add: Transfer from Corporate	-	-	-	-	-	-
Less: Payments	16.54	170.87	468.91	789.27	593.91	647.64
Total	992.48	967.86	853.97	1,085.02	2,017.96	3,020.11
For Privilege Leave						
As per Last Balance Sheet	63.33	328.84	374.94	376.94	472.38	509.23
Less : Transfer to Corporate	-	-	-	-	-	-
Add: Provision for the year	29.11	(173.58)	65.50	181.84	54.26	137.37
Less: Payments	26.48	91.92	111.61	183.84	149.70	174.21
Total	65.96	63.33	328.84	374.94	376.94	472.38
For Sick Leave						
As per Last Balance Sheet	0.20	0.24	0.36	0.27	11.20	10.34
Add: Provision for the year	(0.85)	(0.04)	(0.12)	0.08	(10.93)	0.87
Less: Payments	-	-	-	-	-	-
Total	(0.64)	0.20	0.24	0.36	0.27	11.20
For L L T C provision						
As per Last Balance Sheet	29.47	17.53	18.01	18.48	16.19	10.56
Add: Provision for the year	(2.18)	13.63	10.28	3.40	4.37	7.42
Less: Payments	-	1.69	10.75	3.87	2.08	1.79
Total	27.29	29.47	17.53	18.01	18.48	16.19
GRAND TOTAL	1,085.09	1,060.87	1,200.58	1,483.70	2,419.03	3,525.27
NOTE NO. 21						
STATEMENT OF CONSOLIDATED OTHER CURRENT LIABILITIES						
Income received in advance	-	-	-	-	-	-
Duties & Taxes	448.30	454.81	636.49	75.28	83.61	65.89
Advances from Customers	6,590.13	5,491.40	6,786.43	2,231.74	7,579.26	1,362.67
TOTAL	7,038.43	5,946.21	7,422.92	2,307.02	7,662.87	1,428.55

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
NOTE NO. 22						₹ In millions
STATEMENT OF CONSOLIDATED REVENUE FROM OPERATIONS						
i)Sale of Products (Incl. Excise duty and net of sales tax & Service Tax/GST)						
Sale of Finished Goods	252.72	4,186.13	6,733.20	1,850.23	1,021.72	833.38
Sale of Traded Goods	751.41	2,364.52	956.56	2,014.03	5,874.06	1,214.67
TOTAL	1,004.14	6,550.65	7,689.76	3,864.27	6,895.78	2,048.05
ii) Sale of services	4,763.63	10,131.07	6,613.17	11,605.09	5,026.58	3,731.53
iii) Other Operating Revenues:						
a) Sale of Scrap	20.06	1.97	0.05	0.04	0.11	0.08
b) Income from DLRC Project	-		8.65	11.97	10.99	11.46
c) Non competing fee	-		-	-	-	-
d) Grant In Aid-Revenue	-	-	530.00	-	-	-
TOTAL	5,787.83	16,683.68	14,841.62	15,481.37	11,933.46	5,791.12

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
NOTE NO. 23						
STATEMENT OF CONSOLIDATED OTHER INCOME						
a) Interest Income						
i) Interest on Inter Corporate Advances	-		-	-	-	-
ii) Interest - Others	67.30	39.37	15.98	10.00	22.66	25.84
Total	67.30	39.37	15.98	10.00	22.66	25.84
b) Dividend from Non-Trading Investments	-	-	-	-	-	-
c) Net Gain/Loss on Sale of Investment	-	-	-	-	-	-
d) Other Non-operating income (Net of expenses directly attributable to such income)						
i) Profit on Sale of Assets	3.72	-	-	-	-	0.31
Less:Transfer to Capital Reserves	-	-	-	-	-	-
TOTAL	3.72	-	-	-	-	0.31
ii) Commission	-	-	-	-	-	-
iii) Rent	100.50	185.77	157.23	154.43	180.96	182.65
iv) Lease Rent	-	4.05	-	-	-	-
v) Transport Charges	-	0.01	0.02	0.02	0.03	0.30
vi) Sale of Scrap	11.40	54.18	11.90	2.35	1.31	1.64
vii) Water Charges/Electricity Charges	0.04	0.53	0.89	0.63	0.31	20.07
viii) Forfeited Bank Guarantee	-	45.00	-	-	-	-
ix) Excess Provision Withdrawn	-	-	5.37	-	84.69	15.08
x) Reimbursement of VRS	-	-	-	-	-	-
xi) Withdrawl of Liability no Longer Required	2.31	2,985.18	1,121.45	1,157.85	270.13	387.30
xii) Waiver of Liquidated Damages	14.00	0.22	-	-	3.64	55.33
xiii) Compensation for Srinagar Loss	-	-	131.48	22.35	34.40	86.50
xiv) Waiver of Interest Charges	-	-	-	-	-	-
xv) Transfer from Revenue Grant-in-Aid	-	-	799.80	1,960.00	3,815.20	-
xvi) Revenue Grant-in-Aid - VRS	41.70	-	28.66	337.16	-	-
xvii) Revenue Grant-in-Aid	-	6.25	9.37	9.37	9.37	-
xviii) Transfer from Capital Grant-in-Aid	-	-	-	0.22	37.60	40.29
xix) Compansation for Acquisition of Land by BMRCL	-	-	921.15	-	-	-
xx) Misc. Income	5.16	44.17	71.24	104.32	349.97	20.07
TOTAL (i to xx)	178.83	3,325.36	3,258.56	3,748.70	4,787.60	809.54
e) Adjustment to the carrying value of investments(write back)	-	-	-	-	-	-
f) Grants relating to Previous Years	-	-	-	1,647.10	1,125.00	-
g) Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)	-	-	-	-	34.40	13.79
G.TOTAL	246.14	3,364.73	3,274.54	5405.79	5969.65	849.17
NOTE NO. 24						
STATEMENT OF CONSOLIDATED CONSUMPTION OF RAW MATERIALS & PRODUCTION STORES						
Opening Stock	888.09	719.84	816.07	575.16	587.09	570.45
ADD: Prior Period Adjustment due to Price Revision	-	-	-	-	-	-
Purchases/Transfers	716.71	3,000.59	3,023.15	1,096.68	453.22	491.10
Material for Installation & Maintenance	37.79	-	-	-	-	-
TOTAL	1,642.59	3,720.43	3,839.21	1,671.84	1,040.31	1,061.54
Less: Closing Stock		888.09	719.84	816.07	575.16	587.09
Issue to Revenue and Others	930.93	16.52	(2.36)	(62.16)	55.08	50.56
Material Transferred to Other Units	28.21	-	-	-	-	-
TOTAL	959.14	904.61	717.48	753.90	630.24	637.65
Add: Stores Indirect expenses relating to RM & Prodn. Stores	0.03	21.32	12.71	7.81	3.27	6.37
CONSUMPTION	683.48	2,837.14	3,134.44	925.75	413.33	430.27
Rawmaterials consumed under broad heads particulars						
1. Electronic Goods & Components	694.65	2,856.22	3,120.47	630.74	412.56	430.27
2. MNIC	-	2.80	13.97	295.01	0.77	-
Total	694.65	2,859.02	3,134.44	925.75	413.33	430.27
Value of Imports on CIF basis						
Raw Materials and Production Stores	768.96	716.18	1,894.01	441.62	127.12	77.09
Components and Spare Parts	-	-	0.01	0.05	0.12	0.73
Material in transit	16.24	-	365.38	-	-	26.24
Capital Goods	129.61	316.36	652.18	253.72	550.81	0.93
TOTAL	914.81	1,032.53	2,911.58	695.39	678.05	104.99

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

Imported	583.17	222.06	1,540.25	425.83	103.54	136.13
Indigenous	111.48	2,636.96	1,613.79	529.56	330.69	317.81
Total	694.65	2,859.02	3,154.04	955.39	434.23	453.94
Particulars	%	%	%	%	%	%
Imported	83.95	7.77	48.83	44.57	23.85	29.99
Indigenous	16.05	92.23	51.17	55.43	76.15	70.01
Total	100.00	100.00	100.00	100.00	100.00	100.00

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
NOTE NO. 25						**₹ In millions**
STATEMENT OF CONSOLIDATED PURCHASE OF STOCK-IN-TRADE	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59
Goods purchased under broad heads						
Particulars	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**	**Amount**
1. Telephone	-	-	-	-	-	-
2. STM	-	-	-	-	-	-
3. DWDM	-	-	-	-	-	-
4. SOLAR	-	155.13	22.27	1.30	-	0.69
5. SSTP	-	-	-	-	-	-
6. CDMA	-	-	-	-	-	-
7. SMPS	-	10.25	-	-	-	24.31
8. ASCON	1.14	42.54	21.95	61.74	26.34	64.47
9. GSM	-	-	287.84	-	-	141.01
10. IT	22.77	952.77	-	153.75	57.47	-
11. APDRP	-	-	71.12	156.98	331.80	643.71
12. Smart Energy Meters	-	193.20	-	-	-	-
13. MAHANET	-	-	-	-	-	-
14. GUJNET	-	42.28	-	-	-	-
15. BNG	-	559.95	-	-	-	-
16. Others	2,078.31	1,260.29	1,916.58	4,748.14	5,866.85	546.40
TOTAL	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59

NOTE NO. 26

STATEMENT OF CONSOLIDATED CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
Accretion/(Decretion) to WIP						
WIP - Production :						
Closing Balance	349.63	371.82	415.00	393.33	199.45	244.27
Less: Opening Balance	402.18	307.00	525.28	199.45	244.27	248.73
TOTAL	(52.56)	64.82	(110.28)	193.88	(44.82)	(4.45)
Add: Write Off during the Year	-	3.13	3.13	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	(52.56)	67.95	(107.15)	193.88	(44.82)	(4.45)
WIP - Installation:						
Closing Balance	-	-	-	-	-	-
Less: Opening Balance	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Add: Write Off during the Year	-	-	-	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Accretion/(Decretion) to Manufacturing Components						
Closing Balance	94.41	97.08	94.05	97.46	133.97	105.33
Less: Opening Balance	97.71	88.77	96.77	133.97	105.33	122.84
TOTAL	(3.30)	8.31	(2.72)	(36.51)	28.64	(17.51)
Add: Write Off during the Year	-	-	0.63	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	(3.30)	8.31	(2.09)	(36.51)	28.64	(17.51)
WIP - Installation:						
Closing Balance	-	-	-	-	-	-
Less: Opening Balance	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Add: Write Off during the Year	-	-	-	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision/effects of WIP	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Accretion/(Decretion) to Stock-in-Trade						
Stock-in-Trade :						
Closing Balance	175.94	217.27	170.04	186.07	167.21	155.41
Less: Opening Balance	217.27	180.65	178.56	167.21	155.41	154.01
Total	(41.33)	36.62	(8.53)	18.86	11.80	1.39
Add: Write Off during the Year	-	-	0.11	-	-	0.01
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	(41.33)	36.62	(8.42)	18.86	11.80	1.40
Stock of Scrap						
Closing Balance	-	-	-	-	-	-
Less: Opening Balance	-	-	-	-	-	-
ADD : Prior Period Adjustments	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
GRAND TOTAL	(97.19)	112.88	(117.65)	176.22	(4.38)	(20.56)

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
NOTE NO. 27						₹ In millions
STATEMENT OF CONSOLIDATED EMPLOYEE BENEFIT EXPENSES						
i)SALARIES & WAGES						
Salaries & Wages	790.44	1,496.12	1,582.88	2,010.38	2,355.00	2,556.69
Less: Other Revenue Accounts	-	-	-	-	-	-
TOTAL	790.44	1,496.12	1,582.88	2,010.38	2,355.00	2,556.69
Bonus	0.01	0.48	0.33	0.45	-	-
Wage revision arrear payments	-	0.03	-	-	-	-
Incentive	4.37	14.53	10.19	4.36	6.05	5.31
TOTAL	794.82	1,511.15	1,593.41	2,015.19	2,361.05	2,562.00
ii)CO'S CONTRIBUTION TO PF AND OTHER FUNDS:						
Providend Fund & Pension Fund	94.59	174.84	181.21	212.52	275.08	283.91
Employees State Insurance	0.26	0.73	0.44	0.19	0.13	0.46
Gratuity Trust Fund	24.62	113.89	199.57	(2.94)	301.57	227.07
Leave Salary- PL	29.11	(45.48)	100.79	(80.66)	59.27	(15.22)
Sick Leave	(0.85)	(2.57)	(5.08)	(5.08)	(15.85)	0.41
Deposit Linked Insurance/Group Insurance	0.47	1.73	1.82	1.75	5.10	3.65
TOTAL	148.21	243.13	478.75	125.77	625.31	500.28
iii)WORKMEN AND STAFF WELFARE EXPENSES						
Welfare Expenses - Canteen	13.59	26.75	28.53	28.05	28.24	25.72
Welfare Expenses - Education	3.94	3.60	4.49	41.42	39.69	28.98
Medical Expenses	27.74	43.60	48.52	61.75	74.45	78.06
LTC/LLTC	(2.18)	13.83	11.48	4.32	14.50	8.02
Uniforms	0.00	0.02	0.05	1.16	2.00	1.06
Others	5.96	16.97	15.46	6.60	6.11	7.76
TOTAL	49.05	104.77	108.54	143.29	164.98	149.60
iv) VOLUNTARY RETIREMENT SCHEME						
VRS Payments	42.12	-	28.66	337.16	-	-
v) Actuarial Gain/(Loss)	90.36	183.17	45.68	387.30	173.26	-
GRAND TOTAL	1,124.55	2,042.22	2,255.04	3,008.72	3,324.59	3,211.89

RELATED PARTY TRANSACTIONS

KEY MANAGERIAL PERSONNEL-SALARY & PERQUISITES ₹ In millions

Name	2019-20 (Half Year)	2018-19	2017-18	2016-17	2015-16	2014-15
Shri Gopu-Designate CMD & Director (HR)	-	1.14	1.40	1.33	1.40	1.30
Shri P K Gupta -Ex CMD & Director (Marketing)	-	-	-	1.66	1.47	1.40
Smt Dr. Janaki Ananthakrishnan-Director (Finance)	-	-	1.83	2.65	1.25	-
Shri Alagesan K -Director (Production)	3.43	1.64	1.44	1.37	0.24	-
Shri K K Gupta-Ex. CMD & Director (Production)	-	-	-	-	1.58	1.54
Shri K L Dhingra-EX. CMD	-	-	-	-	0.83	2.30
Shri. Malathy CFO	0.73	1.32	0.74	-	-	-
Shri R M Agarwal-Director (Marketing)	1.54	2.88	-	-	-	-
Shri Shashi Prakash Gupta-Director (HR)	1.47	1.27	-	-	-	-

NOTE NO. 28						
STATEMENT OF CONSOLIDATED FINANCE COSTS						
i) Interest Expense:						
Cash Credit	542.03	1,067.08	1,247.45	1,235.62	1,281.88	1,327.34
Public Deposits	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Others	95.89	(83.50)	136.58	168.47	225.06	133.90
ii) Bank charges	49.48	74.36	146.09	122.06	64.61	111.29
iii) Government Guarantee Fee	-	-	-	-	-	-
iv) Expenses on Issue of Bonds/Loans	-	-	-	-	-	-
v) NET GAIN/LOSS FROM FOREIGN CURRENCY TRANSLATIONS& TRANSACTIONS	0.34	6.78	3.99	-	-	-
TOTAL	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54

***Others inlcudes Interest on Delayed PF Payment and Interest Expenses are arrived after adjesting an amount of Rs.135.62 million being nominal interest at 1% provided till date on the Govt. of india loan which in the opinion of company no longer required.**

NOTE NO. 29						
STATEMENT OF CONSOLIDATED DEPRECIATION AND AMORTIZATION EXPENSES						
Fixed Assets	208.41	370.31	248.03	169.45	128.84	302.29
Tools and Gauges	-	0.61	0.53	-	0.18	0.40
TOTAL	208.41	370.92	248.55	169.45	129.02	302.69
Less: Transfer from Revaluation Reserve	-	-	-	-	-	149.45
NET DEPRECIATION	208.41	370.92	248.55	169.45	129.02	153.24

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
NOTE NO. 30						₹ In millions
STATEMENT OF CONSOLIDATED OTHER EXPENDITURE						
DRE Written off	-	-	-	-	-	-
VRS Expenditure	-	-	-	-	-	-
MANUFACTURING EXPENSES:						
Cosumption of Stores and Spares	11.17	21.88	19.60	29.64	20.90	23.67
Power and Light	69.30	137.07	136.37	150.50	144.92	188.78
Water Charges	17.99	16.14	29.00	27.30	28.65	26.22
Excise Duty	-	-	90.16	200.17	28.92	47.80
REPAIRS AND MAINTENANCE:						
i)Plant Machinary and Equipment	3.25	13.18	19.19	11.57	12.76	10.02
ii)Vehicles	1.27	6.00	6.93	3.88	2.16	2.85
iii)Buildings	31.40	64.89	84.37	71.69	46.52	48.17
iv)Other Equipments	4.40	6.59	9.32	17.70	8.55	18.88
	40.33	90.68	119.81	104.85	69.99	79.92
Cost and Expenses on Tools	-	0.01	0.18	-	-	0.02
Experimental Work and Training Expenses	0.30	5.29	5.92	1.70	3.95	0.42
Expenses on Minor Equipment & Work	-	0.79	3.36	-	-	0.01
Royalty	-	-	-	-	-	-
Scrap and Salvages	-	-	0.05	0.04	0.19	0.01
Factory Expenses	41.38	4.39	94.32	80.67	34.84	24.17
TOT CHARGES:						
i)Technical Assistance	-	0.46	-	-	-	-
ii)Technical Knowhow fee	-	-	0.13	2.01	-	-
iii)Documentation Charges	-	-	-	-	-	-
iv)Training Assistance	-	-	-	-	-	-
v) Others	-	-	-	-	-	-
	-	0.46	0.13	2.01	-	-
Liquidated Damages	12.11	93.80	104.78	255.73	52.35	14.32
Demurage Charges	1.09	0.13	0.45	0.00	0.04	0.00
Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)	-	-	-	-	-	-
TOTAL MANUFACTRUING EXPENSES	193.67	370.64	604.14	852.60	384.74	405.33
ADMINISTRATION EXPENSES:						
Rent	9.91	17.57	16.29	18.44	21.70	24.24
Rates and Taxes	13.58	7.21	12.54	22.04	9.36	9.47
Insurance	1.50	2.29	2.65	4.86	7.90	6.29
TRAVELLING EXPENSES						
Inland	19.76	42.15	43.68	35.36	29.80	34.52
Foreign	0.00	0.73	0.32	-	-	-
Legal fees	11.05	11.79	5.07	7.06	6.19	5.31
Postage, Telegram, Telex Expenses	0.95	3.15	3.12	3.22	3.29	5.39
Telephone and Trunk Call Charges	2.82	7.17	7.14	8.38	9.04	9.20
Remuneration to Auditors						
Audit Fees	0.33	2.10	1.87	1.15	1.45	1.18
For Taxation Matters	-	0.02	0.04	0.11	0.03	0.04
For Company Law Matters	-	-	-	-	-	-
For Management Services	-	-	-	-	-	-
For Reimbursement of Expenses	0.01	0.06	0.10	0.04	0.04	0.03
For Other Services	0.22	0.56	0.05	0.57	0.33	0.06
CISF/ Private Security Expenses	56.10	94.25	82.43	71.35	61.34	60.50
Printing, Stationary and Duplicating Charges	2.32	8.81	6.04	5.19	6.01	5.77
Transport Expenses	19.26	39.33	46.51	36.09	41.30	55.62
News Papers, Magazines & Periodicals	0.90	2.10	1.12	1.84	2.09	2.29
Mechanised Accounting Expenses	0.01	0.30	0.11	0.43	0.08	0.13
Lease Charges	-	-	-	-	-	-
Licence fee/Segment Charges	0.11	0.17	4.26	0.02	0.64	3.93
Office Expenses	33.41	52.84	47.84	37.98	31.80	29.39
Provision for Obsolescence of RM Stores	-	-	-	14.97	-	0.18
Obsolete RM & Production Stores Write off	-	-	33.63	-	-	0.01
Provision for Capital WIP Write off	-	-	-	-	-	-
Provision for Debtors/Advance	-	-	-	27.36	-	-
Bad Debts Write off	-	1,166.98	-	-	-	0.70
Claims and Expenses Charge off	10.77	3.83	-	66.08	-	-
Loss on Sale of Assets	-	-	-	-	-	-
Irrecoverable ED	-	-	-	-	-	-
Adjustment to the Carrying Amount Investments	-	-	-	-	-	-
Net Loss on Sale of Investments	-	-	-	-	-	-
TOTAL ADMINISTRATION EXPENSES	183.02	1,463.40	314.81	362.53	232.38	254.25

Particulars	For the period ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
SELLING EXPENSES						₹ In millions
Selling Agency Commission	0.12	0.78	0.00	0.01	0.01	0.14
Advertisement Expenses	1.04	2.07	2.33	4.90	3.31	2.71
Exhibition and Publicity Expenses	1.61	2.97	1.41	0.08	0.09	0.07
Packing Expenses	0.14	1.52	1.01	4.53	2.37	2.89
Forwarding Expenses	5.25	15.47	15.52	(5.12)	1.90	3.06
Discount Allowed	-	-	-	-	-	-
Warrenty Expenses	-	0.82	-	7.53	0.42	3.58
Sales Promotion Expenses	3.02	7.24	0.29	0.09	0.06	0.07
Entertainment Expenses	0.05	0.04	0.47	(0.64)	(0.39)	0.10
Cost of Tender Forms	0.03	0.25	0.26	0.21	0.15	0.20
TOTAL SELLING EXPENSES	11.26	31.16	21.29	11.59	7.92	12.83
TOTAL OTHER EXPENSES	387.95	1,865.19	940.24	1,226.70	625.04	672.40

Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.

In case of back to back arrangements, Liquidated damages is accounted on net basis.

Expenditure in Foreign Currency :						
Royalty	-	-	-	-	-	-
Knowhow	-	-	-	-	-	-
Professional / Consultation Fees	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-		-	-	-	-

NOTE NO. 31

STATEMENT OF CONSOLIDATED CONTINGENT LIABILITIES

Contingent Liability in respect of :						
- Outstanding letters of credit & guarantees	6,640.10	10,927.65	7,362.32	5,062.48	1,874.75	2,380.31
- Sales Tax demand /Service Tax/Income Tax	1,429.46	1,500.29	1,527.21	319.10	372.15	314.56
- Non receipt of C/D forms	1,992.90	2,811.84	3,032.94	3,833.15	2,416.78	2,607.03
- Excise Duty Demand/CENVAT Disallowance	143.42	233.41	256.97	254.65	264.00	264.16
- ESI demand	-	-	-	-	-	-
- Demand of interest & penalty by KVAT	-	22.60	22.60	22.60	-	-
- Claims against the Company not acknowledged as debts	760.05	502.73	505.25	399.36	383.34	382.48

Annexure VI(c)- Adoption of Indian Accounting Standards

A. The Company is preparing the Consolidated Financial Statements including Joint Venture(M/s India Satcom Limited) from FY 2017-18 as the Financial Statements(FYs' 2014-15, 2015-16 & 2016-17) of the said joint venture were not available on or before adoption of financial statements in the board meeting of ITI of respective years.

B. Restated Consolidated Statement of Material adjustments & regrouping **₹ In millions**

Sl. No	Particulars	Point No.	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
	Profit after tax as per Audited financial statements prepared under applicable GAAP		**2,351.32**				
A	Effect of changes in Accounting Policy						
B	Effect of auditors' qualifications accounted for						
a	Diminution in the Value of Investment in JV Company	1a	4.06				
b	**Non provision towards claims doubtful of recovery**						
	1. Rent receivable	2a	584.79		NA		
C	Effect of other restated adjustments						
D	Tax adjustment for earlier year on A, B, C above						
	Total Adjustments		**(588.85)**				
	Total profit after the above adjustments		1,762.48				
	Other Comprehensive Income for the year (Net of tax) after the above adjustments		45.68				
	Total Comprehensive Income for the year after the above adjustments		1,808.15				

Auditors Qualifications
a. Matters adjusted in restated financial statements
Auditors Report 2018-19

Non provision of Rs. 584.79 million towards claims doubtful of recovery comprising of Rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled.

Auditors Report 2017-18

1a. Investment of Rs 4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost

2a. Non provision of Rs. 584.79 million towards claims doubtful of recovery comprising of Rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled.

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy
Partner
M. No. 027044

S Shanmuga Priya
Company Secretary

MALATHY M
Chief Financial Officer

R M AGARWAL
Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

Annexure VII(c)- Accounting Ratios
STATEMENT OF CONSOLIDATED ACCOUNTING RATIOS

₹ In millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015
Earning Per Share excluding exceptional items						
(Equity Shares, Par Value of ₹ 10/- each)						
Basic (₹)	(0.65)	0.97	3.18	6.72	7.82	(11.35)
Diluted (₹)	(0.65)	0.97	3.18	6.72	7.82	(11.35)
Earning Per Share including exceptional items (Equity Shares, Par Value of ₹ 10/- each)						
Basic (₹)	(0.65)	0.97	3.18	6.72	7.82	(11.35)
Diluted (₹)	(0.65)	0.97	3.18	6.72	7.82	(11.35)
Return on networth with revaluation of Assets %	**-2.10%**	**6.16%**	**13.93%**	**27.54%**	**35.21%**	**-66.65%**
Net asset value per equity share (₹) with revaluation reserve	**24.54**	**20.44**	**21.91**	**19.64**	**24.91**	**15.62**
Net asset value per equity share (₹) without revaluation reserve	**(1.46)**	**(5.59)**	**(8.87)**	**(22.30)**	**(56.84)**	**(66.34)**
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Net profit after tax as	**(461.71)**	**1,129.44**	**2,320.22**	**3,028.55**	**2,525.74**	**(2,998.42)**
Share Capital	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
Other Equity, as	13,041.81	9,360.52	9,051.09	5,397.32	4,292.67	1,619.00
Networth with Revaluation of Assets	**22,011.81**	**18330.52**	**16,651.09**	**10,997.32**	**7,172.67**	**4,499.00**
Less:Revaluation of Assets	23,322.89	23,345.75	23,390.80	23,483.14	23,543.68	23,604.06
Networth without Revaluation of Assets	**(1,311.08)**	**(5,015.23)**	**(6,739.71)**	**(12,485.82)**	**(16,371.02)**	**(19,105.05)**
CURRENT RATIO:	**0.86**	**0.77**	**0.82**	**0.73**	**0.69**	**0.64**
1. The ratios on the basis of financial information have been computed as below:						
Net profit as , attributable to equity shareholders	(579.95)	855.63	2,046.41	2,754.74	2,251.92	(3,269.91)
Basic Earnings per share (₹) =	**(0.65)**	**0.97**	**3.18**	**6.72**	**7.82**	**(11.35)**
Weighted average number of equity shares outstanding during the year	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Net profit as , attributable to equity shareholders	(579.95)	855.63	2,046.41	2,754.74	2,251.92	(3,269.91)
Diluted Earnings per share (₹) =	**(0.65)**	**0.97**	**3.18**	**6.72**	**7.82**	**(11.35)**
Weighted average number of dilutive equity shares outstanding during the year	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000

2. Earning per share calculations are done in accordance with Indian Accounting Standards 33 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

Caluclation of EPS Working	**For the half year ended 30.09.2019**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**	**For the year ended 31.03.2017**	**For the year ended 31.03.2016**	**For the year ended 31.03.2015**
Profit after tax	(461.71)	1,129.44	2,320.22	3,028.55	2,525.74	(2,998.42)
(-) Preference Dividend	98.24	227.50	227.50	227.50	227.50	227.50
Dividend tax	20.00	46.31	46.31	46.31	46.31	43.98
Profit available to equity shareholders	(579.95)	855.63	2,046.41	2,754.74	2,251.92	(3,269.91)
No. of Shares at beginning of the year	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000	28,80,00,000
No. of Shares at the end of the year	89,70,00,000	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000
Weighted average no of shares during the period	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	**(0.65)**	**0.97**	**3.18**	**6.72**	**7.82**	**(11.35)**

Annexure VIII(c)- Capitalisation

STATEMENT OF CONSOLIDATED CAPITALISATION

Particulars	**For the half year ended 30.09.2019**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**	**As adjusted for issue***
Debt				
Government Loan	**3,000**	**3,000**	**3,000.00**	
Cash Credit from SBI Consortium	**9,577**	**9,587**	**9,263.22**	
Preference Shares	**750**	**3,000**	**3,000.00**	
Total	**13,327**	**15,587**	**15,263.22**	
Shareholder's funds				
- Share Capital	**8,970.00**	**8,970.00**	**7,600.00**	
- Other Eq;uity	**(10,281)**	**(13,985)**	**(14,339.70)**	
Total Shareholder's funds	**(1,311)**	**(5,015)**	**(6,739.70)**	
Debt / Equity Ratio	**-**	**-**	**-**	

*The Company is unable to calculate the shareholder's funds as the further public offer is based on BOOK BUILDING Process, no. of shares to be issued and the price of each share is yet to be decided.

Annexure IX(c)-Dividend Paid

Statement of Dividend Paid* **₹ In millions**

Particulars	**For the half year ended 30.09.2019**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**	**For the year ended 31.03.2017**	**For the year ended 31.03.2016**	**For the year ended 31.03.2015**
Number of equity shares outstanding	89,70,00,000	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000
Dividend paid (₹ in Million)	-	-	-	-	-	-
Interim Dividend (₹ in Million)	-	-	-	-	-	-
Rate of Dividend (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend per Equity Share (₹)	-	-	-	-	-	-

* Refers to dividend actually paid during the respective year

Annexure X(c)- Tax Shelters

Statement of Tax Shelters as per income tax return **₹ In millions**

Particulars	**For the half year ended 30.09.2019**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**	**For the year ended 31.03.2017**	**For the year ended 31.03.2016**	**For the year ended 31.03.2015**
	Provisional*					
Total Comprehensive Income - As (A)	(453.67)	1,108.56	2,351.32	3,051.21	2,545.44	(2,979.95)
National Tax Rate (B)	31.20%	31.20%	30.90%	30.90%	30.90%	30.90%
Tax as per National rate on Profit (C)	(141.54)	345.87	726.56	942.82	786.54	(920.80)
ADJUSTMENTS:						
Permanent Differences due to:						
R & D weighted deductions	-	(272.82)	(236.52)	-	(293.79)	(129.46)
40(a)(3)	-	-	4.27	-	10.71	2.74
Violation of Law	-	-	132.17	84.23	-	-
Withdrawal of Liability	-	-	-	-	(270.14)	(387.30)
Total Tax impact on Permanent Differences (D)	**-**	**(85.12)**	**(30.92)**	**26.03**	**(170.94)**	**(158.83)**
Temporary Differences due to:						
Depreciation under Companies Act	208.41	370.92	248.55	169.45	129.02	153.24
Depreciation as per IT Act	(249.52)	(574.92)	(516.10)	(218.71)	(144.38)	(103.03)
Disallowances under Sec 43B	-	205.48	426.09	(823.66)	(2,608.93)	393.46
Disallowances under Sec 36	-	219.93	-	-	-	-
Provision for Doubtful Debts	-	-	-	-	(250.62)	0.63
Provision for Gratuity	-	-	-	350.78	-	-
Provision for non moving stores and spares	-	-	-	-	(1.01)	0.11
Transfer from Grant in Aid	-	-	-	-	(37.60)	(40.29)
Allowances u/s 35A, 35AB, 35ABB, 35D, 35E etc., VRS	-	-	(372.41)	(82.86)	(0.46)	-2.00
Employees Contribution	-	-	-	109.78	369.72	381.82
MODVAT Disallowance u/s 145A	-	-	-	285.47	42.85	(57.97)
40(a)(ia) TDS Default	-	-	-	602.70	-	-
Others	(90.36)	(183.17)	(966.83)	7.53	(0.18)	(0.71)
Total Tax impact of Timing Difference (E)	**(41.02)**	**11.93**	**(364.84)**	**123.75**	**(772.99)**	**224.10**
Net Adjustment F = (D+E)	(41.02)	(73.19)	(395.76)	149.77	(943.93)	65.28
Adjusted Tax Liability (C+F)	(182.56)	272.68	330.80	1,092.60	-	-
Less: Relief u/s 91	-	-	-	-	-	-
Adjusted Tax Liability	(182.56)	272.68	330.80	1,092.60	-	-
Total Tax as per Return of Income after adjustment of unabsorbed losses	-	-	-	-	-	-
	* Return yet to be filed					

INDEPENDENT AUDITORS' REPORT ON RESTATED STANDALONE 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,
ITI Limited
Regd & Corporate Office,
ITI Bhavan, Dooravaninagar
Bengaluru -560 016
Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information of ITI Limited (the "Company"), which comprises of the Restated Standalone Statement of Assets and Liabilities as at September 30, 2019, March 31,2019, 2018, 2017, 2016 and 2015, the Restated Standalone Statement of changes in equity for the half year ended September 30, 2019 and each of the years ended March 31, 2019,2018, 2017, 2016 and 2015, the Restated Standalone Statements of Profit and Loss for the half year ended September 30, 2019 and each of the years ending March 31, 2019, 2018, 2017, 2016 and 2015 and the Restated Standalone Statement of Cash Flows for each of the half year ended September 30, 2019 and each of the years ended March 31, 2019, 2018, 2017, 2016 and 2015 respectively, and the Summary of Significant Accounting Policies read together with annexures and notes thereto and other restated financial information (collectively, the "Restated Standalone Financial Information") as approved by the Board of Directors of the Company prepared in terms of the requirements of :

   a. Sub-clauses (i) and (iii) of clause (b) sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act") read with Rules 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 ("ICDR Regulations") and
   c. The Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India as amended from time to time (the "Guidance Note").

2) The preparation of the Restated Standalone Financial Information is the responsibility of the management of the Company for the purpose set out in paragraph 11 below. The Company's Board of Directors is responsible with respect to the preparation of these Restated Standalone Financial Information in accordance with the accounting principles generally accepted in India complies with the Act, Rules, ICDR Regulations and the Guidance Note about the presentation of the Restated Standalone Financial Information. This responsibility includes maintenance of adequate records and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the records relevant to the preparation and presentation of the Restated Standalone Financial Information are free from material misstatement, whether due to fraud or error.

3) Our responsibility is to examine the Restated Standalone Financial Information and confirm whether such Restated Standalone Financial Information complies with the requirements of the Act, the Rules, the ICDR Regulations and the Guidance Note.

4) We have examined such Restated Standalone 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 13th February 2018 and 15th November 2019 in connection with the proposed Follow-on Public Offer through Offer for Sale by President of India acting through Ministry of Telecommunications ("FPO") of the Company;
   b. The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by ICAI; 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 Restated Standalone Financial Information. This Guidance Note also requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

5) These Restated Standalone Financial Information have been compiled by the management from the;

a. Audited condensed interim financial statements of the Company as at September 30, 2019 which has been approved by the Board of directors at their meeting held on 15th November 2019

b. Audited financial statements of the Company as at March 31, 2019 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2018, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 which has been approved by the Board of directors at their meeting held on May 29, 2019.

c. Audited financial statements of the Company as at March 31, 2018 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2017, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 which has been approved by the Board of directors at their meeting held on May 19, 2018.

d. Audited financial statements of the Company as at March 31, 2017 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2016, prepared in accordance with the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016 which has been approved by the Board of directors at their meeting held on August 22, 2017.

e. The Restated Standalone Financial Information as at and for the years ended 31 March 2016 has been extracted from the audited standalone statements of the company as at and for the years ended 31 March 2016 prepared in accordance with Accounting Standards prescribed under Section 133 of Companies Act 2013 read with Rule 7 of Companies (Accounts) Rules 2014, and the other relevant provisions of the act and which are approved by the board of directors at their meeting held on 20 May 2016. These audited standalone financial statements have been adjusted for the differences in the accounting principles adopted by the company on Transition to Ind AS, which have been examined by us.

f. The audit for the half year ended September 30, 2019 and for the year ended March 31, 2019 and March 31,2018 have been conducted by us. Whereas the audit for the Financial Years ended March 31, 2017, 2016 and 2015, was conducted by previous auditors, M/s. Sundar Srini & Sridhar, Bangalore, Chartered Accountants, Bangalore. Accordingly, reliance has been placed on the financial information examined by them for the said years. The financial report included for these years, i.e., March 31, 2017, 2016 and 2015, are based solely on the report submitted by M/s. Sundar Srini & Sridhar, Chartered Accountants Bangalore.

g. The Restated Standalone Financial Information also contains the Proforma Ind AS financial statements as at and for the year ended March 31, 2015. These Proforma Ind AS financial statements have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2015 which have been approved by the Board of directors at their meeting held on 15th November 2019 as described in B.3, B. 6, and B.9 of Annexure VI(a)

Based on the above, we report that in our opinion and according to the information and explanations are given to us, the above financial information are in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind-AS") notified under the Companies (Indian Accounting Standards) Rules 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as applicable and financial information is presented with the Restated Financial Information appropriately.

6) Based on our examination, we report that:

a. The proforma financial information as at and for the year ended March 31, 2015, is prepared after making proforma adjustments as mentioned in B.3, B. 6, and B.9 of Annexure VI(a).

b. The Restated Standalone Statement of Assets and Liabilities of the Company, as at and for the half year ended September 30, 2019 and for the years ended March 31, 2019, March 31, 2018, March 31, 2017, 2016 and 2015 under Ind AS, as set out in Annexure- I(a) to this report.

c. The Restated Standalone Statement of Profit and Loss (including other comprehensive income) of the Company, for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-III(a) to this report are after making adjustments and regrouping/ reclassifications as in our opinion were appropriate and more fully described in Annexures-VI(a)./ Standalone Restated statement of Material Adjustments and Regroupings

d. The Restated Standalone Statement of changes in equity of the Company, for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-II(a) to this report.

e. The Restated Standalone Statement of Cash Flows of the Company, for the half year ended September 30, 2019 and for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 under Ind AS, as set out in Annexure-IV(a) to this report.

have been arrived after making adjustments and regroupings/ reclassifications, which in our opinion were appropriate, and have been fully described in B.10, "Restated Standalone Statement of Material Adjustments and Regroupings", of Annexure VI (a).

f. Based on the above and according to the information and explanations given to us, we further report that the 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. has been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

iii. do not contain any extraordinary items that need to be disclosed separately in the Restated Financial Information and do not contain any qualification requiring adjustments.

iv. there are no qualifications in the auditors' reports on the interim condensed financial statements for the half year ended September 30,2019 and for the audited standalone financial statements of the Company as at and for the years ended 31 March 2019, 2018, 2017, 2016 and 2015 which require any adjustments to the Restated Standalone Financial Information except for the following qualifications included in the respective auditor's report on the standalone financial statements for the half year ended 30th September 2019 and for the years ended 31st March 2019, 2018, 2017, 2016 and 2015. The impact of such adjustments is given as Standalone Restated statement of Material Adjustments and Regroupings as detailed in B10 of Annexure VI (a). In respect of qualifications which are quantifiable, no adjustment is made in these Restated Standalone Financial Information as detailed in Note 12 of Annexure VI (a)

As at and for the year ended 31st March 2019

- Non-provision of Rs 584.79 million towards claims doubtful of recovery, being rent receivable from premises leased out to C-DOT up-to the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No. 31.22);

As at and for the year ended 31st March 2018: -

- No provision for the permanent diminution in the value of the Investment of Rs 4.06 Million in the unquoted equity shares of a Joint Venture(JV) Company has been ascertained as required by Accounting Standard 13 on 'Accounting for Investments' read with in the Significant Accounting Policy No.5, in view of the negative net worth and Statutory Auditors of the JV in their Report for the year ended 31.03.2018 have expressed their inability to comment on the going concern concept adopted by the said JV.

- Non-provision of Rs 584.79 Million towards claims doubtful of recovery, being rent receivable from premises leased out to C-DOT up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.31.22 of audited financial statements);

As at and for the year ended 31st March 2017: -

- Non-provision of Rs. 885.36 million towards claims doubtful of recovery comprising of:
  - ♦ rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.40.23 of audited financial statements);

  - ♦ Liquidated Damages (LD) of Rs 104.94 Million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;

  - ♦ LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 Million and Rs. 8.29 Million respectively;
  - ♦ Amount recoverable to an extent of Rs. 169.02 Million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

As at and for the year ended 31st March 2016

- Non-provision of Rs. 885.36 Million towards claims doubtful of recovery comprising of
  - ♦ rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011 and no rental income for the period after 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (Refer Note No.40.23 of audited financial statements);

  - ♦ Liquidated Damages (LD) of Rs 104.94 Million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;

  - ♦ LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 Million and Rs. 8.29 Million respectively

  - ♦ Amount recoverable to an extent of Rs. 169.02 Million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

- Reversal of provisions created for certain items of expenditure amounting to Rs 200.79 Million have been made in the books of Mankapur Unit. In absence of adequate information and reconciliation supporting that provisions are no longer required; the auditors of the said unit have issued a modified opinion.

As at and for the year ended 31st March 2015

- Non-provision of Rs 689.73 Million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 Million on a premise leased out up to the period ended 31.3.2011, rent from 1.4.2011 for the same premises being deferred for recognition on accrual basis due to uncertainty of realization (Refer Note No.40.23 of audited financial statements); (ii) liquidated damages of Rs 1049.41 Million on a supplier, rejected by the Arbitral Tribunal. Had the said amounts been provided in the accounts, loss for the year would have been higher by Rs 689.73 Million and consequently reserves & surplus and current assets would be lower by similar amount,

- Provision of Rs.31.60 Million for work in progress Inventories in respect of the items pertaining to phased out projects and not usable, has not been made which has resulted in the understatement of the Loss by Rs.31.60 Million and overstatement of current assets to a same extent,

- Amount spent for the creation and maintenance of data enrolment centre for MORD for NPR project totalling to Rs. 117.1 Million is treated as revenue expenditure and no depreciation is provided as expenditure is not capitalised resulting in overstatement of loss to that extent (Net)

v. **Emphasis of Matter** included in the auditor's reports on the audited Standalone financial statement as at and for the half year ended September 30, 2019 and for the years ended March 31, 2019 and March 31, 2018 which do not require any further corrective adjustment in the Restated Standalone Financial Information, are as follows:

As at and for the half year ended 30th September 2019: -

- The Company has not identified the suppliers of Micro, Small and Medium Enterprises. And we have been informed that in view of the units located geographical at different places, the same shall be identified at the end of the financial year. Accordingly, provision for interest for the delayed payment, if any, has not been made in the accounts, as the same is not ascertainable for the period under review.

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans and other payables/receivables such as GST, Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company

As at and for the year ended 31st March 2019

- The profit for the year has been arrived at after making adjustments for the following items: -
  - Other Income of Rs 3364.73 million for the year includes Rs 2985.18 million representing the Write back of liabilities of earlier years. (Refer Note. 23)
  - Rs 162.20 Million being GST collected in a contract remained unpaid as on 31st March 2019 in a back to back contract.

- ♦ Finance Costs of Rs 1064.71 million are after adjusting an amount of Rs 135.62 Million being nominal interest at 1% provided on the Govt of India. loan of Rs 3000 Million which in the opinion of the company is no longer required. (Refer Note.28)
- ♦ Revenue from operations of Rs 16683.68 million includes Rs 4450.47 Million representing "Unbilled Revenue" recognised on the basis of percentage of completion of certain contracts. (Refer Note. 22)

- Formal conveyance/lease deeds in respect of lands, excepting part of land at Bangalore and Mankapur, are yet to be executed by the respective State Governments - (Refer Note No 1)

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable – (Refer Note No.31.17 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/ others, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company (Refer Note 31.4 of audited financial statements);

- The Company is a Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41567.90 million in February, 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No 31.15 of audited financial statements)

- Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered. (Refer Note 31.19 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 31.20 of audited financial statements)

As at and for the year ended 31st March 2018

- The profit for the year has been arrived at after adjusting for the following items:
- ♦ Write-back of liabilities of earlier years amounting to Rs 1121.45 Million. -Refer Note No. 12 (c) of audited financial statements.
- ♦ Rs 921.15 Million being the difference between the compensation received from KIADB for surrender of land and its original cost. -Refer Note No.12(b) of audited financial statements.
- ♦ Rs 799.80 Million representing grants received related to previous years towards salaries, PF and Gratuity has been credited to Other Income. Refer Note No.12 (d) of audited financial statements
- ♦ Rs 15.40 Million being the profit recognised in Rae Bareli unit regarding transaction of earlier years.

- Further the Branch auditors of Rae Bareli Unit has reported that from FY 2012-13 onwards till 31st July 2017 based on provisional invoices for GPON AMC services rendered by a service provider to BSNL for a total amount of Rs. 615.10 Million as the turnover based on the provisional invoice and included under the head "Revenue from Operations" and the same has been included under the head "Unbilled revenue" under the head Current Assets" in the financial statements. -Refer Note No.12 (e) of audited financial statements.

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments - Refer Note No.1 of audited financial statements;

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable – (Refer Note No. 31.17 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the company (Refer Note 31.4 of audited financial statements);

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41567.90 million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 31.15 of audited financial statements)

- Lease agreement with ESIC has expired in the month of July 2016 and renewal lease agreement has not been entered. (Refer Note 31.19 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 31.20 of audited financial statements)

As at and for the year ended 31st March 2017

- Cumulative Redeemable Preference Shares amounting to Rs 3000.00 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.18 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41,567.90 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 40.16 of audited financial statements)

- No lease agreement has been entered with ESIC for the additional land occupied by the Corporation to an extent of 229 sq.mt. (Refer Note 40.20 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the balance sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.21 of audited financial statements)

- Validity of Claims recoverable from DoT towards loss incurred by Srinagar Unit. A sum of Rs. 34.40 Million and a sum of Rs. 22.35 Million is pending from DoT for the loss incurred by the said unit in FY 2015-16 and for FY 2016-17 respectively.

- The Statutory Auditors of Rae Bareli without qualifying their opinion have stated that on random checking of cash vouchers, payment of Rs. 0.09 Million were found unsupported. Possibility of more such vouchers could not be ruled out. Such payments prima-facie appears to be embezzlement which needs management attention.

As at and for the year ended 31st March 2016

- Cumulative Redeemable Preference Shares amounting to Rs 3000.00 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.18 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- Penalty of Rs 268.50 Million for non-payment of guarantee fee to the Government of India, having not been provided for, since the Ministry of Communications and IT has agreed in principle to waive the same as part of Company revival package (Refer Note No. 40.9 of audited financial statements);

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41,567.90 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 40.16 of audited financial statements)

- No lease agreement has been entered with ESIC for the additional land occupied by the Corporation to an extent of 229 sq.mt. (Refer Note 40.20 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the Balance Sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.21 of audited financial statements)

- Validity of claims recoverable from DoT towards losses incurred by Srinagar Unit. A sum of 39.39 Million and sum of 26.70 Million is pending from DoT for the losses incurred by the said unit in FY 2013-14 and FY 2014-15 respectively

As at and for the year ended 31st March 2015

- Cumulative Redeemable Preference Shares amounting to Rs 3000.00 Million overdue for redemption continued to be shown under Share Capital since the redemption is part of the BIFR package envisaged for the Company (Refer Note No. 1 of audited financial statements);

- Formal conveyance/lease deeds in respect of lands, excepting part of lands at Bangalore and Mankapur, are yet to be executed by the respective State Governments (Refer Note No. 13 of audited financial statements);

- Necessary accounting adjustments for acquisition of 1.375 acres of land by the National Highway Authority of India (NHAI) for public purposes to be made on receipt of compensation, with proportionate cost of the acquired land having been withdrawn from the fixed assets and held as claims recoverable (Refer Note No. 40.18 of audited financial statements);

- Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, materials with fabricators, sub-contractors/others, material in transit, deposits, loans and other payables/receivables such as Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, TDS etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation. (Refer Note 40.4 of audited financial statements);

- Penalty of Rs 2,68.50 Million for non-payment of guarantee fee to the Government of India, having not been provided for, since the Ministry of Communications and IT has agreed in principle to waive the same as part of Company revival package (Refer Note No. 40.9 of audited financial statements);

- Validity of Claims recoverable from MTNL Delhi & MTNL Mumbai Against LD Damages for Rs. 18.32 Million and Rs.8.29 Million respectively;

- The Company is Sick Company as per provisions of Sick Industrial Companies Act (SICA), 1985. CCEA has approved a financial assistance of Rs. 41,567.90 Million in February 2014, for Revival of ITI under Rehabilitation Scheme (Refer Note No. 40.16 of audited financial statements)

- No lease agreement has been entered with ESIC for the additional land occupied by the Corporation to an extent of 229 sq.mt. (Refer Note 40.20 of audited financial statements)

- Land measuring 77 Acres have been resumed by the Govt of Kerala and is under adjudication of the Apex Court. The value of land as shown in the Balance Sheet includes the value of land resumed by the Govt Of Kerala (Refer Note 40.21 of audited financial statements)

7) **Other audit qualifications** included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2016, as applicable, on the financial statements for the years ended March 31, 2019, 2018, 2017, 2016 and 2015 and in the report on the audited interim condensed financial

statements prepared as per the Ind AS 34 on Interim Financial Reporting as at and for the half year ended September 30,2019 as which do not require any corrective adjustment in the restated Ind AS Summary Statements, are as follows:

a. As at and for the half year ended September 2019: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, GST, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs 2347.98 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Refer "*Report on Other Legal and Regulatory Requirements*" of Interim Condensed Standalone Audit Report)

ii. The Statutory Dues aggregating to Rs. 1786.09 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Refer "*Report on Other Legal and Regulatory Requirements*" of Interim Condensed Standalone Audit Report)

b. As at and for the year ended March 31, 2019: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, GST, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 2437.10 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 1816.18 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

c. As at and for the year ended March 31,2018

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, GST, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1578.80 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 1772.60 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

d. As at and for the year ended March 31, 2017: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value

Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1349.31 million pending as arrears pertaining to Provident Fund and a further sum of Rs 5.71 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 1762.37 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

e. As at and for the year ended March 31, 2016: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1515.47 million pending as arrears pertaining to Provident Fund and a further sum of Rs 11.77 Million pending as arrears towards U.P. Trade Tax on Sales, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause vii (a) of annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 712.60 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause vii (b) of annexure A to the Auditors' Report)

f. As at and for the year ended March 31, 2015: -

i. The Company is not regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, TDS, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and any other Statutory Dues to the appropriate authorities and a sum of Rs. 1425.03 million pending as arrears pertaining to Provident Fund, which are not disputed and are outstanding for a period of more than six months from the date they became payable. (Clause 7(a) of Annexure A to the Auditors' Report)

ii. The Statutory Dues aggregating to Rs. 707.91 million that have not been deposited with the various statutory authorities viz. Income Tax, Service Tax, Central Excise, VAT, Central Sales Tax, Karnataka Municipal Tax and are in Dispute. The company has contested the demand and filed appeals in the appropriate authorities. (Clause 7(b) of Annexure A to the Auditors' Report)

8) We have also examined the following Restated Standalone financial information of the Company set out in the Annexures prepared by the management and approved by the Board of Directors on 11th February 2019 as at September 30, 2019 and for each year ended March 31, 2019, 2018, 2017, 2016 and 2015:

i. Summary of Significant Accounting Policies included in Annexure V(a)
ii. Restated Statement of Property, plant and equipment included in Note 1 to Annexure I(a)
iii. Restated Statement of Capital Work-In Progress included in Note 2 to Annexure I(a)
iv. Restated Statement of Investment Property included in Note 3 to Annexure I(a)
v. Restated Summary of Intangible Assets included in Note 3(a) of Annexure I(a)
vi. Restated Statement of Non-Current Financial Assets- Investments included in Note 4 to Annexure I(a)
vii. Restated Statement of Non-Current Financial Assets- Trade Receivables included in Note 4 (a) to Annexure I(a).
viii. Restated Statement of Non-Current Financial Assets- Loans included in Note 5 to Annexure I(a)
ix. Restated Statement of Inventories included in Note 6 to Annexure I (a)

x. Restated Statement of Trade Receivables included in Note 7 to Annexure I (a)
xi. Restated Statement of Cash and Cash Equivalents included in Note 8 to Annexure I(a)
xii. Restated Statement of Bank Balances other than Cash and Cash Equivalents included in Note 8 (a) to Annexure I(a)
xiii. Restated Statement of Current Financial Assets- Loans included in Note 9 to Annexure I(a)
xiv. Restated Statement of Current Financial Assets- Unbilled Revenue included in Note 9 (a) to Annexure I(a)
xv. Restated Statement of Other Current Assets included in Note 10 to Annexure I(a)
xvi. Restated Statement of Equity Share Capital included in Note 11 to Annexure I(a)
xvii. Restated Statement of Other Equity included in Note 12 to Annexure I(a)
xviii. Restated Statement of Non-Current Liabilities included in Note 13 to Annexure I(a)
xix. Restated Statement of Non-Current Financial Liabilities- Loans included in Note 14 to Annexure I(a)
xx. Restated Statement of Non-Current Financial Liabilities- Others included in Note 15 to Annexure I(a)
xxi. Restated Statement of Non-Current Provisions included in Note 16 to Annexure I(a)
xxii. Restated Statement of Current Borrowings in Note 17 to Annexure I(a)
xxiii. Restated Statement of Current Financial Liabilities- Trade Payables included in Note 18 to Annexure I(a)
xxiv. Restated Statement of Current Financial Liabilities- Others included in Note 19 to Annexure I(a)
xxv. Restated Statement of Current Provisions included in Note 20 to Annexure I(a)
xxvi. Restated Statement of Other Current Liabilities included in Note 21 to Annexure I(a)
xxvii. Restated Statement of Revenue from Operations included in Note 22 to Annexure III(a)
xxviii. Restated Statement of Other Income included in Note 23 to Annexure III(a)
xxix. Restated Statement of Consumption of Raw Materials and Production Stores included in Note 24 to Annexure III(a)
xxx. Restated Statement of Purchase of Stock-in-Trade included in Note 25 to Annexure III(a)
xxxi. Restated Statement of Changes in Inventories of Finished Goods WIP and Stock-in-Trade included in Note 26 to Annexure III(a)
xxxii. Restated Statement of Employee Benefit Expenses included in Note 27 to Annexure III(a)
xxxiii. Restated Statement of Finance Costs included in Note 28 to Annexure III(a)
xxxiv. Restated Statement of Depreciation and Amortization Expenses included in Note 29 to Annexure III(a)
xxxv. Restated Statement of Other Expenditure included in Note 30 to Annexure III(a)
xxxvi. Restated Statement of Contingent Liabilities included in Note 31 to Annexure I(a)
xxxvii. First time Adoption of IND AS included in Annexure VI(a)
xxxviii. Restated Statement of Material Adjustments & regrouping in Annexure VI(a)
xxxix. Restated Statement of Accounting Ratios included in Annexure VII(a)
xl. Restated Statement of Capitalisation included in Annexure VIII(a)
xli. Restated Statement of Dividend Paid included in Annexure IX(a)
xlii. Restated Statement of Tax Shelters included in Annexure X(a)

9) According to the information and explanations given to us, and as per the reliance placed on the reports for financial Years ended March 31, 2017, 2016 and 2015 submitted by previous auditors, M/s. Sundar Srini & Sridhar, Chartered Accountants Bangalore. In our opinion, the Restated Financial Information and the above restated financial information contained in Annexures I(b) to VII(b) accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure-IV(b) have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note

10) According to the information and explanations given to us, and as per the reliance placed on the reports for financial Years ended March 31, 2017, 2016 and 2015 submitted by previous auditors, M/s. Sundar Srini & Sridhar, Chartered Accountants, Bangalore. In our opinion, the Restated Standalone Financial Information and the above financial information contained in Annexures I(a) to X(a), I(b) to VIII(b) respectively accompanying this report read with Summary of Significant Accounting Policies as disclosed in Annexure-V(a) and IV(b) respectively are prepared after making adjustments and regroupings/reclassifications as

considered appropriate [Refer Annexure-VI(a)] and have been prepared in accordance with the Act, Rules, ICDR Regulations and the Guidance Note.

11) This report should not in any way be construed as issuance 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.

12) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13) 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, the concerned Stock Exchanges and Registrar of Companies, Karnataka at Bangalore in connection with the proposed FPO 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 SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration NO.03582S

V.V. Krishnamurthy
Partner
Membership Number: 027044

Place: Bengaluru
Date: 15th November 2019

UDIN: - 19027044AAAAAO1267

SIGNIFICANT ACCOUNTING POLICIES

ANNEXURE – V (a)

Corporate Information

India's first Public Sector Unit (PSU) - ITI Ltd was established in 1948. Ever since, as a pioneering venture in the field of telecommunications, it has contributed to 50% of the present national telecom network. With state-of-the-art manufacturing facilities spread across six locations and a countrywide network of marketing/service outlets, the company offers a complete range of telecom products and total solutions covering the whole spectrum of Switching, Transmission, Access and Subscriber Premises equipment.

ITI joined the league of world class vendors of Global System for Mobile (GSM) technology with the inauguration of mobile equipment manufacturing facilities at its Mankapur and Rae Bareli Plants in 2005-06. This ushered in a new era of indigenous mobile equipment production in the country. These two facilities supply more than nine million lines per annum to both domestic as well as export markets.

1) **Basis of Preparation**

The financial statements are prepared and presented in accordance with Generally Accepted Accounting Principles in India (GAAP), on accrual basis of accounting, except as stated herein. GAAP comprises the mandatory Accounting Standards (IND -AS) [as notified under section 133 of the Companies Act, 2013 read Rule 4 of the Companies (Indian Accounting Standards) Rules, 2015] to the extent applicable, provisions of the Companies Act, 2013, which have been consistently applied except where a new Accounting Standard is initially adopted or revision to an existing Accounting Standard requires a change in the Accounting Policy hitherto in use.

These are the Company's first Ind AS Standalone Financial Statements. The date of transition to Ind AS is April 1st, 2016. Refer Annexure VI (a) for details of First time adoption – mandatory exceptions and optional exemptions availed by the Company.

Reconciliations and descriptions of the effect of the transition has been summarized in Annexure VI (a)

Basis of Measurement:

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which are measured at fair value:

a. Derivative financial instruments, if any
b. Financial assets and liabilities that are qualified to be measured at fair value
c. Defined benefit asset/(liability) recognised at the present value of defined benefit obligation less fair value of plan assets.

2) **Use of Estimates**

The preparation of the financial statements in conformity with the Ind AS requires that the management make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue, expenses and disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenue and expenses during the reporting period. Although such estimates are made on a reasonable and prudent basis taking into account all the available information, actual results could differ from the estimates and such differences are recognised in the period in which the results are ascertained.

3) **Functional and presentation currency**

Financial statements are presented in Indian Rupee (INR) which is the functional and presentation currency of the Company and the currency of the primary economic environment in which the entity operates. All financial information presented in Indian rupees has been rounded to the nearest lakhs except share and per share data.

4) **Revenue Recognition**

a. Sale of goods

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when significant risks and reward of ownership have been transferred to the customer as per the terms of sale agreement, neither continuing management involvement nor effective control over the goods is retained, recovery of the consideration is probable, and the amount of cost incurred and the revenue can be measured reliably. Timing of transfer of risks and rewards is evaluated based on Inco-terms of the sales agreement.

b. Ex- Works Contract

When specified goods are unconditionally appropriated to the contract after prior Inspection and acceptance, if required.

c. FOR Contracts

In the case of FOR contracts, sale is recognised when goods are handed over to the carrier for transmission to the buyer after prior inspection and acceptance, if stipulated, and in the case of FOR destination contracts, if there is a reasonable expectation of the goods reaching destination within the accounting period. Revenue is recognised even if goods are retained with the Company at the request of the customer.

d. Bill and Hold Sales

For bill-and-hold transactions, revenue is recognised when the customer takes title, provided that:

i. It is probable that delivery will be made;

ii. the item is on hand, identified and ready for delivery to the buyer at the time when the sale is recognised;

iii. the buyer specifically acknowledges the deferred delivery instructions;

the usual payment terms apply

e. Construction contracts

Contract revenue includes initial amount agreed in the contract and any variations in the contract work, claims and incentive payments, to the extent it is probable that they will result in revenue and can be measured reliably.

Contract revenue is recognised in proportion to the stage of completion of the contract. Stage of completion is assessed based on the ratio of actual costs incurred on the contract up to the reporting date to the estimated total costs expected to complete the contract.

If the outcome cannot be estimated reliably and where it is probable that the costs will be recovered, revenue is recognized to the extent of costs incurred.

When it is probable that contract costs at completion will exceed total contract revenue, the expected loss at completion is recognised immediately as an expense.

f. Price escalations

In case of contracts where additional consideration is to be determined and approved by the customers, such additional revenue is recognised on receipt of confirmation from the customer(s).

Where break up prices of sub units sold are not provided for, the same are estimated.

g. Bundled contracts

In case of a Bundled contract, where separate fee for installation and commissioning or any other separately identifiable component is not stipulated, the Company applies recognition criteria to separately identifiable components (sale of goods, installation, commissioning, etc.) of the transaction and allocates revenue to those separate components based on their relative fair value.

h. Multiple elements

In cases where the installation and commissioning or any other separately identifiable component is stipulated and price for the same agreed separately, the Company applies the recognition criteria to separately identified components (sale of goods and installation and commissioning, etc.) of the transaction, allocates the revenue to those separate components based on the contract.

i. Sales exclude Sales Tax / Value Added Tax (VAT)/Goods and Service Tax (GST)/Service Tax.

Export Sales are treated as sales on issue of Bill of Lading

Provision is made separately for likely disallowance by customers including Liquidated Damages for contracts executed during the year.

j. Supply of services

Revenue from annual maintenance contracts relating to the year is recognised when the contracts are entered into on time proportion basis. Revenue is recognized at the time of rendering services.

For other fixed-price contracts (including sale of software related services), revenue is recognised in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to the work performed. No revenue is recognised if there is significant uncertainty regarding recovery of the consideration due or if the costs incurred or to be incurred cannot be measured reliably.

k. Interest income

Interest income is recognized using the effective interest rate method.

l. Dividend

Dividend income is recognised when the Company's right to receive dividend is established

m. Rental income

Rental income arising from operating leases is accounted for on a straight-line basis over the lease term unless increases in rentals are in line with the expected inflation or otherwise justified (Fair Value).

n. Duty Drawbacks

Duty drawback claims on exports are accounted on preferring the claims.

o. Other Income

Other Income not specifically stated above is recognised on accrual basis.

5) Property, plant and equipment, Capital Work-in progress

Property, plant and equipment is stated at historical cost less accumulated depreciation and impairment losses if any. Cost comprises of the purchase price and any attributable cost of bringing the PPE to its working condition for its intended use. Borrowing and other attributable costs relating to acquisition of the PPE which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such PPE are ready to be put to use. PPE are eliminated from the financial statements, either on disposal or when retired from such use. When significant parts of Plant and Equipment are required to be replaced at intervals, the same is recognised as a separate component.

Assets acquired free of cost or received as gift are stated at fair value which is credited to Other Equity at the time of acquisition or receipt less accumulated depreciation and impairment losses.

Capital work-in-progress

Assets under installation or under construction as at the Balance Sheet date are shown as Capital Work-In-Progress.

Income pertaining to construction period such as interest on advance to contractors, sale of tender documents etc., is set off against expenditure during construction.

Expenditure on development of leasehold land is capitalised as Land Development Expenditure and amortised over the lease period or useful, life whichever is lower.

In the event of revaluation of entire class of PPE, if the revalued amount is greater than the carrying amount of the PPE, such difference is taken to the Revaluation Reserve. If the revalued amount is lower than the carrying amount of the PPE and if the class of PPE has already been revalued, difference is set off against the amount available under the Revaluation Reserve for the same class of PPE and excess thereof, life any, is charged to the statement of Profit and Loss.

6) Intangible Assets, Intangible Asset under Development

a. Cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits, is recognised as an intangible asset when the same is ready for use. Intangible Assets not yet ready for their intended use as at the Balance Sheet date are classified as "Intangible Assets under Development

b. Cost of developmental work which is completed, wherever eligible, is recognized as an Intangible Asset.
c. Cost of developmental work under progress, wherever eligible, is classified as "Intangible Assets under Development".
d. Carrying amount includes amount funded by the Company to external agencies towards developmental project(s) and expenditure incurred by the Company towards material cost, employee cost and other direct expenditure.

7) **Research and development expenses:**

Research expenditure 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 capitalized. Tangible assets used in research and development are capitalized.

Expenditure incurred towards other development activity where the research results or other knowledge is applied for developing new or improved products or processes, are recognised as an Intangible Asset if the recognition criteria specified in Ind AS 38 are met and when the product or process developed is expected to be technically and commercially usable, the company has sufficient resources to complete development and subsequently use or sell the intangible asset, and the product or process is likely to generate future economic benefits.

8) **Impairment of Non-financial assets**

At the end of each Balance Sheet date, carrying amount of assets are reviewed, if there is any indication of impairment based on internal/external factors. If the estimated recoverable amount is found to be lower than the carrying amount, then the impairment loss is recognised and assets are written down to the recoverable amount.

9) **Depreciation /Amortisation**

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Depreciation on additions and deletions to fixed assets during the year is provided on pro-rata basis as under:

a. Depreciation is reckoned in full for the month of addition for the assets commissioned on or before 15th day of a month while no depreciation is reckoned for the month of addition for the assets commissioned after 15th of the month.
b. In respect of assets sold, discarded, damaged or destroyed on or before 15th day of a month no depreciation is reckoned for the month of deletion while for the assets sold, discarded, damaged or destroyed after 15th of the month depreciation is reckoned in full for the month of deletion.
c. Where cost of a part of the asset is significant to the total cost of the asset and useful life of that part is different from the useful life of the remaining asset, useful life of that significant part is determined separately and depreciated on straight line method over its estimated useful life.
d. The Residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Amortization

Intangible assets are amortized over their respective individual estimated useful lives on a straight-line basis, from the date that they are available for use. Amortization methods and useful lives are reviewed periodically at each financial year end.

In the case of depreciable assets which have been revalued, depreciation is calculated on straight line method on the revalued amount. Incremental depreciation on account of Revaluation is recouped as a credit to the general Reserve, as per the Schedule II of the Companies Act 2013.

Disposal of property, plant and equipment

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of Profit and Loss when the asset is derecognised.

Particulars	(Years)
A. (a)Building (other than factory buildings)	60
(b)Factory building	30
(c)Purely temporary erections	3
(d)Building with dwelling units each with	30
plinth area not exceeding 80 sqm.	
B. Furniture & Fittings	10
C. Plant & Machinery	
(a) General Rate (on double shift basis)	15
(b) Special Rate: - Servers & Networks	6
(c)Data Processing Machines including Computers	3
D. Roads and compound Walls	10
E. Office Machinery and Equipment	5
F. Vehicles	8
G. Assets costing less than `5,000/- are depreciated @ 100%	
However, in respect of assets having original cost of `50,000/- and above, a residual balance of `5/- has been retained in the books.	

10) Leases

A lease is classified at the inception date as a finance lease or an operating lease.

Company as a Lessee

Finance leases are capitalised at lower of fair value and the present value of the minimum lease payments on commencement of the lease. Finance charges are recognised as Finance Costs in the Statement of Profit and Loss. A leased asset is depreciated over the useful life of the asset or lease term, whichever is lower.

Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term, except when the lease payments escalate in accordance general inflation or are otherwise justified

Company as a lessor

Operating lease income is recognised over the lease term on straight line basis, except when the escalations are due to general inflation or otherwise justified. Contingent rents, if any, are recognised as revenue in the period in which they are earned.

In case of a finance lease, amounts due from lessees are recorded as receivables as the Company's net investment in the leases. Finance lease income is recognised in the Statement of Profit and Loss.

11) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale is capitalised as part of the cost of the asset.

General borrowing costs are capitalised to qualifying assets by applying a capitalisation rate, which is the weighted average of the borrowing costs applicable to the general borrowings outstanding, other than specific borrowings, to the expenditure on that asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds, as also exchange differences to the extent regarded as an adjustment to the borrowing costs.

12) Government Grants

Grants from Government are measured at fair value and initially recognized as Deferred Income.

Amount lying under Deferred Income on account of acquisition of Fixed Assets is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to Government Grants utilised for the acquisition.

Amount lying under Deferred Income on account of revenue expenses is transferred to the credit of the Statement of Profit and Loss to the extent of expenditure incurred in the ratio of the funding to the total sanctioned cost, limited to the grant received.

13) Investments in joint venture and associates

Company accounts for its interests in associates and joint ventures at cost or in accordance with Ind AS 109 in the standalone financial statements but in the consolidated Financial statements under equity method.

14) Inventories

Raw materials, components and stores purchased for manufacturing/production activities are valued at lower of cost and net realizable value, after providing for obsolescence, if any. Cost is calculated on weighted average rate as at the end of the year. Where same items are purchased as also manufactured, manufacturing costs are generally adopted.

Raw materials and production stores with ancillaries and fabricators are valued at lower of cost at the time of such issue and net realizable value, after providing for obsolescence, if any.

Manufactured items in stock and stock-in-trade are valued at lower of cost excluding interest charges, administration overheads & sales overheads and at the net realisable value, after providing for obsolescence, if any.

Precious metals scrap is brought to books at the year end at net realizable value.

15) Work-in-process

a. Work-in-process (production) is valued on the basis of physically verified quantities at lower of cost excluding interest charges, administration & sales overheads and at the net realisable value, after providing for obsolescence, if any.
b. Work-in-process (Installation) is valued at lower of cost as recorded in the work orders and net realizable value, after providing for obsolescence, if any.

16) Tools and Gauges

Expenditure on special purpose tools and fixtures is initially capitalized at cost and then amortized over production on a systematic basis, based on technical assessment.

Loose tools are charged to revenue at the time of issue.

17) Financial assets (Trade Receivables & Other receivables)

Receivables are initially recognized at fair value, which in most cases approximates the nominal value. If there is any subsequent indication that the assets may be impaired, same is reviewed for impairment.

18) Errors and Estimates

The Company revises its accounting policies, if the change is required due to a change in the Ind AS or if the change provides more relevant and reliable information to the users of the financial statements. Changes in accounting policies are applied prospectively.

A change in an accounting estimate that results in changes in the carrying amounts of recognised assets or liabilities or to statement of Profit or Loss is applied prospectively in the period(s) of change.

Discovery of errors and results in revisions retrospectively by restating the comparative amounts of assets, liabilities and equity of the earliest prior period in which the error is discovered. Opening balances of the earliest period presented are also restated.

19) Income taxes

Income tax comprises of current and deferred income tax

Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current tax relating to items recognised directly in equity is recognised in equity and not in the Statement of Profit and Loss.

Deferred tax

Deferred tax is provided using the Balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

Carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

20) Warranty Liability

Warranty liability for contractual obligation in respect of equipment sold to customers is accounted for the basis of an annual technical assessment.

21) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at their respective currency exchange rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the functional currency exchange rate at the dates of the initial transactions.

22) Employee benefits

a. Short-term employee benefits are recognised as an expense at the undiscounted amount in the Statement of Profit and Loss of the year in which the related service is rendered.
b. Post-employment benefit viz. gratuity and other long-term employee benefits viz. Privilege Leave, Sick Leave and LLTC are recognised as an expense in the Statement of Profit and Loss of the year in which the employee has rendered services. Expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques.
c. Actuarial gains and losses and the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in Other Comprehensive Income (OCI). Net interest expense (income) on the net defined liability (assets) is computed by applying the discount rate, used to measure the net defined liability (asset), to the net defined liability (asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in the Statement of Profit and Loss.
d. Expenditure related to voluntary retirement scheme (VRS) is written off in the year of incidence.

23) Provision & Contingent Liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liabilities and contingent assets are not recognised in the financial statements but are disclosed in the notes.

Onerous Contracts

A provision for onerous contracts other than construction contracts is recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

Provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

24) Fair value measurement

The Company measures certain financial instruments, such as derivatives and other items in its financial statements at fair value at each balance sheet date.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For purposes of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

25) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

26) Financial Instruments

a. Initial recognition and measurement

All financial assets are recognised initially at fair value. In the case of financial assets not recorded at fair value through the Statement of Profit and Loss, transaction costs that are attributable to the acquisition of the financial asset are included in the cost of the asset.

b. Subsequent measurement

c. For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost,

ii. Debt instruments at fair value through other comprehensive income (FVTOCI),

iii. Debt instruments, derivatives and equity instruments at fair value through Profit or Loss (FVTPL),

iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Derecognition

A financial asset or part of a financial asset is derecognised when• The rights to receive cash flows from the asset has expired

Embedded derivative

Embedded derivative, if required, is separated from host contract and measured at fair value.

27) Forward Contracts

The Company uses derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

28) Cash and cash equivalents

Cash comprises of cash on hand and demand deposits. Cash equivalents are short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash, which are subject to an insignificant risk of change in value.

Bank overdrafts, if any, are shown within borrowings in current liabilities on the balance sheet.

29) Impairment of financial assets

In accordance with Ind AS 109, the Company applies the expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets with credit risk exposure.

a. Time barred dues from the Government / Government Departments / Government Companies are generally not considered as increase in credit risk of such financial asset.

b. Where dues are disputed in legal proceedings, provision is made if any decision is given against the Company even if the same is taken up on appeal to higher authorities / courts.

c. In case of dues outstanding for a significant period of time, on a case to case basis

   ECL impairment loss allowance (or reversal) recognized during the period is recognized as expense/ (income) in the Statement of Profit and Loss. This amount is reflected in a separate line in Profit and Loss Statement as an impairment gain or loss.

30) Financial Liabilities

a. Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at fair value through Profit and Loss as loans, borrowings, payables, or derivatives, as appropriate.

Loans, borrowings and payables, are stated net of transaction costs that are directly attributable.

b. Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below:

i. Financial liabilities at fair value through profit or loss.

ii. Financial liabilities at fair value through Profit or Loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

   Gains or losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

c. Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

d. Trade and other payables

Liabilities are recognised for amounts to be paid in future for goods or services received, whether billed by the supplier or not.

31) Reclassification of Financial Instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. If the Company reclassifies financial assets, it applies the reclassification prospectively.

32) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

33) Cash dividend and non-cash distribution to equity shareholders

The Company recognises a liability to make cash or non-cash distributions to equity holders when the distribution is authorised and the distribution is no longer at the discretion of the Company.

34) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

35) Events after the reporting period

Adjusting events are events that provide further evidence of conditions that existed at the end of the reporting period. The financial statements are adjusted for such events before authorisation for issue. Non-adjusting events are events that are indicative of conditions that arose after the end of the reporting period. Non-adjusting events after the reporting date are not accounted but disclosed.

36) New standards and interpretations not yet effective:

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2017 and have not been applied in preparing these financial statements. The effect of the same is being evaluated by the Company.

As per our report of even date

For SANKARAN & KRISHNAN
Chartered Accountants
Firm's Registration No.03582S

For & On Behalf of Board of Directors

VV Krishnamurthy	**S SHANMUGA PRIYA**	**MALATHY M**	**R M AGARWAL**
Partner	**Company Secretary**	**Chief Financial Officer**	**Chairman & Managing Director**
M.No.027044			

Place: Bangalore
Date: 15-November-2019

ITI LIMITED

Annexure I(a)

Restated Financial Information of Standalone Assets and Liabilities

₹ In millions

Particulars	Note No.	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
I.ASSETS							
(1) Non-current assets							
(a) Property, Plant & Equipment	1	3,723.28	3,589.11	2,795.15	1,569.70	1,029.45	618.84
(b) Capital work-in-progress	2	1,818.43	1,648.46	1,492.91	1,015.94	916.83	330.19
(c) Investment Property	3	10.08	10.39	10.80	11.02	11.25	11.48
(d) Intangible assets	3(a)			-	-	-	-
(e) Financial Assets							
(i) Investments	4	4.06	4.06	4.06	4.06	4.06	4.06
(ii) Trade receivables	4(a)	12.06	12.06	58.80	-	-	-
(iii) Loans	5	2.06	1.66	1.77	2.61	2.30	25.16
		5,569.96	5,265.74	4,363.48	2,603.32	1,963.88	989.73
(2) Current assets							
(a) Inventories	6	1,445.23	1,487.56	1,558.96	1,422.86	1,038.30	933.43
(b) Financial Assets							
(i) Trade receivables	7	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15
(ii) Cash and cash equivalents	8	199.67	267.01	412.61	244.02	499.51	458.07
(iii) Bank Blances other than above	8(a)	2,232.17	1,768.28	2,834.88	1,419.10	712.41	2,254.18
(iv) Loans	9	6,122.53	4,705.13	3,854.75	3,334.81	2,588.22	2,691.75
(v) Unbilled Revenue		3,622.26	5,502.49	2,372.41	366.66	212.93	-
(c) Other current assets	10	524.09	673.80	488.25	294.85	357.46	288.02
TOTAL		40,662.07	40,978.27	42,321.21	29,041.84	32,840.54	28,812.59
		46,232.04	46,244.01	46,684.69	31,645.16	34,804.42	29,802.32
II. EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	11	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
(b) Other Equity	12	(10,666.60)	(14,378.79)	(14,712.39)	(18,489.60)	(19,677.45)	(22,431.19)
		(1,696.60)	(5,408.79)	(7,112.39)	(12,889.60)	(16,797.45)	(19,551.19)
Liabilities							
(1) Non-Current Liabilities							
(a) Government Grants	13	1,142.94	1,184.65	1,190.89	1,228.93	25.68	72.65
(b) Financial Liabilities							
(i) Borrowings	14	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
(ii) Others	15	684.93	703.34	181.50	144.42	121.31	63.01
(c) Provisions	16	804.84	811.29	680.04	583.11	839.08	887.45
		5,032.71	5,699.28	5,052.43	4,956.46	3,986.07	4,023.10
(2) Current Liabilities							
(a) Financial Liabilities							
(i) Borrowings	17	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
(ii) Trade payables	18	16,880.99	18,048.63	22,616.49	19,759.99	21,053.30	22,830.18
(iii) Others	19	8,314.30	11,310.74	8,241.43	7,235.90	8,091.46	8,338.10
(b) Provisions	20	1,085.11	1,060.87	1,200.58	1,483.70	2,419.03	3,525.27
(c) Other current liabilities	21	7,038.44	5,946.21	7,422.92	2,307.02	7,662.87	1,428.55
TOTAL		42,895.93	45,953.52	48,744.65	39,578.30	47,615.80	45,330.41
		46,232.04	46,244.01	46,684.69	31,645.16	34,804.42	29,802.32

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a)

Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a) & of Tax Shelters Annexure X(a)

The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy
Partner
M. No. 027044

S Shanmuga Priya
Company Secretary

MALATHY M
Chief Financial Officer

R M AGARWAL
Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

ITI LIMITED
Annexure II(a)
Statement Of Standalone Changes In Equity

A. Equity Share Capital

₹ In millions

Particulars	Amount
Balance as at 01.04.2014	**2,880.00**
Changes during the Financial Year 14-15	-
Balance as at 31.03.2015	**2,880.00**
Changes during the Financial Year 15-16	-
Balance as at 31.03.2016	**2,880.00**
Changes during the Financial Year 16-17	2,720.00
Balance as at 31.03.2017	**5,600.00**
Changes during the Financial Year 2017-18	2,000.00
Balance as at 31.03.2018	**7,600.00**
Changes during the Financial Year 2018-19	1,370.00
Balance as at 31.03.2019	**8,970.00**
Changes during the period (April to September 2019)	-
Balance as at 30.09.2019	**8,970.00**

B. Other Equity

₹ In millions

Particulars	Share application money pending allotment	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income	Total Other Equity with Revaluation Reserve	Revaluation Surplus	Other Equity excluding revaluation reserve
		Capital Reserve	Securities Premium	Retained Earnings					
Balance as at 01.04.2014	**-**	**27,129.53**	**2.96**	**(48,691.11)**	**23,744.13**	**-**	**2,185.51**	**23,744.13**	**(21,558.62)**
Changes in accounting policy or prior period error	-	-	-	8.68	-	-	8.68	-	8.68
balance as at 01.04.2014	**-**	**27,129.53**	**2.96**	**(48,682.43)**	**23,744.13**	**-**	**2,194.19**	**23,744.13**	**(21,549.94)**
Profit or Loss for the Year	-	-	-	(2,979.95)	-	-	(2,979.95)	-	(2,979.95)
Other Comprehensive income for the Year	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	178.70	-	-	-	-	178.70	-	178.70
Transfer to retained earning	-	-	-	-	(140.08)	-	(140.08)	(140.08)	-
Any other change	1,920.00	-	-	-	-	-	1,920.00	-	1,920.00
Balance as at 31.03.2015	**1,920.00**	**27,308.23**	**2.96**	**(51,662.38)**	**23,604.06**	**-**	**1,172.86**	**23,604.06**	**(22,431.19)**
Changes in accounting policy or prior period error	-	-	-	(33.57)	-	-	(33.57)	-	(33.57)
balance as at 01.04.2015	**1,920.00**	**27,308.23**	**2.96**	**(51,695.95)**	**23,604.06**	**-**	**1,139.29**	**23,604.06**	**(22,464.76)**
Profit or Loss for the Year	-	-	-	2,372.18	-	-	2,372.18	-	2,372.18
Other Comprehensive income for the Year	-	-	-	-	-	173.26	173.26	-	173.26
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	181.50	-	-	-	-	181.50	-	181.50
Transfer to retained earning	-	-	-	-	(60.37)	-	(60.37)	(60.37)	-
Any other change	-	-	-	60.37	-	-	60.37	-	60.37
Balance as at 31.03.2016	**1,920.00**	**27,489.73**	**2.96**	**(49,263.40)**	**23,543.69**	**173.26**	**3,866.24**	**23,543.69**	**(19,677.45)**
Changes in accounting policy or prior period error	-	-	-	(2.37)	-	-	(2.37)	-	(2.37)
balance as at 01.04.2016	**1,920.00**	**27,489.73**	**2.96**	**(49,265.77)**	**23,543.69**	**173.26**	**3,863.87**	**23,543.69**	**(19,679.82)**
Profit or Loss for the Year	-	-	-	2,663.91	-	-	2,663.91	-	2,663.91
Appropriations				(1.53)			(1.53)	-	(1.53)
Other Comprehensive income for the Year	-	-	-	-	-	387.30	387.30	-	387.30
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	(60.54)	-	(60.54)	(60.54)	-
Any other change	-	-	-	60.54	-	-	60.54	-	60.54
Transfer to Equity Share Capital	(1,920.00)	-	-	-	-	-	(1,920.00)	-	(1,920.00)
Balance as at 31.03.2017	**-**	**27,489.73**	**2.96**	**(46,542.86)**	**23,483.14**	**560.57**	**4,993.54**	**23,483.14**	**(18,489.60)**
Changes in accounting policy or prior period error	-	-	-	-	-	-	-	-	-
balance as at 01.04.2017	**-**	**27,489.73**	**2.96**	**(46,542.86)**	**23,483.14**	**560.57**	**4,993.54**	**23,483.14**	**(18,489.60)**
Profit or Loss for the Year	-	-	-	2,305.64	-	-	2,305.64	-	2,305.64
Other Comprehensive income for the Year	-	-	-	-	-	45.68	45.68	-	45.68
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	(92.35)	-	(92.35)	(92.35)	-
Any other change	-	-	-	55.89	-	-	55.89	-	55.89
Share Application money received	3,370.00						3,370.00		3,370.00
Transfer to Equity Share Capital	(2,000.00)	-	-	-	-	-	(2,000.00)	-	(2,000.00)
Balance as at 31.03.2018	**1,370.00**	**27,489.73**	**2.96**	**(44,181.32)**	**23,390.80**	**606.24**	**8,678.41**	**23,390.80**	**(14,712.39)**

B. Other Equity (Contin...) ₹ In millions

Particulars	Share application money pending allotment	Reserves and Surplus			Revaluation Surplus	Other items of Other Comprehensive Income	Total Other Equity with Revaluation Reserve	Revaluation Surplus	Other Equity excluding revaluation reserve
		Capital Reserve	Securities Premium	Retained Earnings					
Balance as at 01.04.2018	**1,370.00**	**27,489.73**	**2.96**	**(44,181.32)**	**23,390.80**	**606.24**	**8,678.41**	**23,390.80**	**(14,712.39)**
Profit or Loss for the Year	-	-	-	**925.38**	-	-	**925.38**	-	**925.38**
Other Comprehensive income for the Year	-	-	-	-	-	**183.17**	**183.17**	-	**183.17**
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the year	-	-	-	-	-	-	-	-	-
Transfer to retained earning	-	-	-	-	**(45.05)**	-	**(45.05)**	**(45.05)**	-
Share application money Govt. of India	**550.00**	-	-	-	-	-	**550.00**	-	**550.00**
Any other change	-	-	-	**45.05**	-	-	**45.05**	-	**45.05**
Transfer to Equity Share Capital	**(1,370.00)**	-	-	-	-	-	**(1,370.00)**	-	**(1,370.00)**
Balance as at 31.03.2019	**550.00**	**27,489.73**	**2.96**	**(43,210.89)**	**23,345.74**	**789.41**	**8,966.96**	**23,345.74**	**(14,378.79)**
Profit or Loss for the period (April to September 2019)	-	-	-	**(544.03)**	-	-	**(544.03)**	-	**(544.03)**
Other Comprehensive income for the period	-	-	-	-	-	**90.36**	**90.36**	-	**90.36**
Dividends	-	-	-	-	-	-	-	-	-
Grants received during the period	-	**3,093.00**	-	-	-	-	**3,093.00**	-	**3,093.00**
Transfer to retained earning	-	-	-	-	**(22.86)**	-	**(22.86)**	**(22.86)**	-
Share application money Govt. of India	**1,050.00**	-	-	-	-	-	**1050.00**	-	**1,050.00**
Any other change	-	-	-	**22.86**	-	-	**22.86**	-	**22.86**
Transfer to Equity Share Capital	-	-	-	-	-	-	-	-	-
Balance as at 30.09.2019	**1,600.00**	**30,582.73**	**2.96**	**(43,732.06)**	**23,322.88**	**879.77**	**12,656.29**	**23,322.88**	**(10,666.60)**

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a) Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a) & of Tax Shelters Annexure X(a)

The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy
Partner
M. No. 027044
Place: Bangalore
Date : 15.11.2019

S Shanmuga Priya
Company Secretary

MALATHY M
Chief Financial Officer

R M AGARWAL
Chairman & Managing Director

ITI LIMITED

Annexure III(a)

Restated Financial Information of Standalone Profit and Loss

Particulars	Note No.	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
							₹ In millions
INCOME							
I. Revenue from operations	22	5,787.83	16,683.68	14,841.62	15,481.37	11,933.46	5,791.12
II. Other Income	23	246.14	3,364.73	3,274.54	5,405.79	5,969.65	849.17
III. Total Revenue (I +II)		6,033.97	20,048.41	18,116.17	20,887.16	17,903.11	6,640.29
IV.EXPENSES:							
Cost of materials consumed	24	683.48	2,837.14	3,134.44	925.75	413.33	430.27
Purchase of Stock-in-Trade	25	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	26	97.19	(112.88)	117.65	(176.22)	4.38	20.56
Installation & Maintenance Charges		1,286.47	7,839.33	5,260.73	6,420.79	3,180.55	2,138.76
Employee benefit expense	27	1,124.55	2,042.22	2,255.04	3,008.72	3,324.59	3,211.89
Finance costs	28	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Depreciation and amortization expense	29	208.41	370.92	248.55	169.45	129.02	153.24
Other expenses	30	387.95	1,865.19	940.24	1,226.70	625.04	672.40
Total Expenses		6,577.99	19,123.03	15,810.52	18,223.25	15,530.93	9,620.24
V.Profit/(Loss) before exceptional items and tax (III-IV)		(544.03)	925.39	2,305.64	2,663.91	2,372.18	(2,979.95)
VI. Exceptional Items		-	-	-	-	-	-
(i) Income		-	-	-	-	-	1,650.00
(ii) Expenses		-	-	-	-	-	(1,650.00)
VII. Profit/(Loss) before tax (V + VI)		(544.03)	925.39	2,305.64	2,663.91	2,372.18	(2,979.95)
VIII. Tax expense:		-	-	-	-	-	-
(1) Current tax		-	-	-	-	-	-
(2) Deferred tax		-	-	-	-	-	-
IX. Profit(Loss) for the year (VII-VIII)		(544.03)	925.39	2,305.64	2,663.91	2,372.18	(2,979.95)
X. Other Comprehensive Income							
A. (i) Items that will not be reclassifled to proflt or loss							
Remeasurements of Defined Benefit Plans		90.36	183.17	45.68	387.30	173.26	0.00
B. (i) Items that will be reclassified to profit or loss		-	-	-	-	-	-
XI. Total Comprehensive Income for the year (IX+X) Comprising Profit (Loss) and Other Comprehensive Income for the year)		(453.67)	1,108.56	2,351.32	3,051.21	2,545.44	(2,979.95)
XII. Earnings per equity share (for continuing operation):							
Basic & Diluted (Face value of ₹ 10/- each):		(0.64)	0.95	3.23	6.77	7.89	(11.29)
Weighted average number of shares		89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000

Note:

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a) Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a) & of Tax Shelters Annexure X(a)

The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy Partner M. No. 027044	S Shanmuga Priya Company Secretary	MALATHY M Chief Financial Officer	R M AGARWAL Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

ITI LIMITED

Annexure IV(a)

Restated Financial Information of Standalone Cash Flow Statement

₹ in millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015 (Proforma)
(A)CASH FLOW FROM OPERATING ACTIVITIES:						
NET PROFIT/(LOSS) BEFORE TAX	(544.03)	925.38	2,305.64	2,663.91	2,372.18	(3,334.39)
Adjustment For :						
Depreciation	208.41	370.92	248.55	178.32	129.02	153.24
Financing Charges	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54
Interest/Dividend Received	(67.30)	(39.37)	(15.98)	(10.00)	(22.66)	(25.84)
Profit On Sale Of Asset	-	-	(921.15)	-	-	(0.31)
Transfer From Grant-In-Aid	(41.70)	(6.25)	(1,367.83)	(3,796.56)	(4,987.17)	(40.29)
Other Comprehensive Income	90.36	183.17	45.68	387.30	173.26	354.45
Non-Cash Expenditure	10.77	1,170.81	33.67	42.11	(33.38)	9.58
Total Adjustments	888.27	2,743.99	(442.95)	(1,672.68)	(3,169.38)	2,023.36
OPERATING CASH PROFIT/(LOSS)	344.24	3,669.37	1,862.70	991.23	(797.20)	(1,311.03)
BEFORE WORKING CAPITAL CHANGES						
Adjustment For:						
Trade And Other Receivables	655.56	(1,062.81)	(11,610.83)	4,564.00	(5,245.87)	(342.13)
Inventories	42.33	70.79	(169.10)	(399.57)	(105.24)	28.03
Trade Payables	(3,072.49)	(2,461.90)	8,828.83	(8,672.90)	3,114.50	143.92
Direct Taxes Paid	3.69	2.02	(6.04)	42.79	(154.67)	(4.41)
	(2,370.91)	(3,451.89)	(2,957.14)	(4,465.68)	(2,391.28)	(174.59)
CASH FLOW FROM OPERATING ACTIVITIES[A]	(2,026.67)	217.47	(1,094.44)	(3,474.45)	(3,188.48)	(1,485.62)
(B) CASH FLOW FROM INVESTING ACTIVITIES:						
Purchase Of Fixed Assets Including:						
Capital Work-In-Progress	(489.37)	(1,278.17)	(1,895.54)	(760.75)	(1,065.49)	(126.79)
Sale Of Fixed Assets & Investments	-	0.00	921.15	-	-	0.31
Interest Received	67.30	39.37	15.98	10.00	22.66	25.84
NET CASH USED IN INVESTING ACTIVITIES [B]	(422.06)	(1238.81)	(958.41)	(750.75)	(1,042.83)	(100.65)
(C) CASH FLOW FROM FINANCING ACTIVITIES						
Proceeds From Short Term Borrowings	(609.98)	323.84	471.53	402.54	(819.17)	3,449.04
Share Application Money	1,050.00	550.00	1,370.00	-	-	1,920.00
Issue Of Share Capital	-	-	2,000.00	800.00	-	-
Grant-In-Aid Received	3,093.00	-	1,329.80	5,000.00	5,121.70	178.61
Financing Expenses	(687.74)	(1,064.71)	(1,534.11)	(1,526.15)	(1,571.55)	(1,572.54)
NET CASH USED IN FINANCING ACTIVITIES [C]	2,845.28	(190.87)	3,637.22	4,676.39	2,730.98	3,975.12
NET INCREASE IN CASH AND CASH EQUIVALENTS [A+B+C]	396.55	(1,212.20)	1,584.37	451.19	(1,500.33)	2,388.85
OPENING BALANCE OF CASH AND CASH EQUIVALENTS	2,035.29	3,247.49	1,663.11	1,211.92	2,712.25	323.40
CLOSING BALANCE OF CASH AND CASH EQUIVALENTS	2,431.84	2,035.29	3,247.49	1,663.11	1,211.92	2,712.25

Note: Previous year figures have been regrouped wherever necessary to conform to this year's classifications.

The above statement should be read with Company Overview and Significant Accounting Policies appearing in Annexure-V(a), First time Adoption of Ind AS Annexure-VI(a)

Statement of Accounting Ratios in Annexure-VII(a), Statement of Capitalisation in Annexure-VIII(a) and Statement of Dividend Paid in Annexure-IX(a) & of Tax Shelters Annexure X(a)

The accounting policies & accompanying notes form part of the financial statements

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy
Partner
M. No. 027044

S Shanmuga Priya
Company Secretary

MALATHY M
Chief Financial Officer

R M AGARWAL
Chairman & Managing Director

Place: Bangalore
Date : 15.11.2019

NOTE NO. 1

Statement of Property, Plant & Equipment

₹ In millions

PARTICULARS	Free Hold Land	Lease Hold Land	Building	Plant& Machinery	Other Equipment	Office Machinery & Equipment	Furniture Fixture & Fittings	Vehicles	Total
Opening Balance as at 01.04.2014	22,584.88	11.90	1,208.41	378.56	38.47	3.58	4.40	5.41	24,235.62
Additions	-	-	1.40	3.27	1.43	1.76	0.05	0.15	8.06
Disposal	(285.40)	-	(39.37)	-	-	-	-	-	(324.77)
Closing Gross Carrying Amount As At 31.03.2015	22,299.48	11.90	1,170.44	381.84	39.90	5.34	4.45	5.56	23,918.91
Depreciation For The Year	-	0.03	157.28	115.19	9.08	1.29	1.00	1.14	285.00
Disposals	-	-	-	-	-	-	-	-	-
Closing Accumulated Depreciation	-	0.03	157.28	115.19	9.08	1.29	1.00	1.14	285.00
Net Carrying Amount As At 31.03.2015 with revaluation reserve	22,299.48	11.87	1,013.16	266.65	30.82	4.05	3.45	4.43	23,633.91
Less: Revaluation Reserve	(22,204.23)	-	(810.84)	-	-	-	-	-	(23,015.07)
Net Carrying Amount As At 31.03.2015 without revaluation reserve	95.25	11.87	202.33	266.65	30.82	4.05	3.45	4.43	618.84
Opening Gross Carrying Amount As At 1.04.2015	22,299.48	11.90	1,170.44	381.84	39.90	5.34	4.45	5.56	23,918.91
Additions	-	-	7.92	393.17	74.32	2.26	0.90	0.29	478.85
Disposal	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount As At 31.03.2016	22,299.48	11.90	1,178.35	775.01	114.21	7.59	5.36	5.86	24,397.76
Opening Accumulated Depreciation	-	0.03	157.28	115.19	9.08	1.29	1.00	1.14	285.00
Depreciation For The Year	-	0.03	72.25	45.54	6.57	2.31	0.34	0.94	127.96
Closing Accumulated Depreciation	-	0.05	229.53	160.72	15.64	3.60	1.34	2.08	412.96
Net Carrying Amount As At 31.03.2016 with revaluation reserve	22,299.48	11.85	948.83	614.29	98.57	4.00	4.02	3.78	23,984.80
Less: Revaluation Reserve	(22,204.23)	-	(751.12)	-	-	-	-	-	(22,955.36)
Net Carrying Amount As At 31.03.2016 without revaluation reserve	95.25	11.85	197.70	614.29	98.57	4.00	4.02	3.78	1,029.45
Opening Gross Carrying Amount As At 1.04.2016	22,299.48	11.90	1,178.35	775.01	114.21	7.59	5.36	5.86	24,397.76
Additions	-	-	32.85	498.86	112.24	15.31	0.01	0.07	659.33
Disposal	-	-	-	-	-	-	-	-	-
Closing Gross Carrying Amount As At 31.03.2017	22,299.48	11.90	1,211.20	1,273.86	226.46	22.91	5.36	5.92	25,057.09
Opening Accumulated Depreciation	-	0.05	229.53	160.72	15.64	3.60	1.34	2.08	412.96
Depreciation For The Year	-	0.03	79.37	81.23	13.23	2.43	1.75	0.94	178.97
Closing Accumulated Depreciation	-	0.08	308.89	241.95	28.87	6.03	3.09	3.02	591.93
Net Carrying Amount As At 31.03.2017 with revaluation reserve	22,299.48	11.82	902.31	1,031.92	197.58	16.88	2.28	2.90	24,465.17
Less: Revaluation Reserve	(22,204.23)	-	(691.24)	-	-	-	-	-	(22,895.47)
Net Carrying Amount As At 31.03.2017 without revaluation reserve	95.25	11.82	211.07	1,031.92	197.58	16.88	2.28	2.90	1,569.70
Opening Gross Carrying Amount As At 1.04.2017	22,299.48	11.90	1,211.20	1,273.86	226.46	22.91	5.36	5.92	25,057.09
Additions	-	-	110.71	1,243.67	51.66	1.63	0.14	10.76	1,418.57
Disposal	(116.56)	-	-	-	-	-	-	-	(116.56)
Closing Gross Carrying Amount As At 31.03.2018	22,182.92	11.90	1,321.91	2,517.53	278.11	24.54	5.51	16.68	26,359.10
Opening Accumulated Depreciation	-	0.08	308.89	241.95	28.87	6.03	3.09	3.02	591.93
Depreciation For The Year	-	0.03	72.57	145.64	21.04	5.44	1.02	1.40	247.14
Closing Accumulated Depreciation	-	0.11	381.46	387.59	49.91	11.47	4.11	4.42	839.07
Net Carrying Amount As At 31.03.2018 with revaluation reserve	22,182.92	11.79	940.45	2,129.95	228.20	13.07	1.39	12.26	25,520.03
Less: Revaluation Reserve	(22,088.06)	-	(636.82)	-	-	-	-	-	(22,724.88)
Net Carrying Amount As At 31.03.2018 without revaluation reserve	94.86	11.79	303.63	2,129.95	228.20	13.07	1.39	12.26	2,795.15

Statement of Property, Plant & Equipment (Contin...)

₹ In millions

PARTICULARS	Free Hold Land	Lease Hold Land	Building	Plant& Machinery	Other Equipment	Office Machinery & Equipment	Furniture Fixture & Fittings	Vehicles	Total
Gross Block as on 01.04.2018	22,182.92	11.90	1,321.91	2,517.53	278.11	24.54	5.51	16.68	26,359.10
Additions	-	-	29.40	1,043.22	40.99	4.87	1.05	1.26	1,120.79
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	1.99	1.99
Gross Block as on 31.03.2018	22,182.92	11.90	1,351.31	3,560.75	319.10	29.41	6.56	15.95	27,477.90
Accumulated Depreciation as on. 01.04.2018	-	0.11	381.46	387.59	49.91	11.47	4.11	4.42	839.07
Depreciation for the year	-	0.03	75.14	262.10	24.06	5.70	0.35	1.85	369.23
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at. 31.03.2019	-	0.14	456.60	649.69	73.97	17.17	4.46	6.27	1,208.30
Net Block As At 31.03.2019	22,182.92	11.76	894.71	2,911.06	245.13	12.24	2.09	9.68	26,269.60
Less: Revaluation Reserve	22,088.06	-	592.43	-	-	-	-	-	22,680.49
Net Carrying Value Without Revaluation Reserve As At 31.03.2019	94.86	11.76	302.28	2,911.06	245.13	12.24	2.09	9.68	3,589.11
Gross Block as on 01.04.2019	22,182.92	11.90	1,351.31	3,560.75	319.10	29.41	6.56	15.95	27,477.90
Additions	-	-	180.68	132.54	5.84	0.35			319.41
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Gross Block as on 30.09.2019	22,182.92	11.90	1,531.99	3,693.29	324.94	29.76	6.56	15.95	27,797.31
Accumulated Depreciation as on. 01.04.2019	-	0.14	456.60	652.99	70.67	17.17	4.46	6.27	1,208.30
Depreciation for the half year	-	0.02	34.17	131.00	38.85	2.99	0.20	0.84	208.07
Deletion	-	-	-	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at. 30.09.2019	-	0.16	490.77	783.99	109.53	20.16	4.66	7.11	1,416.37
Net Block As At 30.09.2019	22,182.92	11.74	1,041.22	2,909.30	215.42	9.60	1.89	8.84	26,380.94
Less: Revaluation Reserve	22,088.06	-	569.60	-	-	-	-	-	22,657.66
Net Carrying Value Without Revaluation Reserve As At 30.09.2019	94.86	11.74	471.62	2,909.30	215.42	9.60	1.89	8.84	3,723.28

**** Restated due to regrouping as investment property in the year 2018-19**

NOTE NO. 2

STATEMENT OF CAPITAL WORK-IN-PROGRESS

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Capital Work-in-Progress at Cost	665.46	613.84	688.32	634.65	494.84	322.38
Less: Provision	-	-	-	-	0.04	0.04
TOTAL	665.46	613.84	688.32	634.65	494.80	322.34
Materials with Contractors	2.89	2.89	2.89	2.89	2.89	2.89
Less : Provision	2.89	2.89	2.89	2.89	2.89	2.89
TOTAL	-	-	-	-	-	-
Machinery at Cost						
In-Transit	37.12	34.27	77.70	36.16	10.91	0.66
Awaiting Acceptance / Installation	1,116.50	1,001.01	727.53	345.78	411.73	7.81
	1,153.62	1,035.28	805.24	381.94	422.64	8.47
Less:Provision	0.65	0.65	0.65	0.65	0.61	0.61
TOTAL	1,152.97	1,034.62	804.58	381.28	422.03	7.86
GRAND TOTAL	1,818.43	1,648.46	1,492.91	1,015.94	916.83	330.19

NOTE NO. 3

STATEMENT OF INVESTMENT PROPERTY

₹ In millions

PARTICULARS	Land	Building	Total
Opening Balance as at 01.04.2014	275.27	2.04	277.31
Additions	285.40	39.37	324.77
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2015	560.67	41.41	602.08
Depreciation For The Year	-	1.62	1.62
Disposals	-	-	-
Closing Accumulated Depreciation	-	1.62	1.62
Net Carrying Amount As At 31.03.2015 with revaluation reserve	560.67	39.79	600.46
Less: Revaluation Reserve	(556.89)	(32.10)	(588.98)
Net Carrying Amount As At 31.03.2015 without revaluation reserve	3.78	7.70	11.48
Opening Gross Carrying Amount As At 1.04.2015	560.67	41.41	602.08
Additions	-	-	-
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2016	560.67	41.41	602.08
Opening Accumulated Depreciation	-	1.62	1.62
Depreciation For The Year	-	0.89	0.89
Closing Accumulated Depreciation	-	2.50	2.50
Net Carrying Amount As At 31.03.2016 with revaluation reserve	560.67	38.91	599.58
Less: Revaluation Reserve	(556.89)	(31.44)	(588.33)
Net Carrying Amount As At 31.03.2016 without revaluation reserve	3.78	7.47	11.25
Opening Gross Carrying Amount As At 1.04.2016	560.67	41.41	602.08
Additions	-	-	-
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2017	560.67	41.41	602.08
Opening Accumulated Depreciation	-	2.50	2.50
Depreciation For The Year	-	0.89	0.89
Closing Accumulated Depreciation	-	3.39	3.39
Net Carrying Amount As At 31.03.2017 with revaluation reserve	560.67	38.02	598.69
Less: Revaluation Reserve	(556.89)	(30.79)	(587.67)
Net Carrying Amount As At 31.03.2017 without revaluation reserve	3.78	7.23	11.02
Opening Gross Carrying Amount As At 1.04.2017	560.67	41.41	602.08
Additions	78.92	-	78.92
Disposal	-	-	-
Closing Gross Carrying Amount As At 31.03.2018	639.59	41.41	681.00
Opening Accumulated Depreciation	-	3.39	3.39
Depreciation For The Year	-	0.89	0.89
Closing Accumulated Depreciation	-	4.28	4.28
Net Carrying Amount As At 31.03.2018 with revaluation reserve	639.59	37.13	676.72
Less: Revaluation Reserve	(635.79)	(30.13)	(665.92)
Net Carrying Amount As At 31.03.2018 without revaluation reserve	3.80	7.00	10.80
Gross Block as on 01.04.2018	639.59	41.41	681.00
Additions	-	-	-
Deletion	-	-	-
Adjustments	-	-	-
Gross Block as on 31.03.2019	639.59	41.41	681.00
Accumulated Depreciation as on. 01.04.2018	-	4.28	4.28
Depreciation for the year	-	1.08	1.08
Deletion	-	-	-
Adjustments	-	-	-
Accumulated Depreciation as at. 31.03.2019	-	5.36	5.36
Net Block As At 31.03.2019	639.59	36.05	675.64
Less: Revaluation Reserve	635.79	29.47	665.25
Net Carrying Value Without Revaluation Reserve As At 31.03.2019	3.80	6.58	10.39
Gross Block as on 01.04.2019	639.59	41.41	681.00
Additions	-	-	-
Deletion	-	-	-
Adjustments	-	-	-
Gross Block as on 30.09.2019	639.59	41.41	681.00
Accumulated Depreciation as on. 01.04.2019	-	5.36	5.36
Depreciation for the period	-	0.34	0.34
Deletion	-	-	-
Adjustments	-	-	-
Accumulated Depreciation as at. 30.09.2019	-	5.70	5.70
Net Block As At 30.09.2019	639.59	35.71	675.30
Less: Revaluation Reserve	635.79	29.44	665.22
Net Carrying Value Without Revaluation Reserve As At 30.09.2019	3.80	6.27	10.08

** Restated due to regrouping as investment property in the year 2018-19

NOTE NO. 3(a)
STATEMENT OF INTANGIBLE ASSETS

₹ In millions

PARTICULARS	Technical Knowhow
Opening Balance as at 01.04.2014	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2015	15.68
Depreciation For The Year	15.68
Disposals	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2015	-
Opening Gross Carrying Amount As At 1.04.2015	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2016	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2016	-
Opening Gross Carrying Amount As At 1.04.2016	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2017	-
Opening Gross Carrying Amount As At 1.04.2017	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2017	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2018	-
Opening Gross Carrying Amount As At 1.04.2018	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 31.03.2018	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Year	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 31.03.2019	-
Opening Gross Carrying Amount As At 1.04.2019	15.68
Additions	-
Disposal	-
Closing Gross Carrying Amount As At 30.09.2019	15.68
Opening Accumulated Depreciation	15.68
Depreciation For The Period	-
Closing Accumulated Depreciation	15.68
Net Carrying Amount As At 30.09.2019	-

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 4						**₹ In millions**
STATEMENT OF NON- CURRENT FINANCIAL ASSETS-INVESTMENTS						
Investment in Equity instruments						
Fully Paid at Cost (unquoted)	4.06	4.06	4.06	4.06	4.06	4.06
16,21,800 Equity Shares of ₹10/- each fully paid up in India Satcom Limited(joint venture with M/S Chris Tech System Pvt. Ltd) including 12,16,350 Bonus Shares(extent of investment 49%)	-	-	-	-	-	-
TOTAL	4.06	4.06	4.06	4.06	4.06	4.06

As per IND AS 27 Separate Financial Statements, Investment in Joint Ventures is being carried at cost in the Standalone Financial Statements.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 4 (a)						
STATEMENT OF NON-CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES						
Secured						
Considered Good	12.06	12.06	58.80	-	-	-
Considered Doubtful	-	-	-	-	-	-
	12.06	12.06	58.80	-	-	-
Less: Provision	-	-	-	-	-	-
TOTAL	12.06	12.06	58.80	-	-	-
Un Secured						
Considered Good	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
GRAND TOTAL	12.06	12.06	58.80	-	-	-
NOTE NO. 5						
STATEMENT OF NON CURRENT FINANCIAL ASSETS - LOANS						
Secured and considered good :						
Capital Advances	-	-	-	1.00	0.69	0.69
Security Deposits/ Margin money	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Considered Doubtful :						
Capital Advances	0.16	0.16	0.16	0.16	3.00	2.84
Security Deposits	-	-	-	-	-	-
Loans and advances	-	-	-	-	-	-
Total	0.16	0.16	0.16	1.16	3.69	3.53
less: provision	0.11	0.11	0.11	0.11	2.95	2.84
TOTAL SECURED LOANS & ADVANCES	0.05	0.05	0.05	1.05	0.74	0.69
Unsecured and considered good :						
Capital Advances	-	-	-	-	-	0.16
Security Deposits	-	-	0.07	0.08	0.06	0.06
Loans and advances	2.01	1.61	1.65	1.48	1.50	1.83
Considered Doubtful:						
Capital Advances	-	-	-	-	-	-
Security Deposits	-	-	-	-	-	22.53
Loans and advances	-	-	-	-	-	-
Total	2.01	1.61	1.72	1.55	1.56	24.58
less: provision	-	-	-	-	-	0.11
Loans and advances due from related parties :						
ISL	-	-	-	-	-	-
TOTAL UNSECURED LOANS & ADVANCES	2.01	1.61	1.72	1.55	1.56	24.47
GRAND TOTAL	2.06	1.66	1.77	2.61	2.30	25.16

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 6						**₹ In millions**
STATEMENT OF INVENTORIES						
a) Raw material and Production stores	944.05	880.07	710.03	806.23	565.36	562.20
Less: Provision for Obsolescence	179.08	179.08	179.08	168.80	154.08	155.10
	764.97	700.98	530.95	637.43	411.28	407.10
b)Material issued against Fabrication Contracts	9.69	9.69	9.81	9.81	9.81	10.02
Less: Provision	9.55	9.55	9.55	9.55	9.55	9.55
	0.14	0.14	0.26	0.26	0.26	0.48
c)Non-Production Stores	85.06	85.05	80.77	85.24	84.64	80.30
Less: Provision for Obsolescence	23.74	23.74	23.74	25.16	25.16	25.16
	61.32	61.31	57.03	60.08	59.49	55.14
d)Work-in-Process Production	352.76	402.18	307.00	417.28	223.40	268.23
Less: Provision	30.51	30.51	30.51	27.38	27.38	27.38
	322.25	371.67	276.49	389.91	196.03	240.85
e)Work-in-Process Installation	6.04	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
	6.04	-	-	-	-	-
f)Manufactured Components	95.81	98.49	94.84	97.55	134.00	105.35
Less: Provision	4.01	4.01	4.01	3.39	3.39	3.39
	91.80	94.47	90.82	94.17	130.61	101.97
g) Finished Goods						
Stock-in-Trade	187.56	228.89	177.54	185.99	167.21	155.41
Excise Duty thereon	0.04	0.04	8.57	8.94	7.24	5.65
	187.60	228.93	186.11	194.93	174.44	161.06
Less: Provision	104.57	104.57	104.57	104.46	104.46	104.46
	83.03	124.36	81.54	90.47	69.98	56.60
h) Stock Reconciliation Account	1.03	1.03	1.03	1.03	1.01	0.99
Less: Provision	1.03	1.03	1.03	1.03	1.01	0.99
	-	-	-	-	-	-
i)Goods Pending Inspection / Acceptance	-	-	57.85	15.98	57.89	5.37
j)Material-in-Transit Advances						
Considered Good	115.68	134.62	464.01	122.51	108.01	61.61
Considered Doubtful	8.22	8.22	8.22	8.22	8.22	8.22
	123.90	142.84	472.24	130.73	116.23	69.84
Less: Provision	8.22	8.22	8.22	8.22	8.22	8.22
	115.68	134.62	464.01	122.51	108.01	61.61
k)Material received and In-Transit Advances	-	-	-	11.55	4.74	4.16
l)Tools and Gauges*	-	-	-	0.53	-	0.15
GRAND TOTAL	1,445.23	1,487.56	1,558.96	1,422.86	1,038.30	933.43

***Tools and Gauges has been treated as Inventory rather than Property Plant & Equipment as these are not material in value.**

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 7						
STATEMENT OF CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES						
Secured						
Outstanding for a period exceeding 6 months from the date they become due for payment						
Considered Good	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	-
Other for a period of not exceeding 6 months: Considered Good	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Un Secured						
Outstanding for a period exceeding 6 months from the date they become due for payment						
Considered Good	21,932.19	23,900.75	24,631.18	17,766.03	23,468.42	20,220.54
Considered Doubtful	465.16	465.16	465.16	465.16	437.80	678.96
	22,397.35	24,365.91	25,096.34	18,231.19	23,906.22	20,899.49
Other for a period of not exceeding 6 months: Considered Good	4,583.94	2,673.26	6,168.18	4,193.51	3,963.29	1,966.61
	26,981.28	27,039.17	31,264.52	22,424.70	27,869.51	22,866.10
Less: Provision	465.16	465.16	465.16	465.16	437.80	678.96
TOTAL	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15
GRAND TOTAL	26,516.12	26,574.00	30,799.36	21,959.54	27,431.71	22,187.15

As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is a example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case reviews and approved by Board. Whereas, for other customers, provision is determined using expected credit loss model on case to case basis

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
						₹ In millions
NOTE NO. 8						
STATEMENT OF CURRENT FINANCIAL ASSETS -CASH AND CASH EQUIVALENTS						
a) Cash-on-Transit	-	-	-	-	7.83	7.83
b) Cash on hand	4.56	2.74	6.63	2.65	2.46	4.10
c) Cheques & Stamps on Hand	0.10	0.01	-	0.01	0.05	0.09
d) Balance with Banks :		-				
- On Current Account	195.02	264.26	405.98	241.36	489.18	446.05
TOTAL	199.67	267.01	412.61	244.02	499.51	458.07
NOTE NO. 8 (a)						
STATEMENT OF CURRENT FINANCIAL ASSETS -BANK BALANCE OTHER THAN ABOVE						
Balance with Banks :						
- On Escrow Account	37.90	306.69	2,826.57	1,369.90	658.48	2,221.40
- On Current Account (Apprentices)	-	-	0.58	0.58	0.58	0.58
Unpaid Dividend	-	-	-	-	-	-
Security deposits/others	0.62	0.05	0.04	0.04	0.71	-
LC Margin money	-	-	-	-	-	25.00
On Savings Account(Apprentices Security Deposits)	-	-	0.25	0.25	0.25	0.62
On short term deposit (margin money)	16.43	6.11	7.44	4.79	7.39	6.57
On current Account(Margin money)	-	-	-	-	-	-
On Fixed Deposit Account- More than 12 months maturity	2,177.22	1,455.43	-	-	-	-
On Fixed Deposit Account- Less than 12 months maturity	-	-	-	43.55	45.00	-
TOTAL	2,232.17	1,768.28	2,834.88	1,419.10	712.41	2,254.18
NOTE NO. 9						
STATEMENT OF CURRENT FINANCIAL ASSETS - LOANS						
Secured Advances recoverable in cash or for value to be received						
Vehicles	-	-	-	-	0.00	0.00
House building	-	-	-	-	-	-
Other Deposits	104.67	104.81	54.17	53.70	53.62	217.96
Less: Provision	-	-	-	-	-	25.07
TOTAL	104.67	104.81	54.17	53.70	53.63	192.90
Un secured Advances recoverable in cash for value to be received						
Considered Good	3,576.39	2,570.88	1,789.07	1,461.74	843.94	784.97
Considered Doubtful	89.66	89.66	151.78	151.78	161.25	161.25
	3,666.05	2,660.54	1,940.85	1,613.52	1,005.19	946.22
Less: Provision	89.66	89.66	151.78	151.78	151.78	161.25
	3,576.39	2,570.88	1,789.07	1,461.74	853.41	784.97
Claims and Expenses Recoverable - Inland						
Considered Good	2,100.54	1,743.57	1,623.82	1,459.93	1,460.46	1,598.58
Considered Doubtful	69.67	69.67	69.67	67.87	67.87	67.87
	2,170.21	1,813.25	1,693.50	1,527.79	1,528.33	1,666.44
Less: Provision	69.67	69.67	69.67	67.87	67.87	67.87
	2,100.54	1,743.57	1,623.82	1,459.93	1,460.46	1,598.58

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Claims and expenses recoverable - Foreign						**₹ In millions**
Considered Good	**7.13**	**0.96**	**1.02**	**48.61**	**4.73**	**6.97**
Considered doubtful	**120.43**	**120.43**	**120.43**	**120.43**	**120.43**	**120.43**
	127.56	**121.39**	**121.45**	**169.04**	**125.16**	**127.40**
Less: Provision	**120.43**	**120.43**	**120.43**	**120.43**	**120.43**	**120.43**
	7.13	**0.96**	**1.02**	**48.61**	**4.73**	**6.97**
Advance for Civil Works/ Capital Goods						
Considered Good	-	-	-	-	-	-
Considered Doubtful	-	-	-	-	-	-
	-	-	-	-	-	-
Less: Provision	-	-	-	-	-	-
	-	-	-	-	-	-
Vechicle advance	-	-	**(0.00)**	**(0.00)**	**(0.00)**	**(0.00)**
Other Deposits	**357.62**	**308.82**	**410.50**	**334.69**	**239.89**	**97.20**
Less: Provision	**25.60**	**25.60**	**25.60**	**25.60**	**25.60**	**0.54**
	332.02	**283.22**	**384.90**	**309.09**	**265.49**	**96.67**
Interest accrued but not due on short term deposits	**1.77**	**1.69**	**1.77**	**1.75**	**1.72**	**11.67**
TOTAL	**6,017.85**	**4,600.33**	**3,800.58**	**3,281.11**	**2,534.60**	**2,498.86**
GRAND TOTAL	**6,122.53**	**4,705.13**	**3,854.75**	**3,334.81**	**2,588.22**	**2,691.75**

a) Claims and expenses recoverable - inland- includes ₹169.02millions recoverable from M/s HCL Infosystem Ltd . as compensation on account of excess amount spent by ITI Ltd. MANKAPUR. The above is on the basis of agreement entered into between ITI, HCL and Alcatel.

b) Claims and expenses recoverable - inland- ₹14.03 million (₹14.03 million) is due from Punjab National Bank towards interest charged in excess of SBAR w.e.f. 01.04.2009 and the same is expected to get realised during 2019-20.

c) Claim Recoverable - in land - ₹104.94 millions due from M/S Himachal futuristic communications towards LD. The Company has filed a legal case and the matter is pending before Delhi High court.

d) Rent Receivable of ₹584.79 millions on a premises leased out upto the period ended 31.03.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainity of realization.

e) Claims and expenses recoverable - inland- includes ₹653.97 lakhs being the claim made to DOT for reimbursement of loss incurred for the FY 2017-18 by the Srinagar Unit. The Company is expected to get realised during 2019-2020.

NOTE NO. 9 (a)

Unbilled Revenue

Government	**3,622.27**	**5,502.49**	**2,372.41**	**366.66**	**212.93**	-
Non Government	-	-	-	-	-	
TOTAL	**3,622.27**	**5,502.49**	**2,372.41**	**366.66**	**212.93**	-

NOTE NO. 10

STATEMENT OF OTHER CURRENT ASSETS

Taxes & Duties in put	**434.92**	**614.99**	**432.09**	**56.74**	**59.38**	**0.75**
Deposits with Customs Department	**44.01**	**9.97**	**0.51**	**6.54**	**0.71**	**0.85**
Payment of Advance tax (Net of refunds)	**3.17**	**6.86**	**8.88**	**2.84**	**45.63**	**38.99**
Deposits with Excise Authorities	**41.99**	**41.98**	**45.50**	**227.19**	**250.18**	**245.88**
WCT Recoverable	-	-	**1.28**	**1.54**	**1.57**	**1.56**
TOTAL	**524.09**	**673.80**	**488.25**	**294.85**	**357.46**	**288.02**

NOTE NO. 11

I. STATEMENT OF EQUITY SHARE CAPITAL

a) Authorised						
280,00,00,000 equity shares of ₹10 each	**28,000.00**	**28,000.00**	**8,000**	**8,000**	**8,000**	**8,000**
b) Issued						
89,70,00,000 equity shares of ₹10 each	**8,970.00**	**8,970.00**	**7,600**	**5,600**	**2,880**	**2,880**
c) Subscribed and Fully Paid-up						
89,70,00,000 equity shares of ₹10 each	**8,970.00**	**8,970.00**	**7,600**	**5,600**	**2,880**	**2,880**
d) Subscribed & not fully paid up	-	-	-	-	-	-
e) Par value per share	-	-	-	-	-	-
f) Calles un paid	-	-	-	-	-	-
g) Forfeited shares	-	-	-	-	-	-

h) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	**No.of shares**	**No.of shares**	**No.of shares**	**No.of shares**	**No.of shares**	**No.of shares**
Particulars						
Number of shares outstanding O.B	**89,70,00,000**	**76,00,00,000**	**56,00,00,000**	**28,80,00,000**	**28,80,00,000**	**28,80,00,000**
Add: Issues during the year	-	**13,70,00,000**	**20,00,00,000**	**27,20,00,000**	-	-
Less: Buy back/forfiture during the year	-	-	-	-	-	-
Number of shares outstanding C.B	**89,70,00,000**	**89,70,00,000**	**76,00,00,000**	**56,00,00,000**	**28,80,00,000**	**28,80,00,000**

i) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of Equity share is entitled to one vote per share.

- In the event of liqudation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferencial amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
j)List of share holders holding more than 5% shares:						**₹ In millions**
Name	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**
1. President of India	80,69,87,500	80,69,87,500	73,08,87,500	53,08,87,500	25,88,87,500	25,88,87,500
k)During last 5 years:						
i)Aggregate number of shares allotted without being received in cash	Nil	Nil	Nil	Nil	Nil	Nil
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil	Nil
iii)Aggregate number and class of shares bought back	Nil	Nil	Nil	Nil	Nil	Nil
II. PREFERENCE SHARES:						
Authorised						
7,00,00,000 Preference Shares of ₹100 each	7,000.00	7,000.00				
NOTE NO. 12						
STATEMENT OF OTHER EQUITY						
1)Capital Reserves						
i)Free Land Gifted						
O.B As per last B/S	2.53	2.53	2.53	2.53	2.53	2.53
Additions	-	-	-	-	-	-
Total	2.53	2.53	2.53	2.53	2.53	2.53
Deductions	-	-	-	-	-	-
Closing balance	2.53	2.53	2.53	2.53	2.53	2.53
ii) Capital Grant in aid						
As per last Balance Sheet	27,487.20	27,487.20	27,487.20	27,487.20	27,305.70	27,127.00
Transfer from Grant in aid (capital)	3,093.00	-	-	-	181.50	178.70
Closing Balance	30,580.20	27,487.20	27,487.20	27,487.20	27,487.20	27,305.70
TOTAL CAPITAL RESERVES	30,582.73	27,489.73	27,489.73	27,489.73	27,489.73	27,308.23
2) Securities premium reserve						
O.B as per last B/S	2.96	2.96	2.96	2.96	2.96	2.96
Additions	-	-	-	-	-	-
Total	2.96	2.96	2.96	2.96	2.96	2.96
Deductions	-	-	-	-	-	-
Closing balance	2.96	2.96	2.96	2.96	2.96	2.96
3) Revaluation Reserve						
i) Revaluation reserves- Land						
Opening balance as per last B/S	22,723.85	22,723.85	22,761.12	22,761.12	22,761.12	22,761.12
Less-Reversal on sale of land	-	-	37.28	-	-	-
Closing Balance	22,723.85	22,723.85	22,723.85	22,761.12	22,761.12	22,761.12
ii)Revaluation reserves-Buildings						
Opening balance as per last B/S	621.90	666.95	722.02	782.56	842.93	983.01
Less-Transfer to General Reserve	22.86	45.05	55.07	60.54	60.37	140.08
Closing Balance	599.04	621.90	666.95	722.02	782.56	842.93
TOTAL-REVALUATION RESERVE	23,322.89	23,345.74	23,390.80	23,483.14	23,543.68	23,604.06
4)Retained Earnings						
i) General reserve:						
Opening balance as per last B/S	185.92	140.87	84.97	26.80	-	-
Prior Period Adjustments	-	-	-	(2.37)	(33.57)	-
Add: Transfer from Revaluation Reserve (Dep)	22.86	45.05	55.07	60.54	60.37	-
Less-Transfer to P&L	-		-	-	-	-
Less-Transfer to Surplus	-	-	(0.82)	-	-	-
Closing Balance	208.78	185.92	140.87	84.97	26.80	-
ii)Profit on Sale of Fixed Assets						
Opening balance as per last B/S	-	-	-	-	-	-
Less-Transfer to Surplus	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
iii) Sale of Technical know-how						**₹ In millions**
As per last Balance Sheet	0.35	0.35	0.35	0.35	0.35	0.35
Less-Transfer to P&L	-	-	-	-	-	-
Closing Balance	0.35	0.35	0.35	0.35	0.35	0.35
iv) Industrial Housing Subsidy						
As per last Balance Sheet	0.68	0.68	0.68	0.68	0.68	0.68
Less-Transfer to P&L	-	-	-	-	-	-
Closing Balance	0.68	0.68	0.68	0.68	0.68	0.68
v)Investment allowance reserve						
As per last Balance Sheet	-	-	-	-	-	-
LESS: Transfer to General reserve	-	-	-	-	-	-
Closing Balance	-	-	-	-	-	-
vi)Surplus						
As per last Balance sheet	(43,397.84)	(44,323.22)	(46,628.86)	(49,291.23)	(51,663.41)	(48,692.14)
Add:Profit/(Loss) for the year	(544.03)	925.38	2,305.64	2,663.91	2,372.18	(2,979.95)
Add: Transfer from General Reserve	-	-	-	-	-	-
Add: Transfer from Profit on sale of fixed assets	-	-	-	-	-	-
TOTAL	(43,941.87)	(43,397.84)	(44,323.22)	(46,627.33)	(49,291.23)	(51,672.09)
Less- Appropriations	-	-	-	1.53	-	(8.68)
Less-Transfer from P&L A/C-(Loss for the year)	-	-	-	-	-	-
Closing Balance	(43,941.87)	(43,397.84)	(44,323.22)	(46,628.86)	(49,291.23)	(51,663.41)
TOTAL-RETAINED EARNINGS	(43,732.06)	(43,210.89)	(44,181.32)	(46,542.86)	(49,263.40)	(51,662.38)
5)Share application money pending allotment*	1,600.00	550.00	1,370.00	-	1,920.00	1,920.00
6)Other Comprehensive Income						
Remeasurement of Defined Benefit Plans (Acturial Gain)						
Opening Balance	789.41	606.24	560.57	173.26	-	-
Changes during the Year	90.36	183.17	45.68	387.30	173.26	-
Closing balance	879.77	789.41	606.24	560.57	173.26	-
GRAND TOTAL - OTHER EQUITY with REVALUATION RESERVE	12,656.29	8,966.96	8,678.41	4,993.54	3,866.23	1,172.86
Less: Revaluation Reserve	23,322.89	23,345.74	(23,390.80)	(23,483.14)	(23,543.68)	(23,604.06)
GRAND TOTAL - OTHER EQUITY without REVALUATION RESERVE	(10,666.60)	(14,378.78)	(14,712.39)	(18,489.60)	(19,677.45)	(22,431.19)

*** 137 million additional equity shares were alloted to President of India on 15.05.2018**

NOTE NO. 13

STATEMENT OF NON-CURRENT LIABILITIES

Government Grants

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
i)Free Equipment gifted						
Opening balance as per last B/S	-	6.25	15.62	25.00	34.37	43.74
Less-Transfer to P&L	-	6.25	9.37	9.37	9.37	9.37
Closing Balance	-	-	6.25	15.62	25.00	34.37
ii)Grant-in-aid (Capital) :						
As per last Balance Sheet	0.46	0.46	0.46	0.69	38.28	78.65
Add:Receipts during the year	3,093.00	-	-	-	181.50	178.62
Total	3,093.46	0.46	0.46	0.69	219.78	257.27
Less: Transfer to revenue GIA/Capital reserves	3,093.00	-	-	-	181.50	178.70
Less: Transfer to Profit & Loss Account	-	-	-	0.22	37.60	40.29
Closing Balance	0.46	0.46	0.46	0.46	0.69	38.28
iii)Grant-in-aid (Revenue)						
As per last Balance Sheet	1,184.18	1,184.18	1,212.84	-	-	-
Add : Receipts during the year	-	-	1,329.80	5,000.00	4,940.20	1,650.00
Total	1,184.18	1,184.18	2,542.64	5,000.00	4,940.20	1,650.00
Less: Transfer to Profit & Loss Account	41.70	-	1,358.46	3,787.16	4,940.20	1,650.00
Closing Balance	1,142.48	1,184.18	1,184.18	1,212.84	-	-
GRAND TOTAL	1,142.94	1,184.65	1,190.89	1,228.93	25.68	72.65

-Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO. 14						**₹ In millions**
STATEMENT OF NON-CURRENT LIABILITIES						
FINANCIAL LIABILITIES - BORROWINGS						
i) Secured Loans						
Floating Rate Bonds	-	-	-	-	-	-
Term Loans from Banks	-	-	-	-	-	-
Others	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
II) Unsecured Loans						
Loan from Government of India*	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Interest accrued and due on the above	-	-	-	-	-	-
Floating Rate Bonds	-	-	-	-	-	-
Term Loans from Banks	-	-	-	-	-	-
Deferred payment liabilities	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Loans and advances from related parties	-	-	-	-	-	-
Long term maturities of finance lease obligation	-	-	-	-	-	-
Other loan - Ku Band	-	-	-	-	-	-
TOTAL	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
GRAND TOTAL	2,400.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00

* Loan amount of ₹3000 million shall be repayable in five years from FY 2019-20 to FY 2024-25 with interest rate @1% p.a.

NOTE NO. 15						
STATEMENT OF NON-CURRENT FINANCIAL LIABILITIES - OTHERS						
Security deposit received	684.93	703.34	75.88	68.81	75.69	47.39
Interest accrued and but not due on Loan from GOI	-	-	105.62	75.62	45.62	15.62
GRAND TOTAL	684.93	703.34	181.50	144.42	121.31	63.01
NOTE NO. 16						
STATEMENT OF NON CURRENT PROVISIONS						
For privilege Leave						
As per Last Balance Sheet	798.59	660.17	569.33	820.13	863.58	1,017.04
Less : Transfer to Corporate	-	-	-	-	-	-
Add: Provision for the year	-	138.42	90.84	(250.80)	5.12	(153.46)
Less: Payments	-		-	-	48.57	-
TOTAL	798.59	798.59	660.17	569.33	820.13	863.58
For sick Leave						
As per Last Balance Sheet	6.25	8.79	13.78	18.95	23.87	26.71
Less : Transfer to Corporate	-	-	-	-	-	-
Add: Provision for the year	0.00	(2.54)	(4.99)	(5.17)	(4.92)	(2.85)
Less: Payments	-	-	0.00	-	-	-
TOTAL	6.25	6.25	8.79	13.78	18.95	23.87
ii) Others	-	6.45	11.09	-	-	-
GRAND TOTAL	804.84	811.29	680.04	583.11	839.08	887.45
NOTE NO. 17						
STATEMENT OF CURRENT LIABILITIES						
i) Current Financial Liabilities - Loans						
Loans repayable on demand						
-Secured Loans						
Cash credit from State Bank of India and other members of the consortium of Banks against hypothecation of stocks,stores & raw materials, debts & advances and second charge on all Fixed Assets both movable and immovable.	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
-Unsecured Loans						
Loans and advances from related parties	-	-	-	-	-	-
Deposits	-	-	-	-	-	-
Other loans and advances	-	-	-	-	-	-
TOTAL	9,577.09	9,587.07	9,263.22	8,791.69	8,389.14	9,208.31
NOTE NO. 18						
STATEMENT OF CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES						
For goods supplied						
- Micro small and medium enterprises	-	110.95	0.38	0.78	1.38	0.54
- Others	14,036.16	14,493.72	16,765.45	14,961.01	13,075.48	14,348.97
TOTAL	14,036.16	14,604.67	16,765.83	14,961.79	13,076.86	14,349.50
For Expenses and Services	812.39	829.19	2,712.10	2,263.32	3,590.66	5,724.00
For Other Liabilities	2,032.43	2,614.77	3,138.56	2,534.88	4,385.78	2,756.68
TOTAL	16,880.99	18,048.63	22,616.49	19,759.99	21,053.30	22,830.18

A list of micro, small and medium enterprises to whom the Company owe any sum together with interest outstanding to the extent identified.
For the Stub Period, The Company has not identified the suppliers of Micro, Small and Medium Enterprises. And we have been informed that in view of the units located geographical at different places, the same shall be identified at the end of the financial year . Accordingly, provision for interest for the delayed payment, if any, has not been made in the accounts, as the same is not ascertainable for the period under review.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
NOTE NO.19						**₹ In millions**
STATEMENT OF CURRENT FINANCIAL LIABILITIES - OTHERS						
Interest Accrued but not due on Borrowings	-	-	-	-	-	-
Interest Accrued and due on Borrowings	15.00	-	-	-	-	-
Unpaid matured deposits and interest accrued thereon	-	-	-	-	-	-
Loan from Government of India**	600.00	-	-	-	-	-
For Expenses and Services	355.23	358.19	566.34	393.27	320.89	494.55
For Other Liabilities (including Excise Duty on Stock in Trade)	2,999.79	2,661.72	4,085.78	3,286.70	3,877.77	3,798.53
Other payables	1,424.14	2,682.95	2.06	3.33	187.74	190.41
Salary Payable	67.58	86.93	40.94	-	-	-
Unclaimed Dividend	-	-	-	-	-	-
Royalty Payable	21.28	21.28	21.28	-	-	-
Wage revision Arrears	107.57	107.67	108.33	108.79	314.55	475.95
Preference Shares*	750.00	3,000.00	3,000.00	3,000.00	3,000.00	3,000.00
Deposits from Contractors	366.38	457.66	416.71	443.80	390.51	378.66
Misc. Liabilities	1,607.32	1,934.33	-	-	-	-
TOTAL	8,314.30	11,310.74	8,241.43	7,235.90	8,091.46	8,338.10

*As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability. Inerest/Dividend has not been provided in the books of accounts.

The Company has received ₹3000 million as Grant from GOI towards redemption of:

a) 10000000, 8.75% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹1000 million issued on 14.02.2003 to MTNL, and the same was redeemed on 05.09.2019 at board meeting held on 04.09.2019.

b) 20000000, 7% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹2000 million issued on 04.06.2003 to BSNL, and the same was redeemed on 06.09.2019 at board meeting held on 04.09.2019, out of which ₹1250 million was paid and balance ₹750 million is outstanding as on 30.09.2019.

c) The arrears of dividend in respect of the above cumulative preference shares redeemed on 04.09.2019 (a & b) to MTNL and BSNL will be dealt with according to the prevalent rules and acts as applicable.

** Repayable during the year.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Preference Shares:						
a) Authorised						
70000000 Preference Shares of ₹100 each 8.75% Cumulative Redeemable Preference Shares	7,000.00	7,000.00	4,000.00	4,000.00	4,000.00	4,000.00
b) Issued						
10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
c) Subscribed and Fully Paid-up						
10000000, 8.75% Cumulative Redeemable Preference Shares of ₹100 each Redeemable at par in 5 equal instalment from March 2005	-	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
d) Subscribed & not fully paid up	-	-				
e) Calls un paid	-	-				
f) Forfeited shares	-	-				

g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Number of shares outstanding O.B	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
Add issues during the year	-	-	-	-	-	-
Less: Redeemed/Buy back/forfeiture during the year	1,00,00,000	-	-	-	-	-
Number of shares outstanding C.B	-	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liqudation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

j)List of share holders holding more than 5% shares	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held	No.of shares held
Name						
1.Mahanagar Telephone Nigam Ltd. #	-	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000	1,00,00,000
j)During last 5 years:						
i)Aggregate number of shares allotted without being received in cash	-	-	-	-	-	-
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-	-	-	-	-
iii)Aggregate number and class of shares brought back	-	-	-	-	-	-

10000000, 8.75% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹1000 million issued on 14.02.2003 to MTNL, and the same was redeemed on 05.09.2019 at board meeting held on 04.09.2019.

Particulars	As at 30.09.2019	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017	As at 31.03.2016	As at 31.03.2015 (Proforma)
Dividend in respect of following class of Cumulative Redeemable Preference Shares are in arrears as detailed below:						**₹ In millions**
a) On 8.75% Cumulative Preference Shares from 2002-03	**1,525.14**	**1,487.50**	**1,400.00**	**1,312.50**	**1,225.00**	**1,137.50**
(The figures indicated are excluding Dividend Distribution Tax)						
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints						
Redemption installments due from 31st March 2005 to 31st March 2009 in respect of 8.75 % Preference Shares of ₹1000 millions	**-**	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**	**1,000.00**
7% Cumulative Redeemable Preference Shares						
a) Issued						
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	**-**	**2,000.00**	**2,000.00**	**2,000.00**	**2,000.00**	**2,000.00**
b) Subscribed and Fully Paid-up						
20000000, 7.00% Cumulative Redeemable Preference shares of ₹100 each, redeemable at par in 5 equal installments from March 2006, with call option to BSNL after expiry of one year from the date of investment 31.03.2003	**-**	**2,000.00**	**2,000.00**	**2,000.00**	**2,000.00**	**2,000.00**
c) Subscribed & not fully paid up						
d) Par value per share(₹100)	-		-	-	-	-
e) Calls un-paid	-		-	-	-	-
f) Forfeited shares	-		-	-	-	-
g) Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**
Number of shares outstanding O.B	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**
Add issues during the year	-	-	-	-	-	-
Less: Redeemed/Buy back/forfeiture during the year	**2,00,00,000**	-	-	-	-	-
Number of shares outstanding C.B	-	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**	**2,00,00,000**

h) The rights and preferences and restrictions attaching to the above class of shares

- Each holder of the preference shares is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to preference shares.

- In the event of liquidation of the company, the holders of preference shares will be entitled to receive assets of the company, before distribution to equity share holders. The distribution will be in proportion to the number of shares held by the shareholders.

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
						₹ In millions
i)List of share holders holding more than 5% shares:	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**	**No.of shares held**
1.Bharat Sanchar Nigam Ltd. ##	-	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000	2,00,00,000
j)During last 5 years:						
k)Aggregate number of shares allotted with out being received in cash	-	-	-	-	-	-
ii)Aggregate number of shares allotted as fully paid up by way of bonus shares	-	-	-	-	-	-
iii)Aggregate number and class of shares brought back	-	-	-	-	-	-
a) On 7.00% Cumulative Preference Shares from 2003-04	2,301	2,240	2,100	1,960	1,820	1,680
(The figures indicated are excluding Dividend Distribution Tax)						
Redemption installments in respect of the following Cumulative Redeemable Preference shares issued by the company have not been paid on due dates on account of fund constraints						
Redemption installments due from 31st March 2006 to 31st March 2010 in respect of 7% Preference Shares of ₹2000 millions	-	2,000	2,000	2,000	2,000	2,000

20000000, 7% Cumulative redeemable preference shares, Face value of ₹100/ each, of ₹2000 million issued on 04.06.2003 to BSNL, and the same was redeemed on 06.09.2019 at board meeting held on 04.09.2019, out of which ₹1250 million was paid and balance ₹750 million is outstanding as on 30.09.2019.

NOTE NO. 20

STATEMENT OF CURRENT PROVISIONS

Particulars	30.09.2019	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015 (Proforma)
For Taxation						
As per last Balance Sheet	-	-	5.37	5.38	5.37	5.38
Add: Provisions during the year	-	-	-	-	-	-
Less: Adjustments of provisions relating to earlier years	-	-	5.37	-	-	-
Total	-	-	-	5.38	5.37	5.38
For Gratuity						
As per Last Balance Sheet	967.86	853.97	1,085.03	2,017.96	3,020.11	2,793.04
Add: Provision for the year	24.62	113.89	198.95	(2.94)	297.85	227.07
Less: Transfer to gratuity trust	-	-	430.00	930.00	1,300.00	-
Add: Transfer from gratuity trust	16.54	170.87	468.91	789.27	593.91	647.64
Add: Transfer from Corporate	-	-	-	-	-	-
Less: Payments	16.54	170.87	468.91	789.27	593.91	647.64
Total	992.48	967.86	853.97	1,085.02	2,017.96	3,020.11
For Privilege Leave						
As per Last Balance Sheet	63.33	328.84	374.94	376.94	472.38	509.23
Less : Transfer to Corporate	-	-	-	-	-	-
Add: Provision for the year	29.11	(173.58)	65.50	181.84	54.26	137.37
Less: Payments	26.48	91.92	111.61	183.84	149.70	174.21
Total	65.96	63.33	328.84	374.94	376.94	472.38
For Sick Leave						
As per Last Balance Sheet	0.20	0.24	0.36	0.27	11.20	10.34
Add: Provision for the year	(0.85)	(0.04)	(0.12)	0.08	(10.93)	0.87
Less: Payments	-	-	-	-	-	-
Total	(0.64)	0.20	0.24	0.36	0.27	11.20
For L L T C provision						
As per Last Balance Sheet	29.47	17.53	18.01	18.48	16.19	10.56
Add: Provision for the year	(2.18)	13.63	10.28	3.40	4.37	7.42
Less: Payments	-	1.69	10.75	3.87	2.08	1.79
Total	27.29	29.47	17.53	18.01	18.48	16.19
GRAND TOTAL	1,085.09	1,060.87	1,200.58	1,483.70	2,419.03	3,525.27

NOTE NO. 21

STATEMENT OF OTHER CURRENT LIABILITIES

Particulars	30.09.2019	31.03.2019	31.03.2018	31.03.2017	31.03.2016	31.03.2015 (Proforma)
Income received in advance	-	-	-	0.00	0.00	0.00
Duties & Taxes	448.30	454.81	636.49	75.28	83.61	65.89
Advances from Customers	6,590.13	5,491.40	6,786.43	2231.74	7579.26	1362.67
TOTAL	7,038.43	5,946.21	7,422.92	2307.02	7662.87	1428.55

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
NOTE NO. 22						₹ In millions
STATEMENT OF REVENUE FROM OPERATIONS						
i)Sale of Products (Incl. Excise duty and net of sales tax & Service tax/GST)						
Sale of Finished Goods	252.72	4,186.13	6,733.20	1,850.23	1,021.72	833.38
Sale of Traded Goods	751.41	2,364.52	956.56	2,014.03	5,874.06	1,214.67
TOTAL	1,004.14	6,550.65	7,689.76	3,864.27	6,895.78	2,048.05
ii) Sale of services	4,763.63	10,131.07	6,613.17	11,605.09	5,026.58	3,731.53
iii) Other Operating Revenues:						
a) Sale of Scrap	20.06	1.97	0.05	0.04	0.11	0.08
b) Income from DLRC Project	-	-	8.65	11.97	10.99	11.46
c) Non competing fee	-	-	-	-	-	-
d) Grant In Aid-Revenue	-	-	530.00	-	-	-
TOTAL	5,787.83	16,683.68	14,841.62	15,481.37	11,933.46	5,791.12
NOTE NO. 23						
STATEMENT OF OTHER INCOME						
a) Interest Income						
i) Interest on Inter Corporate Advances	-	-	-	-	-	-
ii) Interest - Others	67.30	39.37	15.98	10.00	22.66	25.84
Total	67.30	39.37	15.98	10.00	22.66	25.84
b) Dividend from Non-Trading Investments	-	-	-	-	-	-
c) Net Gain/Loss on Sale of Investment	-	-	-	-	-	-
d) Other Non-operating income (Net of expenses directly attributable to such income)						
i) Profit on Sale of Assets	3.72	-	-	-	-	0.31
Less:Transfer to Capital Reserves	-	-	-	-	-	-
Total	3.72	-	-	-	-	0.31
ii) Commission	-	-	-	-	-	-
iii) Rent	100.50	185.77	157.23	154.43	180.96	182.65
iv) Lease Rent	-	4.05	-	-	-	-
v) Transport Charges	-	0.01	0.02	0.02	0.03	0.30
vi) Sale of Scrap	11.40	54.18	11.90	2.35	1.31	1.64
vii) Water Charges/Electricity Charges	0.04	0.53	0.89	0.63	0.31	20.07
viii) Forfeited Bank Guarantee	-	45.00	-	-	-	-
ix) Excess Provision Withdrawn	-	-	5.37	-	84.69	15.08
x) Reimbursement of VRS	-	-	-	-	-	-
xi) Withdrawl of Liability no Longer Required	2.31	2,985.18	1,121.45	1,157.85	270.13	387.30
xii) Waiver of Liquidated Damages	14.00	0.22	-	-	3.64	55.33
xiii) Compensation for Srinagar Loss	-	-	131.48	22.35	34.40	86.50
xiv) Waiver of Interest Charges	-	-	-	-	-	-
xv) Transfer from Revenue Grant-in-Aid	-	-	799.80	1,960.00	3,815.20	-
xvi) Revenue Grant-in-Aid - VRS	41.70	-	28.66	337.16	-	-
xvii) Revenue Grant-in-Aid	-	6.25	9.37	9.37	9.37	-
xviii) Transfer from Capital Grant-in-Aid	-	-	-	0.22	37.60	40.29
xix) Compensation for Acquisition of Land by BMRCL	-	-	921.15	-	-	-
xx) Misc. Income	5.16	44.17	71.24	104.32	349.97	20.07
TOTAL (i to xx)	178.83	3,325.36	3,258.56	3,748.70	4,787.60	809.54
e) Adjustment to the carrying value of investments(write back)	-	-	-	-	-	-
f) Grants relating to Previous Years	-	-	-	1,647.10	1,125.00	-
g) Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)	-	-	-	-	34.40	13.79
G.TOTAL	246.14	3,364.73	3,274.54	5,405.79	5,969.65	849.17

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
NOTE NO. 24						₹ In millions
STATEMENT OF CONSUMPTION OF RAW MATERIALS & PRODUCTION STORES						
Opening Stock	888.09	719.84	816.07	575.16	587.09	570.45
ADD: Prior Period Adjustment due to Price Revision	-	-	-	-	-	-
Purchases/Transfers	716.71	3,000.59	3,023.15	1,096.68	453.22	491.10
Material for Installation & Maintenance	37.79	-	-	-	-	-
TOTAL	1,642.59	3,720.43	3,839.21	1,671.84	1,040.31	1,061.54
Less: Closing Stock		888.09	719.84	816.07	575.16	587.09
Issue to Revenue and Others	930.93	16.52	(2.36)	-62.16	55.08	50.56
Material Transferred to Other Units	28.21	-	-	-	-	-
TOTAL	959.14	904.61	717.48	753.90	630.24	637.65
Add: Stores Indirect expenses relating to RM & Prodn. Stores	0.03	21.32	12.71	7.81	3.27	6.37
CONSUMPTION	683.48	2,837.14	3,134.44	925.75	413.33	430.27
Rawmaterials consumed under broad heads						
particulars						
1. Electronic Goods & Components	694.65	2,856.22	3,120.47	630.74	412.56	430.27
2. MNIC	-	2.80	13.97	295.01	0.77	-
Total	694.65	2,859.02	3,134.44	925.75	413.33	430.27
Value of Imports on CIF basis:						
Raw Materials and Production Stores	768.96	716.18	1,894.01	441.62	127.12	77.09
Components and Spare Parts	-	-	0.01	0.05	0.12	0.73
Material in transit	16.24	-	365.38	-	-	26.24
Capital Goods	129.61	316.36	652.18	253.72	550.81	0.93
TOTAL	914.81	1,032.53	2,911.58	695.39	678.05	104.99

Value of Imported Raw Materials, Store and Spare parts consumed and Value of Indigenous Materials Consumed and percentage of each to the total consumption.

Particulars						
Imported	583.17	222.06	1,540.25	425.83	103.54	136.13
Indigenous	111.48	2,636.96	1,613.79	529.56	330.69	317.81
Total	694.65	2,859.02	3,154.04	955.39	434.23	453.94
Particulars	%	%	%	%	%	%
Imported	83.95	7.77	48.83	44.57	23.85	29.99
Indigenous	16.05	92.23	51.17	55.43	76.15	70.01
Total	100.00	100.00	100.00	100.00	100.00	100.00

NOTE NO. 25						
STATEMENT OF PURCHASE OF STOCK-IN-TRADE	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59
Goods purchased under broad heads						
Particulars						
1. Telephone	-	-	-	-	-	-
2. STM	-	-	-	-	-	-
3. DWDM	-	-	-	-	-	-
4. SOLAR	-	155.13	22.27	1.30	-	0.69
5. SSTP	-	-	-	-	-	-
6. CDMA	-	-	-	-	-	-
7. SMPS	-	10.25	-	-	-	24.31
8. ASCON	1.14	42.54	21.95	61.74	26.34	64.47
9. GSM	-	-	287.84	-	-	141.01
10. IT	22.77	952.77	-	153.75	57.47	-
11. APDRP	-	-	71.12	156.98	331.80	643.71
12. Smart Energy Meters	-	193.20	-	-	-	-
13. MAHANET	-	-	-	-	-	-
14. GUJNET	-	42.28	-	-	-	-
15. BNG	-	559.95	-	-	-	-
16. Others	2,078.31	1,260.29	1,916.58	4,748.14	5,866.85	546.40
TOTAL	2,102.21	3,216.40	2,319.76	5,121.91	6,282.47	1,420.59

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
NOTE NO. 26						₹ In millions
STATEMENT OF CHANGES IN INVENTORIES OF FINISHED GOODS,WORK-IN-PROGRESS AND STOCK-IN-TRADE						
Accretion/(Decretion) to WIP						
WIP - Production :						
Closing Balance	349.63	371.82	415.00	393.33	199.45	244.27
Less: Opening Balance	402.18	307.00	525.28	199.45	244.27	248.73
TOTAL	(52.56)	64.82	(110.28)	193.88	(44.82)	(4.45)
Add: Write Off during the Year	-	3.13	3.13	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	(52.56)	67.95	(107.15)	193.88	(44.82)	(4.45)
WIP - Installation:						
Closing Balance	-	-	-	-	-	-
Less: Opening Balance	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Add: Write Off during the Year	-	-	-	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Accretion/(Decretion) to Manufacturing Components						
Closing Balance	94.41	97.08	94.05	97.46	133.97	105.33
Less: Opening Balance	97.71	88.77	96.77	133.97	105.33	122.84
TOTAL	(3.30)	8.31	(2.72)	(36.51)	28.64	(17.51)
Add: Write Off during the Year	-	-	0.63	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	(3.30)	8.31	(2.09)	(36.51)	28.64	(17.51)
WIP - Installation:						
Closing Balance	-	-	-	-	-	-
Less: Opening Balance	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Add: Write Off during the Year	-	-	-	-	-	-
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision/effects of WIP	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
Accretion/(Decretion) to Stock-in-Trade						
Stock-in-Trade :						
Closing Balance	175.94	217.27	170.04	186.07	167.21	155.41
Less: Opening Balance	217.27	180.65	178.56	167.21	155.41	154.01
Total	(41.33)	36.62	(8.53)	18.86	11.80	1.39
Add: Write Off during the Year	-	-	0.11	-	-	0.01
Less: Prior Period Adjustments due to Price Revision/Grossing up of Provision	-	-	-	-	-	-
TOTAL	(41.33)	36.62	(8.42)	18.86	11.80	1.40
Stock of Scrap						
Closing Balance	-	-	-	-	-	-
Less: Opening Balance	-	-	-	-	-	-
ADD : Prior Period Adjustments	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-
GRAND TOTAL	(97.19)	112.88	(117.65)	176.22	(4.38)	(20.56)

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
NOTE NO. 27						**₹ In millions**
STATEMENT OF EMPLOYEE BENEFIT EXPENSES						
i)SALARIES & WAGES						
Salaries & Wages	790.44	1,496.12	1,582.88	2,010.38	2,355.00	2,556.69
Less: Other Revenue Accounts	-	-	-	-	-	-
TOTAL	790.44	1,496.12	1,582.88	2,010.38	2,355.00	2,556.69
Bonus	0.01	0.48	0.33	0.45	-	-
Wage revision arrear payments	-	0.03	-	-	-	-
Incentive	4.37	14.53	10.19	4.36	6.05	5.31
TOTAL	794.82	1,511.15	1,593.41	2,015.19	2,361.05	2,562.00
ii)CO'S CONTRIBUTION TO PF AND OTHER FUNDS:						
Providend Fund & Pension Fund	94.59	174.84	181.21	212.52	275.08	283.91
Employees State Insurance	0.26	0.73	0.44	0.19	0.13	0.46
Gratuity Trust Fund	24.62	113.89	199.57	(2.94)	301.57	227.07
Leave Salary- PL	29.11	(45.48)	100.79	(80.66)	59.27	(15.22)
Sick Leave	(0.85)	(2.57)	(5.08)	(5.08)	(15.85)	0.41
Deposit Linked Insurance/Group Insurance	0.47	1.73	1.82	1.75	5.10	3.65
TOTAL	148.21	243.13	478.75	125.77	625.31	500.28
iii)WORKMEN AND STAFF WELFARE EXPENSES						
Welfare Expenses - Canteen	13.59	26.75	28.53	28.05	28.24	25.72
Welfare Expenses - Education	3.94	3.60	4.49	41.42	39.69	28.98
Medical Expenses	27.74	43.60	48.52	61.75	74.45	78.06
LTC/LLTC	(2.18)	13.83	11.48	4.32	14.50	8.02
Uniforms	0.00	0.02	0.05	1.16	2.00	1.06
Others	5.96	16.97	15.46	6.60	6.11	7.76
TOTAL	49.05	104.77	108.54	143.29	164.98	149.60
iv) VOLUNTARY RETIREMENT SCHEME						
VRS Payments	42.12	-	28.66	337.16	-	-
v) Actuarial Gain/(Loss)	90.36	183.17	45.68	387.30	173.26	-
GRAND TOTAL	1,124.55	2,042.22	2,255.04	3,008.72	3,324.59	3,211.89

RELATED PARTY TRANSACTIONS

KEY MANAGERIAL PERSONNEL-SALARY & PERQUISITES

₹ In millions

Name	2019-20 (Half Year)	2018-19	2017-18	2016-17	2015-16	2014-15
Shri Gopu-Designate CMD & Director (HR)	-	1.14	1.40	1.33	1.40	1.30
Shri P K Gupta -Ex CMD & Director (Marketing)	-	-	-	1.66	1.47	1.40
Smt Dr. Janaki Ananthakrishnan-Director (Finance)	-	-	1.83	2.65	1.25	-
Shri Alagesan K -Director (Production)	3.43	1.64	1.44	1.37	0.24	-
Shri K K Gupta-Ex. CMD & Director (Production)	-	-	-	-	1.58	1.54
Shri K L Dhingra-EX. CMD	-	-	-	-	0.83	2.30
Shri. Malathy CFO	0.73	1.32	0.74	-	-	-
Shri R M Agarwal-Director (Marketing)	1.54	2.88	-	-	-	-
Shri Shashi Prakash Gupta-Director (HR)	1.47	1.27	-	-	-	-

NOTE NO. 28						
STATEMENT OF FINANCE COSTS						
i) Interest Expense:						
Cash Credit	542.03	1,067.08	1,247.45	1,235.62	1,281.88	1,327.34
Public Deposits	-	-	-	-	-	-
Bonds	-	-	-	-	-	-
Term Loan	-	-	-	-	-	-
Others	95.89	(83.50)	136.58	168.47	225.06	133.90
ii) Bank charges	49.48	74.36	146.09	122.06	64.61	111.29
iii) Government Guarantee Fee	-	-	-	-	-	-
iv) Expenses on Issue of Bonds/Loans	-	-	-	-	-	-
v) NET GAIN/LOSS FROM FOREIGN CURRENCY TRANSLATIONS& TRANSACTIONS	0.34	6.78	3.99	-	-	-
TOTAL	687.74	1,064.71	1,534.11	1,526.15	1,571.55	1,572.54

***Others inlcudes Interest on Delayed PF Payment and 1% interest provided on the Govt. of india loan w.e.f., 01.04.2019 ₹15 million**

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
NOTE NO. 29						₹ In millions
STATEMENT OF DEPRECIATION AND AMORTIZATION EXPENSES						
Fixed Assets	208.41	370.31	248.03	169.45	128.84	302.29
Tools and Gauges	-	0.61	0.53	-	0.18	0.40
TOTAL	208.41	370.92	248.55	169.45	129.02	302.69
Less: Transfer from Revaluation Reserve	-	-	-	-	-	149.45
NET DEPRECIATION	208.41	370.92	248.55	169.45	129.02	153.24
NOTE NO. 30						
STATEMENT OF OTHER EXPENDITURE						
DRE Written off	-	-	-	-	-	-
VRS Expenditure	-	-	-	-	-	-
MANUFACTURING EXPENSES:						
Cosumption of Stores and Spares	11.17	21.88	19.60	29.64	20.90	23.67
Power and Light	69.30	137.07	136.37	150.50	144.92	188.78
Water Charges	17.99	16.14	29.00	27.30	28.65	26.22
Excise Duty	-	-	90.16	200.17	28.92	47.80
REPAIRS AND MAINTENANCE:						
i)Plant Machinary and Equipment	3.25	13.18	19.19	11.57	12.76	10.02
ii)Vehicles	1.27	6.00	6.93	3.88	2.16	2.85
iii)Buildings	31.40	64.89	84.37	71.69	46.52	48.17
iv)Other Equipments	4.40	6.59	9.32	17.70	8.55	18.88
Sub Total	40.33	90.68	119.81	104.85	69.99	79.92
Cost and Expenses on Tools	-	0.01	0.18	-	-	0.02
Experimental Work and Training Expenses	0.30	5.29	5.92	1.70	3.95	0.42
Expenses on Minor Equipment & Work	-	0.79	3.36	-	-	0.01
Royalty	-	-	-	-	-	-
Scrap and Salvages	-	-	0.05	0.04	0.19	0.01
Factory Expenses	41.38	4.39	94.32	80.67	34.84	24.17
TOT CHARGES:						
i)Technical Assistance	-	0.46	-	-	-	-
ii)Technical Knowhow fee	-	-	0.13	2.01	-	-
iii)Documentation Charges	-	-	-	-	-	-
iv)Training Assistance	-	-	-	-	-	-
v) Others	-	-	-	-	-	-
Sub total	-	0.46	0.13	2.01	-	-
Liquidated Damages	12.11	93.80	104.78	255.73	52.35	14.32
Demurage Charges	1.09	0.13	0.45	0.00	0.04	0.00
Net gain /loss on foreign currency translation and transaction(other than considered as finance cost)	-	-	-	-	-	-
TOTAL MANUFACTRUING EXPENSES	193.67	370.64	604.14	852.60	384.74	405.33

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
ADMINISTRATION EXPENSES:						₹ In millions
Rent	9.91	17.57	16.29	18.44	21.70	24.24
Rates and Taxes	13.58	7.21	12.54	22.04	9.36	9.47
Insurance	1.50	2.29	2.65	4.86	7.90	6.29
TRAVELLING EXPENSES						
Inland	19.76	42.15	43.68	35.36	29.80	34.52
Foreign	0.00	0.73	0.32	-	-	-
Legal fees	11.05	11.79	5.07	7.06	6.19	5.31
Postage, Telegram, Telex Expenses	0.95	3.15	3.12	3.22	3.29	5.39
Telephone and Trunk Call Charges	2.82	7.17	7.14	8.38	9.04	9.20
Remuneration to Auditors						
Audit Fees	0.33	2.10	1.87	1.15	1.45	1.18
For Taxation Matters	-	0.02	0.04	0.11	0.03	0.04
For Company Law Matters	-	-	-	-	-	-
For Management Services	-	-	-	-	-	-
For Reimbursement of Expenses	0.01	0.06	0.10	0.04	0.04	0.03
For Other Services	0.22	0.56	0.05	0.57	0.33	0.06
CISF/ Private Security Expenses	56.10	94.25	82.43	71.35	61.34	60.50
Printing, Stationary and Duplicating Charges	2.32	8.81	6.04	5.19	6.01	5.77
Transport Expenses	19.26	39.33	46.51	36.09	41.30	55.62
News Papers, Magazines & Periodicals	0.90	2.10	1.12	1.84	2.09	2.29
Mechanised Accounting Expenses	0.01	0.30	0.11	0.43	0.08	0.13
Lease Charges	-	-	-	-	-	-
Licence fee/Segment Charges	0.11	0.17	4.26	0.02	0.64	3.93
Office Expenses	33.41	52.84	47.84	37.98	31.80	29.39
Provision for Obsolescence of RM Stores	-	-	-	14.97	-	0.18
Obsolete RM & Production Stores Write off	-	-	33.63	-	-	0.01
Provision for Capital WIP Write off	-	-	-	-	-	-
Provision for Debtors/Advance	-	-	-	27.36	-	-
Bad Debts Write off	-	1,166.98	-	-	-	0.70
Claims and Expenses Charge off	10.77	3.83	-	66.08	-	-
Loss on Sale of Assets	-	-	-	-	-	-
Irrecoverable ED	-	-	-	-	-	-
Adjustment to the Carrying Amount Investments	-	-	-	-	-	-
Net Loss on Sale of Investments	-	-	-	-	-	-
TOTAL ADMINISTRATION EXPENSES	183.02	1,463.40	314.81	362.53	232.38	254.25

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended on 31.03.2018	For the year ended on 31.03.2017	For the year ended on 31.03.2016	For the year ended on 31.03.2015 (Proforma)
SELLING EXPENSES						₹ In millions
Selling Agency Commission	0.12	0.78	0.00	0.01	0.01	0.14
Advertisement Expenses	1.04	2.07	2.33	4.90	3.31	2.71
Exhibition and Publicity Expenses	1.61	2.97	1.41	0.08	0.09	0.07
Packing Expenses	0.14	1.52	1.01	4.53	2.37	2.89
Forwarding Expenses	5.25	15.47	15.52	(5.12)	1.90	3.06
Discount Allowed	-	-	-	-	-	-
Warrenty Expenses	-	0.82	-	7.53	0.42	3.58
Sales Promotion Expenses	3.02	7.24	0.29	0.09	0.06	0.07
Entertainment Expenses	0.05	0.04	0.47	(0.64)	(0.39)	0.10
Cost of Tender Forms	0.03	0.25	0.26	0.21	0.15	0.20
TOTAL SELLING EXPENSES	11.26	31.16	21.29	11.59	7.92	12.83
TOTAL OTHER EXPENSES	387.95	1,865.19	940.24	1,226.70	625.04	672.40

Interest on Royalty payable to C-DOT has not been provided in view of substantial dues (which are more than the royalty amount) outstanding for a long time towards rent payable for the premises taken on lease by C-DOT.

In case of back to back arrangements, Liquidated damages is accounted on net basis.

Expenditure in Foreign Currency :						
Royalty	-	-	-	-	-	-
Knowhow	-	-	-	-	-	-
Professional / Consultation Fees	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total	-	-	-	-	-	-

NOTE NO. 31

STATEMENT OF CONTINGENT LIABILITIES

Contingent Liability in respect of :						
- Outstanding letters of credit & guarantees	6,640.10	10,927.65	7,362.32	5,062.48	1,874.75	2,380.31
- Sales Tax demand /Service Tax/Income Tax	1,429.46	1,500.29	1,527.21	319.10	372.15	314.56
- Non receipt of C/D forms	1,992.90	2,811.84	3,032.94	3,833.15	2,416.78	2,607.03
- Excise Duty Demand/CENVAT Disallowance	143.42	233.41	256.97	254.65	264.00	264.16
- ESI demand	-	-	-	-	-	-
- Demand of interest & penalty by KVAT	-	22.60	22.60	22.60	-	-
- Claims against the Company not acknowledged as debts	760.05	502.73	505.25	399.36	383.34	382.48

Annexure VI(a)- First time adoption of Indian Accounting Standards

First time adoption of Ind AS

Explanation of transition to Ind AS

These financial statements (Financial statements for the financial year ended 31st March 2018) have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act"), read with the Companies (Indian Accounting Standards) Rules, 2015 (as amended), other relevant provisions of the Act and other accounting principles generally accepted in India.

The financial statements for all years up to and including the year ended 31st March, 2017, were prepared in accordance with Generally Accepted Accounting Principles (GAAP) in India, which includes the accounting standards prescribed under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and other provisions of the Act (collectively referred to as "Indian GAAP"). These financial statements for the financial year ended 31st March, 2018 are the first Ind AS Financial Statements with comparatives (Year ended 31st March 2017), 2016, 2015 prepared under Ind AS. The Company has consistently applied the accounting policies set out in Annexure V(a) used in the preparation of its opening Ind AS Balance Sheet at 31st March,, 2015 throughout all years presented, as if these policies had always been in effect and are covered by Ind AS 101"First Time Adoption of Indian Accounting Standards".

An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided below. Certain of the Company's Ind-AS accounting policies used in the opening Balance Sheet differed from its Indian GAAP policies applied as at 31st March, 2015 and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustment arising from events and transactions before the date of transition to Ind-AS were recognized directly through retained earnings as at 31st March, 2015 as required by Ind- AS 101. The financial statements of the Company for the financial year ended 31st March 2018 has been approved by the Board of Directors in their meeting held on 25th July 2018.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

A.1 Ind AS optional exemptions

A.1.1 Deemed Cost

Ind AS 101 permits a first-time adopter to continue with the carrying value for all its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making the necessary adjustments for the de-commission liabilities. This exemption can also be used for intangible assets covered by the Ind AS 38 and Investment Property covered under Ind As 40.Accordingly, the Company has elected to measure all of its property, plant and equipment, intangible assets and investment property at their previous GAAP carrying value.

A.2 Ind AS mandatory exceptions

A.2.1 De-recognition of financial assets and financial liabilities

Ind AS 101 allows first time adopter to apply the derecognition requirements of Ind AS 101 retrospectively from the date of entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for the transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

A.2.2 Estimates

An entity estimates in accordance with Ind AS's at the date of transition to Ind AS shall be consistent with the estimates made for the same date in accordance with the previous GAAP (after adjustments to reflect any difference in accounting policies) unless there is an objective evidence that those estimates were in error. Ind AS estimates as at 31st, March, 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for the following items in accordance with Ind AS at the date of transition as they were not required under previous GAAP.

A.2.3 Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exists at the date of transition to Ind AS.

A.2.4 Impairment of financial assets based on the expected credit loss model on case to case basis.

A.2.5 Government Loans

Fair value measurement as per Ind AS 109 will be applied prospectively for Govt Grants from the transition date.

A.2.6. Investments in Joint Venture

Previous GAAP carrying amount on the transition date is applied as Deemed cost

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

B.1 Effect of Ind AS adoption on the Statement of Assets and Liabilities as at 1st April, 2016

₹ In millions

Particulars	**Note No.**	**Previous GAAP***	**Adjustments**	**Ind AS**
I.ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1	1,040.70	(11.25)	1,029.45
(b) Capital work-in-progress		916.83	-	916.83
(c) Investment Property	1	-	(11.25)	11.25
(d) Intangible assets		-	-	-
(e) Financial Assets				
(i) Investments		4.06	-	4.06
(ii) Receivables	2	10,508.76	(10508.76)	-
(iii) Loans		2.30	-	2.30
TOTAL		**12,472.62**		**1,963.88**
(2) Current assets				
(a) Inventories		1,038.30	-	1,038.30
(b) Financial Assets				
(i) Trade receivables	2	17,135.87	10,295.84	27,431.71
(ii) Cash and cash equivalents		1,211.92	-	1,211.92
(iii) Loans	3	2,884.75	(296.55)	2,588.20
(iv) Unbilled Revenue	2	-	212.93	212.93
(c) Other current assets	3	60.95	296.55	357.50
TOTAL		**22,331.79**		**32,841.00**
GRAND TOTAL		**34,805.00**		**34,805.00**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	4	5,880.00	(3,000.00)	2,880.00
(b) Other Equity	5	(19,651.77)	(25.68)	(19,677.45)
TOTAL		**(13,771.77)**		**(16,797.45)**
Liabilities				
(1) Non-Current Liabilities				
(a) Government Grants	5	-	25.68	25.68
(b) Financial Liabilities				
(i) Borrowings		3,000.00	-	3,000.00
(ii) Trade payables	6	2,302.19	(2,302.19)	-
(iii) Others		121.31	-	121.31
(c) Provisions		839.08	-	839.08
TOTAL		**6,262.58**	**-**	**3,986.07**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		8,389.14	-	8,389.14
(ii) Trade payables	6	18,751.11	2,302.19	21,053.30
(iii) Others	7	12,754.33	(4,662.87)	8,091.46
(b) Provisions		2,419.03	(0.00)	2,419.03
(c) Other current liabilities	7	-	7,662.87	7,662.87
TOTAL		**42,313.61**		**47,615.80**
GRAND TOTAL		**34,805.00**		**34,805.00**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.2 Effect of Ind AS adoption on the Statement of Assets and Liabilities as at 31st March, 2017

				₹ In millions
Particulars	**Note No.**	**Previous GAAP***	**Adjustments**	**Ind AS**
I.ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1	1,580.72	(11.02)	1,569.70
(b) Capital work-in-progress		1,015.94	-	1,015.94
(c) Investment Property	1	-	(11.02)	11.02
(d) Intangible assets		-	-	-
(e) Financial Assets				
(i) Investments		4.06	-	4.06
(ii) Receivables	2	2,507.18	(2,507.18)	-
(iii) Loans		2.61		2.61
TOTAL		**5,110.50**		**2,603.33**
(2) Current assets				
(a) Inventories		1,422.86	-	1,422.86
(b) Financial Assets				
(i) Trade receivables	2	19,819.02	2,140.52	21,959.54
(ii) Cash and cash equivalents		1,663.11	-	1,663.11
(iii) Loans	3	3,571.38	(236.57)	3,334.81
(iv) Unbilled Revenue	2	-	366.66	366.66
(c) Other current assets	3	58.28	236.57	294.85
TOTAL		**26,534.66**		**29,041.83**
GRAND TOTAL		**31,645.16**		**31,645.16**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	4	8,600.00	(3,000.00)	5,600.00
(b) Other Equity	5	(17,260.67)	(1,228.93)	(18,489.60)
TOTAL		**(8,660.67)**		**(12,889.60)**
Liabilities				
(1) Non-Current Liabilities				
(a) Government Grants	5	-	1,228.93	1,228.93
(b) Financial Liabilities				
(i) Borrowings		3,000.00	-	3,000.00
(ii) Trade payables	6	3,102.46	(3,102.46)	-
(iii) Others		144.43	(0.00)	144.42
(c) Provisions		583.11	(0.00)	583.11
TOTAL		**6,830.00**	0.00	**4,956.46**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		8,791.69	(0.00)	8,791.69
(ii) Trade payables	6	16,657.52	3,102.46	19,759.99
(iii) Others	7	6,542.92	692.98	7,235.90
(b) Provisions		1,483.70	(0.00)	1,483.70
(c) Other current liabilities	7	-	2,307.02	2,307.02
TOTAL		**33,475.83**		**39,578.30**
GRAND TOTAL		**31,645.16**		**31,645.16**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.3 Effect of Ind AS adoption on the Proforma Statement of Assets and Liabilities as at 31st March, 2015

The Proforma financial information of the Company as at and for the year ended 31st March, 2015 is prepared in accordance with requirement of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/4 dated 31st March 2016 ("SEBI Circular"). As envisaged by the SEBI Circular, the Company has followed the same accounting policy choices (both mandatory exceptions and options excemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. 1st April 2015) while preparing the proforma financial information for the financial year 2014-15 and accordingly suitable restatement adjustments in the accounting heads has been made in the proforma financial information. This proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended 31st March 2015 as described in this note. The impact of Ind AS 101 on the equity under Indian GAAP as at 31st March 2015 and on the impact on the profit or loss for the year ended 31st March 2015 due to the Ind AS principles applied on proforma basis during the year ended 31st March 2015 can be explained as under:

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
I.ASSETS				
(1) Non-current assets				
(a) Property, Plant & Equipment	1	630.32	(11.48)	618.84
(b) Capital work-in-progress		330.19	0.00	330.19
(c) Investment Property	1	-	(11.48)	11.48
(d) Intangible assets		-	-	-
(e) Financial Assets				
(i) Investments		4.06	-	4.06
(ii) Receivables	2	3,779.08	(3,779.08)	-
(iii) Loans		25.16		25.16
TOTAL		**4,768.81**		**989.73**
(2) Current assets				
(a) Inventories		933.43	-	933.43
(b) Financial Assets				
(i) Trade receivables	2	18,408.07	3,779.08	22,187.15
(ii) Cash and cash equivalents		2,712.25	-	2,712.25
(iii) Loans	3	2,977.47	(285.72)	2,691.75
(iv) Unbilled Revenue	2	-	-	-
(c) Other current assets	3	2.30	285.72	288.02
TOTAL		**25,033.52**		**28,812.60**
GRAND TOTAL		**29,802.33**		**29,802.33**
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share Capital	4	5,880.00	(3,000.00)	2,880.00
(b) Other Equity	5	(22,358.54)	(72.65)	(22,431.19)
TOTAL		**(16,478.54)**		**(19,551.19)**
Liabilities				
(1) Non-Current Liabilities				
(a) Government Grants	5	-	72.65	72.65
(b) Financial Liabilities				
(i) Borrowings		3,015.62	(15.62)	3,000.00
(ii) Trade payables	6	4,183.23	(4,183.23)	-
(iii) Others		47.39	15.62	63.01
(c) Provisions		887.45	-	887.45
TOTAL		**8,133.68**		**4,023.11**
(2) Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		9,208.31	-	9,208.31
(ii) Trade payables	6	18,646.95	4,183.23	22,830.18
(iii) Others	7	6,766.66	1,571.45	8,338.10
(b) Provisions		3,525.27	-	3,525.27
(c) Other current liabilities	7	-	1,428.55	1,428.55
TOTAL		**38,147.19**		**45,330.41**
GRAND TOTAL		**29,802.33**		**29,802.33**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

B.4 Effect of Ind AS adoption on the Statement of Profit or Loss for the year ended 31st March, 2017

₹ In millions

Particulars	Note No.	Previous GAAP*	Adjustments	Ind AS
Income				
I. Revenue from operations	8	15,281.19	200.17	15,481.36
II. Other Income	9	3,758.70	1,647.10	5,405.79
Total		**19,039.89**		**20,887.16**
Expenses				
Cost of materials consumed		925.75	(0.00)	925.75
Purchase of Stock-in-Trade		5,121.91	-	5,121.91
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		(176.22)	-	(176.22)
Installation & Maintenance Charges		6,420.79	-	6,420.79
Employee benefit expense	10	2,621.42	387.30	3,008.72
Finance costs		1,526.15	-	1,526.15
Depreciation and amortization expense		169.45	-	169.45
Other expenses	8	1,026.54	200.17	1,226.71
IV(A) Prior period adjustments(Net)	11	2.37	(2.37)	-
Total		**17,638.15**		**18,223.25**
Extraordinary Items	9	1,647.10	(1,647.10)	-
Profit / (Loss) = Income - Expenses		**3,048.84**		**2,663.91**
Other Comprehensive Income	10	-	387.30	387.30
Total Comprehensive Income	**11**	**3,048.84**	**2.37**	**3,051.21**

B.5 Effect of Ind AS adoption on the Statement of Profit or Loss for the year ended 31st March, 2016

₹ In millions

Particulars	Note No.	GAAP*	Adjustments	Ind AS
Income				
I. Revenue from operations	8	11,904.54	28.92	11,933.46
II. Other Income	9	4,844.65	1,125.00	5,969.65
Total		**16,749.19**		**17,903.11**
Expenses				
Cost of materials consumed		413.33	(0.00)	413.33
Purchase of Stock-in-Trade		6,282.47	0.00	6,282.47
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		4.38	(0.00)	4.38
Installation & Maintenance Charges		3,180.55	(0.00)	3,180.55
Employee benefit expense	10	3,151.33	173.26	3,324.59
Finance costs		1,571.55	(0.00)	1,571.55
Depreciation and amortization expense		129.02	(0.00)	129.02
Other expenses	8	596.12	28.92	625.04
IV(A) Prior period adjustments(Net)	11	33.57	(33.57)	-
Total		**15,362.32**		**15,530.94**
Extraordinary Items	9	1,125.00	(1,125.00)	-
Profit / (Loss) = Income - Expenses		**2,511.87**		**2,372.18**
Other Comprehensive Income	10	-	173.26	173.26
Total Comprehensive Income	**11**	**2,511.87**	**33.57**	**2,545.44**

B.6 Effect of Ind AS adoption on the Proforma Statement of Profit or Loss for the year ended 31st March, 2015

₹ In millions

Particulars	Note No.	GAAP*	Adjustments	Ind AS
Income				
I. Revenue from operations	8	5,743.31	47.80	5,791.12
II. Other Income	9	849.17	-	849.17
Total		**6,592.48**		**6,640.29**
Expenses				
Cost of materials consumed		430.27	-	430.27
Purchase of Stock-in-Trade		1,420.59	-	1,420.59
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade		20.56	-	20.56
Installation & Maintenance Charges		2,138.76	-	2,138.76
Employee benefit expense		3,211.88	-	3,211.89
Finance costs		1,572.54	-	1,572.54
Depreciation and amortization expense		153.24	-	153.24
Other expenses	8	624.60	47.80	672.40
IV(A) Prior period adjustments(Net)	11	(8.68)	8.68	
Total		**9,563.75**	**56.49**	**9,620.24**
Profit / (Loss) = Income - Expenses		**(2,971.27)**		**(2,979.95)**
Other Comprehensive Income		-	-	-
Total Comprehensive Income	**11**	**(2,971.27)**	**(8.68)**	**(2,979.95)**

B.7 Total equity reconciliation as at 1st April 2016

₹ In millions

Particulars	Note No.	GAAP*	Adjustments	Ind AS
Equity				
(a) Equity Share Capital	4	5,880.00	(3,000.00)	2,880.00
(b) Other Equity	5	(19,651.77)	(25.68)	(19,677.45)
TOTAL		**(13,771.77)**	**-**	**(16,797.45)**

B.8 Total equity reconciliation as at 31st March 2017

₹ In millions

Particulars	Note No.	GAAP*	Adjustments	Ind AS
Equity				
(a) Equity Share Capital	4	8,600.00	(3,000.00)	5,600.00
(b) Other Equity	5	(17,260.67)	(1,228.93)	(18,489.60)
TOTAL		**(8,660.67)**	**-**	**(12,889.60)**

B.9 Total equity reconciliation as at 31st March 2015

₹ In millions

Particulars	Note No.	GAAP*	Adjustments	Ind AS
Equity				
(a) Equity Share Capital	4	5,880.00	(3,000.00)	2,880.00
(b) Other Equity	5	(22,358.54)	(72.65)	(22,431.19)
TOTAL		**(16,478.54)**	**-**	**(19,551.19)**

B.10 Restated Standalone Statement of Material adjustments & regrouping **₹ In millions**

Sl. No	Particulars	Note 12	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
	Profit after tax as per Audited financial statements prepared under applicable GAAP		**2,351.32**	**3,048.80**	**2,511.87**	**(2,971.27)**	**(3,442.58)**
A	Effect of changes in Accounting Policy						
B	Effect of auditors' qualifications accounted for						
a	Diminution in the Value of Investment in JV Company	1a	4.06	4.06	4.06	4.06	
b	**Non provision towards claims doubtful of recovery**						
	1. Rent receivable	2a	584.79	584.79	584.79	584.79	584.79
	2. Liquidated Damages	2a		131.55	131.55	104.94	104.94
	3. Conditional Reimbursement	2a		169.02	169.02	169.02	169.02
c	Under statement of Loss	3a				31.60	17.66
d	Over statement of Loss	4a				117.10	
e	Reversal of provisions	2b			200.79	-	
C	Effect of other restated adjustments						
	Prior period adjestments of previous years			2.00	34.00	9.00	
D	Tax adjustment for earlier year on A, B, C above						
	Total Adjustments		**(588.85)**	**(887.42)**	**(1,056.21)**	**(786.30)**	**(876.41)**
	Total profit after the above adjustments		1,762.48	2,161.39	1,455.67	(3,757.57)	(4,318.99)
	Other Comprehensive Income for the year (Net of tax) after the above adjustments		45.68	387.30	173.26	-	-
	Total Comprehensive Income for the year after the above adjustments		**1,808.15**	**2,548.69**	**1,628.93**	**(3,757.57)**	**(4,318.99)**

C. Notes to first-time adoption

Note 1 : Investment Property

As per Ind AS 40-Investment Property, Fixed Assets which are being used for earning rentals or for capital appreciation to be shown separately from Property, Plant & Equipment

Note 2 : Trade Receivables

Trade receivables are financial assets and generally of short term nature. They reflect the fair value themselves at their transaction price. As per Ind AS 109, the receivables in the Company should be put to impairment test using the expected credit loss model. Ind AS 109 allows the use of practical expedients when measuring expected credit loss on trade receivables, and states that a provision matrix is an example of such an expedient. Majority of trade receivables originate from Government owned entities, which are not exposed to high risk, the Company is making specific provisions based on case to case review and approved by Board..

Note 3 : Non-Financial Assets

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Note 4 : Preference Share Capital

As the preference shares are non convertible and overdue, the same has been removed from the share capital and classified as current financial liability

Note 5 : Government Grants

Unspent portion of government grants (as per the conditions of grant document) are classified separately from other equity and shown as Non-current liabilities

Note 6 : Trade Payables

Trade payables are financial liability and initially measured at fair value which is equivalent to its transaction price. Generally, they are of short term nature and in some cases where there are back to back contractual arrangements with Customers and Suppliers, such items are also classified under trade payables.

Note 7 : Non-Financial Liabilities

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

Note 8 : Excise Duty

The turnover has been grossed up by adding the excise duty on sales and shown the same separately under other manufacturing expenses.

Note 9 : Extraordinary items

Extraordinary items are grouped under other Income as there is no concept of extraordinary items as per Ind AS

Note 10 : Actuarial Gain

Gain arrived on remeasurement of defined benefit plans has been shown separately under Other Comprehensive Income

Note 11 : Prior Period Adjustments

As required under Ind AS, if errors and omissions relating to prior Period are material they have to be adjusted by restating the Opening balances of assets, Liabilities and equity for the earliest period presented. Accordingly prior period adjustments are made under opening reserves.

D: Reconciliation of Cash flows for the years ended March 31,2017,2016,2015.

The transition from previous GAAP to Ind AS did not have any impact on the statement of Cash flows.

Note : 12 Auditors Qualifications

a. Matters adjusted in restated financial statements

Auditors Report 2018-19

Non provision of Rs. 584.79 million towards claims doubtful of recovery comprising of Rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled.

Auditors Report 2017-18

1a. Investment of Rs 4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 584.79 million towards claims doubtful of recovery comprising of Rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled.

Auditors Report 2016-17

1a. Investment of Rs 4.05 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 885.36 million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (ii) Liquidated Damages (LD) of Rs 104.94 million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company;(iii) LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 million and Rs. 8.29 million respectively; (iv) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make. With regard to other claims amounting to Rs.195.63 Million, the company is confident of recovering the same.

Auditors Report 2015-16

1a. Investment of Rs.4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost.

2a. Non provision of Rs. 885.36 million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011 and no rental income for the period subsequent to 31.03.2011 for the same premises has been recognised on accrual basis due to uncertainty of realization (ii) Liquidated Damages (LD) of Rs 104.94 million on a supplier claimed by Bangalore Plant, rejected by the Arbitral Tribunal and the matter is pending before High Court of Delhi. However, in the absence of adequate information to support that the claims are sustainable, we are unable to comment on the carrying value of this claim and the shortfall, if any, on the amount that would be ultimately realized by the Company; (iii) LD claimed by Mankapur Unit from MTNL Delhi and MTNL Mumbai for Rs. 18.32 million and Rs. 8.29 million respectively; (iv) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited.

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make. With regard to other claims amounting to Rs.195.63 Million, the company is confident of recovering the same.

2b. Reversal of provisions created for certain items of expenditure amounting to Rs. 200.79 million have been made in the books of Mankapur Unit. In the absence of adequate information and reconciliation supporting that provisions are no longer required, the auditors of the said unit have issued a modified opinion.

Reasons – Noted and information will be provided.

Auditors Report 2014-15

1a. Investment of Rs 4.06 million in the unquoted equity shares of a Joint Venture(JV) Company being continued to be shown at cost, considering net worth the JV is totally eroded and Statutory Auditors of the JV have expressed their inability to comment on the going concern concept adopted by the said JV and no impairment loss has been ascertained and provided for.

Reasons – The assets of the JV company (Land), which has been revalued by the SBI panel valuer carries a value very much more than the cost of the investment. Hence the investment of Rs.4.06 million has been shown at cost

2a. Non provision of Rs 689.73 million towards claims doubtful of recovery comprising of (i) rent receivable of Rs 584.79 million on a premises leased out upto the period ended 31.3.2011, rent from 1.4.2011 for the same premises being deferred for recognition on accrual basis due to uncertainty of realization (ii) liquidated damages of Rs 104.94 million on a supplier, rejected by the Arbitral Tribunal. Had the said amounts been provided in the accounts, loss for the year would have been higher by Rs 689.73 million and consequently reserves & surplus and current assets would be lower by similar amount, (iii) Amount recoverable to an extent of Rs. 169.02 million from HCL Info Systems Limited by Mankapur Unit towards conditional reimbursement as per the agreement between Company and HCL Info Systems Limited

Reasons – The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed ITI to present the subject to ITI Board for perusal for the further course of action. Company is of the view that provision for Rs.584.79 Million at this juncture is not required till the issue is finally settled. As regards the LD of Rs.104.94 Million, the matter is in the court. Till then, it is felt that no provision is required to make.

3a. Provision of Rs.31.60 Million for work in progress Inventories in respect of the items pertaining to phased out projects and also not usable, has not been made which has resulted in the understatement of the Loss by Rs.31.60 lacs and overstatement of current assets to a same extent

Reasons – Inventories are classified as Active, slow moving, dormant 1 (not moving for one year) dormant 2 (not moving for more than 2 years) depending on their movement/usage. Provision for inventory is made after a review by a technical committee for their usefulness in each unit and then approved by the Board of Directors. The inventory available has been reviewed and the existing provision is found to be adequate.

4a. Amount spent for the creation and maintenance of data enrolment centre for MORD for NPR project totalling to Rs. 117.10 million is treated as revenue expenditure and no depreciation is provided as expenditure is not capitalised resulting in overstatement of loss to that extent (Net)

Reasons – Amount spent for creation and maintenance of Data Enrolment Centre for MORD for NPR project to an exctent of Rs. 117.10 Million is treated as revenue expenditure by the Palakkad Unit. The Management has clarified that no recurring revenue on the investment made in the said Asset will arise in future and hence it is treated as revenue expenditure.

As per our report of even date
For M/S Sankaran & Krishnan
Chartered Accountants
Firm Reg No.: 003582S

For & On Behalf of Board of Directors

VV Krishnamurthy **Partner** **M. No. 027044**	**S Shanmuga Priya** **Company Secretary**	**MALATHY M** **Chief Financial Officer**	**R M AGARWAL** **Chairman & Managing Director**

Place: Bangalore
Date : 15.11.2019

Annexure VII(a)- Accounting Ratios
Statement of Accounting Ratios

₹ In millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015
Earning Per Share excluding exceptional items						
(Equity Shares, Par Value of ₹ 10/- each)						
Basic (₹)	(0.64)	0.95	3.23	6.77	7.89	-11.29
Diluted (₹)	(0.64)	0.95	3.23	6.77	7.89	-11.29
Earning Per Share including exceptional items						
(Equity Shares, Par Value of ₹ 10/- each)						
Basic (₹)	(0.64)	0.95	3.23	6.77	7.89	(11.29)
Diluted (₹)	(0.64)	0.95	3.23	6.77	7.89	(11.29)
Return on networth with revaluation of Assets %	**-2.10%**	**6.18%**	**14.44%**	**28.80%**	**37.73%**	**-73.53%**
Net asset value per equity share (₹) with revaluation reserve	**24.11**	**20.00**	**21.42**	**18.92**	**23.42**	**14.07**
Net asset value per equity share (₹) without revaluation reserve	**(1.89)**	**(6.03)**	**(9.36)**	**(23.02)**	**(58.32)**	**(67.89)**
Weighted average number of equity shares outstanding during the year for calculation of Basic Earnings per Share	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Weighted average number of equity shares outstanding during the year for calculation of Diluted Earnings per Share	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Net profit after tax as	**(453.67)**	**1,108.56**	**2,351.32**	**3,051.21**	**2,545.44**	**(2,979.95)**
Share Capital	8,970.00	8,970.00	7,600.00	5,600.00	2,880.00	2,880.00
Other Equity, as	12,656.29	8,966.96	8,678.41	4,993.54	3,866.24	1,172.86
Networth with Revaluation of Assets	**21,626.29**	**17,936.96**	**16,278.41**	**10,593.54**	**6,746.24**	**4,052.86**
Less: Revaluation of Assets	23,322.88	23,345.74	23,390.80	23,483.14	23,543.68	23,604.06
Networth without Revaluation of Assets	**(1,696.60)**	**(5,408.79)**	**(7,112.39)**	**(12,889.60)**	**(16,797.45)**	**(19,551.19)**
CURRENT RATIO:	**0.86**	**0.77**	**0.82**	**0.73**	**0.69**	**0.64**
1. The ratios on the basis of financial information have been computed as below:						
Net profit as , attributable to equity shareholders	(571.91)	834.75	2,077.51	2,777.39	2,271.63	(3,251.43)
Basic Earnings per share (₹) =	**(0.64)**	**0.95**	**3.23**	**6.77**	**7.89**	**(11.29)**
Weighted average number of equity shares outstanding during the year	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Net profit as , attributable to equity shareholders	(571.91)	834.75	2,077.51	2,777.39	2,271.63	(3,251.43)
Diluted Earnings per share (₹) =	**(0.64)**	**0.95**	**3.23**	**6.77**	**7.89**	**(11.29)**
Weighted average number of dilutive equity shares outstanding during the year	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000

2. Earning per share calculations are done in accordance with Indian Accounting Standards 33 "Earnings Per Share" issued by the Institute of Chartered Accountants of India.

Caluclation of EPS Working

Profit after tax including OCI	**(453.67)**	**1,108.56**	**2,351.32**	**3,051.21**	**2,545.44**	**(2,979.95)**
(-) Preference Dividend	98.24	227.50	227.50	227.50	227.50	227.50
Dividend tax	20.00	46.31	46.31	46.31	46.31	43.98
Profit available to equity shareholders	(571.91)	834.75	2,077.51	2,777.39	2,271.63	(3,251.43)
No. of Shares at beginning of the year	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000	28,80,00,000
No. of Shares at the end of the year	89,70,00,000	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000
Weighted average no of shares during the period	89,70,00,000	87,98,75,000	64,33,33,333	41,00,00,000	28,80,00,000	28,80,00,000
Earning per equity share (for continuing operation): Basic & Diluted(in ₹)	**(0.64)**	**0.95**	**3.23**	**6.77**	**7.89**	**(11.29)**

Annexure VIII(a)- Capitalisation

Statement of Capitalisation ₹ In millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	As adjusted for issue*
Debt				
Government Loan	**3,000**	**3,000**	**3,000**	
Cash Credit from SBI Consortium	**9,577**	**9,587**	**9,263**	
Preference Shares	**750**	**3,000**	**3,000**	
Total	**13,327**	**15,587**	**15,263**	
Shareholder's funds				
- Share Capital	**8,970**	**8,970**	**7,600**	
- Other Eq;uity	**(10,667)**	**(14,379)**	**(14,712.39)**	
Total Shareholder's funds	**(1,697)**	**(5,409)**	**(7,112.39)**	
Debt / Equity Ratio	-	-	-	

*The Company is unable to calculate the

Annexure IX(a)-Dividend Paid

Statement of Dividend Paid* ₹ In millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015
Number of equity shares outstanding	89,70,00,000	89,70,00,000	76,00,00,000	56,00,00,000	28,80,00,000	28,80,00,000
Dividend paid (₹ in Million)	-	-	-	-	-	-
Interim Dividend (₹ in Million)	-	-	-	-	-	-
Rate of Dividend (%)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Dividend per Equity Share (₹)	-	-	-	-	-	-

* Refers to dividend actually paid during the respective year

Annexure X(a)- Tax Shelters

Statement of Tax Shelters as per income tax return ₹ In millions

Particulars	For the half year ended 30.09.2019	For the year ended 31.03.2019	For the year ended 31.03.2018	For the year ended 31.03.2017	For the year ended 31.03.2016	For the year ended 31.03.2015
	Provisional*					
Total Comprehensive Income - As (A)	(453.67)	1,108.56	2,351.32	3,051.21	2,545.44	(2,979.95)
National Tax Rate (B)	31.20%	31.20%	30.90%	30.90%	30.90%	30.90%
Tax as per National rate on Profit (C)	(141.54)	345.87	726.56	942.82	786.54	(920.80)
ADJUSTMENTS:						
Permanent Differences due to:						
R & D weighted deductions	-	(272.82)	(236.52)	-	(293.79)	(129.46)
40(a)(3)	-	-	4.27	-	10.71	2.74
Violation of Law	-	-	132.17	84.23	-	-
Withdrawal of Liability	-	-	-	-	(270.14)	(387.30)
Total Tax impact on Permanent Differences (D)	**-**	**(85.12)**	**(30.92)**	**26.03**	**(170.94)**	**(158.83)**
Temporary Differences due to:						
Depreciation under Companies Act	208.41	370.92	248.55	169.45	129.02	153.24
Depreciation as per IT Act	(249.52)	(574.92)	(516.10)	(218.71)	(144.38)	(103.03)
Disallowances under Sec 43B	-	205.48	426.09	(823.66)	(2,608.93)	393.46
Disallowances under Sec 36		219.93				
Provision for Doubtful Debts	-	-	-	-	(250.62)	0.63
Provision for Gratuity	-	-	-	350.78	-	-
Provision for non moving stores and spares	-	-	-	-	(1.01)	0.11
Transfer from Grant in Aid	-	-	-	-	(37.60)	(40.29)
Allowances u/s 35A, 35AB, 35ABB, 35D, 35E etc., VRS	-	-	(372.41)	(82.86)	(0.46)	-2.00
Employees Contribution	-	-	-	109.78	369.72	381.82
MODVAT Disallowance u/s 145A	-	-	-	285.47	42.85	(57.97)
40(a)(ia) TDS Default	-	-	-	602.70	-	-
Others	(90.36)	(183.17)	(966.83)	7.53	(0.18)	(0.71)
Total Tax impact of Timing Difference (E)	**(41.02)**	**11.93**	**(364.84)**	**123.75**	**(772.99)**	**224.10**
Net Adjustment F = (D+E)	(41.02)	(73.19)	(395.76)	149.77	(943.93)	65.28
Adjusted Tax Liability (C+F)	(182.56)	272.68	330.80	1,092.60	-	-
Less: Relief u/s 91	-	-	-	-	-	-
Adjusted Tax Liability	(182.56)	272.68	330.80	1,092.60	-	-
Total Tax as per Return of Income after adjustment of unabsorbed losses	-	-	-	-	-	-
	* Return yet to be filed					

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Unless indicated otherwise, the financial information included herein is based on our Restated Consolidated Financial Statements and Restated Standalone Financial Statements as at and for the six months ended September 30, 2019 and the fiscal years ended March 31, 2019, 2018, 2017, 2016 and 2015 (collectively, the "Restated Financial Statements") beginning on page 180. You should read the discussion and analysis of our financial condition and results of operations set forth below in conjunction with our Restated Consolidated Financial Statements and Restated Standalone Financial Statements, including the significant accounting policies, notes thereto and reports thereon set forth in "Financial Information" on page 179, which have been prepared in accordance with Ind-AS, the Companies Act and the SEBI Regulations. Ind-AS differs in certain material respects from Indian GAAP and generally accepted accounting principles in other jurisdictions, including US GAAP. Accordingly, the degree to which the Restated Financial Statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Ind-AS, Indian GAAP, the Companies Act and the SEBI Regulations.

The discussion below includes the discussion of certain unaudited financial ratios which are based on, or derived from, our Restated Consolidated Financial Statements.

The following discussion and analysis contain forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, many of which may be outside our control, including those set forth in the sections "Forward-Looking Statements" and "Risk Factors" on pages 13 and 14, respectively.

In this section, references to "we" and "our" are to ITI Limited and our joint venture, India Satcom Limited. ("India Satcom").

Our fiscal year ends on March 31 of each year, so all references to a particular "fiscal year" and "Fiscal" are to the 12-month period ended March 31 of that fiscal year.

The six months ended September 30, 2019 is referred to as the First Half Fiscal 2020.

Overview

We are a public sector company under the Department of Telecommunications (the "DoT") with over seven decades of experience in telecommunications technology. We cater to a wide customer base across various industry segments like telecommunications, defence, information technology, banks, financial institutions and solar energy. We have a diverse suite of products including defence security encryption products; optical and data network products and passive infrastructure products such as GPON, Wi-Fi products, and MLLN; multi-capacity encryption units, electrical products such as smart energy meters, smart cards, solar panels, set-top boxes and mini personal computers and IoT products and other diverse products such as HDPE ducts, 3D printing and sanitary napkin vending machines. We manufacture certain products ourselves at our five manufacturing facilities and produce other products in collaboration with our various technology partners. We also purchase traded products that are installed as part of our projects. In addition, we provide a wide range of services including operation and maintenance of BTS, data centre hosting solutions, IT and software services like digital wallet solutions, Aadhaar authentication services, OFC laying services, telecom product testing services, start-up hub services, skill development services and citizen centric services like the NPR and SECC and annual maintenance contracts for supplied products.

Recent Developments

The Board approved the Limited Review Financial Statements on January 6, 2020, and in accordance with the provisions of the SEBI Listing Regulations, our Company disclosed the Limited Review Financial Statements to the Stock Exchanges. The Limited Review Financial Statements are available on the website of our Company and the Stock Exchanges.

Our Statutory Auditor have reviewed the Limited Review Financal Statements and qualified in its review reportthat the accounting treatment of the write-back of ₹192.70 million under the heading "other income", which represents liability towards the suppliers entered into for back to back agreements with private vendors for the supplies or the services effected to GoI departments and PSUs, is not in conformity with the accounting policy consistently followed by our Company in earlier years since the corresponding amount due from such GoI departments and PSUs have not been written off. Accordingly, our Statutory Auditor reported that in their opinion the "other income" reported in the Limited Review Financial Statements has been overstated for the period and that our Company's profit on a consolidated basis was overstated by ₹192.7 million for the three months ended December 31, 2019 and the nine months ended December 31, 2019.

Our Statutory Auditors have included an "Emphasis of Matter" in their limited review report that the GoI has allocated a further ₹854.00 million as grants in aid to our Company to settle partial statutory dues and to meet our operational requirements. Pending receipt of the grant, our Company has recognised the grant of ₹854.00 million as "Other income".

Our Limited Review Financial Statements should be considered carefully in light of the qualification and emphasis of matter stated by our Statutory Auditor.

Presentation of Financial Information and Basis of Consolidation

In this Red Herring Prospectus, we have included (i) our Restated Standalone Financial Statements for the First Half Fiscal 2020, and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015 (proforma) and (ii) our Restated Consolidated Financial Statements for the First Half Fiscal 2020 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015 (proforma). Our Restated Consolidated Financial Statements present the accounts of (i) our Company, (ii) our joint venture, India Satcom.

Unless otherwise indicated, this "Management's Discussion and Analysis of Financial Condition and Results of Operations" section has been prepared on the basis of our Restated Consolidated Financial Statements.

Our Restated Consolidated Financial Statements and our Restated Standalone Financial Statements for the First Half Fiscal 2020 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016, and Fiscal 2015 (proforma) included in this Red Herring Prospectus have been prepared under Indian Accounting Standards ("**Ind-AS**").

Factors affecting our Results of Operation and Financial Condition

The following is a discussion of certain factors that have had, and we expect will continue to have, a significant effect on our results of operations and our financial condition.

Sick company

In 2004, we were referred to BIFR and declared a "Sick Company" under the provisions of SICA. Although we made an operating profit in Fiscal 2019 and Fiscal 2018, we made operating losses in Fiscal 2017 through Fiscal 2003. Our Revival Plan to restore our financial health was approved by the BIFR in November 2012, by BRPSE in July 2013 and by the CCEA in February 2014.

For more information on outstanding litigation, see "*Risk Factors-There are outstanding litigations against our Company and any adverse outcome in any of these litigations may have an adverse impact on our business, results of operations and financial condition*" on page 19.

On December 1, 2016, the GoI dissolved the BIFR and the BRPSE, and SICA was repealed. As per provisions of Insolvency and Bankruptcy Code, all proceedings and actions must be referred to, and taken by, NCLT and the NCLAT. We are not aware of any proceedings or action taken by the NCLT or the NCLAT in respect of our Company to-date, but we can make no assurance that such proceedings or actions may not be commenced.

GoI Grants

As part of the Revival Plan, the GoI approved a financial package of ₹41,567.90 million consisting of ₹22,640 million as capital expenditure grants and ₹18,927.90 million as grants in aid to settle partial statutory dues and to meet our operational requirements and grants for capital expenditure for upgrading our infrastructure, machines and equipment. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received grants in aid of ₹nil million, ₹1,329.80 million and ₹5,000.00 million, respectively. In Fiscal 2019, Fiscal 2018 and Fiscal 2017, we received capital grants in the form of equity for capital expenditure of ₹550.00 million, ₹3,370.00 million and ₹800.00 million, respectively. During six months ended September 30, 2019, we received a further grant from the GoI of ₹1,050.00 million for capital expenditure. On December 31, 2019, the GoI allocated a further ₹854.00 million as a grant in aid to our Company (funds not yet received) to settle partial statutory dues and to meet our operational requirements.

We can make no assurance that the grants in aid and grants for capital expenditure that we have received have been, or additional grants will be, sufficient to ensure that our results of operations, cash flows and financial condition will be healthy and returned to levels acceptable to shareholders, creditors or prospective shareholders or creditors. In addition, GoI grants are approved and released by the GoI as per their internal policy and procedure. We do not have any control over such timely and adequate release of grants and we cannot assure that the grants will be released as per our requirement and any delay or inadequacy in release of grants by the GoI could have an adverse effect on our business and cash flows.

We made consolidated operating losses (not including GoI grants which is included in other income) in Fiscal 2017, Fiscal 2016 and Fiscal 2015 of ₹943.19 million, ₹2,568.02 million and ₹2,979.95 million, respectively. In Fiscal 2019 and Fiscal 2018, we made consolidated operating profit (not including GoI grants which is included in other income) of ₹925.38 million and ₹975.84 million, respectively. In the First Half Fiscal 2020, we made consolidated operating loss (not including GoI grants which is included in other income) of ₹544.03 million. In addition, after GoI grants, we made a consolidated profit in Fiscal 2019, Fiscal 2018, Fiscal

2017 and Fiscal 2016 of ₹925.38 million, ₹2,305.64 million, ₹2,663,91 million and ₹2,372.18 million, respectively, and a loss in Fiscal 2015 of ₹2,979.95 million. We made a consolidated loss in the First Half of Fiscal 2020 of (₹544.03 million).

As we have received the above-mentioned GoI grants at various times, our results of operations may not be comparable on a period to period basis and provide a meaningful basis of evaluating our results of operations, liquidity and financial condition. As we are still in the early stages of our revival, our future operating results are also difficult to predict and may differ from period to period and our recent results of operations should not be viewed as an indication of the success or our revival plan or of our future results.

Customer Concentration and PSU Customers

We are in the early stages of our revival plan implementation and our revenue and Order Book is concentrated to a limited number of customers and projects. In the First Half Fiscal 2020 and in Fiscal 2019, Fiscal 2018 and Fiscal 2017, our top three customers accounted for 72.30%, 70.83%, 69.06% and 81.38% of our revenue from operations, respectively, and our largest customer accounted for 47.25%, 35.93%, 48.89% and 66.93% of our revenue from operations, respectively. As at December 31, 2019, approximately 79.67% of our Order Book was concentrated in four projects with four customers.

In addition, our revenue and Order Book are concentrated with the GoI and GoI entities, mainly PSUs like BSNL, BBNL, MTNL, EESL and the Ministry of Defence as well as State Government entities. In the First Half Fiscal 2020 and in Fiscal 2019, Fiscal 2018 and Fiscal 2017, the GoI, PSUs and State Governments accounted for approximately 99.28%, 86.41%, 91.21% and 98.16% of our revenue from operations, respectively. As at December 31, 2019, approximately 97.72% of our Order Book was concentrated in eleven projects with the GoI, PSUs and State Governments entities as customers.

We expect that in the future a limited number of large customers, mainly PSUs, the Ministry of Defence and State Government entities, will continue to comprise a large percentage of our revenue and Order Book. Consequently, a loss of business from any of such large customers will reduce our sales volumes and our revenue from operations.

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 our long history as a PSU company to gain government procurements in the telecommunication and defence sectors and build on our successful track record in executing projects for the GoI and PSUs. In order to win tenders from the GoI and PSU customers 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 GoI and PSU clients may depend upon government policies.

For further information, see "*Risk Factors - We are dependent on and derive a substantial portion of our revenue from a limited number of PSU customers and other GoI entities as well as State Governments in India and our relationship with GoI and State Government entities exposes us to risks inherent in doing business with them, which may adversely affect our business, results of operations and financial condition*" on page 20.

Order Book

As at December 31, 2019, our Order Book was ₹110,511.21 million (including advance purchase orders but net of GST), of which 29.09% comprises large turnkey projects, 57.87% comprises AMCs and 13.05% comprises other product and services orders.

The following table summarizes our Order Book as at December 31, 2019 (including advance purchase orders but net of GST).

Particulars	As at December 31, 2019	Percentage of Total Order Book
Project/ Product	(in ₹millions)	
BTS O&M*	56,216.61	50.87%
MahaNet	19,889.58	18.00%
ROs/CCOs/IT/ITI/Misc. products	10,461.86	9.47%
Smart energy meters	6,581.78	5.96%
GujaratNet	5,358.73	4.85%
Rajnet	2,836.02	2.57%
WBNet	1,978.22	1.79%
NFS project	1,664.92	1.51%
GPON	1,550.42	1.40%
GSM SZ AMC	667.97	0.60%
Defence business/AMC	809.58	0.73%
HDPE Duct	538.31	0.49%
AMC for ASCON	507.97	0.46%
AMC for OCB	38.31	0.03%

Particulars	As at December 31, 2019	Percentage of Total Order Book
Project/ Product	(in ₹millions)	
MLLN/SSTP AMC	16.95	0.02%
Others	1,393.98	1.26%
Total	**110,511.21**	**100.00%**

**The order relating to BTS O&M includes two advance work orders issued by BSNL, each dated August 29, 2018 for approximately ₹17,831.21 million and ₹38,385.40 million (both exclusive of GST) aggregating to an amount of approximately ₹56,216.61 million (exclusive of GST) for the execution of outsourcing of operations and maintenance (O&M) services for BTS sites. Our Company has also furnished a corporate guarantee, dated September 10, 2018 of ₹284.33 million which is valid until September 5, 2021. In addition, our back-end partner on the project has provided a bank guarantee to BSNL of ₹284.33 million which is valid until September 5, 2021. We have been regularly interacting with BSNL for conversion of these advance work orders into confirmed work orders; however, we are yet to receive the confirmed work orders. Further, we are yet to initiate action for the execution of the said project.*

Our Order Book includes anticipated revenues from the unexecuted portions of existing contracts (including signed contracts for which all pre-conditions to entry into force have been met and letters of acceptance issued by the customer prior to execution of the final contract) and from advance purchase orders and advance work orders for which we are yet to receive final purchase orders or work orders. For further information, see "*Risk Factors - We have been, and continue to be, involved in bidding for various tenders with Government Customers. There can be no assurance that projects for which we are the lowest bidder (L-1) will be awarded to us or that projects for which we have advanced purchase orders or advance work orders will be converted into confirmed orders or that we will actually realize revenues from any such projects.*"

In accordance with industry practice, many of our contracts are subject to cancellation, termination, or suspension at the discretion of the client at any stage of the contract. In addition, the contracts in our Order Book are subject to changes in the scope of services to be provided as well as adjustments to the costs relating to the contracts. Our Order Book includes expected revenues for contracts that are based on estimates. Projects can remain in our Order Book for extended periods of time because of the nature of the project and the timing of the particular services required by the project. The risk of contracts in our Order Book being cancelled or suspended generally increases during periods of wide-spread economic slowdowns. Even if fully executed, our Order Book is not necessarily indicative of our future revenues. Even where a project proceeds as scheduled, it is possible that contracting parties may default and fail to pay amounts owed to our Company. Any delay, suspension, cancellation or payment default could adversely affect our cash flow position, revenues and/or profit.

Other New Business

In addition to our Order Book, we were selected as the lowest bidder (L-1) by the Ministry of Defence on the ASCON Phase IV Project. The Ministry of Defence vide a letter dated October 01, 2019 had informed us that the subject proposal regarding establishment of ASCON Phase IV Project was under consideration and final approval of the competent authority was being sought, and the bid offer, which valid up to October 30, 2019, may be extended by six months up to April 30, 2020. Further, pursuant to a letter dated October 9, 2019, our Company has extended the validity of the bid until April 30, 2020. We are currently awaiting further communications from the Ministry of Defence in this regard. ASCON, Phase IV, is a project that entails the establishment of an optical fiber network for the Indian army, including the supply, installation, and maintenance of the optical fiber network and telecom equipment, mobile terminals, microwave towers, power supply equipment, test instruments and infrastructure. The value of this project is approximately ₹77,000.00 million. The project is to be executed over a period of three years from the date of contract signing followed by 2 years of warranty support and 8 years of AMC support.

Large-scale and Turnkey Projects

At present, large-scale contracts and turnkey projects represent a significant part of our revenues and our Order Book and may represent a significant part of our Order Book in the future. The timing of when project awards will be made is unpredictable and outside of our control. We operate in competitive markets where it is difficult to predict whether and when we will receive awards since these awards and projects often involve complex and lengthy negotiations and bidding processes. These processes can be impacted by a variety of factors including governmental approvals, financing contingencies, commodity prices, environmental conditions and overall market and economic conditions. In addition, during an economic downturn, many of our competitors may be more inclined to take greater or unusual risks or terms and conditions in a contract that we might not deem as standard market practice or acceptable. As a result, we are subject to the risk of losing new awards to competitors. Because a portion of our revenue is generated from large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under awarded contracts. Hence, there is a risk that revenue may not be derived from awarded projects as quickly as anticipated. In addition, managing such large-scale contracts and turnkey projects may also increase the potential relative size of cost overruns and negatively affect our operating margins.

Reduction of Operating Costs, increase operational efficiencies and improve productivity

Our management also places a great emphasis on cost control and improving operating efficiencies, especially in light of the upgrading of our infrastructure, equipment and technology and our expanded product suite. In particular, we intend to drive cost savings by teaming with partners, subcontracting and outsourcing. We are also looking to reduce our social overheads including our medical costs, canteen subsidies and transportation expenses.

In order to improve our margins and profitability, we plan to continue to reduce our employee expenses and other operating costs. Our employee expenses in Fiscal 2019, Fiscal 2018 and Fiscal 2017 were ₹2,042.22 million, ₹2,255.04 million and ₹3,008.72 million, respectively. Our employee expenses in the First Half Fiscal 2020 were ₹1,124.55 million. As at September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017, we had 3,523, 3,520, 3,576 and 3,706 total full-time employees, respectively. In addition, we plan to drive improved productivity per employee by our (i) modernized and upgraded infrastructure, equipment and technology, (ii) by our company-wide emphasis on research and development and innovation and (iii) continued training and improvement of our employees' skills and training.

Materials and Components

Our costs of materials consumed in Fiscal 2019, Fiscal 2018 and Fiscal 2017 was ₹2,837.14 million, ₹3,134.44 million and ₹925.75 million, respectively. Our costs of materials consumed in the First Half Fiscal 2020 was ₹683.48 million. Our purchases of stock-in-trade in Fiscal 2019, Fiscal 2018 and Fiscal 2017was ₹3,216.40 million, ₹2,319.76 million and ₹5,121.91 million, respectively. Our purchases of stock-in-trade in the First Half Fiscal 2020 was ₹2,102.21 million. We rely on a number of suppliers for our components, materials and stock-in-trade which are an integral part of our products and services. 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.

Given our reliance on our suppliers, if any one of our suppliers is unable to deliver the components, materials and stock in trade in a timely manner, or at all or meet our design or quality specifications, we may be unable to meet product or services 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, we may be required to buy materials at unfavourable prices depending on demand and competition for components and materials.

Working Capital

Our business requires working capital for day-to-day operations, procurement of raw materials and production. In addition, large-scale contracts and turnkey projects may require us to incur substantial working capital costs before milestone payments are made to cover these costs. For example, we will require substantial working capital for the ASCON Phase IV project with the Ministry of Defence and for the GPON equipment orders relating to BharatNet Phase II projects. In addition, certain purchase orders may require considerable ramping up, materials and production costs, particularly in connection with new product areas. The credit period given to customers may be considerable and customers may not be invoiced for products until the time of product delivery or after product delivery and, in some cases, the customer may not pay our invoices on time or within the stipulated time mentioned in the terms of payment as per our purchase order. We have met our working capital requirements from a working capital facility from a consortium of banks, which as of December 31, 2019 has a total sanctioned borrowing amount of ₹31,278.40 million, GoI loans and grants and cash generated from our operations. As at December 31, 2019, we had a total outstanding working capital loans aggregating to ₹9,348.74 million. We intend to use the proceeds of the Issue in part for working capital purposes. However, our inability to meet our working capital requirements through borrowings, cash from our operations, or the proceeds of the Issue, as the case may be, could have a material adverse effect on our liquidity and our business, results of operations and financial condition. For further details on our working capital requirements and position, see "*Objects of the Issue*" on page 82.

Additional Financing

We expect to incur substantial expenditure for the purposes of purchasing and upgrading equipment and infrastructure and rolling out our new products and services. There can be no assurance that we will have sufficient capital to accomplish the planned purchases and upgrades of our manufacturing facilities and services offering and expansion. Further, because future business expansion will be dependent in part on the future demand for our services, it is difficult for us to predict with certainty our future capital expenditure requirements. In the event that we have underestimated our future capital requirement needs or overestimated future cash flows, we may require additional financing in order to meet our projected capital and other expenditure requirements. In such an event, no assurance can be given that financing will be available.

Further, to the extent that we are able to obtain financing when needed, the agreements governing debt financing may contain certain restrictive covenants that will limit our ability to enter into certain business transactions and restrict our management's ability to conduct our business. Any financing obtained by the issuance of additional equity securities would also dilute the ownership interest of holders of the Equity Shares.

Foreign Exchange and Hedging

We import a portion of our equipment as well as components, materials and stock in trade used in our business and services, and as a result, we are subject to foreign currency fluctuations in respect of such purchases made in various foreign currencies. Further, any political or economic disturbances in the countries from where we import could interrupt the timely supply of these equipment. The exchange rate between the Rupee and other currencies, including the US dollar and the Euro, has changed substantially in recent years and may fluctuate substantially in the future.

While most of our revenues and our expenses are denominated in INR, we have and may enter into agreements, including financing agreements and agreements to acquire components and capital equipment, which are denominated in foreign currencies and require us to bear the cost of adverse exchange rate movements. Accordingly, any fluctuation in the value of the Rupee against these currencies has and will affect the cost of servicing and repaying any obligations we may incur that expose us to exchange rate risk.

We engage in a limited amount of hedging in connection with purchases of equipment from Coriant Oy in US dollars. At present, we do not otherwise hedge our foreign currency exposure. If, in the future, foreign exchange rates are contrary to our expectations, we could incur derivative-related or other charges and opportunity losses independent of the relative strength of our business, which could affect our results of operations and financial condition.

Ind-AS and Indian GAAP

The Companies (Indian Accounting Standards) Rules, 2015 ("**IAS Rules**"), as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, enacted changes to Indian GAAP that are intended to align Indian GAAP further with IFRS. The IAS Rules provide that the financial statements of the companies to which they apply shall be prepared and audited in accordance with Ind-AS. Ind-AS is different in many respects from Indian GAAP. Our Restated Financial Statements for the First Half Fiscal 2020 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015 (proforma) included in this Red Herring Prospectus have been prepared under Ind-AS, and our financial statements from April 1, 2017 onwards have been, and will be, prepared under Ind-AS. Our Restated Financial Statements under Ind-AS and our financial statements for the period commencing from April 1, 2017 may not be comparable to our historical financial statements.

Accounting Policies

The preparation of our financial information requires selecting accounting policies and making estimates and assumptions that affect items reported in the revenue accounts, profit and loss account, balance sheet, and cash flow statements and notes to the financial information. The determination of these accounting policies is fundamental to our results of operations and financial condition and requires management to make subjective and complex judgements about matters that are inherently uncertain based on information and data that may change in future periods. As a result, determinations regarding these items necessarily involve the use of assumptions and subjective judgements as to future events and are subject to change, and the use of different assumptions or data could produce materially different results. In addition, actual results could differ from estimates and may have a material adverse effect on our business, financial condition, results of operations or cash flows.

For further information on our accounting policies, see Annexure V(c) in *"Financial Statements–Notes to Restated Consolidated Financial Statements for the six months ended September 30, 2019 and the years ended March 31, 2019, 2018, 2017, 2016 and 2015"* on page 180.

Basis of Restatement

Our Restated Consolidated Financial Statements have been compiled by the management from the audited financial statements of our Company and India Satcom as at and for the First Half Fiscal 2020 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015.

The Restated Consolidated Financial Statements have been prepared specifically for the inclusion in the offer document to be filed by our Company with the ROC and SEBI in connection with its proposed further public issue. The Restated Consolidated Financial Statements have been prepared to comply in all material respects with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Companies Act, 2013 read with rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014 and the relevant provisions of SEBI Regulations issued by SEBI on August 26, 2009 as amended from time to time.

Results of Operations

The table below sets forth a summary of our profit and loss account on a consolidated restated basis for the six months ended September 30, 2019.

(₹ millions)

Profit and Loss Account	First Half Fiscal 2020
Revenue:	
Revenue from operations	5,787.83
Other Income	246.14
Total Revenue	6,033.97
Expenses:	
Cost of materials consumed	683.48
Purchase of Stock-in-Trade	2,102.21
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	97.19
Installation & Maintenance Charges	1,286.47
Employee benefit expense	1,124.55
Finance costs	687.74
Depreciation and amortization expense	208.41
Other expenses	387.95
Total Expenses	6,577.99
Profit before tax	(544.03)
Tax Expense	
Profit for the period	(544.03)
Other comprehensive income	82.32
Total comprehensive income for the period	(461.71)

The table below sets forth a summary of our profit and loss account on a consolidated restated basis for Fiscal 2019, Fiscal 2018 and Fiscal 2017.

(₹ millions)

Profit and Loss Account	Fiscal 2019	Fiscal 2018	Fiscal 2017
Revenue:			
Revenue from operations	16,683.68	14,841.62	15,481.37
Other Income	3,364.73	3,274.54	5,405.79
Total Revenue	20,048.41	18,116.17	20,887.16
Expenses:			
Cost of materials consumed	2,837.14	3,134.44	925.75
Purchase of Stock-in-Trade	3,216.40	2,319.76	5,121.91
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	-112.88	117.65	-176.22
Installation & Maintenance Charges	7,839.33	5,260.73	6,420.79
Employee benefit expense	2,042.22	2,255.04	3,008.72
Finance costs	1,064.71	1,534.11	1,526.15
Depreciation and amortization expense	370.92	248.55	169.45
Other expenses	1,865.19	940.24	1,226.70
Total Expenses	19,123.04	15,810.52	18,223.25
Profit before tax	925.38	2,305.64	2,663.91
Tax Expense	-	-	-
Profit for the period	925.38	2,305.64	2,663.91
Other comprehensive income	204.05	14.58	364.65
Total comprehensive income for the period	1,129.43	2,320.22	3,028.55

Principal Components of Statement of Profit and Loss

Revenue

Revenue from Operations

Our revenue from operations comprises the following:

Sale of products. Our sale of products comprises the sale of finished goods including MLLN equipment, SSTP equipment, next generation network ("**NGN**") equipment, network for spectrum ("**NFS**") components and the sale of traded goods including IT products, defence equipment, switch mode power supplies (SMPS), smart energy meters, Smaash PC's, GPON equipment, OFC cable laying, HDPE pipe manufacturing, Wi-Fi products, banking products, solar and LED lights, accelerated power development and reforms programme ("**APDRP**") and NPR components.

Sale of services. Our sale of services comprises annual maintenance contracts, installation services, data centre services and driving license registration certificate services, Aadhar based services, E- governance projects, GSM services, defence based services and BharatNet projects.

Other Operating Income. Our other operating income comprises sale of scrap, non-compete fees and grant-in-aid revenue towards reimbursement of salary expenses.

Other Income

Our other income comprises interest income, dividends from non-trading investments, net gains/losses on the sale of investments, as well as other non-operating income including (i) profit on the sale of assets, (ii) commission, (iii) rent, (iv) lease rent, (v) transport charges, (vi) water charges and electricity charges, (vii) excess provisions withdrawn, (viii) reimbursement of the voluntary retirement scheme, (ix) withdrawal of liability no longer required, (x) waiver of liquidated damages, (xi) compensation for Srinagar unit loss which was repaid by GoI, (xii) waiver of interest charges, (xiii) miscellaneous income, (xiv) transfer from revenue grant-in-aid, (xv) revenue grant-in-aid –voluntary retirement scheme, (xvi) revenue grant-in-aid – wage revision arrears, (xvii) transfer from capital grant-in-aid and (xviii) forfeited bank guarantees.

Expenses

Cost of materials consumed

Our cost of materials consumed comprises electronic goods and components and is computed by taking the opening stock position less the closing stock position. The principal materials that we use in our products and services include various electrical, electronic and mechanical components, switches, optic fibre cable, surface mounted devices, discrete integrated circuits, capacitors, resistors and various application specific integrated circuits.

Purchase of stock-in-trade

Our cost of stock-in-trade consumed comprise solar project components solar power equipment, switch mode power supply ("**SMPS**") hardware, ASCON project items, global system for mobile communications ("**GSM**") items, APDRP items, IT products and others like MLLN product and standalone signal transfer point AMCs.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our changes in inventories of finished goods, work-in-progress and stock-in-trade are computed by taking the opening stock position less the closing stock position.

Installation and maintenance charges

Our installation and maintenance charges comprise logistics, labour and material charges.

Employee Benefit Expenses

Employee benefit expenses comprise (a) salaries, wages and other amenities, (b) contributions to the employees' provident fund, employees' state insurance and other funds, (c) staff welfare expenses and human resource development expenses and (d) voluntary retirement scheme payments.

Finance Costs

Finance costs comprise (a) interest expenses on cash credit, public deposits, bonds and loans, (b) other borrowing cost including commitment fees and guarantee fees, and (c) other costs including bond trusteeship fees, bank charges, bond issue expenses, applicable net losses on foreign currency translations and transactions, interest on GoI loans and others.

Depreciation and Amortisation Expenses

Depreciation and amortisation expense comprise the depreciation and amortisation of fixed assets including buildings, machines, equipment, computers, furniture and fixtures, leasehold improvements, office equipment, vehicles, and computer software.

Other Expenses

Other expenses primarily comprise (a) manufacturing expenses, (b) administrative expenses, and (c) selling expenses.

Manufacturing expenses comprise (a) manufacturing costs including (i) consumption of stores and spares, (ii) power and light, (iii) water charges and (iv) excise duty; (b) repairs and maintenance expenses on (i) plant machinery and equipment, (ii) vehicles, (iii) buildings and (iv) other equipment; (c) cost and expenses on tools; (d) experimental work and training expenses; (e) expenses on minor equipment and work; (f) royalty; (g) scrap and salvage expenses; (h) factory expenses; (i) TOT including (i) technical assistance, (ii) technical knowhow, (iii) documentation charges, (iv) training assistance and (v) others; (j) liquidated damages; and (k) demurrage charges

Administration expenses comprise (a) rent, (b) rates and taxes, (c) insurance, (d) travelling expenses, (e) legal fees, (f) postage, telegram expenses, (g) telephone and trunk call charges, (h) remuneration to auditors, (i) CISF/private security expenses, (j) printing, stationary and duplicating charges, (k) transport expenses, (l) newspapers, magazines and periodicals, (m) mechanised accounting expenses, (n) lease charges, (o) licence fee/segment charges, (p) office expenses, (q) provision for obsolescence of stores, (r) obsolete and production stores written off, (s) provision for capital work-in-progress write off, (t) provision for debtors/advance, (u) bad debts written off, (v) claims and expenses charge off, (w) loss on sales of assets, (x) irrecoverable excise duty paid, (y) adjustment to carrying amount of investments and (z) net loss on the sale of investments.

Selling expenses comprise (a) selling agency commission, (b) advertisement expenses, (c) exhibition and publicity expenses, (d) packing expenses, (e) forwarding expenses, (f) discounts allowed, (g) warranty expenses, (h) sales promotion expenses, (i) entertainment expenses and (j) cost of tender forms.

GoI Grants

GoI grants are measured at fair value and initially recognized as in our balance sheet as other equity (share application money) pending share allotment to the GoI. Upon a capital expenditure and the acquisition of fixed assets, the same amount is capitalised, the amount is transferred to the credit of the Statement of Profit and Loss in proportion to the depreciation charged on the respective assets to the extent attributable to GoI grant utilised for the acquisition. Upon incurring an ordinary expense, the amounts are transferred to the credit of the Statement of Profit and Loss to the extent of the expenditure incurred in the ratio of (i) the GoI grant funding to (ii) the total sanctioned cost, limited to the amount of the grant received.

Six months ended September 30, 2019 ("First Half Fiscal 2020")

Revenue

Our total revenue comprising revenue from operations (net of service tax and GST) and other income was ₹6,033.97 million in the First Half Fiscal 2020.

The table below sets forth details in relation to our revenue for the First Half Fiscal 2020.

(₹ millions)

Revenue	First Half Fiscal 2020
Revenue from Operations:	
Sale of Products	
Sale of Finished Goods	252.72
Sale of Traded Goods	751.41
Total Sale of Products	1,004.14
Sale of Services	4,763.63
Other Operating Revenue	20.06
Total Revenue from Operations	5,787.83
Other Income:	
Total Other Income	246.14
Total Revenues	6,033.97

Revenue from Operations

Our revenue from operations (net of service tax and GST) was ₹5,787.83 million in the First Half Fiscal 2020. The period reflected a change in sales mix toward sales of services like GujaratNet and AMC and a reduction in the sale of manufactured products.

Sale of Products

Our sale of products was ₹1,004.14 million in the First Half Fiscal 2020. Our sales of products in the period reflected a change in our order book toward increased sales of services and decreased sales of manufactured products.

Our sale of finished goods was ₹252.72 million in the First Half Fiscal 2020, which reflected lower order levels for manufacturing products.

Our sale of traded goods was ₹751.41 million in the First Half Fiscal 2020, which reflected lower order levels for manufacturing products.

Sale of services

Our sale of services was ₹4,763.63 million in the First Half Fiscal 2020, which reflected a change in sales mix in the period toward sales of services like GujaratNet and AMC.

Other Operating Income

Our other operating income was ₹20.06 million in the First Half Fiscal 2020, which reflected the sale of scrap in the period.

Other Income

Our other income was ₹246.14 million in the First Half Fiscal 2020, which reflected only ₹2.31 million in income from withdrawal of liability no longer required.

Our revenue grant-in-aid for our voluntary retirement scheme was ₹41.70 million in the First Half Fiscal 2020.

Our rent income increased was ₹100.50 million in the First Half Fiscal 2020.

Our income from withdrawal of liability no longer required was ₹2.31 million in the First Half Fiscal.

Our miscellaneous income comprises liquidated damages recovered from suppliers, refunds from central excise department, the cost of tender forms, professional student fees and miscellaneous receipts. Our miscellaneous income was ₹5.16 million in the First Half Fiscal 2020, which reflected a lower level of recovery of liquidated damages in the period.

Expenses

Our expenses were ₹6,577.99 million in the First Half Fiscal 2020. As a percentage of operating revenue, our expenses were 113.65% in the First Half Fiscal 2020.

The table below sets forth details in relation to our expenses for First Half Fiscal 2020.

(amounts in ₹ millions, except percentages)

Expenses	First Half Fiscal 2020
Cost of materials consumed	683.48
(as a percentage of operating revenue)	*11.81%*
Purchases of stock-in-trade	2,102.21
(as a percentage of operating revenue)	*36.32%*
Changes in inventories of finished goods, work-in-progress and stock-in-trade	97.19
(as a percentage of operating revenue)	*1.68%*
Installation and maintenance charges	1,286.47
(as a percentage of operating revenue)	*22.23%*
Employee benefit expense	1,124.55
(as a percentage of operating revenue)	*19.43%*
Finance costs	687.74
(as a percentage of operating revenue)	*11.88%*
Depreciation and amortization expense	208.41
(as a percentage of operating revenue)	*3.60%*

Expenses	First Half Fiscal 2020
Other Expenses	387.95
(as a percentage of operating revenue)	*6.70%*
Total Expenses	6,577.99
(as a percentage of operating revenue)	*113.65%*

Cost of materials consumed

Our cost of materials consumed was ₹683.48 million in the First Half Fiscal 2020. As a percentage of operating revenue our cost of materials consumed was 11.81% in the First Half Fiscal 2020. Our cost of materials in the period reflected lower order levels of our manufactured products. Notwithstanding, our manufacturing operations also consume materials for the components produced in-house for components used in our services contracts. The amount of our foreign imports represented 83.95% of our cost of materials consumed in the First Half Fiscal 2020.

Purchases of stock-in-trade

Our expenses for purchases of stock-in-trade were ₹2,102.21 million in the First Half Fiscal 2020. As a percentage of operating revenue, our expenses for purchases of stock-in-trade were 36.32% in the First Half Fiscal 2020. Our purchases of stock-in-trade in the period reflected growth in stock-in-trade from GujaratNet, NFS, and State government welfare activity supplies.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our inventories of finished goods, work-in-progress and stock-in-trade were ₹97.19 million in the First Half Fiscal 2020. This reflected an increase in finished stock of GujaratNet in the First Half Fiscal 2020.

Installation and maintenance charges

Our installation and maintenance charges were ₹1,286.47 million in the First Half Fiscal 2020. As a percentage of operating revenue our installation and maintenance charges were 22.23% in the First Half Fiscal 2020. Our installation and maintenance charges reflected a change in our order book during the period toward greater services and lower sales of manufactured products. Notwithstanding, our manufacturing operations also incur installation and maintenance charges related to the components produced in-house for components used in our services contracts.

Employee Benefit Expenses

Our employee benefit expenses were ₹1,124.55 million in the First Half Fiscal 2020. As a percentage of operating revenue our employee benefit expenses were 19.43% in the First Half Fiscal 2020. Our employee benefit expenses in the period reflected growth in our actuarial valuation of gratuity, privilege leave, sick leave, liberalised leave travel concession, and voluntary retirement scheme. We had 3,523 employees as at September 30, 2019.

Finance Costs

Our finance costs were ₹687.74 million in the First Half Fiscal 2020, which reflected growth in our bank charges and cost for interest others (interest on provident fund).

Depreciation and Amortisation Expenses

Our depreciation and amortization expenses were ₹208.41 million in the First Half Fiscal 2020, which reflected the addition of capitalised assets in the period.

Other Expenses

Our other expenses were ₹387.95 million in the First Half Fiscal 2020, which reflected our reduced write off of trade receivables and reduced expenditure in liquidated damages in the period. As a percentage of operating revenue our other expenses were 6.70% in the First Half Fiscal 2020.

Our manufacturing expenses were ₹193.67 million in the First Half Fiscal 2020, which reflected our reduced expenditure for liquidated damages for delayed supplies and expenses for maintenance and repairs in the period.

Our administrative expenses were ₹183.02 million in the First Half Fiscal 2020. In the First Half Fiscal 2020, we had a claims and expenses charge off. In addition, our administrative expenses in the period reflected an increase in legal charges and office expenses.

Our selling expenses were ₹11.26 million in the First Half Fiscal 2020, which reflected growth in our forwarding expense and sales promotion expenses during the period.

Loss before tax

Our loss before tax was ₹(544.03) million in the First Half Fiscal 2020.

Tax Expenses

We had no tax expenses in the First Half Fiscal 2020 on account of our losses before tax not considering the GoI grants utilized in the period.

Loss for the period

Our loss was ₹(544.03) million in the First Half Fiscal 2020.

Other comprehensive income

In the First Half Fiscal 2020, our other comprehensive income consists of items that would not be reclassified to the profit and loss account including remeasurements of defined benefit plans and changes in fair value of equity instruments in India Satcom.

Our other comprehensive income was ₹82.32 million in the First Half Fiscal 2020. Remeasurements of defined benefit plans were ₹90.36 million in the First Half Fiscal 2020, which reflected the actuarial valuation of gratuity, privilege leave, sick leave, liberalised leave travel concession, and voluntary retirement scheme. Changes in fair value of equity instruments in India Satcom were ₹(8.04) million in the First Half Fiscal 2020.

In the First Half Fiscal 2020, we did not have other comprehensive income that consisted of items that would be reclassified to the profit and loss account.

Total comprehensive income for the period

Our total comprehensive income was ₹(461.71) million in the First Half Fiscal 2020.

Fiscal 2019 Compared to Fiscal 2018

Revenue

Our total revenue comprising revenue from operations (net of service tax and GST) and other income increased by 10.67% to ₹20,048.41 million in Fiscal 2019 from ₹18,116.17 million in Fiscal 2018 primarily due to increase in sale of services like MahaNet, GujaratNet, NFS, GSM and an increase in the sale of traded goods like smart energy meters and BNG partially offset by a reduction in sale of manufactured products like G-PON in Fiscal 2019.

The table below sets forth details in relation to our revenue for Fiscal 2019 and Fiscal 2018.

(amounts in ₹ millions, except percentages)

Revenue	Fiscal 2019	Fiscal 2018	Percent Change
Revenue from Operations:			
Sale of Products			
Sale of Finished Goods	4,186.13	6,733.20	-37.83
Sale of Traded Goods	2,364.52	956.56	147.19
Total Sale of Products	6,550.65	7,689.76	-14.81
Sale of Services	10,131.07	6,613.17	53.20
Other Operating Revenue	1.97	538.69	-99.63
Total Revenue from Operations	16,683.68	14,841.62	12.41
Other Income:			
Total Other Income	3,364.73	3,274.54	2.75
Total Revenues	20,048.41	18,116.17	10.67

Revenue from Operations

Our revenue from operations (net of service tax and GST) increased by 12.41% to ₹16,683.68 million in Fiscal 2019 from ₹14,841.62 million in Fiscal 2018 primarily due to increase in sale of services like MahaNet, GujaratNet, NFS, GSM and an increase in the sale of traded goods like smart energy meters and BNG partially offset by a reduction in sale of manufactured products like G-PON.

Sale of Products

Our sale of products decreased by 14.81% to ₹6,550.65 million in Fiscal 2019 from ₹7,689.76 million in Fiscal 2018 primarily due to increase in sale of traded goods like smart energy meters and BNG and a reduction in sale of manufactured products like G-PON. The change in mix reflected our order book in Fiscal 2019.

Our sale of finished goods decreased by 37.83% to ₹4,186.13 million in Fiscal 2019 from ₹6,733.20 million in Fiscal 2018 primarily due to reduction in the sale of manufactured products like G-PON .

Our sale of traded goods increased by 147.19% to ₹2,364.52 million in Fiscal 2019 from ₹956.56 million in Fiscal 2018 primarily due to increase in sale of traded goods like smart energy meters and BNG.

Sale of services

Our sale of services increased by 53.20% to ₹10,131.07 million in Fiscal 2019 from ₹6,613.17 million in Fiscal 2018 primarily due to a change in mix in our order book which resulted in an increase in the sale of services like MahaNet, GujaratNet, NFS and GSM.

Other Operating Income

Our other operating income decreased by 99.63% to ₹1.97 million in Fiscal 2019 from ₹538.69 million in Fiscal 2018 as we did not receive additional grants in aid from the GoI in Fiscal 2019.

Other Income

Our other income increased by 2.75% to ₹3,364.73 million in Fiscal 2019 from ₹3,274.54 million in Fiscal 2018 primarily due to an increase in withdrawal of liability, forfeiture of bank guarantees, sales of scrap, and rent and interest.

Our transfer from revenue grant-in-aid decreased by 100% to ₹nil million in Fiscal 2019 from ₹799.80 million in Fiscal 2018. This reflected the complete receipt of revenue grant in aid from the GoI in Fiscal 2018. Our revenue grant-in-aid for our voluntary retirement scheme decreased by 100% to ₹nil million in Fiscal 2019 from ₹28.66 million in Fiscal 2018. In addition, we had ₹nil million in other income from grants relating to previous years in Fiscal 2019.

In Fiscal 2018, we received ₹921.15 million in compensation for the sale of land to Bangalore Metro Rail Corporation Limited ("BMCRL"). This was a one-time sale in Fiscal 2018.

Our rent income increased by 18.16% to ₹185.77 million in Fiscal 2019 from ₹157.23 million in Fiscal 2018. Our income from withdrawal of liability no longer required, increased by 166.19% to ₹2,985.18 million in Fiscal 2019 from ₹1,121.45 million in Fiscal 2018.

Our miscellaneous income comprises liquidated damages recovered from suppliers, refunds from central excise department, the cost of tender forms, professional student fees and miscellaneous receipts. Our miscellaneous income decreased by 38% to ₹44.17 million in Fiscal 2019 from ₹71.24 million in Fiscal 2018 primarily due to a reduction in liquidated damages recovered from suppliers, refunds from the central excise department and the cost of tender forms

Expenses

Our expenses increased by 20.95% to ₹19,123.04 million in Fiscal 2019 from ₹15,810.52 million in Fiscal 2018 for the reasons described below. As a percentage of operating revenue our expenses increased to 114.62% in Fiscal 2019 from 106.53% in Fiscal 2018.

The table below sets forth details in relation to our expenses for Fiscal 2019 and Fiscal 2018.

(amounts in ₹ millions, except percentages)

Expenses	Fiscal 2019	Fiscal 2018	Percent Change
Cost of materials consumed	2,837.14	3,134.44	-9.49

Expenses	Fiscal 2019	Fiscal 2018	Percent Change
(as a percentage of operating revenue)	17.01%	*21.12%*	
Purchases of stock-in-trade	3,216.40	2,319.76	38.65
(as a percentage of operating revenue)	19.28%	*15.63%*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	-112.88	117.65	-195.94
(as a percentage of operating revenue)	-0.68%	*0.79%*	
Installation and maintenance charges	7,839.33	5,260.73	49.02
(as a percentage of operating revenue)	46.99%	*35.45%*	
Employee benefit expense	2,042.22	2,255.04	-9.44
(as a percentage of operating revenue)	12.24%	*15.19%*	
Finance costs	1,064.71	1,534.11	-30.60
(as a percentage of operating revenue)	6.38%	*10.34%*	
Depreciation and amortization expense	370.92	248.55	49.23
(as a percentage of operating revenue)	2.22%	*1.67%*	
Other Expenses	1,865.19	940.24	98.37
(as a percentage of operating revenue)	11.18%	*6.34%*	
Total Expenses	19,123.04	15,810.52	20.95
(as a percentage of operating revenue)	114.62%	*106.53%*	

Cost of materials consumed

Our cost of materials consumed decreased by 9.49% to ₹2,837.14 million in Fiscal 2019 from ₹3,134.44 million in Fiscal 2018. As a percentage of operating revenue our cost of materials consumed decreased to 17.01% in Fiscal 2019 from 21.12% in Fiscal 2018. This decrease was primarily due to a reduction in turnover from manufactured products like G-PON as our order book mix shifted toward the sales of services. In addition, the amount of imported materials changed with foreign imports representing 7.77% and 48.83% of our cost of materials consumed in Fiscal 2019 and Fiscal 2018, respectively.

Purchases of stock-in-trade

Our expenses for purchases of stock-in-trade increased by 38.65% to ₹3,216.40 million in Fiscal 2019 from ₹2,319.76 million in Fiscal 2018. As a percentage of operating revenue, our expenses for purchases of stock-in-trade increased to 19.28% in Fiscal 2019 from 15.63% in Fiscal 2018. This increase was primarily due to an increase in purchases of stock-in-trade for solar, GSM, smart energy meter, broadband network gateway, and distributed denial of services.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our inventories of finished goods, work-in-progress and stock-in-trade decreased by 195.94% to ₹(112.88) million in Fiscal 2019 from ₹117.65 million in Fiscal 2018. This change in inventories of finished goods, work-in-progress and stock-in-trade was primarily due to stocks of finished products, work in progress and stock-in-trade which remained uncleared during Fiscal 2019 but were cleared during Fiscal 2019.

Installation and maintenance charges

Our installation and maintenance charges increased by 49.02% to ₹7,839.33 million in Fiscal 2019 from ₹5,260.73 million in Fiscal 2019. As a percentage of operating revenue our installation and maintenance charges increased to 46.99% in Fiscal 2019 from 35.45% in Fiscal 2018. The increase was primarily due to the 53.20% increase in the sale of services to ₹10,131.07 million in Fiscal 2019 from ₹6,613.17 million in Fiscal 2018.

Employee Benefit Expenses

Our employee benefit expenses decreased by 9.44% to ₹2,042.22 million in Fiscal 2019 from ₹2,255.04 million in Fiscal 2018. As a percentage of operating revenue our employee benefit expenses decreased to 12.24% in Fiscal 2019 from 15.19% in Fiscal 2018. This decrease was primarily due to reduction in the actuarial valuation of gratuity, privilege leave, sick leave, liberalised leave travel concession, and voluntary retirement scheme We had 3,520 employees at March31, 2019 and 3,576 employees at March 31, 2018.

Finance Costs

Our finance costs decreased by 30.60% to ₹1,064.71 million in Fiscal 2019 from ₹1,534.11 million in Fiscal 2018 primarily due a reduction in the interest on cash credit, interest others and bank charges.

Depreciation and Amortisation Expenses

Our depreciation and amortization expenses increased by 49.23% to ₹370.92 million in Fiscal 2019 from ₹248.55 million in Fiscal 2018 primarily due to capitalisation of assets and additions during Fiscal 2019.

Other Expenses

Our other expenses increased by 98.37% to ₹1,865.19 million in Fiscal 2019 from ₹940.24 million in Fiscal 2018 primarily due to a write off of bad debts. As a percentage of operating revenue our other expenses increased to 11.18% in Fiscal 2019 from 6.34% in Fiscal 2018.

Our manufacturing expenses decreased by 38.65% to ₹370.64 million in Fiscal 2019 from ₹604.14 million in Fiscal 2018 primarily due to reduction in the factory expenses, excise duties, liquidated damages, and expenses for maintenance and repairs.

Our administrative expenses increased by 364.85% to ₹1,463.40 million in Fiscal 2019 from ₹314.81 million in Fiscal 2018. In Fiscal 2019, we had bad debts written off (including sundry debtors) and claims and expenses charge off. In Fiscal 2018, we had a write-off for obsolete production stores. Not including these one-time expenses in Fiscal 2019 and Fiscal 2018, our administrative expenses increased by 4.05% in Fiscal 2019 primarily due to an increase in security expenses and office expenses.

Our selling expenses increased by 46.36% to ₹31.16 million in Fiscal 2019 from ₹21.29 million in Fiscal 2018 primarily due to increase in our sales promotion expenses.

Profit/(Loss) before tax

Our profit before tax decreased by 59.86% to ₹925.38 million in Fiscal 2019 from ₹2,305.64 million in Fiscal 2018 primarily due to reduction in grant in aid revenue of ₹799.80 million in Fiscal 2018 from the GoI to ₹nil million in Fiscal 2019 and the one time sale income from BMRCL in Fiscal 2018 of ₹921.15 million to ₹nil million in Fiscal 2019, an increase in the depreciation expense in Fiscal 2019 and an increase in the material cost as a percentage of revenue due to less manufactured turnover in Fiscal 2019.

Tax Expenses

We had no tax expenses in Fiscal 2019 and Fiscal 2018 on account of our losses before tax not considering the GoI grants utilized in each period.

Profit for the period

For the reasons discussed above, our profit for the fiscal year decreased by 59.86% to ₹925.38 million in Fiscal 2019 from ₹2,305.64 million in Fiscal 2018.

Other comprehensive income

In Fiscal 2019 and Fiscal 2018, our other comprehensive income consists of items that would not be reclassified to the profit and loss account including remeasurements of defined benefit plans and changes in fair value of equity instruments in India Satcom.

Our other comprehensive income increased by 1,299.80% to ₹204.50 million in Fiscal 2019 from ₹14.58 million in Fiscal 2018. Remeasurements of defined benefit plans increased by 301.01% to ₹183.17 million in Fiscal 2019 from ₹45.68 million in Fiscal 2018 primarily due to impact of actuarial valuation of Gratuity, PL, SL & LLTC due to extension of the superannuation age of employees from 58 to 60. Changes in the fair value of equity instruments in India Satcom were ₹20.88 million in Fiscal 2019 and (₹31.10 million) in Fiscal 2018.

In Fiscal 2019 and Fiscal 2018, we did not have other comprehensive income that consisted of items that would be reclassified to the profit and loss account.

Total comprehensive income for the period

For the reasons discussed above, our total comprehensive income for the fiscal year decreased by 51.32% to ₹1,129.44 million in Fiscal 2019 from ₹2,320.22 million in Fiscal 2018.

Fiscal 2018 Compared to Fiscal 2017

Revenue

Our total revenue comprising revenue from operations (net of service tax and GST) and other income decreased by 13.27% to ₹18,116.17 million in Fiscal 2018 from ₹20,887.16 million in Fiscal 2017 primarily due to lower other income, which includes a lower amount of GoI grants received or recorded in Fiscal 2018.

The table below sets forth details in relation to our revenue for Fiscal 2018 and Fiscal 2017.

(amounts in ₹ millions, except percentages)

Revenue	Fiscal 2018	Fiscal 2017	Percent Change
Revenue from Operations:			
Sale of Products			
Sale of Finished Goods	6,733.20	1,850.23	263.91
Sale of Traded Goods	956.56	2,014.03	(52.51)
Total Sale of Products	7,689.76	3,864.27	99.00
Sale of Services	6,613.17	11,605.09	(43.01)
Other Operating Revenue	538.69	12.01	4,385.35
Total Revenue from Operations	14,841.62	15,481.37	(4.13)
Other Income:			
Total Other Income	3,274.54	5,405.79	(39.43)
Total Revenues	18,116.17	20,887.16	(13.27)

Revenue from Operations

Our revenue from operations (net of service tax and GST) decreased by 4.13% to ₹14,841.62 million in Fiscal 2018 from ₹15,481.37 million in Fiscal 2017 primarily due to significantly lower sale of services and sale of traded goods in Fiscal 2018, which was partially offset by higher sale of finished goods and other operating revenue.

Sale of Products

Our sale of products increased by 99.00% to ₹7,689.76 million in Fiscal 2018 from ₹3,864.27 million in Fiscal 2017 primarily due to a significant increase in the sale of finished goods and other operating income partially offset by lower sales of traded goods.

Our sale of finished goods increased by 263.91% to ₹6,733.20 million in Fiscal 2018 from ₹1,850.23 million in Fiscal 2017 primarily due to an increase in the sales of manufactured products like GPON as well as sales of MLLN and NGN equipment, NFS hardware and IT products.

Our sale of traded goods decreased by 52.51% to ₹956.56 million in Fiscal 2018 from ₹2,014.03 million in Fiscal 2017 primarily due to decrease in traded orders, mainly APDRP and NPR projects.

Sale of services

Our sale of services decreased by 43.01% to ₹6,613.17 million in Fiscal 2018 from ₹11,605.09 million in Fiscal 2017 primarily due to decrease in service orders like annual maintenance contracts for fixed line switches and GSM switches.

Other Operating Income

Our other operating income increased by 4,385.35% to ₹538.69 million in Fiscal 2018 from ₹12.01 million in Fiscal 2017 primarily due to ₹530.00 million grants-in-aid from the GoI received in Fiscal 2018.

Other Income

Our other income decreased by 39.43% to ₹3,274.54 million in Fiscal 2018 from ₹5,405.79 million in Fiscal 2017 primarily due to lower grants-in-aid received or recorded in Fiscal 2018 offset by compensation for the sale of land in Fiscal 2018.

Our transfer from revenue grant-in-aid decreased by 59.19% from ₹799.80 million in Fiscal 2018 to ₹1,960.00 million in Fiscal 2017. This reflected the lower level of expenditure utilizing GoI grants-in-aid received in Fiscal 2018. Our revenue grant-in-aid for our voluntary retirement scheme decreased by 91.50% to ₹28.66 million from ₹337.16 million in Fiscal 2017. In addition, we had ₹1,647.10 million in other income from grants relating to previous years in Fiscal 2017.

In Fiscal 2018, we received ₹921.15 million in compensation for the sale of land to Bangalore Metro Rail Corporation Limited.

Our rent income increased by 1.81% to ₹157.23 million in Fiscal 2018 from ₹154.43 million in Fiscal 2017.
Our income from withdrawal of liability no longer required, which decreased by 3.14% from ₹1,121.45 million in Fiscal 2018 to ₹1,157.85 million in Fiscal 2017.

Our miscellaneous income comprises liquidated damages recovered from suppliers, refunds from central excise department, the cost of tender forms, professional student fees and miscellaneous receipts. Our miscellaneous income decreased by 31.71% to ₹71.24 million in Fiscal 2018 from ₹104.32 million in Fiscal 2017 primarily due to reduction in "Recovery of liquidated Damages".

Expenses

Our expenses decreased by 13.24% to ₹15,810.52 million in Fiscal 2018 from ₹18,223.25 million in Fiscal 2017 for the reasons described below. As a percentage of operating revenue our expenses decreased to 106.53% in Fiscal 2018 from 117.71% in Fiscal 2017.

The table below sets forth details in relation to our expenses for Fiscal 2018 and Fiscal 2017.

(amounts in ₹ millions, except percentages)

Expenses	Fiscal 2018	Fiscal 2017	Percent Change
Cost of materials consumed	3,134.44	925.75	238.58
(as a percentage of operating revenue)	*21.12%*	*5.98%*	
Purchases of stock-in-trade	2,319.76	5,121.91	(54.71)
(as a percentage of operating revenue)	*15.63%*	*33.08%*	
Changes in inventories of finished goods, work-in-progress and stock-in-trade	117.65	-176.22	166.76
(as a percentage of operating revenue)	*0.79%*	*-1.14%*	
Installation and maintenance charges	5,260.73	6,420.79	(18.07)
(as a percentage of operating revenue)	*35.45%*	*41.47%*	
Employee benefit expense	2,255.04	3,008.72	(25.05)
(as a percentage of operating revenue)	*15.19%*	*19.43%*	
Finance costs	1,534.11	1,526.15	0.52
(as a percentage of operating revenue)	*10.34%*	*9.86%*	
Depreciation and amortization expense	248.55	169.45	46.68
(as a percentage of operating revenue)	*1.67%*	*1.09%*	
Other Expenses	940.24	1,226.70	(23.35)
(as a percentage of operating revenue)	*6.34%*	*7.92%*	
Total Expenses	15,810.52	18,223.25	(13.24)
(as a percentage of operating revenue)	*106.53%*	*117.71%*	

Cost of materials consumed

Our cost of materials consumed increased by 238.58% to ₹3,134.44 million in Fiscal 2018 from ₹925.75 million in Fiscal 2017. As a percentage of operating revenue our cost of materials consumed increased to 21.12% in Fiscal 2018 from 5.98% in Fiscal 2017. This increase was primarily due to a 394.73% increase in electronic goods and components consumed to ₹3,120.47 million in Fiscal 2018 from ₹630.74 million in Fiscal 2017 which was primarily due to increase in our manufacturing activities in Fiscal 2018. This increase was partially offset by a 95.26% decrease in identity cards consumed in our card business of ₹13.97 million in Fiscal 2018 from ₹295.01 million in Fiscal 2017 which was primarily due to decrease in the manufacture of national identity cards. In addition, the amount of imported materials changed with foreign imports representing 48.83% and 44.57% of our cost of materials consumed in Fiscal 2018 and Fiscal 2017, respectively.

Purchases of stock-in-trade

Our expenses for purchases of stock-in-trade decreased by 54.71% to ₹2,319.76 million in Fiscal 2018 from ₹5,121.91 million in Fiscal 2017. As a percentage of operating revenue, our expenses for purchases of stock-in-trade decreased to 15.63% in Fiscal 2018 from 33.08% in Fiscal 2017. This decrease was primarily due to a decrease in other trading business in Fiscal 2018 as well as lower ASCON, IT and APDRP purchases in Fiscal 2018, partially offset by higher GSM purchases in Fiscal 2018.

Changes in inventories of finished goods, work-in-progress and stock-in-trade

Our inventories of finished goods, work-in-progress and stock-in-trade increased to ₹117.65 million in Fiscal 2018 from (₹176.22 million) in Fiscal 2017. This change in inventories of finished goods, work-in-progress and stock-in-trade was primarily due to clearance of finished goods in Fiscal 2017.

Installation and maintenance charges

Our installation and maintenance charges decreased by 18.07% to ₹5,260.73 million in Fiscal 2018 from ₹6,420.79 million in Fiscal 2017. As a percentage of operating revenue our installation and maintenance charges decreased to 35.45% in Fiscal 2018 from 41.47% in Fiscal 2017. This decrease was primarily due to decrease in our sale of services in Fiscal 2018.

Employee Benefit Expenses

Our employee benefit expenses decreased by 25.05% to ₹2,255.04 million in Fiscal 2018 from ₹3,008.72 million in Fiscal 2017. As a percentage of operating revenue our employee benefit expenses decreased to 15.19% in Fiscal 2018 to 19.43% in Fiscal 2017. This decrease was primarily due to 21.26% decrease in salaries and wages to ₹1,582.88 million in Fiscal 2018 from ₹2,010.38 million in Fiscal 2017, which was mainly due to reduced employee strength in Fiscal 2018 and lower payments to our voluntary retirement scheme in Fiscal 2018. We had 3,576 employees at March 31, 2018 and 3,706 employees as at March 31, 2017. This decrease in employee expenses in Fiscal 2018 was partially offset by a 280.66% increase in contributions by our Company to the employees' provident fund and other funds to ₹478.75 million in Fiscal 2018 from ₹125.77 million in Fiscal 2017 which was attributable to increased contributions to the Gratuity Trust Fund and increase leave salary in Fiscal 2018.

Finance Costs

Our finance costs increased by 0.52% to ₹1,534.11 million in Fiscal 2018 from ₹1,526.15 million in Fiscal 2017 primarily due to marginally higher bank charges in Fiscal 2018.

Depreciation and Amortisation Expenses

Our depreciation and amortization expenses increased by 46.68% to ₹248.55 million in Fiscal 2018 from ₹169.45 million in Fiscal 2017 primarily due to the depreciation on additional fixed assets which includes plant and machinery.

Other Expenses

Our other expenses decreased by 23.35% to ₹940.24 million in Fiscal 2018 from ₹1,226.70 million in Fiscal 2017 primarily due to lower manufacturing and administrative expenses in Fiscal 2018 partially offset by higher selling expenses in Fiscal 2018. As a percentage of operating revenue our other expenses decreased to 6.34% in Fiscal 2018 from 7.92% in Fiscal 2017.

Our manufacturing expenses decreased by 29.14% to ₹604.14 million in Fiscal 2018 from ₹852.60 million in Fiscal 2017 primarily due to lower liquidated damages paid in respect of various turnkey projects in Fiscal 2018, lower excise duty in Fiscal 2018 and lower expenses for power and light and consumption of stores and spares in Fiscal 2018, partially offset by higher factory expenses and higher repairs and maintenance expenses in Fiscal 2018 to provide for infrastructure to house the machinery bought with GoI grants.

Our administrative expenses decreased by 13.16% to ₹314.81 million in Fiscal 2018 from ₹362.53 million in Fiscal 2017. In Fiscal 2017, we had one-time expenses for a ₹66.08 million claims and expenses charge off due to the failure of the GoI to compensate us for loss of the Srinagar unit (which had in the past had been paid by the GoI). In addition, in Fiscal 2017, we had a one-time ₹27.36 million provision for debtors/advance and a ₹14.97 million provision for obsolescence of raw material stores. In Fiscal 2018, we had a write-off for obsolete production stores. Not including these one-time expenses in Fiscal 2017 and Fiscal 2018, our administrative expenses increased by 10.65% in Fiscal 2018 primarily due to higher travel, transport, private security and office expenses.

Our selling expenses increased by 83.17% to ₹21.29 million in Fiscal 2018 from ₹11.59 million in Fiscal 2017 primarily due to higher forwarding expenses in Fiscal 2018 partially offset by lower warranty, advertisement, packing and forwarding expenses in Fiscal 2018.

Profit/(Loss) before tax

Our profit before tax decreased by 13.45% to ₹2,305.64 million in Fiscal 2018 from ₹2,663.91 million in Fiscal 2017 primarily due to our reduced other income from lower GoI grants utilized in Fiscal 2018 and lower revenue from operations in Fiscal 2018 partially offset by a reduction in our total expenses in Fiscal 2018.

Tax Expenses

We had no tax expenses in Fiscal 2018 and Fiscal 2017 on account of our losses before tax not considering the GoI grants utilized in each period.

Profit for the period

For the reasons discussed above, our profit for the fiscal year decreased by 13.45% to ₹2,305.64 million in Fiscal 2018 from ₹2,663.91 million in Fiscal 2017.

Other comprehensive income

In Fiscal 2018 and Fiscal 2017, our other comprehensive income consists of items that would not be reclassified to the profit and loss account including remeasurements of defined benefit plans and changes in fair value of equity instruments in India Satcom.

Our other comprehensive income decreased by 96.00% to ₹14.58 million in Fiscal 2018 from ₹364.65 million in Fiscal 2017. Remeasurements of defined benefit plans decreased 88.21% from ₹45.68 million in Fiscal 2018 to ₹387.30 million in Fiscal 2017 primarily due to the change in assumptions used by the actuary in its actuarial valuation report on gratuity, leave encashment, sick and earned leave. Changes in fair value of equity instruments in India Satcom were (₹31.10 million) in Fiscal 2018 and (₹22.65 million) in Fiscal 2017.

In Fiscal 2018 and Fiscal 2017, we did not have other comprehensive income that consisted of items that would be reclassified to the profit and loss account.

Total comprehensive income for the period

For the reasons discussed above, our total comprehensive income for the fiscal year decreased by 23.39% to ₹2,320.22 million in Fiscal 2018 from ₹3,028.55 million in Fiscal 2017.

Liquidity and Capital Resources

Our primary liquidity requirements have been, and will continue to be, for meeting our working capital requirements and repaying our borrowings.

We have met our liquidity needs primarily from the GoI grants disbursed to us as part of the Revival Plan, our borrowings in particular our working capital facility with consortium banks, GoI loans and to a lesser extent from our cash flows from operations. For further information on the GoI grants that we have received and will received in the future, see *"Management's Discussion and Analysis of Financial Condition and Results of Operations--Factors affecting our Financial Results—GoI Grants*" on page 284.

We expect to meet our working capital needs and liquidity requirements for the next 12 months from our cash flows and from our working capital.

Our business depends on our ability to successfully obtain payment from our customers of the amounts they owe us for work performed in accordance to the terms and conditions of the contract and the agreed payment schedule. For Fiscal 2019, Fiscal 2018 and Fiscal 2017, our average debtor cycle based on our revenue from operations was 581 days, 757 days and 518 days, respectively, and our average debtor cycle based on net revenues was 581 days,786 days and 518 days, respectively. As indicated in the average debtor cycle based on the net revenue, data of the last three (3) years trade receivables have been decreasing since Fiscal 2016, except for an increase in the number of days from 518 days in Fiscal 2017 to 786 days in Fiscal 2018. This increase in number of days is attributed to revenue bookings of ₹9,641.80 million in fourth quarter ended March 31, 2018, for which payment was not received in the same quarter. In the six months ended September 30, 2019, our average debtor cycle based on our revenue from operations was 836 days and our average debtor cycle based on net revenues was 839 days. The reason for increase in number of days of our debtor cycle for the six months ended September 30, 2019 is due to our lower revenue in the first half of the Fiscal 2020. The debtor cycle as on September 30, 2019 is 185 days after adjusting back-to-back debtors of ₹10,958.90 million and advances received from customers of ₹6,590.13 million during the period.

As at March 31, 2019, our trade receivables including bills discounting were ₹26,574 million representing 159.30% of our revenue from operations for the respective prior twelve-month periods.

Payments from Government Customers are often delayed for various reasons beyond our reasonable control and these irregular payment cycles may affect our working capital requirements and projections and in turn may adversely affect our business, results of operations and financial condition.

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.

(₹ millions)

Cash Flows	Half Year Fiscal 2020	Fiscal 2019	Fiscal 2018	Fiscal 2017
Net cash generated / (used in) operating activities	(2,034.71)	238.36	(1,094.44)	(3,474.45)
Net cash generated / (used in) investing activities	(414.02)	(1,259.68)	(958.41)	(750.75)
Net cash generated / (used in) financing activities	2845.28	(190.87)	3,637.22	4,676.39
Net increase / (decrease) in cash and cash equivalents	396.55	(1,212.20)	1,584.37	451.19
Cash and cash equivalents at the beginning of the year	2,035.29	3,247.49	1,663.11	1,211.92
Cash and cash equivalents at the end of the year /	**2,431.84**	**2,035.29**	**3,247.49**	**1,663.11**

Net Cash used in Operating Activities

Half Year Fiscal 2020

Net cash used in operating activities of (₹2,034.71 million) in the Half Year Fiscal 2020 primarily consisted of (a) net profit before tax of (₹544.03 million), (b) a net downward adjustment for an operating cash loss of ₹880.23 million, which included a downward adjustment of (₹41.70 million) for a transfer from grant-in-aid and a downward adjustment of ₹nil million for profit on sale of asset, partially offset by upward adjustments for finance charges, depreciation, other comprehensive income – actuarial gain and non-cash expenditure, and (c) a downward adjustment on account of working capital changes of (₹2,370.90 million) primarily relating to downward adjustment for trade and other receivables offset by trade payables.

Fiscal 2019

Net cash used in operating activities of ₹238.36 million in Fiscal 2019 primarily consisted of (a) net profit before tax of ₹925.38 million, (b) a net downward adjustment for an operating cash loss of ₹2,764.87 million, which included a downward adjustment of (₹6.25 million) for a transfer from grant-in-aid and a downward adjustment of ₹nil million for profit on sale of asset, partially offset by upward adjustments for finance charges, depreciation, other comprehensive income – actuarial gain and non-cash expenditure, and (c) a downward adjustment on account of working capital changes of (₹3,451.89 million) primarily relating to downward adjustment for trade and other receivables offset by trade payables.

Fiscal 2018

Net cash used in operating activities of (₹1,094.44 million) in Fiscal 2018 primarily consisted of (a) net profit before tax of ₹2.305.64 million, (b) a net downward adjustment for an operating cash loss of (₹442.95 million), which included a downward adjustment of (₹1,367.83 million) for a transfer from grant-in-aid and a downward adjustment of (₹921.15 million) for profit on sale of asset, partially offset by upward adjustments for finance charges, depreciation, other comprehensive income – actuarial gain and non-cash expenditure, and (c) a downward adjustment on account of working capital changes of (₹2,957.14 million) primarily relating to downward adjustment for trade and other receivables offset by trade payables.

Fiscal 2017

Net cash used in operating activities of (₹3,474.45 million) in Fiscal 2017 primarily consisted of (a) net profit before tax of ₹2,663.91 million, (b) a net downward adjustment for an operating cash loss of (₹1,672.68 million), which included a downward adjustment of (₹3,796.56 million) for a transfer from grant-in-aid and a downward adjustment of (₹10.00 million) for interest and dividends received, partially offset by upward adjustments for depreciation, finance charges, other comprehensive income – actuarial gain and non-cash expenditure, and (c) a downward adjustment on account of working capital changes of (₹4,465.68 million) primarily relating to a downward adjustment for trade payables and inventories offset by trade and other receivables.

Net Cash used in Investing Activities

Half Year Fiscal 2020

Net cash used in investing activities of (₹414.02 million) in the Half Year Fiscal 2020 was primarily attributable to (a) capital work-in-progress of (₹489.37 million) offset by (b) investments of ₹8.04 million and interest received of ₹67.30 million.

Fiscal 2019

Net cash used in investing activities of (₹1259.68 million) in Fiscal 2019 was primarily attributable to (a) capital work-in-progress of (₹1278.17 million) offset by (b) investments (₹20.88 million) and interest received ₹39.37 million.

Fiscal 2018

Net cash used in investing activities of (₹958.41 million) in Fiscal 2018 was primarily attributable to (a) capital work-in-progress of (₹1,895.54 million) offset by (b) sale of fixed assets of ₹921.15 million and interest received of ₹15.98 million.

Fiscal 2017

Net cash used in investing activities of (₹750.76 million) in Fiscal 2017 was primarily attributable to (a) capital work-in-progress of (₹760.75 million) offset by (b) interest received of ₹10.00 million.

Net Cash from Financing Activities

Half Year Fiscal 2020

Net cash from financing activities of ₹2,845.28 million in the Half Year Fiscal 2020 was primarily attributable to (a) proceeds from short term borrowings of (₹609.98 million), (b) share application money of ₹1,050 million and (c) grant-in-aid received of ₹3,093 million offset by (e) (₹687.74 million) in financing expenses.

Fiscal 2019

Net cash from financing activities of (₹190.87 million) in Fiscal 2019 was primarily attributable to (a) proceeds from short term borrowings of ₹323.84 million and (b) share application money of ₹550 million offset by (c) (₹1,064.71 million) in financing expenses.

Fiscal 2018

Net cash from financing activities of ₹3,637.22 million in Fiscal 2018 was primarily attributable to (a) proceeds from short term borrowings of ₹471.53 million, (b) share application money of ₹1,370.00 million, (c) issue of share capital of ₹2,000.00 million and (d) grant-in-aid received of ₹1,329.80 million offset by (e) (₹1,534.11 million) in financing expenses.

Fiscal 2017

Net cash from financing activities of ₹4,676.39 million in Fiscal 2017 was primarily attributable to (a) proceeds from short term borrowings of ₹402.54 million, (b) issue of share capital of ₹800.00 million and (c) grant-in-aid received of ₹5,000.00 million offset by (e) (₹1,526.15 million) in financing expenses.

Borrowings

The following table shows our outstanding borrowings as at September 30, 2019 and December 31, 2019.

(₹ millions)

Particulars	Sanctioned amount (1)	Outstanding amount as at September 30, 2019	Outstanding amount as at December 31, 2019
Unsecured Facilities			
Loan from Government of India(2)	3,000.00	3,000.00	3,000.00
Secured Facilities			
Short Term Credit Facilities			
Fund Based			
Cash Credit under working capital facilities	9,020.00	9,468.10	9,348.74
Interchangeability between letters of credit to cash credit	1,500.00		
Sub Total (A)	**13,520.00**	**12,468.10**	**12,348.74**
Non-Fund Based			
Bank Guarantees	16,983.40	9,766.50	8,560.30
Letters of Credit	5,250.00	460.80	1,223.56
Interchangeability between letters of credit to cash credit	-1,500.00	0.00	0.00
Currency Exposure Limits (sub limit of Letter of Credit)	25.00	0.00	0.00
Sub Total (B)	**20,758.40**	**10,237.30**	**9,783.86**

Particulars	Sanctioned amount (1)	Outstanding amount as at September 30, 2019	Outstanding amount as at December 31, 2019
Total (A+B)	**34,278.40**	**22,695.40**	**22,132.60**

(1) The sanctioned amount reflects the amount sanctioned by the consortium of lenders.
(2) Loans from the Government shall be repayable in five years i.e. Fiscal 2020 to Fiscal 2025

For further details of our borrowings (including principal terms) as at December 31, 2019, see "*Financial Indebtedness*" on page 309.

Our Company has obtained a working capital facility from a consortium of banks comprising of State Bank of India, Bank of Baroda, Central Bank of India, Punjab National Bank, Development Credit Bank Limited, IndusInd Bank Limited, UTI Bank Limited, Indian Bank and Canara Bank that entered into a working capital consortium agreement dated March 20, 2002. The total sanctioned amount under the facility is ₹10,520 million.

Canara Bank has sanctioned a facility of ₹4,253.40 million towards the MahaNet project.

Bank guarantees are performance bank guarantees given by our Company to customers including the Ministry of Defence (ASCON Project) Maharashtra Information Technology Corporation Ltd., Bharat Net Project-Maharashtra, Gujarat Fibre Grid Network Ltd., Bharat Net Project-Gujarat, BBNL, Wi-Fi Project-Extn. of Bharat Net Project, BSNL, MTNL, and others as guarantees against performance which are as per the terms and conditions of purchase orders and agreements with the customers. As at December 31 2019, there has been no instances of presentation of performance bank guarantee for payment by any customer.

Letters of credit are surety for the payment for various vendors which are required to be paid as per the terms and conditions of purchase orders given to vendors. Letters of credit in foreign currency are converted in to rupees as per the prevailing rates for various currency as on March 31st for a particular fiscal year.

Interest Coverage

Our interest coverage ratio (equal to the total of restated profit for the year before tax, depreciation and amortization expense and finance costs (excluding bank charges) divided by finance costs) as at September 30, 2019, March 31, 2019, March 31, 2018 and March 31, 2017 is set forth in the table below.

Particulars	As at September 2019	As at March 31, 2019	As at March 31, 2018	As at March 31 2017
Interest Coverage Ratio (1)	0.47	2.32	2.85	3.02

(1) Excluding bank charges

Preference Shares

We issued 20 million 7% redeemable cumulative preference shares of ₹100 each ("7% Preference Shares") to BSNL and 10 million 8.75% redeemable cumulative preference shares of ₹100 each ("8.75% Preference Shares") to MTNL, aggregating to ₹3,000 million. The 7% Preference Shares and the 8.75% Preference Shares were redeemable at par in equal instalments in full since March 2006 for BSNL and since March 2005 for MTNL, respectively.

We received ₹3,000.00 million as a grant from the GoI on August 29, 2019 towards redemption of the 7% Preference Shares and the 8.75% Preference Shares.

The 7% Preference Shares were redeemed on September 6, 2019 out of which ₹1,500.00 million was paid in three tranches on September 25, 2019, September 30, 2019 and November 12, 2019. As of the date of this RHP, a balance ₹500 million is outstanding to BSNL.

The 8.75% Preference Shares were redeemed on September 5, 2019 and ₹1,000.00 million was paid to MTNL with no amounts outstanding.

Our Company has arrears for payment of dividend which would paid in preference to our Company's equity shareholders.

Capital Expenditures and Capital Investments

Historical Capital Expenditures

The following table shows our capital expenditures for each of the periods indicated.

(₹ millions)

Capital Expenditures	Fiscal 2019	Fiscal 2018	Fiscal 2017
Tangible Assets			
Building	29.40	110.71	32.85
Plant and Machinery	1,043.22	1,243.66	498.86
Other equipment	40.99	51.66	112.24
Office Machinery and Other Equipment	4.87	1.63	15.31
Furniture, Fixtures and Fittings	1.05	0.14	0.01
Vehicle	1.26	10.76	0.07

In Fiscal 2019, we incurred capital expenditures for capitalization of ₹1,276.34 million of additions in fixed assets, capital work-in-progress and capital advances.

In Fiscal 2018, we incurred capital expenditures for capitalization of ₹1,895.54 million of additions in fixed assets, capital work-in-progress and capital advances.

In Fiscal 2017, we incurred capital expenditures for capitalization of ₹758.44million of additions in fixed assets, capital work-in-progress and capital advances.

Planned Capital Expenditure

We expect to incur capital expenditure for tangible assets of ₹1,490.00 million in Fiscal 2020. In the First Half Fiscal 2020, we incurred capital expenditures for capitalization of ₹489.37 million of additions in fixed assets, capital work-in-progress and capital advances.

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.

Contingent Liabilities

The total of our contingent liabilities that have not been provided for as at September 30, 2019, March 31, 2019 and March 31, 2018 were ₹10,965.93 million, ₹15,998.52 million and ₹12,707.29 million, respectively, details of which are set forth in the table below. March 31, 2018 figures have been regrouped.

(₹millions)

Particulars	As at September 31, 2019	As at March 31, 2019	As at March 31, 2018
Contingent Liabilities			
Outstanding letters of credit and guarantees	6,640.10	10,927.65	7362.32
Sales Tax demand /Service Tax/Income Tax	1,429.46	1,500.29	1527.21
Non-receipt of C/D forms	1,992.90	2,811.84	3,032.94
Excise Duty Demand/CENVAT Disallowance	143.42	233.41	256.97
ESI demand	-	-	-
Demand of interest & penalty by KVAT	-	22.60	22.60
Claims against the Company not acknowledged as debts	760.05	502.73	505.25
Unexpired Guarantees			
Total of Contingent Liabilities	10,965.93	15,998.52	12,707.29

For details of our contingent liabilities, see *"Note 31 – Details of Contingent Liabilities and Commitments"* in *"Financial Information – Notes to Restated Consolidated Financial Statements for the periods ended September 30, 2019, March 31, 2019, 2018, 2017, 2016 and 2015"* on page 222.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, derivative instruments or other relationships with unconsolidated entities that would have been established for the purpose of facilitating off-balance sheet arrangements.

Qualitative Disclosure about Market Risks

Market risk is the risk of loss of future earnings, to fair values or to future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the foreign currency exchange rates, interest rates, and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and payables.

Related Party Transactions

Except as described in the section *"Related Party Transactions"* on page 177. Our Group Company does not have any business with or other interests in our Company.

Seasonality

We do not believe our business to be seasonal. However, because a portion of our revenue is generated from large projects, our results of operations can fluctuate from quarter to quarter and year to year depending on whether and when project awards occur and the commencement and progress of work under awarded contracts.

Known Trends or Uncertainties

Our business has been impacted, and we expect will continue to be impacted, by the trends identified above in "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors affecting our Results of Operation and Financial Condition*" on page 284 and the uncertainties described in the section "*Risk Factors*" on page 14.

New Product Segments or Business Segments

Other than as described in this Red Herring Prospectus, we have not operated in any new product segments or business segments.

Unusual or Infrequent Events or Transactions

Except as described in this Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which, in our judgement would be considered "unusual" or "infrequent", or any unusual changes of income, changes in accounting policies and discretionary reduction of expenses that have taken place in the last three fiscal years.

Significant Economic Changes that Materially Affected or are Likely to Affect Income from Continuing Operations

Except as described in this Red Herring Prospectus, there have been no significant economic changes that have taken place in the last three fiscal years that have materially affected or are likely to affect income from operations.

Significant Developments after September 30, 2019 that may affect our Future Results of Operations

Except as disclosed in this Red Herring Prospectus, to our knowledge, there is no subsequent development after the date of our Restated Financial Statements contained in this Red Herring Prospectus, which materially and adversely affect or are likely to affect the trading of our Company's Equity Shares, our profitability, the value of our assets, or our ability to pay our liabilities within the next twelve months.

Summary of Qualifications, Emphasis of Matters and Observations in our Statutory Auditor's Reports

Set forth below are summaries of the qualifications and matters of emphasis in the statutory auditors' reports on our audited standalone financial statements and our audited consolidated financial statements as at and for First Half Fiscal 2020 and for Fiscal 2019, Fiscal 2018, Fiscal 2017, Fiscal 2016 and Fiscal 2015, and our Company's responses thereto.

Qualification and Matters of Emphasis	Steps taken or to be taken by our Corporation (or Joint Venture) to address the Matter
Pending approval from the GoI on the finalization of the lease terms and agreement, rental income on the land leased out to the Bangalore Metropolitan Transport Corporation ("BMTC") (to an extent of the 12.15 acres proposed to be leased out to BMTC is already in the possession of BMTC, further based on the information furnished to us, BMTC additionally occupies 1.85 acres), has not been recognised as income. A sum of ₹28.50 million received earlier from the BMTC under an agreement to sell is held under deposits.	The case has been referred to DoT to get approval for leasing the property to BMTC, which is yet to be finalized.

Qualification and Matters of Emphasis	Steps taken or to be taken by our Corporation (or Joint Venture) to address the Matter
Rental income on the land leased out to the Karnataka Power Transmission Corporation Limited ("KPTC") (to an extent of the 5 acres proposed to be leased out to KPTC is already in the possession of KPTC), has not been recognised as income pending finalisation of lease agreement.	Efforts are being made by our Company regarding the settlement of KPTC land issues at the earliest.
Non provision of ₹584.79 million towards claims doubtful of recovery, being rent receivable from on a premises leased out to C-DOT up to the period ended March 31, 2011 and no rental income for the period subsequent to March 31, 2011 for the same premises has been recognised on accrual basis due to uncertainty of realization	The company has been rigorously following on with the DoT for resolving the pending issue of the rent due from C-DoT. Subsequently, DoT has informed our Company to present the subject matter to our Board for perusal for the further course of action. Our Company is of the view that provision for ₹584.79 million at this juncture is not required until the issue is finally settled.
As on September, 30 2019 (i) The Company has not identified the suppliers of micro, small and medium enterprises, and the auditors have been informed that in view of the units located geographical at different places, the same shall be identified at the end of the financial year. Accordingly, provision for interest for the delayed payment, if any, has not been made in the accounts, as the same is not ascertainable for the period under review. (ii) Balances in the accounts of trade payables, advances from customers, trade receivables, claims recoverable, loans & advances, sub-contractors/others, deposits, loans and other payables/receivables such as GST, Sales Tax, VAT, Excise Duty, CENVAT, Service Tax, Income Tax, GST, TDS, etc., being under confirmation/reconciliation. Adjustments, if any will be made on completion of such reconciliation /receipt of confirmation and we are unable to comment on the impact of the same on the accounts of the Company	In view of the Geographical locations at different places, our Company will identify the MSME at the end of the financial year, accordingly, provision for interest for delayed payments, if any will be provided. As far as TDS, GST and other statutory duties are being deducted and remitted to the statutory bodies regularly and in time. All business units are sending the confirmation letters to our customers for verification.

Observations of the Comptroller and Auditor General of India

As we are a government company, as defined under the Companies Act, the Statutory Auditors have been appointed by the CAG under Section 139(5) of the Companies Act. While the Statutory Auditors are responsible for expressing opinion on the financial statements under Section 143 of the Companies Act, a supplementary audit maybe carried out on our financial statements by the CAG, and the CAG may comment upon or supplement the audit report issued by the Statutory Auditors. The CAG has made certain observations on our audited standalone financial statements and our audited consolidated financial statements as at, and for, the financial year ended March 31, 2019, on which our on which our restated financial statements as at, and for the financial year ended, March 31, 2019 are based.

Set forth below are summaries of the principal observations of the CAG on our audited standalone financial statements and our audited consolidated financial statements as at, and for the financial year ended, March 31, 2019. We have responded to the CAG's observations vide letter dated November 27, 2019, and our responses are summarized below. For further details, see "*Risk Factors - The Comptroller and Auditor General of India has made observations on the consolidated audited financial statements and standalone audited financial statements as at, and for, the financial year ended March 31, 2019.* "

Observations of the CAG	Response of the Company
Liabilities Non-current liabilities - Others (Note 15) ₹703.34 million Non-current liabilities – other were understated by ₹135.62 million due to non-inclusion of interest on a loan from GoI. The Company has considered the loan from GoI as Grant-in-Aid revenue without receiving any response from the GoI to its proposal. This also has resulted in understatement of cost of finance and overstatement of profits by the same amount.	 As per order of the DoT, the loan received from the DoT was repayable in 5 years after the Company starts earning profits with a moratorium period of two years with interest of 1% per annum. The Company was making provision for interest payments from Fiscal 2015 onwards. However, in Fiscal 2018 and Fiscal 2019, the Company made net profit without Grant-in-Aid of ₹980 million and ₹930 million, respectively, as per IND AS. The moratorium period of two years ends on March 31, 2019. The loan repayments start in Fiscal 2020 onwards along with 1% per annum interest. Accordingly, the provision of interest made during previous financial years was reversed in Fiscal 2019. Our Company has also asked the CAG to drop this query.

Observations of the CAG	Response of the Company
Statement of Profit and Loss Account – Expenses - ***Depreciation and amortisation expenses (Note 29) ₹370.92 million*** Depreciation and amortisation expenses were understated by ₹17.96 million due to the wrong classification of data processing assets (having a useful life of 6 years) as plant and machinery (having a useful life of 15 years). This also has resulted in an overstatement of profit by the same amount.	The useful life of the assets mentioned in the comment "computers and data processing units" (servers and network) is 6 years under Schedule II of the Companies Act, 2013 and the classification of such asset is in order. Further, in light of this, our Company has asked the CAG to drop this query.
General Comment ***Non-reconciliation of receivables and payables between our Company and BSNL*** Our Company showed ₹290 million as trade receivables from BSNL as on March 31, 2019 whereas as per the books of BSNL, no amount is payable to our Company as on that date. Instead, it is showing ₹4.21 million as receivables from our Company. Hence there is non-reconciliation between the accounts of our Company and BSNL.	Our Company provided details of ₹15,460 millions circle wise receivables from BSNL to P&T audit on October 1, 2019 and basis the P&T audit meeting held on October 1, 2019 it was decided that the records of BSNL shall be pursued based on the details provided by our Company. Further, our Company has also asked the CAG to drop this query.
Non-Performance of duties by its statutory auditor The Company's Statutory Auditor failed to carry out the audit of all the Company's regional offices as required under the terms of appointment. The Statutory Auditor has instead relied upon the unaudited financial statements furnished by the Company's management in respect of the six regional offices. The Statutory Auditor was able to provide sufficient documentation in respect of Chennai and Bengaluru regional offices only. The details provided in respect of other regional offices left unaudited do not provide sufficient assurance. Thus, he failed to carry out the responsibilities entrusted to him in terms of his appointment under Section 139 of the Companies Act 2013 for Fiscal 2019.	Our Statutory Auditors conducted the audit as at, and for, the financial year ended March 31, 2019 of our Bangalore Plant, Network Systems (NS) Unit, Corporate Office, and consolidation of accounts. The reports from our branch auditors of the units viz., Rae Bareli, Naini, Mankapur and Srinagar were considered in finalizing the accounts. As regards, the eight regional offices, we confirmed to the CAG that there are well placed internal controls and internal audit at regional offices and the financial statements are thoroughly checked at both regional and corporate level. Our Statutory Auditors have audited the accounts of two regional offices viz., Chennai and Bangalore. As regards the other six regional offices, viz., Hyderabad, Delhi, Lucknow, Mumbai, Kolkata and Bhubaneswar, the financial statements were scrutinized by our Statutory Auditors by verifying the high value sales and purchase transactions, review of major heads of accounts, bank reconciliation, statutory compliances, and contingent liabilities. Our Statutory Auditor's observations were discussed with our management and deliberated in our Audit Committee, before the Statutory Auditor's finalized its report. We confirmed to the CAG that the assurance level of the reliability and accuracy of the financial statements of our six regional offices as certified by our management is sufficient and reliable. With respect to the accounts of regional offices this practice of reliance on the annual financial statements certified by the management has been consistently followed by our Statutory Auditors in the earlier financial years. Our Company's management is of the opinion that, the Statutory Auditors have performed their duties with reference to the audit of the Company's regional offices for Fiscal 2019. Our Company also has undertaken to the CAG that for Fiscal 2020 onwards, our Statutory Auditors will be instructed to audit the accounts of all the regional offices before finalizing its reports on our financial statements.

FINANCIAL INDEBTEDNESS

Our Company has availed loans in the ordinary course of business for working capital purposes. 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.

Set forth below is a brief summary of the outstanding borrowings of our Company, as at December 31, 2019, as certified by our Statutory Auditors, pursuant to a certificate dated January 13, 2020:

(₹ in million)

Particulars	Sanctioned amount	Outstanding amount (as on) December 31, 2019
Unsecured Facilities		
Loan from Government of India[(1)]	3,000.00	3,000.00
Secured Facilities		
Short Term Credit Facilities		
Fund Based		
Cash Credit[(2)]	9,020.00	9,348.74
*Interchangeability between LC and CC^^*	1,500.00	
Sub Total (A)	**13,520.00**	12,348.74
Non-Fund Based		
Bank Guarantee[#]	16,983.40	8,560.30[(4)]
Letter of Credit [(3) #]	5,250.00	1,223.56[(5)]
*Interchangeability between LC and CC^^*	(1,500.00)	
Currency Exposure Limits (Sub limit of NFB)	25.00	0
Sub Total (B)	**20,758.40**	**9,783.86**
Grand Total (A)+(B)	**34,278.40**	**22,132.60**

(1) Interest loan is 1% p.a. Further, this loan shall be repayable in five years i.e. Fiscal 2020 to Fiscal 2025.
(2)Our Company has obtained working capital facilities from a consortium of banks comprising of State Bank of India, Bank of Baroda, Canara Bank, Central Bank of India, Punjab National Bank, Indian Bank, DCB Bank, Indusind Bank and Axis Bank that entered into a working capital consortium agreement dated March 20, 2002. The total consortium limit sanctioned under the facility is ₹10,520 million, out of which, our Company has availed ₹9,020 as on December 31, 2019. The interest rate is typically the applicable base rate i.e. MCLR of the specified lender with an additional margin as may be specified by the lender under the loan documentation. The interest rate varies from 10.65 % p.a. to 11.30 % p.a. for 95% of the working capital borrowed by our Company. For rest of the 5% borrowing, interest rate varies from 13.20 % per annum to 14.40 % per annum. Further, Canara Bank has sanctioned fresh BG limit of ₹4253.40 million on December 27, 2018 towards MahaNet Project (BharatNet Phase-II Project in the state of Maharashtra).
(3) Bank guarantees are performance bank guarantees given by our Company to our customers including, inter alia, the Ministry of Defence in relation to the ASCON Projects, Maharashtra Information Technology Corporation Limited for the BharatNet Project-Maharashtra, Gujarat Fibre Grid Network Limited for the BharatNet Project-Gujarat, BBNL, BSNL, MTNL as guarantee against performance in accordance with the terms and conditions of the purchase orders and respective agreements with them. As at December 31, 2019, there has been no instances of presentation of performance bank guarantee for payment by any customer.
(4) This includes ₹45.25 million additional bank Guarantees issued against back-to-back arrangement. In such cases, our vendor will provide a bank guarantee in favour of one of our bankers, who in turn, will provide a bank guarantee in favour of our customer.
(5) This includes a ₹695.52 million letter of credit issued against a fixed deposit of our Company.

#50% to 100% interchangeability from non-fund-based letter of credit to non-fund-based bank guarantee limits.
^^ Interchangeability from letter of credit to cash credit limits of ₹1,500.00 million.

Principal terms of the borrowings availed by our Company

1. ***Interest:*** In terms of the short term facilities availed by us, the interest rate is a floating rate charged at a margin above the MCLR, calculated on daily products at monthly rests. The lenders charge issuance charges for opening bank guarantees and letter of credit.

2. ***Tenor:*** The short term facilities are being availed by our Company for a period of 12 months from the date of the sanction letter, which are renewed on a yearly basis, subject to review on an annual basis. These short term facilities are repayable on demand.

3. ***Security:*** In terms of our short term facilities where security needs to be created, we are required to:

    a) Create *pari passu* first charge on moveable and immovable fixed assets of our Company with other consortium lenders;

    b) Create a *pari passu* first charge by way of hypothecation on other fixed assets of our Company;

    c) Create a *pari passu* first charge by way of hypothecation all the current assets of our Company including stocks and receivables with existing consortium bankers; and

    d) English mortgage for land and building of certain of our Company's properties.

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. ***Pre-payment:*** Our Company may prepay part or full amount upon payment of pre-payment penalty of 2.00% of the pre-paid amount, in accordance with the terms and conditions agreed upon with the lender. However, no pre-payment penalty will be payable in case (i) payment has been made out of cash sweep/ insurance proceeds; (ii) payment has been made at the instance of the lenders; (iii) loan is prepaid out of higher cash accruals from the project/ refinancing under 5/25 on the date of refinancing or equity infusion by promoters.

5. ***Re-payment:*** The short term facilities availed by our Company are repayable on demand.

6. ***Events of Default:*** Borrowing arrangements entered into by us contain standard events of default, including:

    a) Effect any drastic change in their management setup without prior consent; ;

    b) Change in capital structure of the Company without prior consent;

    c) Deterioration in the loan accounts in any manner;

    d) Default in repayment or cross-default;

    Violation of any term of the relevant agreement or any other borrowing agreement; and

    e) Utilization of funds for purposes other than the sanctioned purpose.

7. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including:

    a) Effecting any change in our Company's capital structure without prior permission of the lender;

    b) Entering into borrowing arrangements either secured or unsecured with any other bank, financial institution, company or person without prior permission of the lender;

    c) Effecting any change in the remuneration payable to directors either in the form of sitting fees or otherwise without prior permission of the lender;

    d) Formation of any scheme of amalgamation or reconstruction or merger or demerger without prior notice of sixty days of the lender;

    e) Declaring dividends for any year out of the profits relating to that year or of the previous years, subject to our Company meeting its repayment obligations without prior notice of sixty days of the lender;

    f) Selling, assigning, mortgaging or otherwise disposing any of the fixed assets charged to the lender without prior notice of sixty days of the lender;

    g) Right of the lender to suspend, terminate or recall the existing credit facilities at the discretion of the lender; and

    h) Investing in the share capital of or lending an advance to any company, without prior lender approval; and

    i) Right to appoint a nominee director.

The details of events of default and restrictive covenants provided above are indicative and there may be additional terms that may amount to an event of default and/ or constitute a restrictive covenant under the various borrowing arrangements entered into by us. For details, see "*Risk Factors - Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions.*" on page 24.

STOCK MARKET DATA FOR EQUITY SHARES OF OUR COMPANY

Our Equity Shares are listed on the Stock Exchanges. As our Equity Shares are actively traded on the Stock Exchanges, the Company's stock market data have been given separately for each of these Stock Exchanges, which is based on the closing prices on each of the Stock Exchanges.

(i) The following table set forth the reported high, low and average market prices and trading volumes of Equity Shares recorded on the dates on which such high and low prices were recorded and the total trading volumes for Fiscal Years ended March 31, 2019, March 31, 2018 and March 31, 2017.

BSE

BSE							
Fiscal Year	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Low (₹)**	**Date of Low**	**Number of Equity Shares traded on the date of low**	**Average price for the year/period (*) (₹)**
2019							
January 11 2019 to March 29, 2019	116.80	January 17, 2019	1,737,675	88.55	February 06, 2019	239,451	96.28
December 17, 2018 – January 10, 2019	98.35	December 17, 2018	356,727	88.55	December 26, 2018	144,389	92.75
2018							
November 30, 2018 – December 14, 2018	97.35	November 30, 2018	449,845	83.60	December 10, 2018	361,687	91.50
April 01, 2018 – November 29, 2018	137.90	April 12, 2018	985,458	69.40	October 09, 2018	68,089	95.01
January 5, 2018 - March 31, 2018	143.00	January 8, 2018	277,427	95.10	February 6, 2018	89,770	119.54
April 3, 2017 - January 4 2018	164.90	October 26, 2017	904,893	68.65	April 6, 2017	262,380	112.47
2017							
Jan 02, 2017 - March 31, 2017	75.40	March 24, 2017	1,981,888	40.45	February 27, 2017	257,083	50.78
April 1, 2016 – December 30, 2016	54.45	December 13,2016	7,29,877	24.00	April 05, 2016	10, 185	30.08

Source: www.bseindia.com
** Arithmetic average of closing prices of all trading days during the said period*

NSE

NSE							
Fiscal Year	**High (₹)**	**Date of High**	**Number of Equity Shares traded on the date of high**	**Low (₹)**	**Date of Low**	**Number of Equity Shares traded on the date of low**	**Average price for the year (*) (₹)**
2019							
January 11 2019 to March 29, 2019	116.70	January 17, 2019	12,480,011	88.40	February 06, 2019	906,735	96.32
December 17, 2018 – January 10, 2019	98.70	December 17, 2018	2,714,901	88.30	December 26, 2018	720,770	92.74
2018							
November 30, 2018 – December 14, 2018	97.40	December 30 2018	2,395,273	83.55	December 10, 2018	2,640,963	91.46
April 01, 2018 – November 29, 2018	137.80	April 12, 2018	4,708,600	69.10	October 9, 2018	515,189	95.08
January 5, 2018 - March 31, 2018	142.95	January 8, 2018	817,717	96.10	February 6, 2018	707,407	119.66
April 3, 2017 - January, 4 2018	164.90	October 26, 2017	3,544,779	68.70	April 6, 2017	840,774	112.54
2017							
January 2 2017 - March 31, 2017	75.40	March 24, 2017	8,069,710	40.35	February 27, 2017	1,190,033	50.89
April 1, 2016 to December 30, 2016	54.35	December 13, 2016	2,311,272	23.90	April 5, 2016	53,252	30.08

Source: www.nseindia.com
** Arithmetic average of closing prices of all trading days during the said period*

Notes:

1. *Fiscal 2019 has been split into two periods (a) December 17, 2018 to January 10, 2019 due to allotment of 100,000,000 equity shares as preferential allotment to President of India; which commenced trading on January 11, 2019. (b) January 11, 2019 to March 29, 2019 post commencement of trading*

2. *Fiscal 2018 has been split into four periods: (a) April 3, 2017 to January 4, 2018 (April 1, 2018 & April 2, 2018 were Saturday and Sunday, respectively). (b) January 5, 2018 to March 31, 2018 due to allotment of 8,000,000 equity shares as preferential allotment to President of India; which commenced trading on the Stock Exchanges on January 5, 2018 (c) April 01, 2018 to November 29,2018 due to allotment of 100,000,000 equity shares as preferential allotment to President of India; which commenced trading on the Stock Exchange on November 30, 2018 (d) November 30, 2018 to December 14, 2018 due to allotment of 100,000,000 equity shares as preferential allotment to President of India; which commenced trading on the Stock Exchange on December 17, 2018*

3. *Fiscal 2017 has been split into two periods: (a) April 1, 2016 to December 30, 2016 (December 31, 2016 and January 1, 2017 were Saturday and Sunday, respectively). (b) January 2, 2017 to March 31, 2017 due to allotment of 192,000,000 equity shares as preferential allotment to the President of India; which commenced trading on the Stock Exchanges on January 2, 2017.*

4. *High, low and average prices are based on the daily high, low and closing prices respectively.*

5. *In the event that the high or low price for a given period is observed for more than one day, the day when maximum trading took place has been considered*

(ii) The details relating to the high and low prices recorded on the stock exchanges for the six months preceding the date of filing of this Red Herring Prospectus, the volume of Equity Shares traded on the days the high and low prices were recorded, average price of our Equity Shares during each such month, the volume of Equity Shares traded during each month and the average number of Equity Shares traded during such trading days, are stated below:

BSE

Month	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Low (₹)	Date of Low	Number of Equity Shares traded on the date of low	Average Price for the month (*) (₹)	Volume (No. of Shares)	No. of Trading Days	Average no. of shares traded during trading days
Dec, 2019	97.45	December 24, 2019	190,627	83.25	December 11, 2019	87,258	90.62	2,831,029	20	141,551
Nov, 2019	96.00	November 29, 2019	426,324	85.20	November 08, 2019	64,887	88.38	2,540,593	20	127,030
Oct, 2019	100.95	October 30, 2019	999,533	78.85	October 3, 2019	162,931	83.56	3,014,374	20	150,719
Sept, 2019	87.50	September 23,2019	371,218	66.80	September 04, 2019	50,135	78.39	3,263,065	18	181,281
Aug, 2019	83.50	August 07, 2019	165,075	56.15	August 23, 2019	165,573	71.14	1,998,187	20	99,909
July, 2019	98.95	July 04, 2019	311,893	74.40	July 31, 2019	64,052	86.54	2,267,494	23	98,587

Source: www.bseindia.com
** Arithmetic average of closing prices of all trading days during the said period*

NSE

Month	High (₹)	Date of High	Number of Equity Shares traded on the date of high	Low (₹)	Date of Low	Number of Equity Shares traded on the date of low	Average Price for the month (*) (₹)	Volume No. of Shares	No. of Trading Days	Average no. of shares traded during trading days*
Dec, 2019	97.50	December 24, 2019	2,439,294	83.20	December 11, 2019	975,425	91.09	22,706,200	21	1,081,248
Nov, 2019	96.00	November 29, 2019	3,921,325	85.15	November 08, 2019	546,986	88.42	21,216,059	20	1,060,803
Oct, 2019	100.95	October 30, 2019	8,742,346	78.50	October 3, 2019	1,649,321	83.59	26,839,968	20	1,341,998
Sept, 2019	87.30	September 2019	1,980,527	66.60	September 4, 2019	334,109	78.41	22,363,077	19	1,177,004
Aug, 2019	83.50	August 07,2019	1,434,774	56.10	August 23, 2019	678,432	71.17	1,297,0353	20	6,48,518
July, 2019	98.90	July 04, 2019	2,541,415	74.40	July 31, 2019	361,793	165.95	13,646,868	23	593,342

**Arithmetic average of closing prices of all trading days during the said period*

Note:

1. *High, low and average prices are based on the daily high, low and closing prices respectively.*
2. *In the event that the high or low price for a given period is observed for more than one day, the day when maximum trading took place has been considered*

(iii) The following table sets forth the market price on the Stock Exchanges on February 14, 2018, the first working day following the approval of the Board for the Issue:

BSE

Open	High	Low	Close	Number Of Equity Shares traded	Volume (₹ in million)
120.85	131.00	120.85	125.00	501,580	63.51

Source: www.bseindia.com

NSE

Open	High	Low	Close	Number Of Equity Shares traded	Volume (₹ in million)
122.00	131.00	121.40	125.15	2,921,470	370.37

Source: www.nseindia.com

(iv) The following table sets forth the market price on the Stock Exchanges on March 22, 2018, the first working day following the approval of the GOI:

BSE

Open	High	Low	Close	Number Of Equity Shares traded	Volume (₹ in million)
123.00	124.75	117.3	118.3	388,334	46.76

Source: www.bseindia.com

NSE

Open	High	Low	Close	Number Of Equity Shares traded	Volume (₹ in million)
123.90	124.90	117.55	118.65	2,213,178	266.94

Source: www.nseindia.com

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 Directors, or our Group Companies (if any) ("**Relevant Parties**"), and (iv) any litigation involving the Relevant Parties or any other person whose outcome could have a material adverse effect on the position of our Company.*

For the purpose of material litigation in (iv) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in this Red Herring Prospectus pursuant to a resolution dated January 6, 2020:

(a) Criminal, tax proceedings and actions by statutory regulatory authorities: All criminal and tax proceedings, and actions by statutory/ regulatory authorities involving the Relevant Parties shall be deemed to be material;

(b) Pre-litigation notices: Notices received by the Relevant Parties, from third parties (excluding statutory/ regulatory/ tax authorities or notices threatening criminal action) shall not, in any event, be evaluated for materiality until such time that the Relevant Parties, as the case may be, are impleaded as defendants in litigation proceedings before any judicial forum; and

(c) Pending litigation involving the Relevant Parties, other than criminal proceedings, statutory and regulatory actions and taxation matters, shall be considered material if the monetary amount of the claim by or against the entity or person in any such proceeding exceeds ₹27.20 million, which would be considered as the de minimis threshold for all outstanding civil litigation involving the Relevant Parties, for the purposes of disclosure in the Issue Documents. However, in the event of pending civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations, performance, prospects or reputation of our Company.

Further, except as stated in this chapter, there are no (i) outstanding dues to material creditors of our Company as determined to be material by our Board as per the materiality policy adopted by our Board on January 06, 2020, in accordance with 2009 SEBI ICDR Regulations; and (ii) outstanding dues to small scale undertaking and other creditors

Litigation involving our Company

Civil proceedings against our Company

1. A sales contract dated July 10, 2004 was entered into between ZTE Corporation ("**ZTE**") and our Company in relation to work awarded to our Company by BSNL. In the year 2006, disputes arose between ZTE and a third party i.e. M/s Value Advisory Services ("**VAS**") and VAS initiated arbitration proceedings against ZTE before the International Chamber of Commerce Court of Arbitration, Singapore ("**Arbitration Proceeding**"). During the pendency of the Arbitration Proceedings, VAS filed an original miscellaneous petition bearing number 359 of 2006 against ZTE, our Company and others before the High Court of Delhi to restrain our Company from releasing USD 3,476,258 to ZTE ("**Disputed Amount**") Pursuant to orders dated August 4, 2006 and August 27, 2007, the High Court of Delhi restrained our Company from releasing the Disputed Amount to ZTE till the disposal of the Arbitration Proceeding ("**Interim Orders**"). The Arbitration Proceeding between VAS and ZTE was disposed off on July 23, 2010, following which an execution petition bearing number 198/2012 was filed by VAS against ZTE before the High Court of Delhi for enforcement of the arbitral award. The same is currently pending before the High Court of Delhi. ZTE filed an interim application on December 9, 2015 in original miscellaneous petition bearing number 359 of 2006, before the High Court of Delhi, seeking vacation of the Interim Order for the release of the Disputed Amount. The application was dismissed by the High Court of Delhi by order January 8, 2016, directing that vacation of interim orders would have to be necessarily done by filing independent proceedings and not by filing an application in a disposal of matter. Thereafter, ZTE filed an appeal bearing number FAO (OS) 41 of 2006 challenging the order dated January 8, 2016. The High Court of Delhi, by order dated May 23, 2016 dismissed the appeal and directed ZTE to file independent proceedings under Section 9 of the Arbitration and Conciliation Act, 1996. Further, it also noted that VAS did not have any objection to the demand of ZTE for our Company to release the Disputed Amount. Subsequently, ZTE filed an arbitration petition bearing number 48 of 2017 against our Company before the Supreme Court of India under Sub-Section 10 and Section 11 of the Arbitration and Conciliation Act, 1996 for appointment of arbitrator. The matter is currently pending adjudication.

2. HCL Infosystems Limited ("**HCL**") filed an original suit bearing number 1916 of 2013 before the XXXI Additional City Civil and Sessions Judge, Bengaluru City (CCH-14) ("**Trial Court**") against our Company alleging that our Company

deducted a sum of ₹34.74 million towards liquidated damages against payment of consideration to HCL as agreed by the parties in a memorandum of understanding dated March 8, 2006 and master agreement dated April 24, 2006. ("**Master Agreement**"). HCL claimed a sum of ₹44.87 million together with interest at the rate of 18% per annum from our Company and for recovery towards costs of suit proceedings. Our Company filed a written statement dated September 26, 2013 rebutting the claims of HCL. On an interim application of HCL, the Trial Court passed an order dated December 14, 2017 directing our Company to pay HCL a sum of ₹44.87 million along with interest at the rate of 24% per annum from the date of the suit till the date of decree and 18% per annum from the date of decree till the date of payment ("**Trial Court Order**"). Aggrieved by the Trial Court Order, our Company filed an appeal bearing RFA number 568 of 2018 before the High Court of Karnataka at Bengaluru to set aside the Trial Court Order and to dismiss the original suit filed by HCL before the XXXI Additional City Civil and Sessions Judge, Bengaluru City. Further, our Company has also filed an application to stay the operation of the Trial Court Order before the High Court of Karnataka at Bengaluru. The matter is currently pending adjudication. While these proceedings are pending, our Company has received a notice from the International Centre for Alternative Dispute Resolution ("**ICADR**") on October 10, 2018 wherein HCL had invoked the arbitration clause claiming ₹801.80 million. Our Company filed its statement of objection and a counter claim on December 30, 2019 for ₹1,008.27 million towards breach of contractual understanding between the parties. Both the parties have filed their respective pleadings and the ICADR has framed issues. This matter is currently pending.

3. A Memorandum of Understanding (**"MoU"**) was entered between our Company and BSNL, where our Company had to procure necessary equipment and supply it to BSNL. Pursuant to this MoU, our Company floated a tender and the winning bidder was Thaicom Public Company Limited (**"Thaicom"**). Therefore, an agreement dated February 22, 2005 was signed between our Company and Thaicom in respect of purchase of HUB equipment (VSATs) (**"VSAT Agreement"**) as well as an agreement dated August 18, 2008 for providing annual maintenance services (**"AMC Agreement"**). One of the provisions of the VSAT Agreement and the AMC Agreement were setting up of an escrow account where the amount of the invoice raised by Thaicom would be deposited in INR by BSNL and our Company would then remit the amount to Thaicom in USD. Though the VSAT Agreement and the AMC Agreement were separate, with separate arbitration clauses, Thaicom filed an arbitration case bearing number 31/2015 in the Supreme Court of India for the appointment of a sole arbitrator. The Supreme Court of India through its order dated March 18, 2016 in arbitration case No. 31/2015, referred the arbitration clauses in both the agreements and appointed a sole arbitrator. Thaicom filed a statement of claim before the arbitral tribunal, claiming an amount of USD 0.30 million for unpaid dues under the VSAT Agreement, AMC Agreement as well as interest and costs, after bank deductions claimed by our Company which were not contested by Thaicom. Our Company contended that the claim is barred by limitation, the claim is premature and the unpaid dues to Thaicom arose due to the frequent difference in exchange rate between USD and INR. In addition, our Company also contended that BSNL is a necessary party to this arbitration because the disputed invoices had to be cleared first by BSNL, the amount to be deposited by BSNL in the escrow account in INR and only then the amount due would be remitted to Thaicom in USD by our Company. The arbitral tribunal passed an award dated May 30, 2018 directing our Company to pay Thaicom an amount of USD 0.29 million, along with interest at 9% from the date of the award till the date of the payment. Our Company had filed an appeal before the High Court of Karnataka which was dismissed pursuant to order dated March 2, 2019 on the grounds of unreasonable delay. This matter is currently pending.

4. Himachal Futuristic Communication Limited ("**HFCL**") initiated arbitration proceedings against our Company before an arbitral tribunal situated in Delhi, constituted pursuant to the provisions of a memorandum of understanding and a supply contract dated February 2, 2005 entered into between our Company and HFCL ("**Supply Contract**"), in relation to certain disputes relating to the Supply Contract. HFCL filed a statement of claim before the arbitral tribunal, claiming an amount of ₹528.80 million, together with interest at the rate of 18% per annum from our Company, for recovery towards balance payment of supply of integrated fixed wireless telephone sets, recovery towards full amount of performance bank guarantee and damages/ compensation for loss of profit on account of unsupplied integrated fixed wireless telephone sets, and costs for the arbitration proceedings. Our Company filed a reply and a counter claim, claiming an aggregate amount of ₹912.80 million from HFCL for, *inter alia*, penalty levied on our Company by BSNL (for a back to back arrangement against the Supply Contract), recovery of liquidated damages, loss of profit margin due to non-execution of order and delayed supplies, loss of business opportunity and loss of goodwill. The arbitral tribunal passed an award dated July 7, 2012 directing our Company to pay to HFCL an amount of ₹126.95 million, and interest on the principal amounting to ₹88.01 million ("**Arbitral Award**").

Aggrieved by the Arbitral Award, our Company filed a petition bearing OMP no. 1057/2012 under Section 34 of the Arbitration and Conciliation Act, 1996 on October 6, 2012, before the High Court of Delhi, *inter alia*, to set aside the Arbitral Award. Further, HFCL filed an application bearing OMP no. 54 of 2013 under Section 34 of the Arbitration and Conciliation Act, 1996 on October 8, 2012, before the High Court of Delhi, for enhancement of the Arbitral Award, by, *inter alia*, (i) granting the entire amount of ₹119.34 million for recovery towards balance payment claimed by it in its arbitration claim, without any deductions, (ii) directing our Company to return the bank guarantee amount of ₹10.92 million, with interest at the rate of 18% per annum to HFCL, and (iii) awarding of pendent lite interest to HFCL at the rate of 18% per annum instead of 9% per annum, as granted in the Arbitral Award. The matters are currently pending adjudication.

A. Criminal Proceedings against the Company

Nil

B. Actions by statutory/ regulatory authorities against our Company

1. An order-in-original dated December 11, 2017 ("**OIO**") was issued by the Deputy Director General of Foreign Trade against our Company imposing a penalty of ₹1.00 million within 30 days of the date of the order, in relation to, *inter alia*, failure of our Company to submit documents showing fulfilment of its export obligations upon expiry of a quantity based advance authorisation dated February 2, 1995 issued by the Director General of Foreign Trade, failure of our Company to pay customs duty with interest on materials imported against the license demanded by the Director General of Foreign Trade and failure to respond to letters and show cause notices issued for regularisation of the case. Our Company filed an appeal dated January 4, 2018 against the said OIO before the Additional Director General of Foreign Trade, praying, *inter alia*, for setting aside of the OIO and directions for remanding the matter back to the Deputy Director General of Foreign Trade, waiver of the condition for pre-deposit of penalty amount, and stay on recovery thereof and restraining the Deputy Director General of Foreign Trade from taking any proceeding against our Company for recovery of the penalty amount or passing any order for suspension of import/ export code number of our Company. Our Company was directed to appear for personal hearing before the Additional Director General of Foreign Trade on March 6, 2018. As directed, the Company had appeared before the Additional Director General of Foreign Trade on March 6, 2018 and submitted the affidavit alongwith oral submission regarding the above issue wherein we had imported material against this export license and Company has sought further time of two years to submit the documents pertaining to the exports.

C. Civil cases filed by the Company

Nil

D. Criminal cases filed by the Company

Nil

E. Tax proceedings

A summary of tax proceedings involving our Company is stated below:

Particulars	Number of cases	Amount involved (₹ in million)
Company		
Direct Tax	1	82.48
Indirect Tax	43	1,757.70

**Please note, this includes seven cases amounting to ₹53.89 million in relation to our Palakkad unit for which our Company has filed an application dated September 30, 2019 under the "Kerala Finance Bill, 2019 Amnesty scheme for settlement of arrears" to opt for the one-time settlement option and pay all principal amounts.*

Litigations involving our Directors

Civil/Criminal Litigation against our Directors

Nil

Civil/Criminal Litigation by our Directors

Nil

Actions by statutory/regulatory authorities against our Directors

Nil

Tax Proceedings involving our Directors

Nature of case	Number of cases	Amount involved (₹ in million)
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

Other pending litigation involving our Directors

Nil

Material frauds committed against our Company

There have been no material frauds committed against our Company in the last five years.

Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company in the past five years.

Fines imposed or compounding of offences

There are no compounding applications which have been filed by our Company and there are no fines that have been imposed on our Company in the past.

Defaults in respect of dues payable

Except as set out in the "*Risk Factors - There are outstanding statutory dues towards non-payment of provident fund and gratuity dues as of the date of this Red Herring Prospectus.*" on page 17, our Company has no outstanding defaults in relation to statutory dues payable. Our Company has no outstanding defaults in relation to 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)

Material developments since March 31, 2019

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 283, in the opinion of the Board, there has not arisen, since the date of the last restated financial statements 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 its consolidated assets or its ability to pay its liabilities over the next 12 months.

Outstanding dues to Creditors

All creditors of the Company to whom the amount due by the Company exceeds ₹844.05 million, i.e., 5% of the total trade payables of the Company as on September 30, 2019, on a consolidated basis based on the Restated Financial Statements, shall be considered material.

The material dues owed to small scale undertakings and other creditors as at September 30, 2019, is set out below:

Material Creditors	Number of cases	Amount involved (₹ in million)
Small scale undertakings	Nil	Nil
Other Creditors	4	7,558.00

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at http://www.itiltd-india.com/Investor%20information/Sundry%20Creditors%20as%20on%2030.09.2019.pdf. 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, www.itiltd-india.com, would be doing so at their own risk.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake the Issue and our Company can undertake its current business activities, and no further major approvals from any governmental or regulatory authority are required to undertake the Issue or continue the business activities of our Company. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. For details in connection with the regulatory and legal framework within which we operate, see "Regulations and Policies" on page 140.

The objects clause of the memorandum of association enables our Company to undertake its present business activities.

Approvals in relation to our Company

The approvals required to be obtained by our Company include the following:

I. Incorporation details of our Company

1. Certificate of incorporation dated January 25, 1950 issued by the RoC, Bengaluru Karnataka to our Company, in its former name, being Indian Telephone Industries Private Limited.

2. Fresh certificate of incorporation dated issued by the Registrar of Companies, Karnataka, Bengaluru on January 24, 1994, to our Company consequent upon change of name to ITI Limited.

3. Our Company was allotted a corporate identity number L32202KA1950GOI000640.

II. Approvals in relation to the Issue

For details, see "*Other Regulatory and Statutory Disclosures*" and "*The Issue*" on pages 322 and 63 respectively.

III. Approvals under tax laws of our Company

1. The permanent account number of our Company is AAACI4625C issued by the Income Tax Department under the Income Tax Act, 1961.

2. The importer-exporter code of our Company is 0788000144.

3. The goods and services tax identification number(s) of the different plants of our Company, are as follows:

Plant	GST
Bengaluru Plant	29AAACI4625C1ZV
Mankapur Plant	09AAACI4625C3ZV
Naini Plant	09AAAC14625C4ZU
Palakkad Plant	32AAACI4625C3Z6
Rae Bareli Plant	09AAACI4625C1ZX
Srinagar Plant	01AAACI14625C4ZA

4. The tax account number(s) of the different plants of our Company, are as follows:

Plant	TAN
Bengaluru Plant	BLRI01801C
Mankapur Plant	LKNI05026A
Naini Plant	ALDI00177C
Palakkad Plant	CHNI00050B
Rae Bareli Plant	LKNI05174B
Srinagar Plant	AMRI10134F

IV. Approvals in relation to Business Operations of our Company

Our Company has six manufacturing plants, namely: (a) Bengaluru Plant; (b) Mankapur Plant; (c) Naini Plant; (d) Rae Bareli Plant; (e) Srinagar Plant and (f) Palakkad Plant. Approvals, licenses and registrations as required for our business are obtained by each such plants. In order to operate our manufacturing plants, our Company requires various approvals and/or licenses under various laws, rules and regulations. Except for the factories license in relation to our Srinagar plant which has expired, our Company has valid approvals, authorisations from the central and state pollution control boards, license to work and operate a factory, registration under the Karnataka Shops and Establishments Act, 1960, consents for discharge of effluents under Water (Prevention and Control of Pollution) Act, 1974 and consents for discharge of emissions under Air (Prevention and Control of Pollution) Act, 1981, authorizations for handling hazardous waste under Hazardous Waste (Management, Handling and Transboundary Movement) Rules, 2008 etc. in relation to our plants.

Some of our approvals/ licenses may have expired in the normal course of business and we have applied or are in the process of making applications for renewal of the same. For details, see "*Government Approvals – Pending approvals*" below on page 321.

V. Registrations under employment laws

Our Company has obtained registration under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952, Employees' State Insurance Act, 1948 and Contract Labour (Regulation and Abolition) Act, 1970, and have obtained certified standing orders under the Industrial Employment (Standing Orders) Act, 1946.

VI. Approval in relation to intellectual property

Our Company holds registration of the trademark " " under Class 9 under the Trademarks Act, 1999, which is valid upto November 6, 2027 and for the trademark " " under Class 9 under the under the Trademarks Act, 1999, which is valid upto August 10, 2028.

VII. Material approvals applied for but not received by our Company

As on the date of this Red Herring Prospectus, except as set out below, there are no approvals which our Company have applied for but have not received.

Sr. No	Plant	Nature of application	Date of expiry	Date of application
1.	Mankapur	Consent from the Uttar Pradesh Pollution Control Board for disposal of effluent into water body or drain or land under the Water (Prevention and control of Pollution) Act, 1974	December 31, 2019	January 8, 2020
2.	Mankapur	Consent from the Uttar Pradesh Pollution Control Board for emission of air pollutants under the Air Act, 1981.	December 31, 2019	Janaury 8, 2020
3.	Bengaluru	Factories licence under Karnataka Factories Act, 1969	December 31, 2019	November 2, 2019

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board and Shareholders have authorised the Issue by its resolution dated February 13, 2018 and April 5, 2018, respectively.

The Cabinet Committee on Economic Affairs ("CCEA") in its meeting held on March 21, 2018 has given its approval and allowed the Company to proceed with the Issue required for (i) raising working capital for new projects, (ii) to reduce its debt obligations; and (iii) to meet SEBI's requirement of minimum 25% public shareholding. The same is communicated to the Company by the Department of Telecommunications, Ministry of Communications, Government of India vide its letter bearing reference number 20-36/2012-FAC.II dated April 3, 2018.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares proposed to be issued under this Issue pursuant to letters dated October 19, 2018 and December 11, 2018, respectively.

Prohibition by SEBI or Other Governmental Authorities

Our Company, our Directors, our Promoter, our Promoter Group, persons in control of our Company, have not been prohibited from accessing capital market for any reason by SEBI or any other authorities in India.

Our Promoter, our Directors, persons in control of our Company were not, or also are not, a promoter or a director or persons in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI.

None of our Directors are associated in any manner with the securities market, including securities market related business, and there has been no action taken by SEBI against our Directors or any entity in which any of our Directors are involved as a promoter or director.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoter or Directors have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. Further, there are no violations of securities laws committed by them in the past or are pending against them.

Our Joint Venture, Satcom was identified as a willful defaulters by its lenders for an amount of ₹53,202,000 and was involved in proceedings under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 and proceedings before the Debt Recovery Tribunal in relation to its unpaid dues to its lenders. SBI has also issued a letter dated August 21, 2018 to Satcom intimating it that it is eligible for one-time settlement of its dues under the Scheme for One Time Settlement of NPAs and AUCAs (SBI OTS 2018). Satcom has opted for one time settlement with its lenders, SBI and Tamil Nadu Mercantile Bank Limited. Satcom has re-paid its outstanding dues and SBI and Tamil Nadu Mercantile Bank Limited have issued no due certificates dated March 26, 2019 and October 31, 2019, respectively. For details, see "*Risk Factors - Some of our loan agreements contain restrictive covenants which may adversely affect our business, results of operations and financial conditions*" on page 24.

Eligibility for the Issue

In accordance with Regulation 27 of the 2009 SEBI ICDR Regulations, our Company satisfies the conditions specified in Regulation 26(2) of the 2009 SEBI ICDR Regulations, which states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) may make a follow-on 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 a listed company, not satisfying the conditions specified in Regulation 26(1) of the 2009 SEBI ICDR Regulations and are therefore required to Allot at least 75% of the Net Issue is proposed to be Allotted to QIBs. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders in accordance with the 2009 SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price. In the event we fail to do so, the full application monies shall be refunded to the Bidders.

Hence, we are eligible for the Issue under Regulation 27 read with Regulation 26(2) of the 2009 SEBI ICDR Regulations.

Our Company is in compliance with Part C of Schedule VIII of the 2009 SEBI ICDR Regulations.

Disclaimer Clause of 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 ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING BOB CAPITAL MARKETS LIMITED, KARVY INVESTOR SERVICES LIMITED AND PNB INVESTMENT SERVICES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THIS RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED, IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

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, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES IT'S RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING ISSUE, 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 MATERIALS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 27, 2018 PERTAINING TO THE SAID ISSUE;**

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 ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:**

    (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

    (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA, 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 ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA AND THAT TILL DATE SUCH REGISTRATION IS VALID. – COMPLIED WITH**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE</u>.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SECURITIES AND EXCHANGE BOARD OF INDIA TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS - – COMPLIED WITH**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, 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 - <u>COMPLIED WITH AND NOTED FOR COMPLIANCE</u>;**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SECURITIES AND EXCHANGE BOARD OF INDIA. 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, WITH THE PROCEEDS OF THE PUBLIC ISSUE – <u>NOT APPLICABLE</u>;**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE 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**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE ISSUE SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013</u>;**

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, THE EQUITY SHARES ARE TO BE ISSUED IN DEMATERIALISED FORM ONLY</u>;**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 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 CONDITIONS SPECIFIED IN SUB PARA (A) AND (B) OF PARA 2 OF PART C OF SCHEDULE VIII OF THE SEBI ICDR REGULATIONS HAVE BEEN COMPLIED WITH;**

13. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

(b) **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SECURITIES AND EXCHANGE BOARD OF INDIA FROM TIME TO TIME;**

14. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE – NOTED FOR COMPLIANCE;**

15. **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 OR THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.;**

16. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, 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;**

17. **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 SECURITIES AND EXCHANGE BOARD OF INDIA THROUGH CIRCULAR;**

18. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS CERTIFIED BY M/S. SANKARAN & KRISHANAN, CHARTERED ACCOUNTANTS (FIRM REGISTRATION NUMBER: 03582S) PURSUANT TO ITS CERTIFICATE DATED JANUARY 13, 2020; AND**

19. **WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1)(a) OR (b) (AS THE CASE MAYBE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) – NOT APPLICABLE.**

All legal requirements pertaining to the Issue 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 Issue will be complied with at the time of filing of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Caution - Disclaimer from our Company and the BRLMs

Our Company, our Directors 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.itiltd-india.com would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement.

All information shall be made available by our Company and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at bidding centres or elsewhere.

None among our Company or any member of the Syndicate is liable for any failure in (i) downloading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in, or otherwise, in the UPI Mechanism

Investors who Bid in the Issue will be required to confirm and will be deemed to have represented to our Company the 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 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 Equity Shares. Our Company, the 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 Equity Shares.
The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company

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 for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

The Issue is being made in India to persons resident in India (including Indian nationals resident in India who are not 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 registered under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations, insurance companies registered with IRDA, permitted insurance companies, permitted provident fund and pension funds, insurance funds set up and managed by the army and navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India), and Systemically Important Non-Banking Financial Companies and to FPIs, Eligible NRIs and other eligible foreign investors (viz. FVCIs, multilateral and bilateral development financial institutions). 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 Issue 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 this Red Herring Prospectus has been filed with SEBI for its observations and SEBI shall give its observations in due course. 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 since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. Accordingly, the Equity Shares have been offered and sold (i) within the United States only to qualified institutional buyers (as defined in Rule 144A under the U.S. Securities Act, "Rule 144A") 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 144 A or another available exemption from the registration requirements of the U.S. Securities Act and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdiction where these offers and sales occur. Prospective purchasers are hereby notified that the seller of the Equity Shares may be relying on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 144A.

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 or such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed investment limits or the maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with applicable laws
Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to the Issue within the United States, by its acceptance of this Red Herring Prospectus and the Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of one or more U.S. QIBs with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), or (iv) pursuant to another available exemption from the registration requirements under the U.S. Securities Act and (B) in each case in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

(6) the Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;

(7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act;

(8) the purchaser is not acquiring the Equity Shares as a result of any form of "general solicitation" or "general advertising" (within the meaning of Rule 502(c) of Regulation D under the U.S. Securities Act);

(9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

"THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), OR (4) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THE EQUITY SHARES. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE EQUITY SHARES MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF THE EQUITY SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK."

(10) our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All other Equity Shares Offered and Sold in the Issue

Each purchaser that is acquiring the Equity Shares offered pursuant to the Issue outside the United States, by its acceptance of this Red Herring Prospectus and the Prospectus and of the Equity Shares offered pursuant to the Issue, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Red Herring Prospectus and the Prospectus and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to the Issue in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Equity Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;

(3) the purchaser is purchasing the Equity Shares offered pursuant to the Issue in an offshore transaction in reliance on Regulation S under the U.S. Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;

(6) the purchaser is not acquiring the Equity Shares as a result of any "directed selling efforts" (within the meaning of Rule 902(c) of Regulation S under the U.S. Securities Act);

(7) our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and

(8) the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Disclaimer Clause of BSE

BSE Limited (the "**Exchange**") has given vide its letter dated October 19, 2018 permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this company's securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner –

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
b) warrant that this Company′s securities will be listed or will continue to be listed on the Exchange; or
c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer Clause of the NSE

As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/68904 dated December 11, 2018 permission to the Issuer to use the

Exchange's name in this Offer Document as one of the stock exchanges on which the 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 the 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 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 it management or any scheme or project of this Issuer.

Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of this Red Herring Prospectus, along with documents to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC at Bengaluru and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration to the RoC at the following address of the RoC:

Registrar of Companies
Registrar of Companies, Karnataka
'E' Wing, 2nd Floor
Kendriya Sudana
Koramangala, Bengaluru 560 034
Karnataka, India

Listing

The Equity Shares are listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares to be issued and sold in the Issue. The 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 moneys received from the Bidders/Applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within the prescribed time after our Company is liable to repay it, then our Company and every Director of our Company and every officer of our Company who is in default may, on and from expiry of such period, shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges mentioned above are taken within six Working Days of the Bid/ Issue Closing Date.

Price information of past issues handled by the BRLMs

1. *BOB Capital Markets Limited*

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]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	NA	-	-	-	-	-	-	-

Source: www.nseindia.com
Notes: *1. Benchmark Index taken as CNX NIFTY*
2. Price on NSE is considered for all of the above calculations
3. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index on the day of the listing date.
4. 30th,, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th , 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

Summary statement of price information of past public issues handled by BOB Capital Markets Limited:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ in million)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2019-20*	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2017-18	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-

** The information is as on the date of the document*
Source: www.nseindia.com
The information for each of the financial years is based on issues listed during such financial year

2. *Karvy Investor Services Limited*

Sr. No.	Issue name	Issue size (₹ in million)	Issue price(₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	PSP Projects Limited	2,116.80	210.00	May 29, 2017	190.00	+24.05%, [-0.97%]	+52.33%, [2.63%]	+103.21%, [8.17%]
2.	Apex Frozen Foods Limited	1,522.50	175.00	September 4, 2017	202.00	+75.54%, [-0.54%]	+364.26%, [5.34%]	+299.71 [5.50%]

Source: www.nseindia.com

Note:

1. *The S&P CNX NIFTY is considered as the benchmark index.*
2. *Price on NSE is considered for all the above calculations.*
3. *In the event any day falls on a holiday, the price/ index of the immediately preceding working day has been considered.*

Summary statement of price information of past public issues handled by Karvy Investor Services Limited

Financial Year	Total no. of IPOs	Total funds raised (₹in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2019-2020*	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2017-2018	2	3,639.30	-	-	-	1	-	1	-	-	-	2	-	-

** The information is as on the date of the document*
Source: www.nseindia.com
The information for each of the financial years is based on issues listed during such financial year

3. PNB Investment Services Limited

Sr. No.	Issue Name	Issue Size (₹Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	NA							

Source: www.nseindia.com
Notes:

a) *The CNX NIFTY is considered as the Benchmark Index.*
b) *Price on NSE is considered for all of the above calculations.*
c) *In case 30th, 90th and 180th is not a trading day, closing price on NSE on the next trading day has been considered.*
d) *Since 30 calendar days, 90 calendar days, 180 calendar days, as applicable, from listing date as not elapsed for few of the above issues, data for the same is not available.*

Summary statement of price information of past public issues handled by PNB Investment Services Limited

Financial Year	Total no. of IPOs	Total funds raised (₹in Millions)	Nos. of IPOs trading at discount on as on 30th calendar days from listing date			Nos. of IPOs trading at premium on as on 30th calendar days from listing date			Nos. of IPOs trading at discount as on 180th calendar days from listing date			Nos. of IPOs trading at premium as on 180th calendar days from listing date		
			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%
2019-20*	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2018-19	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-
2017-18	NA	NA	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

**The information is as on date of the document*
The information for each of the financial years is based on issues listed during such financial years

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the BRLMs as set forth in the table below:

Sl. No	Name of the BRLMs	Website
1.	BOB Capital Markets Limited	www.bobcaps.in
2.	Karvy Investor Services Limited	www.karvyinvestmentbanking.com
3.	PNB Investment Services Limited	www.pnbisl.com

Consents

Consents in writing of: (a) our Directors, our CFO, our Company Secretary and Compliance Officer, Statutory Auditors, Indian Legal Counsel to our Company, International Legal Counsel to our Company, Indian Legal Counsel to the BRLMs, Bankers to our Company and (b) the BRLMs, the Syndicate Members, CRISIL, the Monitoring Agency, Sponsor Bank, Banker to the Issue and the Registrar to the Issue to act in their respective capacities have been, will be obtained and filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 26 and 32 of 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.

In accordance with the Companies Act, 2013 and the 2009 SEBI ICDR Regulations, our Statutory Auditor, M/s. Sankaran & Krishnan, Chartered Accountants, have given their written consent dated January 13, 2020 for inclusion of their examination reports dated November 15, 2019 on the audited Restated Financial Statements of our Company and the statement of tax benefits dated January 13, 2020 in the form and context, included in this Red Herring Prospectus and such consent has not been withdrawn as on the date of this Red Herring Prospectus.

Expert opinion

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

Our Company has received written consent from the Statutory Auditors to include its name as "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of the examination report dated November 15, 2019 of the Statutory Auditors on the restated audited financial statements of our Company for the six month period ended September 30, 2019 and for Fiscals 2019, 2018, 2017, 2016 and 2015 and the statement of tax benefits dated January 13, 2020, included in this Red Herring Prospectus and such consents have not been withdrawn as on the date of this Red Herring Prospectus.

Issue Expenses

The total expenses of the Issue are estimated to be approximate ₹[●] million. The expenses of the Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Issue related expenses shall be borne by the Company. For further details of the Issue expenses, see "*Objects of the Issue*" on page 82.

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 expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Issue Closing Date.

Commission payable to the SCSBs, Sponsor Bank, Registered Brokers, RTAs and CDPs

For details of the commission payable to the SCSBs, Sponsor Bank, Registered Brokers, RTAs and CDPs, see "*Objects of the Issue*" on page 82.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the Registrar Agreement, a copy of which will be available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid/ Issue Closing Date.

The Registrar to the Issue shall 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 Issue to enable it to send refund orders or Allotment advice by registered post/speed post/ordinary post.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in the section "*Capital Structure*" on page 73, our Company has not issued any Equity Shares for consideration other than for cash.

Commission and Brokerage paid on previous issues of the Equity Shares

Since the equity shares were listed through an offer for sale by the Promoter, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in relation to the initial public offer.

Previous capital issue during the previous three years by listed Group Companies and associates of our Company

Our Company does not have group companies and associates which have undertaken a capital 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 Group Companies and associates of our Company

Our Company has not undertaken any previous public or rights issue. Our Company does not have Group Companies and associates which have undertaken any public or rights issue in the last ten years preceding the date of this Red Herring Prospectus.

Outstanding Debentures or Bonds

Our Company does not have any outstanding debentures or bonds as of the date of this Red Herring Prospectus**.**

Outstanding Preference Shares

Except as stated in the section "*Capital Structure*" on page 73, our Company does not have any outstanding preference shares 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

For details see "*Stock Market Data for Equity Shares of our Company*" on page 311.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for retention of records with the Registrar to the Issue for a period of at least eight years from the last date of despatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

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

Further, the Bidder shall also enclose the Acknowledgement Slip from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

Further, with respect to the Bid cum Application Forms submitted with the Registered Brokers, the investor shall also enclose the acknowledgment from the Registered Broker in addition to the documents/ information mentioned hereinabove.

Status of Investor Complaints

Our Company received a total of 11 investor complaints in the last five years and all of the investor complaints have been disposed off as of the date of filing this Red Herring Prospectus.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue or the Designated Intermediaries, 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. For details, see "*Our Management – Committees of our Board – Stakeholders' Relationship Committee*" on page 168.

Our Company has also appointed S. Shanmuga Priya, Company Secretary of our Company as the Compliance Officer and she may be contacted in case of any pre-Issue or post-Issue related problems at the following address:

ITI Limited
ITI Bhavan
Doorvaninagar
Bengaluru 560 016
Karnataka, India
Tel: +91 80 2561 7486
Fax: +91 80 2561 7525
E-mail: cosecy_crp@itiltd.co.in

Changes in Statutory Auditors

Except as described below, there has been no change in the Statutory Auditors of our Company during the three years preceding the date of this Red Herring Prospectus:

Name of Auditor	Financial Year	Date of Change	Reason
M/s. Sankaran & Krishnan	2017-2018	September 15, 2017	Appointment as statutory auditors

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 re-valued its assets in the last five years.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being Allotted pursuant to this Issue are subject to the provisions of the Companies Act, the SCRA, SCRR, 2009 SEBI ICDR Regulations, 2018 SEBI ICDR Regulations, as amended, our Memorandum of Association and Articles of Association, the terms of this Red Herring Prospectus, the Prospectus, the abridged prospectus, the ASBA Form, the Revision Form, CAN, the Allotment Advice, the SEBI Listing Regulations and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares offered through this Issue shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force and to the extent applicable or such other conditions as may be prescribed by such authorities while granting its approval for the Issue.

Issue related expenses

The total expenses of the Issue are estimated to be approximate ₹[●] million. The expenses of the Issue include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal expenses, statutory advertisement expenses, registrar and depository fees and listing fees.

All Issue related expenses shall be borne by our Company. For further details in relation to Issue related expenses, see "*Objects of the Issue*" and "*Other Regulatory and Statutory Disclosures*" on pages 82 and 322, respectively.

Ranking of the Equity Shares

The Equity Shares offered in this Issue shall be subject to the provisions of the Companies Act, Memorandum of Association, Articles of Association, the SEBI Listing Regulations, and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 399.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum of Association, Articles of Association, the SEBI Listing Regulations and other applicable law. All dividends, declared by our Company after the date of Allotment (pursuant to the Allotment of Equity Shares in the Issue), will be payable to the Bidders who have been Allotted the Equity Shares, for the entire year, in accordance with applicable law. For further details in relation to dividends, see *"Dividend Policy"* and *"Main Provisions of the Articles of Association"* on pages 178 and 399, respectively.

Face Value, Issue Price and Price Band

The face value of each Equity Share is ₹10 each. The Floor Price of the Equity Shares is ₹[●] per Equity Share and the Cap Price is ₹[●] per Equity Share. The Price Band and minimum Bid lot size will be decided by our Company, in consultation with the BRLMs, and advertised in all newspapers wherein the Pre-Issue Advertisement will be published, at least one Working Day prior to the Bid/ Issue Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their website. 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 ASBA Forms available at the websites of the Stock Exchanges. The Issue Price shall be determined by our Company, in consultation with the BRLMs, after the Bid/ Issue Closing Date, on the basis of assessment of market demand for the Equity Shares by way of Book Building Process.

At any given point of time there shall be only one denomination of the Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles of Association, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or "e-voting";
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 399.

Market Lot and Trading Lot

As per 2009 SEBI ICDR Regulations and the 2018 SEBI Regulations, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. In terms of Section 29 of the Companies Act, 2013, Allotment in the Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares. See *"Issue Procedure – Part B – General Information Document for Investing in Public Issues - Allotment Procedure and Basis of Allotment"* on page 359.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

The courts of Bengaluru, India will have exclusive jurisdiction in relation to this Issue.

Bid/ Issue Programme

FOR ALL BIDDERS	**ISSUE OPENS ON JANUARY 24, 2020**
FOR QIBs*	**ISSUE CLOSES ON JANUARY 28, 2020**
FOR ALL OTHER BIDDERS	**ISSUE CLOSES ON JANUARY 28, 2020**

* *Our Company may, in consultation with the BRLMs, consider closing the Bid/ Issue Period for QIBs one day prior to the Bid/ Issue Closing Date in accordance with the 2018 SEBI ICDR Regulations.*

An indicative timetable in respect of the Issue is set out below:

Event	Indicative Date
Finalisation of Basis of Allotment with the Designated Stock Exchange	January 31, 2020
Unblocking of funds from ASBA Account	February 03, 2020
Credit of the Equity Shares to depository accounts of Allottees	February 04, 2020
Commencement of trading of the Equity Shares on the Stock Exchanges	February 05, 2020

The above timetable is indicative and does not constitute any obligation on our Company, or the BRLMs. While 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/ Issue Closing Date or such period as may be prescribed by SEBI, the timetable may change due to various factors, such as extension of the Bid/ Issue Period by our Company, revision of the Price Band or any delays 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.

SEBI is in the process of streamlining and reducing the post issue timeline for IPOs. Any circulars or notifications from SEBI after the date of this Red Herring Prospectus may result in changes to the above mentioned timelines. Further, the offer procedure is subject to change to any revised SEBI circulars to this effect.
Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (**IST)** during the Bid/ Issue Period (except on the Bid/ Issue Closing Date) at the Bidding Centres as mentioned on the ASBA Form. On the Bid/ Issue Closing Date, the Bids shall be accepted and uploaded as follows**:**

(a) in case of Bids by QIBs under the QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST);

(b) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and

(c) in case of Bids by Retail Individual Bidders and Eligible Employees Bidding under the Employee Reservation Portion (if any), the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

For the avoidance of doubt, 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, in the relevant ASBA Account will be rejected.

Due to limitation of the time available for uploading the Bids on the Bid/ Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/ Issue Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/ Issue Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/ Issue Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. Neither our Company, nor any member of the Syndicate is liable for any failure in uploading or downloading the Bids due to faults in any software / hardware system or otherwise. Any time mentioned in this Red Herring Prospectus is Indian Standard Time.

Bids will be accepted only on Working Days. None among our Company or any member of the Syndicate is liable for any failure in (i) uploading the Bids due to faults in any software/ hardware system or otherwise; or (ii) the blocking of Bid Amount in the ASBA Account on receipt of instructions from the Sponsor Bank on account of any errors, omissions or non-compliance by various parties involved in, or any other fault, malfunctioning or breakdown in or otherwise, in the UPI Mechanism.

Our Company, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/ Issue Period in accordance with the 2018 SEBI ICDR Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least one Working Day before the Bid/ Issue Opening Date and the Cap Price will be revised accordingly.

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision of the Price Band, subject to the total Bid/ Issue Period not exceeding 10 Working Days. In case of force majeure, banking strike or similar circumstance, we may extend the Bidding

Period for a minimum period of three working days, not exceeding 10 working days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges by issuing a public notice and also by indicating the change on the websites of the BRLMs and at the terminals of the Syndicate Members and intimated to the Designated Intermediaries and Sponsor Bank. However, in case of Revision of Price Band Bid lot shall remain the same.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Nomination facility to Bidders

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debenture) Rules, 2014, as amended, the First or sole Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person 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 the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including devolvement of Underwriters, if any, within 60 days from the date of Bid/Issue 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 2018 SEBI ICDR Regulations and applicable law.

Further, 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 in compliance with Regulation 49(1) of the 2018 SEBI ICDR Regulations failing which the entire application money shall be unblocked in the respective ASBA Accounts of the Bidders. In case of delay, if any, in unblocking the ASBA Accounts within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money in accordance with applicable laws.

Allotment of Equity Shares in dematerialised form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through this Red Herring Prospectus can be applied for in the dematerialised form only.

Further, as per the 2009 SEBI ICDR regulations and 2018 SEBI ICDR Regulations, the trading of the Equity Shares shall take place on the dematerialised segment of the Stock Exchanges.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre- Issue Equity Shares, the minimum Promoter's Contribution, as detailed in "*Capital Structure*" on page 73 and except as provided in our Articles of Association, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" on page 399.

Withdrawal of the Issue

Our Company, in consultation with the BRLMs, reserve the right not to proceed with the entire or portion of the Issue for any reason at any time after the Bid/ Issue Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the Pre- Issue Advertisements were published, within two days of the Bid/ Issue Closing Date, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard by our Company. The BRLMs, through the Registrar to the Issue, shall notify the SCSBs to unblock the bank accounts of the Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days from the Bid/ Issue Closing Date or such other period as may be prescribed, and the final RoC approval of the Prospectus after it is registered with the RoC and filed with the SEBI and Stock Exchanges.

ISSUE STRUCTURE

The further public offering of our Company through the Net Issue of upto 180,000,000 Equity Shares and upto 1,800,000 Equity Shares through the Employee Reservation Portion by our Company at the Issue Price and Employee Price, respectively, aggregating to ₹[●] million. The Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company. The Net Issue shall constitute [●]% of the post-Issue paid-up Equity Share capital of our Company.

The Issue is being made through the Book Building Process

Particulars	Eligible Employees Bidding in the Employee Reservation Portion	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/allocation(1)*	Upto 1,800,000 Equity Shares	Atleast [●] Equity Shares.	Not more than [●] Equity Shares available for allocation or the Net Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not more than [●] Equity Shares available for allocation or Issue (or the Net Issue, as the case may be) less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/allocation	1% of the Net Issue.	Not less than 75% of the Net Issue shall be allocated to QIB Bidders. However, upto 5% of the QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for all QIBs in the QIBs Portion.	Not more than 15% of the Net Issue.	Not more than 10% of the Net Issue.
Basis of Allotment if respective category is oversubscribed*	Proportionate.	Proportionate as follows: (a) up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) [●] Equity Shares shall be available for allocation on a proportionate basis to all other QIBs, including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Allotment to each retail Individual Bidder shall not be less than the minimum Bid lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares is any, shall be allotted on a proportionate basis. For further details, see "*Issue Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment*

Particulars	Eligible Employees Bidding in the Employee Reservation Portion	QIBs	Non-Institutional Bidders	Retail Individual Bidders
				– *Allotment to RIIs*" on page 359.
Minimum Bid	[●] Equity Shares and in multiples of [●] Equity Shares, such that the Bid Amount does not exceed ₹500,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000.	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares (in multiples of [●] Equity Shares) for which the Bid Amount does not exceed ₹500,000.(4)	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Issue, subject such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceeds the size of the Issue, subject such limits as may be applicable to the Bidder.	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000.
Mode of Allotment	Compulsorily in dematerialised form.			
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter.			
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of [●] Equity Share.			
Trading Lot	One Equity Share.			
Who can Apply(2)	Eligible Employees.	Public financial institutions as specified in Section 2(72) of the Companies Act 2013, scheduled commercial banks, mutual funds, VCFs, AIFs and FVCIs registered with the SEBI, FPIs (other than individuals, corporate bodies and family offices), public financial institutions, schedules commercial banks, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million 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 NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, and FPIs who are individuals, corporate bodies and family offices.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRI Bidders.

Particulars	Eligible Employees Bidding in the Employee Reservation Portion	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Terms of Payment	The SCSB shall be authorised to block the full Bid Amount mentioned in the ASBA Form.[3]			
Mode of Bidding	Only through the ASBA process.			

(1) *Subject to valid Bids being received at or above the Issue Price. The Issue is being made in terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the 2009 SEBI ICDR Regulations and Regulation 26(2) of the 2009 SEBI ICDR Regulations, wherein at least 75% of the Net Issue shall be Allotted on a proportionate basis to QIBs. The number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the 2009 SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Issue Price.*

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Issue Price, under-subscription (if any) in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on 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 a combination of categories.

(2) *In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the ASBA Form. The ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the ASBA Form and such First Bidder would be deemed to have signed on behalf of the joint holders. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Issue.*

(3) *The SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Form.*

(4) *Eligible Employees Bidding in the Employee Reservation portion can Bid upto a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid under the Net Issue and such Bids will not be treated as multiple Bids.*

* *Assuming full subscription in the Issue.*

Period of operation of subscription list

See "*Terms of the Issue – Bid/ Issue Programme*" on page 336.

ISSUE 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 issued by SEBI, modified and updated pursuant to, among others, the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 and the circularSEBI/HO/CFD/DIL2/CIR/P/2018/22 dated February 15, 2018, issued by SEBI (the "General Information Document") included below under "Issue Procedure – Part B – General Information Document" beginning on page 359, 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 2009 SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.

*SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018 read with its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, has introduced an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI Mechanism for RIBs applying through Designated Intermediaries was made effective along with the existing process and existing timeline of T+6 days. ("**UPI Phase I**"). The UPI Phase I was effective till June 30, 2019.*

*With effect from July 1, 2019, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, read with circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 with respect to Bids by RIBs through Designated Intermediaries (other than SCSBs), the existing process of physical movement of forms from such Designated Intermediaries to SCSBs for blocking of funds has been discontinued and only the UPI Mechanism for such Bids with existing timeline of T+6 days will continue for a period of three months or launch of five main board public issues, whichever is later ("**UPI Phase II**"). Subsequently however, SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 extended the timeline for implementation of UPI Phase II till March 31, 2020. The final reduced timeline will be made effective using the UPI Mechanism for applications by RIBs ("**UPI Phase III**"), as may be prescribed by SEBI. The Issue will be undertaken pursuant to the processes and procedures under UPI Phase II, subject to any circulars, clarification or notification issued by the SEBI from time to time.*

Our Company and the BRLMs and the members of the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document 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 and the 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 and the Prospectus.

PART A

Book Building Procedure

The Issue is being made through the Book Building Process in accordance with Regulation 26(2) and Schedule XIII of the 2018 SEBI ICDR Regulations, wherein at least 75% of the Net Issue shall be available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Portion for proportionate allocation to QIBs, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Net Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Issue shall be available for allocation to Retail Individual Bidders in accordance with the 2018 SEBI ICDR Regulations, subject to valid Bids being received at or above the Issue Price such that, subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Issue. In the event of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be allowed from the Employee Reservation Portion. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis, subject to applicable law. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. In accordance with Rule 19(2)(b) of the SCRR, the Issue will constitute [●]% of the post Issue paid-up Equity Share capital of our Company.

The Equity Shares, upon listing, shall be traded only in the dematerialised segment of the Stock Exchanges.

Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. ASBA Forms which do not have the details of the Bidders depository accounts, including DP ID, Client ID, UPI ID (as applicable) and PAN and UPI ID (for RIBs using the UPI Mechanism), shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Phased implementation of Bids by Retail Individual Bidders as per the UPI Circulars

SEBI has issued the UPI Circulars in relation to streamlining the process of public issue of inter alia, equity shares. Pursuant to the UPI Circulars, the UPI Mechanism has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under ASBA) for applications by RIBs through Designated Intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to upto three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced the UPI Mechanism in three phases in the following manner:

Phase I: This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended till June 30, 2019. Under this phase, an RIB had the option to submit the ASBA Form with any of the Designated Intermediary and use his/ her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing continued to be six Working Days.

Phase II: This phase has become applicable from July 1, 2019 and the continuation of this phase has been extended until March 31, 2020. Under this phase, submission of the ASBA Form by RIBs through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI Mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase.

Phase III: The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing is proposed to be reduced to three Working Days.

For further details, refer to the General Information Document available on the websites of the Stock Exchanges and the BRLMs

ASBA Form

All Bidders are required to mandatorily participate in the Issue only through the ASBA process.

Copies of the ASBA Form and the Abridged Prospectus will be available with the Designated Intermediaries at the Bidding Centres and at our Registered and Corporate Office. Electronic copies 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/ Issue Opening Date.

RIBs bidding using the UPI Mechanism must provide the UPI ID in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain the UPI ID are liable to be rejected.

All Bidders shall ensure that their Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms). ASBA Forms not bearing such specified stamp are liable to be rejected. RIBs using the UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, Sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account, may submit their ASBA Forms with the SCSBs. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form. ASBA Form that does not contain such details will be rejected. Further, ASBA Bidders are also required to ensure that the ASBA Account has sufficient credit balance as an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the ASBA Form for the various categories of Bidders is as follows:

Category	Colour of ASBA Form*
Resident Indians and Eligible NRI Bidders applying on a non-repatriation basis.	White
Non-Residents including Eligible NRI Bidders, FVCIs, FPIs, FIIs (other than sub-accounts which are foreign corporates or foreign individuals Bidding under the QIB Category), and registered multilateral and bilateral development financial institutions applying on a repatriation basis.	Blue
Eligible Employees Bidding in the Employee Reservation Portion. **	Pink

* *Excluding electronic ASBA Forms.*

** *Upto 1,800,000 Equity Shares constituting 1% of the Net Issue shall be reserved for allocation and Allotment on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion.*

In case of ASBA forms, the relevant Designated Intermediaries shall capture and upload the relevant bid details (including UPI ID in case of ASBA Forms under the UPI Mechanism) in the electronic bidding system of the Stock Exchanges.

For RIBs using UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis through API integration to enable the Sponsor Bank to initiate UPI Mandate Request to RIBs for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIBs who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. For all pending UPI Mandate Requests, the Sponsor Bank shall initiate requests for blocking of funds in the ASBA Accounts of relevant Bidders with a confirmation cut-off time of 12:00 pm on the first Working Day after the Bid/ Issue Closing Date ("**Cut-Off Time**"). Accordingly, RIBs Bidding through the UPI Mechanism should accept UPI Mandate Requests for blocking off funds prior to the Cut-Off Time and all pending UPI Mandate Requests at the Cut-Off Time shall lapse.

For ASBA Forms (other than RIBs using the UPI Mechanism), Designated Intermediaries (other than SCSBs) shall submit/ deliver the ASBA Forms to the respective SCSB, where the Bidder has an ASBA bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Who can Bid?

In addition to the category of Bidders set forth under "*- Part B - General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 362, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, eligible under the applicable law;
- Scientific and/or industrial organisations in India, which are authorised to invest in the equity shares;
- Any other persons eligible to Bid in the Issue under the laws, rules, regulations, guidelines and policies applicable to them.

NO PERSON OUTSIDE INDIA MAY BID FOR EQUITY SHARES UNLESS THAT PERSON HAS RECEIVED A PRELIMINARY OFFERING MEMORANDUM FOR THE ISSUE, WHICH COMPRISES

THIS RED HERRING PROSPECTUS AND AN "INTERNATIONAL WRAP" THAT CONTAINS, AMONG OTHER THINGS, THE SELLING RESTRICTIONS APPLICABLE TO THE ISSUE OUTSIDE INDIA.

Participation by the BRLMs and the Syndicate Members and their associates/ affiliates

The BRLMs and the Syndicate Members shall not be allowed to purchase Equity Shares offered in this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLMs and the Syndicate Members may subscribe to or purchase Equity Shares in the Net Issue, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

For the purposes of this section, a QIB who has any of the following rights shall be deemed to be a "person related to the Promoter": (a) rights under a shareholders' agreement or voting agreement entered into with the Promoter; (b) veto rights; or (c) right to appoint any nominee director on our Board.

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 reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by HUFs

Bids by Hindu Undivided Families (or HUFs) should be made 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 will be considered at par with Bids from individuals.

Bids by Eligible NRI Bidders

Eligible NRI Bidders may obtain copies of ASBA Forms from the Designated Intermediaries. Eligible NRI Bidders Bidding on a repatriation basis by using the Non-Resident Forms should authorise their SCSB to block their Non-Resident External ("**NRE**") account or Foreign Currency Non-Resident ("**FCNR**") account for the full Bid Amount, while Eligible NRI Bidders Bidding on a non-repatriation basis by using the Resident Forms should authorise their SCSBs to block their Non-Resident Ordinary ("**NRO**") account for the full Bid Amount or if using the UPI mechanism, they should approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to, at the time of submission of the ASBA Form.

Eligible NRI Bidders Bidding on a repatriation basis are advised to use the ASBA Form for Non-Residents (blue in colour), while Eligible NRI Bidders Bidding on a non-repatriation basis are advised to use the ASBA Form for Residents (white in colour). Participation by the NRIs shall be subject to FEMA Non-Debt Instruments Rules.

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same multiple entries having common ownership directly or indirectly of more than 50% or common control) must be below 10% of our post-Issue Equity Share capital on a fully diluted basis. Further, in terms of applicable FEMA Non-Debt Instruments Rules, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company (on a fully diluted basis) and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company (on a fully diluted basis).

The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to the RBI. In terms of the FEMA Non-Debt Instruments Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

The existing individual and aggregate investment limits for FPI in our Company is 10% and 49% of the total paid-up Share capital of our Company, respectively.

FPIs are permitted to participate in the Issue 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 21 of the SEBI FPI Regulations, an FPI, 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 in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only by persons registered as Category I FPIs; (ii) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs; (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) such other conditions as may be specified by SEBI from time to time.

An FPI is also required to ensure that any transfer of offshore derivative instrument is made by, or on behalf of it subject to, *inter alia,* the following conditions:

(a) offshore derivative instruments are transferred to persons subject to fulfilment of SEBI FPI Regulations, including the conditions prescribed for FPIs to deal in overseas direct instruments; 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.

The FPIs who wish to participate in the Issue are advised to use the Bid cum Application Form for non-residents.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI FVCI Regulations and the SEBI AIF Regulations prescribe, *inter-alia*, the investment restrictions applicable to the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with the 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 public offerings.

Category I and category II AIFs cannot invest more than 25% 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 one0thirdsof its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI ICDR Regulations, the shareholding of VCFs, category I AIFs, category II AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing of a draft offer document with SEBI.

In accordance with existing regulations, OCBs cannot participate in the Issue.

There is no reservation for Eligible NRI Bidders, AIFs, FPIs and FVCIs. All Bidders (except Eligible Employees Bidding in the Employee Reservation Portion) will be treated on the same basis with other categories for the purpose of allocation.

Our Company, or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

All Non-Resident investors should note that 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 ASBA Form. Failing this, our Company reserve the right to reject any Bid without assigning any reason thereof.

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 reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2016 (the "**IRDA Investment Regulations**"), are broadly set forth below:

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) below, as the case may be.

(a) *Limit for the investee company*: The lower of: (i) 10%* of the outstanding equity shares (face value); and (ii) 10% of such funds and reserves as specified under the IRDA Investment Regulations, in case of a life insurer, or 10% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer), as the case may be;

(b) *Limit for the entire group of the investee company*: Not more than: (i) 15% of such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including reinsurer or a health insurer); or (ii) 15% of the investment assets in all companies belonging to the group, whichever is lower; and

(c) *Limit for the industry sector to which the investee company belongs*: Not more than: (i) 15% of the such funds and reserves as specified under the IRDAI Investment Regulations, in case of a life insurer, or 15% of the approved investments and other investments as permitted under the Insurance Act and the IRDA Investment Regulations, in case of a general insurer (including a re-insurer or a health insurer); or (ii) 15% of the investment asset, whichever is lower.

* *The above limit of 10% shall stand substituted as 15% of outstanding equity shares (face value) for insurance companies with investment assets of ₹ 2,500,000 million or more and 12% of outstanding equity shares (face value) for insurers with investment assets of ₹ 500,000 million or more but less than ₹ 2,500,000 million.*

Insurance companies participating in this Issue shall comply with all applicable regulations, guidelines and circulars issued by the 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 ASBA Form. Failing this, our Company reserve the right to reject any Bid, without assigning any reason thereof.

Bidders are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them.

Bids by banking companies

In case of Bids made by banking companies registered with the 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 by a banking company without assigning any reason thereof.

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, dated May 26, 2016, as amended, individually shall not exceed 10% of the bank's paid-up share capital and reserves as per the last audited balance sheet or a subsequent balance sheet, whichever is lower. 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 bank's interest on loans/investments made to a company. A banking company is required to submit a time-bound action plan for disposal of such shares within a specified period to the RBI. A banking company would require a prior approval of the RBI to make (i) investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions 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 Reserve Bank of India (Financial Services provided by Banks) Directions, 2016.

Bids by Systemically Important Non-Banking Financial Companies

With respect to Bids by systemically important non-banking financial companies, a certified copy of its registration certificate with the RBI, indicating that the Bidder is a systemically important non-banking financial company, along with certified copy of its last audited financial statements on standalone basis and net worth certificate from its auditors, and a certified copies of any other approvals required to be attached to the ASBA Form by systemically important non-banking financial companies must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Systemically important non-banking financial companies participating in the Issue shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for systemically important non-banking financial institutions shall be as prescribed by RBI from time to time.

In accordance with the existing regulations, OCBs cannot participate in the Issue.

Bids by SCSBs

SCSBs participating in the Issue 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 ASBA Bids.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, Eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of India, insurance funds set up by the Department of Posts, India, Systemically Important Non-Banking Financial Companies or the National Investment Fund and provident funds with a minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), 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, as applicable, must be lodged along with the ASBA Form. Failing this, our Company reserve 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 their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the ASBA Form.

Bids by Eligible Employees under the Employee Reservation Portion

The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. However, the initial allotment to an Eligible Employee in the Employee Reservation Portion shall exceed ₹200,000 only in the event of an under-subscription in the Employee Reservation Portion. Post the initial allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000. Eligible Employees under the Employee Reservation Portion may Bid at Cut-off Price.

Bids by Eligible Employees under the Employee Reservation Portion shall be subject to the following:

- Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion.

- Such Bids must be made in the prescribed ASBA Form (*i.e.*, pink in colour) and are required to be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The Allotment in the Employee Reservation Portion will be on a proportionate basis.

- Such Bidders should mention their employee identification number at the relevant place in the ASBA Form.

- The Bidder should be an Eligible Employee as defined above. In case of joint bids, the First Bidder shall be an Eligible Employee.

- Such Bidders must ensure that the Bid Amount does not exceed ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000.

- Such Bidders have the option to bid at Cut-off Price indicating their agreement to Bid and purchase at the Issue Price.

- Only those Bids, which are received at or above the Issue Price, would be considered for Allotment under this category.

- Such Bidders can place their Bids by only using the ASBA process.

- The Eligible Employee who Bid in the Employee Reservation Portion can also Bid in the Net Issue and such Bids shall not be treated as multiple Bids. To clarify, an Eligible Employee Bidding in the Employee Reservation Portion for up to ₹500,000, can also Bid in the Net Issue and such Bids will not be treated as multiple Bids. Our Company, in consultation with the BRLMs reserves the right to reject, in their absolute discretion, all or any multiple Bids in any or all categories. For further details, see "*Issue Procedure – Multiple Bids*" on page 369.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of Allotment, see "*Issue Procedure – Allotment Procedure and Basis of Allotment*" on page 344.

- The unsubscribed portion, if any, in the Employee Reservation Portion (after allocation over ₹200,000), shall be added to the Net Issue. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, on 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 a combination of categories. For further details, see "*Issue Structure*" on page 341.

In accordance with existing RBI regulations, OCBs cannot participate in the Issue.

The above information is given for the benefit of Bidders. Our Company, our Directors, the officers of our Company and the members of the Syndicate 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. 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.

Pre-Issue 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-Issue Advertisement, in the form prescribed by the 2018 SEBI ICDR Regulations, in: (i) all edition of English national newspaper Financial Express; (ii) all editions of Hindi national newspaper Janasatta; and (iii) Bengaluru edition of Kannada newspaper Hosadigantha (Kannada being the regional language of Bengaluru wherein our Company's Registered and Corporate Office is located), each with wide circulation. 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 X of the 2018 SEBI ICDR Regulations.

The above information is given for the benefit of the Bidders/applicants. Our Company 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/applicants are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the prescribed limits under applicable laws or regulations.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled "*Issue Procedure – Part B – General Information Document for Investing in Public Issues*" on page 359, Bidders are requested to note the following additional information in relation to the Issue.

1. The relevant Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an acknowledgement slip ("**Acknowledgement Slip**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each ASBA Form. It is the Bidder's responsibility to obtain the Acknowledgement Slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/ Allotted. Such Acknowledgement will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised Acknowledgement Slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

2. In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the

BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus or this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

3. In the event of an upward revision in the Price Band, Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid; or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹200,000 (for Retail Individual Bidders) or ₹500,000 (for Eligible Employees Bidding in the Employee Reservation Portion) if such Bidder wants to continue to Bid at Cut-off Price. The revised Bids must be submitted to the same Designated Intermediary to whom the original Bid was submitted. In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹200,000 and ₹500,000, respectively, 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. If, however, the Retail Individual Bidder or Eligible Employee does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder or Eligible Employee and the Retail Individual Bidder or Eligible Employee is deemed to have approved such revised Bid at Cut-off Price.

4. In the event of a downward revision in the Price Band, Retail Individual Bidders or Eligible Employees who have bid at the Cut-off Price may revise their Bid; otherwise, the excess amount paid at the time of Bidding would be unblocked after Allotment is finalised.

5. Any revision of the Bid shall be accompanied by instructions to block the incremental amount, if any, to be paid on account of the upward revision of the Bid.

In addition to the information provided in "*Part B – General Information Document for Investing in Public Issues – Interest and Refunds*" on page 390.

Signing of the Underwriting Agreement and the RoC Filing

Our Company intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, our Company will file an updated Red Herring Prospectus with the RoC in accordance with applicable law, which would them be termed as the Prospectus. The Prospectus would have details of the Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in "*Part B – General Information Document for Investing in Public Issues*" on page 359, Bidders are requested to note the additional instructions provided below.

***Do's*:**

1. All Bidders should submit their Bids through the ASBA process only;
2. Check if you are eligible to apply as per the terms of this Red Herring Prospectus and under applicable laws, regulations, guidelines and approvals. All Bidders should submit their bids to the relevant Designated Intermediaries through ASBA process only;
3. Ensure that you have Bid within the Price Band;
4. Read all the instructions carefully and complete the ASBA Form in the prescribed form;
5. Ensure that the details about the PAN, DP ID, UPI ID (as applicable) and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;
6. Ensure that your ASBA Form, bearing the stamp of a Designated Intermediary is submitted to the

Designated Intermediary at the Bidding Centre within the prescribed time;

7. If you are an ASBA Bidder, the first applicant is not the ASBA Account holder, ensure that the Bid cum Application Form is signed by the ASBA Account holder. Ensure that you have mentioned the correct ASBA Account number or the bank account linked UPI ID (with maximum length of 45 characters including the handle) as applicable, in the Bid cum Application Form;

8. Ensure that the ASBA Form is signed by the account holder in case the Bidder is not the ASBA Account holder. Ensure that you have an account with SCSB and have mentioned the correct ASBA Account number in the ASBA Form;

9. Ensure that you request for and receive a stamped acknowledgement counterfoil or acknowledgment specifying the application number as a proof of having accepted Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

10. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

11. Ensure that you only use your own bank account linked UPI ID (only for RIBs using the UPI Mechanism) to make an application in the Issue;

12. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised Acknowledgement Slip;

13. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a 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 Income Tax 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 beneficial 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 wherein PAN is not mentioned will be rejected;

14. Ensure that the Demographic Details are updated, true and correct in all respects;

15. 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;

16. Ensure that the name(s) given in the ASBA 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 ASBA Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder is included in the ASBA Forms;

17. Ensure that you tick the correct investor category and the investor status, as applicable, in the ASBA Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are submitted;

19. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

20. Ensure that the DP ID, UPI ID (as applicable), the Client ID and the PAN mentioned in the ASBA Form and entered into the electronic system of the Stock Exchanges by the relevant Designated Intermediary match with the DP ID, UPI ID (as applicable) Client ID and PAN available in the Depository database;

21. Ensure that the ASBA Forms are delivered by you within the time prescribed as per the ASBA Form and this Red Herring Prospectus;

22. Ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated

Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in).

23. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form; and

24. 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 or Sponsor Bank, as applicable, via electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form, as the case may be, at the time of submission of the Bid. In case of RIBs submitting their Bids and participating in the Issue through the UPI Mechanism, ensure that you authorise the mandate raised by the Sponsor Bank for blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment;

25. RIBs who wish to revise their Bids using the UPI Mechanism, should submit the revised Bid with the Designated Intermediaries, pursuant to which RIBs should ensure acceptance of the UPI Mandate Request received from the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in the RIB's ASBA Account

The ASBA 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 or revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another ASBA Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount by cheques and demand drafts or in cash, by money order or by postal order or by stock-invest;
5. Do not send ASBA Forms by post. Instead submit the same to only a Designated Intermediary;
6. Do not Bid on a physical ASBA Form that does not have the stamp of a Designated Intermediary;
7. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
8. Do not submit more than five ASBA Forms per ASBA Account;
9. Do not Bid for a Bid Amount exceeding ₹200,000 for Bids by Retail Individual Bidders and ₹500,000 for Bids by Eligible Employees under the Employee Reservation Portion;
10. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
11. Do not fill up the ASBA Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or maximum amount permissible under the applicable laws or under the terms of the RHP/Prospectus;
12. Do not submit the General Index Registration ("**GIR**") number instead of the PAN;
13. Do not submit the Bids without instructions to block funds equivalent to the Bid Amount in the ASBA Account;
14. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Issue;
15. Do not submit Bids on plain paper or on incomplete or illegible ASBA Forms or on ASBA Forms in a colour prescribed for another category of Bidder;
16. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Issue Closing Date;
17. If you are a Non-Institutional Bidder or Retail Individual Bidder or an Eligible Employee Bidding under the Employee Reservation Portion, do not submit your Bid after 3.00 p.m. on the Bid/ Issue Closing Date;
18. 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);
19. Do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs bidding through the Designated Intermediaries using the UPI Mechanism;

20. If you are a RIB using the UPI Mechanism, do not submit more than one Bid cum Application Form for each UPI ID in case of RIBs using UPI;

21. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by RIB Bidder using the UPI Mechanism;

22. Do not submit ASBA Form to any Designate Intermediary that is not authorised to collect the relevant ASBA Form or to our Company;

23. If you are RIB and are using UPI mechanism, do not submit the ASBA Form directly to the SCSBs;

24. Do not submit a Bid using the UPI, if you are not an RIB;

25. Do not submit Bids to a Designated Intermediary as a location other than the Bidding Centres;

26. If you are a RIB which is submitting the ASBA Forms with any of the Designated Intermediaries and using your UPI ID for the purpose of blocking of fund, do not use any third party bank account or third party linked bank account UPI ID;

27. RIBs bidding using the UPI mechanism, shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI;

28. RIBs bidding using the UPI mechanism, shall ensure that you approve the Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of allotment, in a timely manner;

29. Do not submit ASBA Bids to a Designated Intermediary at a Bidding Centre unless the SCSB where the ASBA Account is maintained, as specified in the ASBA Form, has named at least one branch in the relevant Bidding Centre, for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at www.sebi.gov.in);

30. RIBs bidding using the UPI mechanism should mention valid UPI ID of only the Applicant (in case of single account) and of the first Applicant (in case of joint account) in the Bid cum Application Form.

The ASBA Form is liable to be rejected if the above instructions or any other condition as mentioned in this Red Herring Prospectus, as applicable, are not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 356, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as given in the sub-section titled "*Categories of Investors eligible to participate in an Issue*" on page 356;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Bidders or Eligible Employees Bidding in the Employee Reservation Portion with Bid Amount for a value of more than ₹200,000 or ₹500,000, respectively;

11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

12. Bids accompanied by stock invest, money order, postal order or cash;

13. Bids by persons outside India who have not received a preliminary offering memorandum for the Issue, which comprises this Red Herring Prospectus and an "International Wrap" that contains, among other things, the selling restrictions applicable to the offer outside India; and

14. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Issue Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Issue Closing Date, and Bids by Retail Individual Bidders and Eligible Employees Bidding in the Employee Reservation Portion uploaded after 5.00 p.m. on the Bid/ Issue Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Equity Shares shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, as of the date of this Red Herring Prospectus, the following agreements had been signed among our Company, the respective Depositories and Integrated Registry Management Services Private Limited.

- Agreement dated September 2, 1998 among NSDL, our Company and Integrated Registry Management Services Private Limited.

- Agreement dated March 8, 2000 among CDSL, our Company and Integrated Registry Management Services Private Limited.

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 ten 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:

- That if our Company does not proceed with the Issue after the Bid/ Issue Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/ Issue Closing Date. The public notice shall be issued in the same newspapers where the Pre- Issue Advertisements were published. The Stock Exchanges shall also be informed promptly;

- The Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot, as required under the 2009 SEBI ICDR Regulations;

- That the complaints received in respect of the Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges within six Working Days of the Bid/ Issue Closing Date or such other period as may be prescribed shall be taken;

- If the Allotment is not made, application monies will be unblocked in the ASBA Accounts within the time as prescribed under applicable law, failing which interest will be due to be paid to the Bidders as per applicable laws;

- That where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the Bidder within the time as prescribed under applicable law, giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit for the refund;

- That the certificates of the securities or refund intimation to Eligible NRI Bidders shall be despatched within specified time;

- No further Issue of Equity Shares shall be made until the Equity Shares are listed or until the Bid monies are unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

- That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time; and

- Adequate arrangements shall be made to collect all ASBA Forms by Bidders.

The decisions with respect to the Price Band, the minimum Bid lot and reservations in the Issue, revision of Price Band, Issue Price, will be taken by our Company, in consultation with the BRLMs.

Utilisation of Issue Proceeds

Our Company declare that all monies received out of this 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.

Withdrawal of the Issue

For details, see "*Terms of the Issue - Withdrawal of the Issue*" on page 340.

PART B

General Information Document for Investing in Public Offers

*This General Information Document highlights certain key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, 2013 the Securities Contracts (Regulation) Act, 1956 ("**SCRA**"), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ("**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.*

*SEBI through its circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, and as modified though its circular SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 and circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 (together, the "**UPI Circular**") has proposed to introduce an alternate payment mechanism using Unified Payments Interface ("**UPI**") and consequent reduction in timelines for listing in a phased manner. From January 1, 2019, the UPI mechanism for RIIs applying through Designated Intermediaries have been made effective along with the existing process and existing timeline of T+6 days. The same was applicable until June 30, 2019 ("**UPI Phase I**"). Currently, for application by RIIs through Designated Intermediaries, the existing process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds is discontinued and RIIs submitting their Application Forms through Designated Intermediaries (other than SCSBs) can only use the UPI mechanism with existing timeline of T+6 days until March 31, 2020 ("**UPI Phase II**"). Subsequently, the final reduced timeline will be made effective using the UPI mechanism for applications by RIIs ("**UPI Phase III**"), as may be prescribed by SEBI.*

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, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.
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, 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 refer to the section "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.

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.

2.3 Other Eligibility Requirements:

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, the SEBI LODR Regulations, the Companies Act, 2013 (to the extent notified and in effect), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.
For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the 2018 SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Offer**") or undertake a Fixed Price Offer ("**Fixed Price Offer**").

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-offer advertisement was given at least two Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO and determine the Offer Price at a later date before registering the Prospectus with the Registrar of Companies.

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 Offer or a Fixed Price Offer.

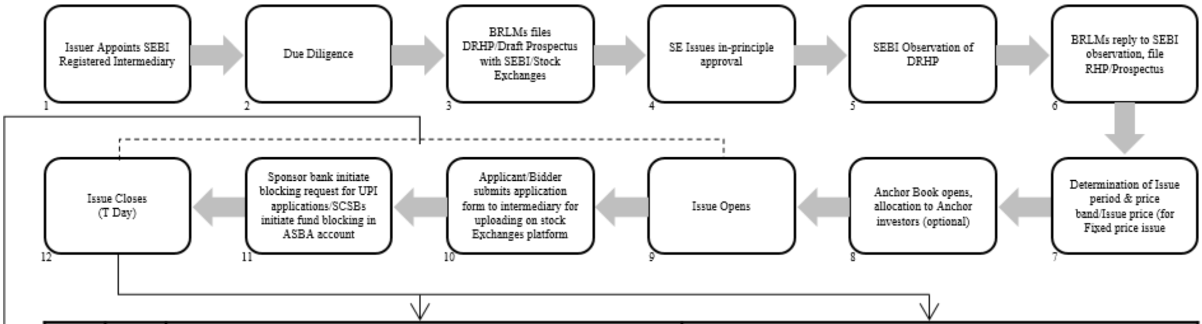
2.5 OFFER PERIOD

The Offer shall be kept open for a minimum of three Working Days (for all categories 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 Offer, 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 in the Price Band in Book Built Offers the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding ten Working Days. For details of any revision of the Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.
In case of force majeure, banking strike or similar circumstances, the Issuer may, for reasons to be recorded in writing, extend the bidding (Offer) period for a minimum period of three working days, subject to the total Bid/Offer Period not exceeding 10 Working Days.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Offers is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

Flow chart of timeline for Phase II



<table>
<tr><th>S. No</th><th>Day</th><th>Retail applications with UPI</th><th>QIB/NII applications</th></tr>
<tr><td>13</td><td>T+1</td><td>• Sponsor Bank may not accept bid details from Stock Exchanges post 11:00 a.m
• Sponsor Bank to initiate request for blocking of funds to investor for any balance applications
• Applicant to accept mandate request for blocking of funds prior to cut off-time of 12:00 p.m
• Sponsor Bank to send Final Certificate to the registrar through stock exchange by 6:00 p.m
• After the closure of modification & mandate acceptance by the Applicant, NPCI shall share the analysis of failures in UPI mandate transactions with the Sponsor Bank by 8:00 p.m
• Sponsor Bank shall share the report received from NPCI with the BRMs by 8:15 p.m
• BRLMs shall share the report received from the Sponsor Bank with SEBI by 9:00 p.m</td><td>• Intermediaries to forward a schedule as per requisite format and application forms to the designated branches of the respective SCSBs for blocking of funds
• Designated branches of SCSBs may not accept schedule and applications after T+1 day (11:00 a.m.)
• SCSBs to send Final Certificate to the registrar by 6:00 p.m</td></tr>
<tr><td>14</td><td>T+2</td><td colspan="2">• Third party confirmation process to be initiated by the Registrar not later than 9:00 a.m. SCSBs and the Issuer Banks shall provide confirmation on the third party applications to the Registrar not later than 9:00 p.m
• Registrar to reconcile the compiled data received from the stock exchanges, all SCSBs and Sponsor Bank
• Registrar to undertake "Technical Rejection“
• BRLMs shall submit a compliance report to SEBI by 10:00 p.m</td></tr>
<tr><td>15</td><td>T+3</td><td colspan="2">• Approval of Basis of allotment by designated stock exchange
• Registrar and merchant banker to issue funds transfer instructions to SCSBs and Sponsor Bank
• BRLMs shall submit a compliance report to SEBI by 9:00 p.m</td></tr>
<tr><td>16</td><td>T+4</td><td colspan="2">• SCSBs and Sponsor Bank to credit the funds in public issue account of the issuer
• Registrar / Issuer to initiate corporate action for credit of shares to successful allottees
• Issuer and registrar to file allotment details with designated stock exchange(s)
• Registrar to send bank-wise data of allottees, amount due and balance amount to be unblocked to SCSBs / Sponsor Bank.
• The Sponsor Bank, in coordination with NPCI and the Issuer Banks shall share the details of debit/unblock requests of allottees/non-allottees with the Registrar
• The Registrar shall coordinate with the Sponsor Bank / SCSBc & submit a report on the status of debit/unblock requests of allottees/non-allottees to the BRLMs by 8:00 p.m, which shall be submitted by the BRLMs with SEBI by 9:00 p.m
• BRLMs shall submit a report of compliance with SEBI by 9:00 p.m</td></tr>
<tr><td>17</td><td>T+5</td><td colspan="2">• Registrar to receive confirmation of demat credit from depositories
• Issuer and Registrar to file confirmation of demat credit, lock-in and issuance instructions to unblock ASBA funds, as applicable, with the Stock Exchanges.
• Issuer to make a listing application to stock exchanges
• Stock exchanges to issue commencement of trading notice
• BRLMs shall submit a report of compliance with SEBI by 9:00 p.m</td></tr>
<tr><td>18</td><td>T+6</td><td colspan="2">• Trading commences
• BRLMs shall identify the non-adherence of timelines and processes (‘T’ to ‘T+6’ days) and submit a report to SEBI with a comprehensive analysis of entities responsible for the delay and the reasons associated with it</td></tr>
</table>

Reconciliation steps to be done on a daily basis between Issue opening date and Issue closing date (for UPI Mandates):
• Sponsor Bank Shall reconcile bid requests received from the Stock Exchanges and share it with NPCI • NPCI shall ensure that all bid request received from the Sponsor Bank are forwarded to the corresponding payment system participants of the Issuer Banks • The Issuer Bank/Sponsor Bank shall download the mandate related UPI settlement files and raw data files from NPCI portal on daily basis after every settlement cycle and shall do a three way reconciliation with Banks UPI switch data, CBS data and the UPI raw data. NPCI shall coordinate with issuer banks /sponsor bank on continuous basis. • Issuer Banks shall process all incoming bid requests & send responses to NPCI on a real time basis. NPCI shall facilitate the flow of information to the Sponsor Bank. • Sponsor Bank shall reconcile the bid responses received from NPCI and share it with the Stock Exchanges • Sponsor Bank shall do a final reconciliation of all bid requests and responses, on a daily basis, and share a consolidated report to the BRLMs by 7:00 p.m, which shall be share by the BRLMs with SEBI, on daily basis, by 9:00 p.m • On T day, Sponsor Bank shall share the consolidated date to the BRLMs by 7:00 p.m, which shall be shared by the BRLMs with SEBI by 9:00 p.m

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN OFFER

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits or in specific sectors as 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 hold and 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 and other laws, as applicable);
- FPIs other than FPIs which are individuals, corporate bodies and family offices Bidding under the QIBs category;
- FPIs which are individuals, corporate bodies and family offices, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- 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, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE OFFER

Book Built Offer: Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding 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 and advertisements in the newspaper(s). For Anchor Investors, the Bid cum Application form shall be available at the offices of the BRLMs.

Fixed Price Offer: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms will also be available with the Designated Branches of the SCSBs and at the registered 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 color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs applying on a repatriation basis, FPIs	Blue
Anchor Investors (where applicable)	As specified by the Issuer

Category	Color of the Bid cum Application Form
Reserved Category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in accordance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that Bid cum Application Form not filled completely or correctly as per instructions provided in this GID, the RHP/Prospectus 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.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form – For Residents

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - R

Registered Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: xxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxxxx
Corporate Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: +xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxx
Contact Person: xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxx E-mail:xxxxxxxxxxxxxxxxx Website: xxxxxxxxxxxxxxxxxx;
Corporate Identity Number: xxxxxxxxxxxxxxxx

FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBs, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms./M/s.

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 only)			
	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

☐ Individual(s) - IND
☐ Hindu Undivided Family - HUF*
☐ Bodies Corporate - CO
☐ Systemically Important NBFCs
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ National Investment Fund - NIF
☐ Insurance Companies - IC
☐ Insurance Funds
☐ Venture Capital Funds (VCF)
☐ Alternative Investment Fund - AIF
☐ Other QIBs - OTH
☐ Non Resident Indian - NRI (Non repatriation basis)
☐ All entities other than QIBs, Bodies Corporates and Individuals - NOH

HUF should apply only through Karta (Application by HUF would be treated on par with individual).

7. PAYMENT DETAILS [IN CAPITAL LETTERS]

PAYMENT OPTION : ☐ FULL PAYMENT ☐ PART PAYMENT

Amount blocked (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI Id (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, 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 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, 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

Date : _______________, 2018

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.

1)
2)
3)

SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED

INITIAL PUBLIC OFFER - R

Acknowledgement Slip for Syndicate Member/Registered Broker/SCSB/CDP/RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount blocked (₹ in figures)	ASBA Bank A/c No./UPI Id
Bank Name & Branch	

Stamp & Signature of SCSB Branch

Received from Mr./Ms./M/s.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC OFFER - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹)			

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No./UPI Id

Bank Name & Branch

Bid cum Application Form No.

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED

TEAR HERE

Application Form – For Non – Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM

XYZ LIMITED - INITIAL PUBLIC OFFER - NR
Corporate Identity Number: xxxxxxxxxxxxxxxxxx
Registered office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx, Tel: xxxxxxxxxxxxxxxx, Fax: xxxxxxxxxxxxxxx
Corporate office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx
Contact Person: xxxxxxxxxxxxxxxxxxxxxxx, Company Secretary and Compliance Officer; Tel: xxxxxxxxxxx; Fax: xxxxxxxxxxx
E-mail: xxxxxxxxxxxxxxxxxxx Website: xxxxxxxxxxxxxxxxxxxxx

FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIs APPLYING ON A REPATRIATION BASIS, FPIs, FVCIs AND REGISTERED MULTI LATERAL AND BILATERAL DEVELOPMENT FINANCIAL INSTITUTIONS ETC.

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | REGISTERED BROKER/SCSB/CDP/RTA STAMP & CODE

SUB-BROKER'S / SUB-AGENT'S STAMP & CODE | SCSB BRANCH STAMP & CODE

BANK BRANCH SERIAL NO. | SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms./M/s.

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 only): 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

NRI Non-Resident Indian(s) (Repatriation basis)
FVCI Foreign Venture Capital Investor
FPI Foreign Portfolio Investor, other than foreign portfolio investors which are individuals, corporate bodies and family offices
RBMI Registered Bilateral and Multi Lateral Development Financial Institutions
OTH Others (Please Specify)

7. PAYMENT DETAILS [IN CAPITAL LETTERS]

PAYMENT OPTION : ☑ FULL PAYMENT ☒ PART PAYMENT

Amount blocked (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

OR

UPI ID (Maximum 45 characters)

PLEASE FILL IN BLOCK LETTERS

I/WE (ON BEHALF OF JOINT BIDDERS, 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 OFFERS ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDER'S UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT BIDDERS, 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

Date :

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.

1)
2)
3)

SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC OFFER - NR

Acknowledgement Slip for Syndicate Member / Sub Syndicate / Registered Broker / SCSB / CDP / RTA

Bid cum Application Form No.

PAN of Sole / First Bidder

DPID / CLID

Amount blocked (₹ in figures) | ASBA Bank A/c No./UPI Id

Bank Name & Branch

Stamp & Signature of SCSB Branch

Received from Mr./Ms./M/s.

Telephone / Mobile | Email

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC OFFER - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Blocked (₹ in figures)			

Stamp & Signature of Syndicate Member / Sub Syndicate / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

ASBA Bank A/c No./UPI Id

Bank Name & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

Important Note : Application made using third party UPI or ASBA Bank A/c are liable to be rejected.

XYZ LIMITED 1

TEAR HERE

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.

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 (including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) 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, 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. All communications may be addressed to such first Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*
(a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
(b) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. For Allotment of the Equity Shares in dematerialized form, there will be no 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(s) in whose 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. A Bid cum Application Form/Application Form without PAN, except in case of PAN Exempted Bidders/Applicants, is liable to be rejected. 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 beneficial 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/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders 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/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 PAN, 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 any correspondence(s) related to the 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 the place where the Issuer's registered office is situated, at least two 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 Investors or Employees or Retail Individual Shareholders in the Shareholder Reservation Portion (if any) 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 NIIs and such Bids from QIBs and NIIs are liable to be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Book Running Lead Managers may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on the basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the Retail Category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the minimum Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors 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.
In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
The maximum bid Amount under the Employee Reservation Portion by an Eligible Employee could not exceed ₹ 500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion could not exceed ₹ 200,000. Only in the event of an under-subscription in the Employee Reservation Portion post the initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹ 200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹ 500,000.

(b) 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.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RIIs may revise or withdraw their bids until the Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and all categories of investors are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/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.

(g) A Bid by QIB bidder cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws. It is clarified that, multiple Bids by a FPI Bidder utilising the multi investment manager structure shall be aggregated for determining the permissible maximum Bid.

(i) A Bid by NII bidder cannot be submitted for more than the Offer size excluding QIB portion.

(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 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 Bids at three 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 FPIs which utilise the multi investment manager structure of the same beneficial owner as provided under Regulation 20 (4)(d)(xiii) of the SEBI Foreign Portfolio Regulations, 2019, 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 FPIs that utilise the multi investment manager structure, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/ Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Eligible Employees and Retail Individual Shareholders in their respective Reservation Portion as well as Bids made by them in the Net Offer portion in the 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 submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by FPIs which utilise the multi investment manager structure, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

v. 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 for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 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. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 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: BIDDER 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) Bidders are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Bidder doesn’t provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted by RIIs to Designated Intermediaries (other than SCSBs), RIIs providing both, the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application. NRIs applying in the Offer through the UPI mechanism are advised to enquire with the relevant Bank, whether their account is UPI linked, prior to making such application through Channel III.

(b) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorization provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs and Retail Individual Shareholders and Employees Bidding in the Employee Reservation Portion (if any) should indicate the full Bid Amount in the Bid cum Application Form and the payment 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.

(c) RIIs bidding at Cut-off price, the amount shall be blocked based on the Cap Price.

(d) All QIB and NII Bidders (other than Anchor Investors) can participate in the Offer only through the ASBA mechanism

(e) RIIs submitting their applications through Designated Intermediaries (other than SCSBs) can participate in the Offer only through the UPI mechanism, using their UPI ID linked with their bank account. RIIs applying in the Offer through the UPI mechanism shall ensure that the name of the bank, with which the RII maintains his account, appears in the list of SCSBs displayed on the SEBI website, which are live on UPI. RIIs shall also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer are also appearing in the aforesaid list of SCSBs displayed on the SEBI website. NRIs applying in the Offer through the UPI mechanism are advised to enquire with the relevant Bank, whether their account is UPI linked, prior to making such application through Channel III.

(f) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors shall submit their Bids only with any of the BRLMs to the Offer.
(b) Payments should be made either by direct credit, RTGS, NACH or NEFT.
(c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

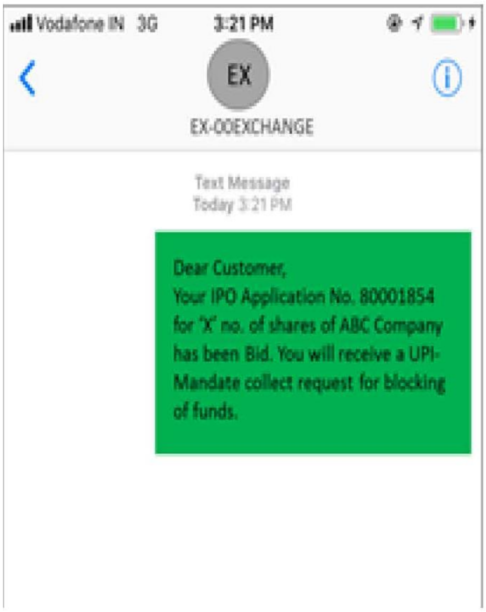
(a) **RIIs bidding through Designated Intermediaries** should note that with the introduction of UPI as a payment mechanism, there are three channels of making applications in public issues available to them in UPI Phase II (i.e., from July 1, 2019 until March 31, 2020). The three channels for making applications in public issues available to RIIs bidding through Designated Intermediaries are as follows:

Channel I	Channel II	Channel III
RIIs may submit the Bid cum Application Form with ASBA as the sole mechanism for making payment either physically (at the branch of the SCSB) or online. For such applications the existing process of uploading the bid and blocking of funds in the RIIs account by the SCSB would continue.	RIIs may submit the Bid cum Application Form online using the facility of linked online trading, demat and bank account (3-in-1 type accounts) provided by some of the brokers.	RIIs may submit the Bid cum Application Form with any of the Designated Intermediaries (other than SCSBs) and use his/her UPI ID for the purpose of blocking of funds.

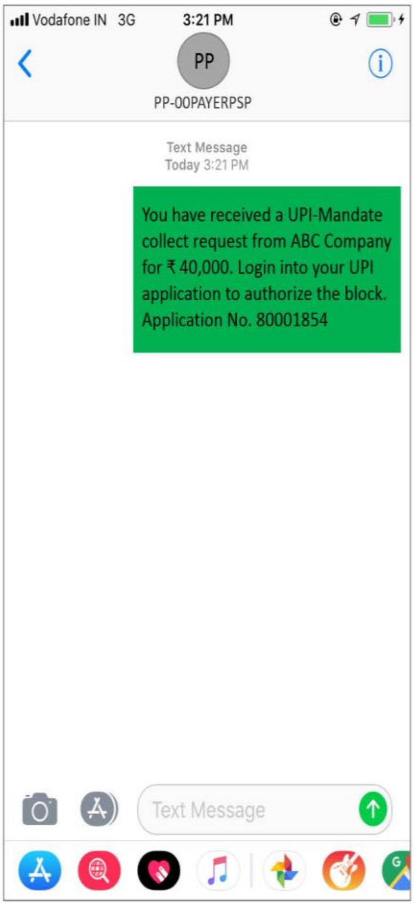
RIIs bidding in the Offer through UPI shall make such applications only through the SCSBs/mobile applications whose name appears on the SEBI website – **www.sebi.gov.in** at the following path:
Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI
RIIs whose bank is not live on UPI may use the other alternate channels available to them, i.e., submission of application form with SCSB (Channel I) or using the facility of linked online trading, demat and bank account (Channel II).

NRIs applying in the Offer through the UPI mechanism are advised to enquire with the relevant Bank, whether their account is UPI linked, prior to making such application through Channel III.
For UPI Phase III, RIIs will also have the option to use the same channels (as described above) for making applications in a public issue.
Please see below a graphical illustrative process of the investor receiving and approving the UPI Mandate Request.

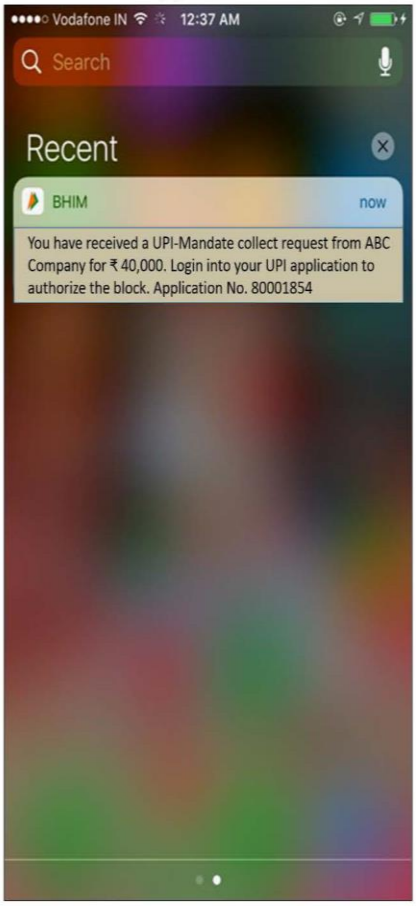
Illustrative SMS



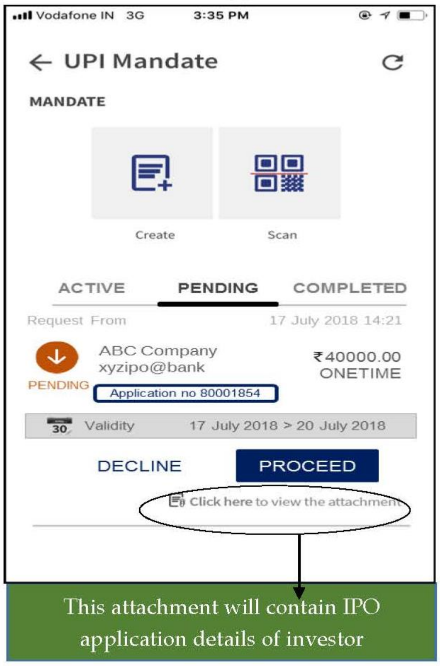
Block request SMS to investor



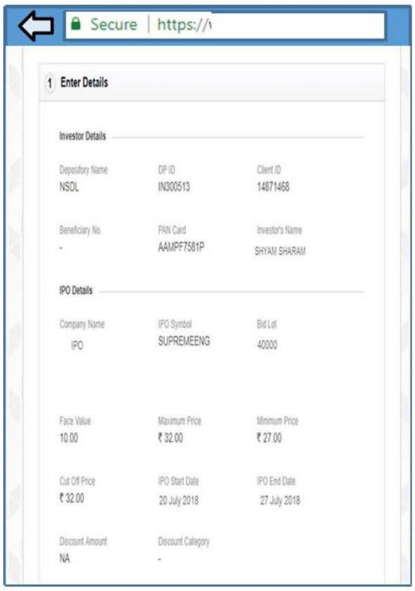
Block request intimation through UPI application



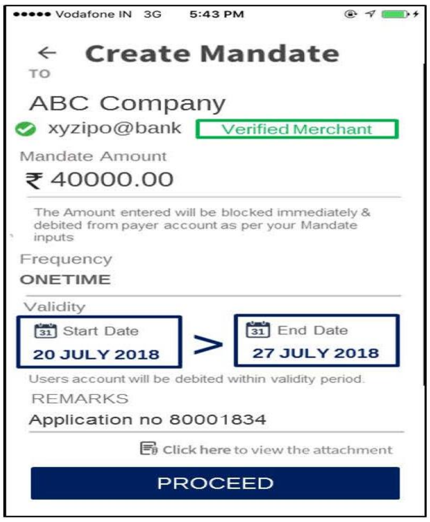
1. Investor UPI application screen



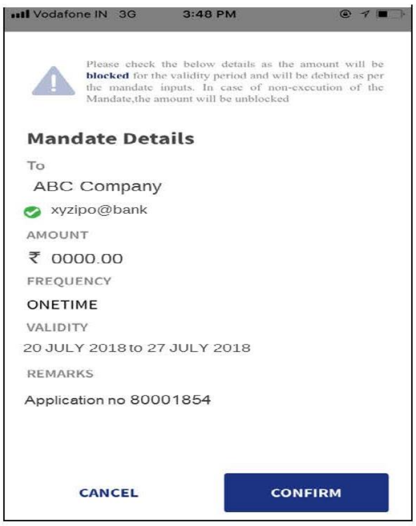
2. Sample of IPO details in attachment



3. Post verification of details above



4. Pre-confirmation page



(b) QIB and NII Bidders may submit the Bid cum Application Form either

   i. to SCSBs in physical or 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.

(c) Bidders must specify the Bank Account number or the UPI ID (for RIIs bidding using the UPI mechanism), as applicable, in the Bid cum Application Form. The Bid cum Application Form submitted by a 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, may not be accepted.

(d) Bidders should note that application made using third party UPI ID or ASBA Account is liable to be rejected.

(e) NRIs applying in the Offer through the UPI mechanism are advised to enquire with the relevant Bank, whether their account is UPI linked, prior to making such application through Channel III.

(f) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the ASBA Account.

(g) Bidders (other than RIIs bidding through the non-UPI mechanism) 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 CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations. RIIs bidding through the non-UPI mechanism should either submit the physical Bid cum Application Form with the SCSBs or Designated Branches of SCSBs under Channel I or submit the Bid cum Application Form online using the facility of 3-in1 type accounts under Channel II.

(h) **Bidders (other than RIIs bidding through the non-UPI mechanism) bidding through Designated Intermediaries** 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.

(i) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(j) Upon receipt of the Bid cum Application 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.

(k) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(l) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(m) Upon submission of a completed Bid cum Application Form each Bidder (not being a RII who has opted for the UPI mechanism and provided a UPI ID with the Bid cum Application Form) 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 Bid cum Application Form in the ASBA Account maintained with the SCSBs. For details regarding blocking of Bid Amount for RIIs who have provided a UPI ID with the Application Form please refer to paragraph 4.1.7.4.

(n) 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 Offer Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

(o) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3. **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 or the Sponsor Bank, as the case may be, along with instructions to unblock the relevant ASBA Accounts and for successful applications transfer the requisite money to the Public Offer 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 ASBA Account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs or the Sponsor Bank, as the case may be, to unblock the respective ASBA Accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs or the Sponsor Bank, as the case may be, may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB or to the Sponsor Bank to revoke the mandate and, as the case may be, to unblock the Bid Amount in the relevant account within four Working Days of the Bid/Offer Closing Date.

4.1.7.4. Additional Payment Instructions for RIIs bidding through Designated Intermediaries (other than SCSBs) using the UPI mechanism

(a) Before submission of the application form with the Designated Intermediary, an RII shall download the mobile application, associated with the UPI ID linked bank account, for UPI and create a UPI ID (xyz@bankname) of not more than 45 characters with its bank and link it to his/ her bank account where the funds equivalent to the application amount is available. RIIs shall also ensure that the name of the mobile application and the UPI handle being used for making the application in the Offer are appearing in the following path on SEBI website – **www.sebi.gov.in**:
Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI
It is clarified that if a RII makes an application through a UPI handle not covered in the prescribed list (as mentioned in the path above), such an application is liable to be rejected.

(b) RIIs shall ensure that the bank, with which it has its bank account, where the funds equivalent to the application amount is available for blocking has been notified as Issuer Banks for UPI. A list of such banks is available at the following path on SEBI website – **www.sebi.gov.in**:
Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI
It is clarified that if a RII makes an application using a bank account of an SCSB or bank which is not covered in the prescribed list (as mentioned in the path above), such an application is liable to be rejected.

(c) RIIs shall mention his / her UPI ID along with the bid details in the Bid cum Application Form in capital letters and submit the Bid cum Application Form to any of the Designated Intermediaries (other than SCSBs). It is clarified that if an RII submits a third party UPI ID instead of his/her own UPI ID in the Bid cum Application Form, the application is liable to be rejected.

(d) The Designated Intermediary (other than SCSBs) upon receipt of the Bid cum Application Form will upload the bid details along with UPI ID in the stock exchange bidding platform.

(e) Once the bid has been entered into the Stock Exchange bidding platform, the stock exchange will validate the PAN and Demat Account details of the RII with the Depository. The Depository will validate the aforesaid details on a real time basis and send a response to the stock exchange which will be shared by the stock exchange with the respective Designated Intermediary through its bidding platform, for corrections, if any.

(f) Once the bid details have been validated by the Depository, the stock exchange will, on a continuous basis, electronically share the bid details along with the UPI ID of the concerned RII with the Sponsor Bank appointed by the Issuer.

(g) The Sponsor Bank will validate the UPI ID of the RII before initiating the Mandate request.

(h) The Sponsor Bank after validating the UPI ID will initiate a UPI Mandate Request for valid UPI ID on the RII which will be electronically received by the RII as an SMS / intimation on his / her mobile number / mobile app associated with the UPI ID linked account. The RII shall ensure that the details of the Bid are correct by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, an RII may be deemed to have verified the attachment containing the application details of the RII in the UPI Mandate Request and have agreed to block the entire Bid Amount mentioned in the Bid Cum Application Form and subsequent debit in case of Allotment.

(i) Upon successful validation of the block request by the RII, the said information would be electronically received by the RII's bank, where the funds, equivalent to the application amount would get blocked in the ASBA Account of the RII. Intimation regarding confirmation of such blocking of funds in the ASBA Account of the RII would also be received by the RII. Information on the block status request would be shared with the Sponsor Bank which in turn would share it with the stock exchange which in turn would share it with the Registrar in the form of a file for the purpose of reconciliation and display it on the stock exchange bidding platform for the information of the Designated Intermediary.

(j) RIIs may continue to modify or withdraw the Bid till the closure of the Bidding Period. For each modification of the Bid, the RII will submit a revised Bid and will receive a UPI Mandate Request from the Sponsor Bank to be validated as per the process indicated above.

(k) RIIs to check the correctness of the details on the mandate received before approving the Mandate Request.

(l) Post closure of the Offer, the stock exchange will share the Bid details with the Registrar along with the final file received from the Sponsor Bank containing status of blocked funds or otherwise, along with the ASBA Account details with respect to applications made by RIIs using UPI ID.

4.1.7.5. Discount (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under Retail Category, Retail Individual Shareholder and Employees under Employee Reservation Portion 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 their ASBA Account for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under Retail 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) The signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB or using the UPI to the Sponsor Bank, 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.

(c) 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 or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Offer.

ii. In case of Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

v. In case of queries relating to uploading of Bids through the UPI Mechanism, the Bidders/Applicants should contact the Designated Intermediary.

vi. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Offer.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the Designated Intermediary, where the Bid was submitted along with the acknowledgment slip from Designated Intermediary or

iii. Bids, ASBA Account number or the UPI ID (for RIIs who make the payment of Bid Amount through the UPI mechanism) linked to the ASBA Account where the Bid Amount was blocked.

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 NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until 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. It is clarified that RIIs whose original Bid is made using the

UPI mechanism can make revision(s) to their Bid using the UPI mechanism only, whereby each time the Sponsor Bank will initiate a new UPI Mandate Request. 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 OFFER - R

Registered Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: xxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxxxx
Corporate Office: xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx Tel: +xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxxx
Contact Person: xxxxxxxxxxxxxxxxx Fax: xxxxxxxxxxxxxxxxx E-mail:xxxxxxxxxxxxxxxxx Website: xxxxxxxxxxxxxxxxx;
Corporate Identity Number: xxxxxxxxxxxxxxxxx

FOR RESIDENT INDIAN INVESTORS, INCLUDING RESIDENT QIBS, NON-INSTITUTIONAL BIDDERS, RETAIL INDIVIDUAL BIDDERS AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

To,
The Board of Directors
XYZ LIMITED

100% BOOK BUILT OFFER
ISIN : XXXXXXXXX

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	REGISTERED BROKER / SCSB / CDP / RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms./M/s.

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

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 Only): 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					☐

OLD BID

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 Only): 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					☐

REVISED BID

6. PAYMENT DETAILS [IN CAPITAL LETTERS] **PAYMENT OPTION : FULL PAYMENT** ☐ **PART PAYMENT** ☐

Additional Amount Blocked (₹ in figures) (₹ in words)

ASBA
Bank A/c No.
Bank Name & Branch
OR
UPI Id (Maximum 45 characters)

I/WE (ON BEHALF OF JOINT BIDDERS, 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 BIDDERS, 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)	SYNDICATE MEMBER / REGISTERED BROKER / SCSB / CDP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorise the SCSB to do all acts as are necessary to make the application in the Offer.	
	1)	
	2)	
Date : ________________, 2018	3)	

TEAR HERE

LOGO

XYZ LIMITED

BID REVISION FORM - INITIAL PUBLIC OFFER - R

Acknowledgement Slip for Syndicate Member/ Registered Broker/SCSB/CDP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Blocked (₹)	ASBA Bank A/c No./UPI Id	Stamp & Signature of SCSB Branch
Bank Name & Branch		
Received from Mr./Ms./M/s.		
Telephone / Mobile	Email	

REVISED BID

TEAR HERE

XYZ LIMITED- BID REVISION FORM - INITIAL PUBLIC OFFER - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Blocked (₹)			

REVISED BID

Stamp & Signature of Syndicate Member / Registered Broker / SCSB / CDP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No./UPI Id

Bank Name & Branch

Important Note : Application made using third party UPI Id Or ASBA Bank A/c are liable to be rejected.

Bid cum Application Form No.

XYZ LIMITED

TEAR HERE - PLEASE FILL IN BLOCK LETTERS - TEAR HERE

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/APPLICANT, 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 RIIs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case of revision of Bids by Employees, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 500,000.

(e) If, however, the RII 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 shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs and Bids by Employees and Retail Individual Shareholders 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 will be unblocked.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorize blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. 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/Applicant 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 of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELD 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 OFFER)

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 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 Book Running Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount less Discount (as applicable) payable does not exceed ₹ 200,000.

(d) Applications by Employees must be for such number of shares that the application amount payable less Discount (as applicable) does not exceed ₹ 500,000.

(e) 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.

(f) An application cannot be submitted for more than the Offer size.

(g) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(h) **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.

(i) For details regarding the procedures to be followed by the Registrar to detect multiple applications. Applicants should refer to paragraphs 4.1.4.2(b) and 4.1.4.2(c).

4.3.3 FIELD NUMBER 5 : CATEGORY OF APPLICANTS

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations 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) Bidders are required to enter either the ASBA Bank account details or the UPI ID in this field. In case the Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected**.** For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

(b) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Offer.

(c) RIIs applying through Designated Intermediaries (other than SCSBs) may make use of the UPI mechanism for applying in the Offer. If RIIs are applying in the Offer through non-UPI mechanism then it shall either submit physical Bid cum Application Form with the SCSBs or the Designated Branches of the SCSBs under Channel I or submit the Bid cum Application Form online using the facility of 3-in1 type accounts under Channel II.

(d) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.3.

4.3.5.3 **Additional Payment Instructions for RIIs bidding through Designated Intermediaries using the UPI mechanism**

Applicants should refer to instructions contained in paragraph 4.1.7.4.

4.3.5.4 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.5.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION 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	To one of the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
Applications from QIBs and NIIs	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations; and (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained
Applications from RIIs applying through UPI mechanism	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations; and

Mode of Application	Submission of Bid cum Application Form
Applications from RIIs applying through non-UPI mechanism	(a) To the Designated Branches of the SCSBs where the ASBA Account is maintained (b) To the Brokers providing the facility of linked online trading, demat and bank account (3-in-1 type accounts) online

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had submitted 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 Registrar of Companies (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: OFFER PROCEDURE IN BOOK BUILT OFFER

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 XIII of SEBI ICDR Regulations 2018. 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, ASBA Bidders/Applicants may approach any of the Designated Intermediary to register and submit their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach one of the Book Running Lead Managers on the Anchor Investor Bidding Date to register and submit their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs or the Sponsor Bank, as applicable, 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 facility 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.

(c) Only Bids that are uploaded on the Stock Exchanges Platform would be considered for allocation/ Allotment. In UPI Phase II, the Designated Intermediaries are given time till 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 Offer 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 Book Running Lead Managers 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) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, 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 in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB or the Sponsor Bank, as applicable, for unblocking the ASBA Account upon or after the finalization of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediary;

ii. the Bids (including UP ID, as applicable) uploaded by the Designated Intermediary; and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The Book Running Lead Managers and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs or the Sponsor Banks, as applicable, 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) Book Running Lead Managers and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form 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, among other things, on the following grounds, 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 of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account;

(c) Bids/Applications by OCBs;

(d) 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;

(e) 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/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(i) ASBA Account number or UPI ID not mentioned or incorrectly mentioned in the Bid cum Application Form/Application Form;

(j) In case of Bids by RIIs (applying through the UPI mechanism) through a UPI handle not covered in the prescribed list of SEBI.

(k) In case of Bids by RIIs (applying through the UPI mechanism) using a bank account of an SCSB or bank which is not covered in the prescribed list of SEBI.

(l) PAN not mentioned in the Bid cum Application Form/Application Form 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;

(m) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(n) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(o) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(p) Bids/Applications at Cut-off Price by NIIs and QIBs;

(q) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(r) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(s) Submission of Bid cum Application Forms/Application Form using third party UPI ID or ASBA Bank Account;

(t) Submission of more than one Bid cum Application Form per UPI ID by RIIs bidding through Designated Intermediaries other than SCSBs (except for RIIs applying as Retail Individual Shareholders also);

(u) Submission of more than one Bid cum Application Form per ASBA Account by Bidders bidding through Designated Intermediaries (except in case of joint account holders);

(v) In case of joint Bids, submission of Bid cum Application Forms/Application Form using second or third party's UPI ID or ASBA Bank Account;

(w) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;

(x) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(y) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(z) Bank account mentioned in the Bid cum Application Form (for Bidders applying through the non-UPI mechanism) may not be an account maintained by SCSB. Inadequate funds in the ASBA Account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the ASBA Account;

(aa) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID mentioned in the Bid cum Application Form is linked to a third party bank account;

(bb) In case of Bids by RIIs (applying through the UPI mechanism), the UPI ID is not mentioned in the Bid cum Application Form;

(cc) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;

(dd) Where no confirmation is received from SCSB or the Sponsor Bank, as applicable, for blocking of funds;

(ee) Bids/Applications by QIB and NII Bidders (other than Anchor Investors) not submitted through ASBA process;

(ff) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(gg) Bid cum Application Form submitted physically by RIIs bidding through the non-UPI mechanism to Designated Intermediaries other than SCSBs;

(hh) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(ii) 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.

(jj) The UPI Mandate is not approved by Retail Individual Investor; and

(kk) The original Bid/Application is made using the UPI mechanism and revision(s) to the Bid/Application is made using ASBA either physically or online through the SCSB, and vice-versa.

(ll) Bidders are required to enter either the ASBA Bank account details or the UPI ID in the Bid cum Application Form. In case the Bidder doesn't provide any of the ASBA Bank account details or the UPI ID then the application would be rejected. For application submitted to Designated Intermediaries (other than SCSBs), Bidder providing both the ASBA Bank account details as well as the UPI ID, the UPI ID will be considered for processing of the application.

(m) RIIs shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount is available for blocking, has been notified as Issuer Banks for UPI. A list of such banks is available on SEBI website – **www.sebi.gov.in**:

Home » Intermediaries/Market Infrastructure Institutions » Recognised Intermediaries » Self Certified Syndicate Banks eligible as Issuer Banks for UPI

(mm) In case of revision of Bids by RII Bidders, if UPI Mandate Request for the revised Bid is not approved, the Application is liable to be rejected.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the applicable 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 category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the Book Running Lead Managers and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net 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 at various prices and is collated from bids received from various bidders.

Bid Quantity	Bid Amount (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to offer the desired number of equity shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the Book Running Lead Managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this Offer 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. RIIs, NIIs 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: OFFER PROCEDURE IN FIXED PRICE OFFER

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.

ASBA Applicants may submit an Application Form either in physical form to 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 Investors; and remaining to (i) individual bidders other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the 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 RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot (**"Maximum RII Allottees"**). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees; (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the 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 NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the 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 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 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 ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- in case of allocation above two hundred fifty crore rupees; a minimum number of five Anchor Investors and a maximum number of 15 Anchor Investors for allocation up to ₹ 250 crores and an additional 10 Anchor Investors for every additional ₹ 250 crores or part thereof, subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum 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.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer 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 Offer 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.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED OFFER

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.
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.

(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 Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer 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 Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs or the Sponsor Bank, as applicable, to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer 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 resolutions and undertake corporate actions to facilitate the Allotment and credit of Equity Shares to successful Bidders/Applicants. 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 five 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 may 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.

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 will be 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) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than ₹ 5 lakhs but which may extend to ₹ 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹ 50,000 but which may extend to ₹ 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders 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, as applicable, 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. This is further subject to the compliance with Rule 19(2) (b) of the SCRR. 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, the Equity Shares in the Offer 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 or unblock 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 prescribed time period under applicable laws, 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 OFFERS MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 6(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 6(2) of SEBI ICDR Regulations but fails to Allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **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 or in case of Bids by RIIs applying through the UPI mechanism to the Sponsor Bank to revoke the mandate and for unblocking the amount for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **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.

3. 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 Bid cum 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.

4. In the case of Bids from Eligible NRI Bidders and FPIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing

at the time of remittance and may be dispatched by registered post. The Company may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

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:

i. **NACH**—National Automated Clearing House is a consolidated system of ECS. Payment of refund would be done through NACH for Anchor Investors having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

ii. **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.

iii. **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.

iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹ 0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

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, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc. Bidders/Applicants 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 refund orders, as applicable, are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working 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. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in the Red Herring Prospectus, the description as ascribed to such term in the Red Herring Prospectus/ Prospectus shall prevail.

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	A Bidder/Applicant to whom the Equity Shares are Allotted
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 the Red Herring Prospectus and the Prospectus, which will be decided by the Company, in consultation with the BRLMs
Anchor Escrow Account	Account opened with the Anchor Collection Bank 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
Anchor Escrow Bank	Refer to definition of Banker(s) to the Offer
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring 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 Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Offers, includes Fixed Price Offer
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB and will include amounts blocked by RIIs using the UPI mechanism
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB or the account of the RII Bidder blocked upon acceptance of UPI Mandate Request by RIIs using the UPI Mechanism to the extent of the Bid Amount of the Bidder/Applicant
Banker(s) to the Offer/ Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Accounts 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 Date 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/Applicant 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/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. Applicants/Bidders 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. Applicants/Bidders 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 Bidders/Applicants (other

Term	Description
	than Anchor Investors) 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. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
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/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
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
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application 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
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
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
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
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
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of the Circular on Streamlining of Public Issues
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 (inclusive of the floor price and cap price). Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant’s Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the 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/sebiweb/other/OtherAction.do?doRecognised=yes
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application 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 Bid cum Application 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 Anchor Escrow Bank from the Anchor 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 the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the

Term	Description
	Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorized to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Offers and which may mention a price or a Price Band
Employees/Eligible Employees	Employees of an Issuer as defined under SEBI ICDR Regulations 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
Employees Reserved Portion	Equity Shares reserved for the Eligible Employees
Equity Shares	Equity Shares of the Issuer
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
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 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, 2019, as amended from time to time
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 RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NACH	National Automated Clearing House which is a consolidated system of ECS. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account

Term	Description
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
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non-Institutional Investors or NIIs	All Bidders/Applicants, including FPIs which are individuals, corporate bodies and family offices, 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 NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale, if applicable
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)
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Offer. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
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 two 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 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 Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor 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
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the 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(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
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	Categories of persons eligible for making application/Bidding under reservation portion

Term	Description
Category/Categories	
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
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 RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders 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	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/other/OtherAction.do? doRecognised=yes
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Sponsor Bank	The Banker to the Offer registered with SEBI which is appointed by the Issuer/Offeror to act as a conduit between the Stock Exchanges and the National Payments Corporation of India in order to push the mandate collect requests and / or payment instructions of the RIIs into the UPI
Stock Exchanges/SEs	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 Bid cum Application Forms by Syndicate Members
Syndicate Member(s)/SM(s)	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
UPI ID	ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the National Payments Corporation of India (NPCI).
UPI Mandate Request	A request (intimating the RII by way of a notification on the UPI application and by way of a SMS directing the RII to such UPI application) to the RII initiated by the Sponsor Bank to authorise blocking of funds on the UPI application equivalent to Bid Amount and subsequent debit of funds in case of Allotment
UPI PIN	Password to authenticate UPI transaction
Working Day	All days on which commercial banks in Mumbai are open for business. In respect of announcement of Price Band and Bid / Offer Period, Working Day shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business. In respect of 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 the Stock Exchanges, excluding Sundays and bank holidays, as per circulars issued by SEBI.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries or departments of the Government of India and the RBI.

The Government has from time to time made policy pronouncements on FDI through press notes and press releases. The DPIIT, issued the FDI Policy by way of circular no D/o IPP F. No. 5(1)/2017-FC-1 dated the August 28, 2017, which with effect from August 28, 2017, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on August 28, 2017. The Government proposes to update the consolidated circular on FDI Policy once every year and therefore, the FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company are under the automatic route under the FDI Policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

As per the existing policy of the Government, OCBs cannot participate in 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 outside the United States in offshore transactions in reliance on Regulation S under the Securities Act.

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 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 THE ARTICLES OF ASSOCIATION

ITI LIMITED

(A Company Limited by Shares)

Interpretation

1. In these Articles of Association ("**Articles**"), unless there is something in the subject matter or context inconsistent therewith:

a) "The Company" or "this Company" means ITI Limited.

b) "The Act" or "the said Act" means the Companies Act 2013, or any of its earlier or succeeding the Act or Acts as the case may be.

c) "The Office" means the Registered Office for the time being of the Company.

d) In these Articles the expression "Government of India" shall include "The President" and vice versa

e) "The President" means the President of India.

f) "The Register" means the Register of Members to be kept or kept and maintained by the Company pursuant to the Act.

g) "Dividend" includes bonus shares or other securities where the context so admits.

h) "Month" means calendar month.

i) "Year" means Financial year

j) "In writing" and "written" include printing, lithography and other modes, including electronic mode, representing or reproducing words in a visible form.

k) "The Directors" means the Directors for the time being of the Company.

l) "Special Resolution" has the meanings assigned thereto by the said Act.

m) "Executor" or "Administrator" means a person who has obtained Probate or Letters of Administration, as the case may be, from some competent court.

n) "Capital" means the share capital for the time being raised or authorised to be raised for the purposes of the Company.

o) "Shares" means the shares or stock into which the capital is divided and interest corresponding with such shares or stock.

p) "Board" means a Meeting of the Directors duly called and constituted or as the case may be the Directors assembled at a Board or Directors of the Company collectively

q) "A person" shall include any Company or association or body of individuals and Corporations whether incorporated or not as defined in Section 3(42) of the General Clauses Act, 1897.

r) "Seal" means the Common Seal for the time being of the Company.

s) "Regulations of the Company" means the regulations for the time being for the management of the Company.

t) Words importing the singular number include, where the context admits or requires, the plural number and vice versa.

u) Words importing the masculine gender include the feminine gender or transgender.

2. Table F of the first schedule to apply. Subject as herein under provided the regulations contained in Table F of the first schedule to the Act shall apply to the Company. The provisions of the Companies Act 2013 and / or the Rules or any other subordinate legislation prescribed therein shall apply to this Company to the extent, exceptions, modifications or adaptations prescribed by the Government of India under Section 462 of the Act, including those prescribed in its notification issued on 05.06.2015 in F. No: I/2/2014-CL.V and such notifications issued from time to time.

Chapter I
Shares and other securities

Share capital

3. **The Authorized Share Capital of the Company shall be such amount as is stated in Clause V of the Memorandum of Association, for the time being, of the Company.**

Preference Shares

4. Subject to the provisions of Section 43 and 55 of the Act, the Company shall have power to issue preference shares carrying such fixed rate of dividend including Cumulative Preference Shares which are liable to be redeemed and the resolution authorising each such issue shall prescribe the rate of dividend, manner, terms and conditions of redemption.

5. The Redeemable Cumulative Preference Shares shall carry a right to redemption out of profits or out of the proceeds of the fresh issue of shares made for the purpose of such redemption and are liable to be redeemed at the option of the Company, in accordance with the provisions of the Act.

6. The Board of Directors may, subject to the provisions of the Act and these Articles, exercise such powers in any manner the Board may think fit and proper including power to purchase, such Preference Shares in the open market and redeem them earlier than the due date fixed for their redemption.

7. The Redeemable Preference Shares shall have not have voting rights except as provided in Section 47 of the Act.

8. The Board shall also have the right to issue Preference Shares with right or option to convert into equity shares.

Share allotment

9. Subject to the provisions of the Act and these Articles, the shares in the capital of the Company shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.

10. Subject to the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and byelaws of the Stock Exchanges, every member shall be entitled, without payment, to one or more certificates in marketable lots, for all shares of each class or denomination registered in his name or if the Directors so approve (upon paying such fees 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 two 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.

11. Every person who is a bondholder and whose name has been entered in the Register of Bond-Holders, shall be entitled to, free of charge, one or more certificates in marketable lots under the Common Seal of the Company specifying the bond or bonds held by him, the amount secured thereon and the rate of interest payable.

12. Every certificate shall be under the Seal and shall specify the shares to which it relates and the amount paid-up thereon.

13. In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.

14. If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof.

15. 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 deem adequate, a new certificate in lieu thereof shall be given.

Every certificate under this Article shall be issued on payment of such fees as the Directors may from time to time determine.

16. The provisions relating to shares shall, where the context so admits, *mutatis mutandis* apply to debentures, bonds or other securities of the Company.

17. Except as required by law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by, or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

18. The Company may exercise the powers of paying commissions conferred by Sub-Section (*6*) of Section 40, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that Section and rules made thereunder.

19. The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under Sub-Section (6) of Section 40.

20. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.

21. If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class.

22. To every such separate meeting, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question.

23. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith.

24. Subject to the provisions of Section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the Company before the issue of the shares may, by special resolution, determine.

Lien

25. The Company shall have a first and paramount lien—

a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and

b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the Company:

Provided that the Board of Directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.

26. The Company's lien, if any, on a share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

27. The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien:

Provided that no sale shall be made—

a) unless a sum in respect of which the lien exists is presently payable; or

b) until the expiration of fourteen 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.

28. To give effect to any such sale, the Board may authorize some person to transfer the shares sold to the purchaser thereof.

29. The purchaser shall be registered as the holder of the shares comprised in any such transfer.

30. 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.

31. The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

32. 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.

Calls on shares

33. The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times;

Provided that no call shall exceed one-fourth of the nominal value of the share or be payable at less than one month from the date fixed for the payment of the last preceding call.

Further provided that option or right to call on shares shall not be given to any person or persons without the sanction of the Company in general meeting.

34. Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his shares.

35. A call may be revoked or postponed at the discretion of the Board.

36. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed and may be required to be paid by instalments.

37. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.

38. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at ten per cent. Per annum or at such lower rate, if any, as the Board may determine.

39. The Board shall be at liberty to waive payment of any such interest wholly or in part.

40. Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

41. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

42. The Board—

a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and

b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, twelve per cent. Per annum, as may be agreed upon between the Board and the member paying the sum in advance.

Any amount paid-up in advance of calls on any share may carry interest but shall not entitle the holder of the share to participate in respect thereof, in a dividend subsequently declared or any voting rights.

Transfer of shares

43. The instrument of transfer of any share in the Company shall be executed by or on behalf of both the transferor and transferee.

44. The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the Register of Members in respect thereof.

45. The Board may, subject to the right of appeal conferred by Section 58 decline to register—

a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or

b) any transfer of shares on which the Company has a lien.

Transmission of shares

46. Subject to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, on the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.

47. Nothing in the foregoing clause shall release the estate of a deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

48. Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—

   a) to be registered himself as holder of the share; or

   b) to make such transfer of the share as the deceased or insolvent member could have made.

49. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.

50. If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

51. If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.

52. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.

53. A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company:

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.

Shares / securities held in electronic form

54. Notwithstanding any provisions contained in these Articles regarding issuance /deal-in /holding / transfer /transmission of shares or other securities, the provisions of the Depositories Act, 1996 as amended from time to time and the rules and regulations framed thereunder shall apply for holding / transfer / transmission of shares in electronic form.

Forfeiture of shares

55. If a member fails to pay any call, or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid, serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

56. The notice aforesaid shall—

   a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and

b) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.

57. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

58. A forfeited share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

59. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

60. A person whose shares have been forfeited shall cease to be a member in respect of the forfeited shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the shares.

61. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the shares.

62. A duly verified declaration in writing that the declarant is a Director, the Manager or the Secretary, of the Company, and that a share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.

63. The Company may receive the consideration, if any, given for the share on any sale or disposal thereof and may execute a transfer of the share in favor of the person to whom the share is sold or disposed of.

64. The transferee shall thereupon be registered as the holder of the share.

65. The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the share.

66. The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

Alteration of capital

67. The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution.

(a) The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the resolution shall prescribe and in particular such share may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company and with right of voting at the general meeting of the Company in conformity with Section 47 of the Act. Whenever Capital of the Company has been increased under the provisions of this Article, the Board shall comply with the provision of Section 64 of the Act. Except so far as otherwise provided, any new capital raised and the share issued in that regard shall be subject to all conditions to which the existing capital and the shares are subject to.

(b) The Company may issue shares and debentures in accordance with the provisions of Section 42, 55, 62, 63 and 71 of the Act and Rules made thereunder, as applicable.

68. Subject to the provisions of Section 61 of the Act, the Company may, by ordinary resolution,—

a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

b) convert all or any of its fully paid-up shares into stock, and reconvert that stock into fully paid-up shares of any denomination;

c) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Memorandum of Association;

d) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

69. Where shares are converted into stock,—

a) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same Articles under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit:

Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose.

b) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose.

c) however no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

d) such of the Articles of the Company as are applicable to paid-up shares shall apply to stock and the words "share" and "shareholder" in those Articles shall include "stock" and "stock-holder" respectively.

70. The Company may, by special resolution, reduce in any manner and with, and subject to, any incident authorized and consent required by law,—

a) its share capital;
b) any capital redemption reserve account; or
c) any share premium account,

on the footing that it may be called up again or otherwise, in accordance with the Act.

Buy-back of shares

71. Notwithstanding anything contained in these Articles but subject to the provisions of Sections 68 to 70 of the Act and any other applicable provision of the Act or any other law as prescribed by Securities Exchange Board of India or any other authority for the time being in force, the Company may purchase its own shares or other specified securities.

Capitalization of profits

72. 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 Profit and Loss Account, or otherwise available for distribution; and

b) that such sum be accordingly set free for distribution in the manner amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

73. The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained herein either in or towards—

a) paying up any amounts for the time being unpaid on any shares held by such members respectively;

b) paying up in full, un-issued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such members in the proportions aforesaid;

c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (*b*);

74. A Securities Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Regulation, be applied in the paying up of un-issued shares to be issued to members of the Company as fully paid bonus shares;

75. The Board shall give effect to the resolution passed by the Company in pursuance of this Regulation.

76. Whenever such a resolution as aforesaid shall have been passed, the Board shall—

a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any; and

b) generally do all acts and things required to give effect thereto.

77. The Board shall have power—

a) to make such provisions, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and

b) to authorize any person to enter, on behalf of all the members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalization, or as the case may require, for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalized, of the amount or any part of the amounts remaining unpaid on their existing shares;

78. Any agreement made under such authority shall be effective and binding on such members.

On what conditions new Shares may be issued

79. New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the general meeting may resolve. Provided that no shares (not being preference shares) shall be issued carrying voting rights or rights in the Company as to dividend, capital or otherwise which are disproportionate to the rights attaching to the holders of other shares.

Employees Stock Options

80. Subject to the provisions of Section 62 of the Act, SEBI (Share Based Employee Benefits) Regulations, 2014, as amended and other applicable laws, the Company may issue options to any Directors (not being Independent Directors), officers, or employees, which would give such Directors, officers, or employees, the benefit or right to purchase or subscribe at a future date, the securities offered by the Company, in terms of scheme of employee stock options or employees share purchase or both.

POWER TO ISSSUE SWEAT EQUITY SHARES

81. Subject to and in compliance with Section 54 and other applicable law, the Company may issue equity shares to its employees or Directors at a discount or for consideration other than cash for providing know how or making available rights in the nature of intellectual property rights or value additions by whatever name called.

BORROWING POWERS

82. Subject to the provisions of Section 73 to 76, 179, 180 and other relevant provisions of the Act, the Board may by means of a Resolution passed at a Meeting of the Board from time to time, borrow and/or secure the payment of any sum or sums of money for the purposes of the Company.

83. The Board may secure the repayment of such moneys in such manner and upon such terms and conditions in all respects as they think fit and in particular by a Resolution passed at a Meeting of the Board (and not by Resolution by Circulation) by the issue of Bonds, perpetual or redeemable debentures or debenture stock or any mortgage charge or other security on the undertaking of the whole or any part of the property of the Company (both present and future) including its un called capital for the time being.

Chapter II
Meetings of Shareholders / Security-holders

General Meetings

84. Annual General Meeting shall be held at the registered office of the Company or such other place as the Central Government may approve.

85. At every Annual General Meeting of the Company there will be laid on the table the Directors Report, Audited Statement of Accounts, Auditor's Report and the comments of the Comptroller and Auditor General of India thereon. The ordinary business of the Annual General Meeting shall be the consideration of these documents and declaration of a dividend.

86. All General Meetings other than Annual General Meeting shall be called Extraordinary General Meeting.

87. The Board may, whenever it thinks fit, call an Extraordinary General Meeting.

88. A notice of general meeting shall be either in writing or through electronic mode in such manner as prescribed in Section 101 of the Act read with the relevant Rule framed under the Act.

89. Consent for shorter notice in convening a general meeting, to be submitted by a member, shall be either in writing or through electronic mode in such manner as prescribed in Section 101 of the Act read with the relevant Rule framed under the Act.

90. Any annexure / enclosure / attachment required to be so annexed / enclosed / attached to the notice of general meeting shall also be provided in electronic form where notice of general meeting is provided through electronic mode.

91. The right to have copies of the audited financial statements by a member shall be subject to the provisions of Section 136 of the Act.

92. The accidental omission to give any such notice to or the non-receipt of any such notice by any member shall not invalidate the proceedings at any meeting.

Proceedings at General Meetings

93. No business shall be transacted at any General Meeting unless a quorum of members is present at the time when the meeting proceeds to business.

94. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103.

95. The chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.

96. If there is no such Chairperson, or if he is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as Chairperson of the meeting, the Directors present shall elect one of their members to be Chairperson of the meeting.

97. If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the members present shall choose one of their members to be Chairperson of the meeting.

Adjournment of meeting

98. The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting, adjourn the meeting from time to time and from place to place.

99. No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

100. When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

101. In case of an adjourned meeting or a change of day, time or place of the meeting, the Company shall give not less than three days' notice to the members either individually or by publishing an advertisement in the newspapers (one in English and one in Kannada).

102. 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. If at an adjourned meeting also, a quorum is not present within half-an-hour from the time appointed for holding meeting, the members present shall be the quorum.

Voting rights

103. Subject to any rights or restrictions for the time being attached to any class or classes of shares,—

   a) on a show of hands, every member present in person shall have one vote; and

   b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the Company.

104. A member may exercise his vote at a meeting by electronic means in accordance with Section 108 and shall vote only once.

105. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by Proxy, shall be accepted to the exclusion of the votes of the other joint holders.

106. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

107. A member 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, by his Committee or other legal guardian, and any such Committee or guardian may, on a poll, vote by Proxy.

108. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.

109. No member shall be entitled to vote at any General Meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

110. No objection shall be raised to the qualification of any voter except at the meeting or adjourned meeting at which the vote objected to is given or tendered, and every vote not disallowed at such meeting shall be valid for all purposes.

111. Any such objection made in due time shall be referred to the Chairperson of the meeting, whose decision shall be final and conclusive.

112. The Company may prescribe in the notice of the general meeting that all or any particular agenda or resolution may be transacted through exercise of vote by electronic means under Section 108 of the Act or by postal ballot under Section 110 of the Act.

Proxy

113. The instrument appointing a proxy or the Power-of-Attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote, or, in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll; and in default the instrument of Proxy shall not be treated as valid.

114. An instrument appointing a proxy shall be in the form as prescribed in the rules made under Section 105.

115. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the Proxy or of the authority under which the Proxy was executed, or the transfer of the shares in respect of which the Proxy is given:

Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the Proxy is used.

Chapter III
Directors / Board of Directors / Key Managerial Personnel

Board of Directors

116. The minimum number of Directors shall be three.

117. So long as the President of India holds not less than 51% of the total paid up capital of the Company:

(i) the Chairman of the Board of Directors, functional Directors and the Government representatives on the Board of Directors shall be appointed by the President of India.
(ii) Other members of the Board of Directors (including independent directors and/or women director(s)) shall be appointed or reappointed by the President of India.
(iii) The Directors shall be paid such remuneration as the President of India may, from time to time, determine.
(iv) The Directors appointed shall be entitled to hold office for such period as the President of India may determine.

118. In place of a Director who is out of India the President of India may, in accordance with these Articles, appoint any person to be an Alternate Director during the absence out of India, of the Director concerned and such appointment shall have effect, and such appointee, whilst he holds office as an Alternate Director, shall be entitled to notice of meetings of the Directors and to attend and to vote there-at accordingly and he shall *ipso facto* vacate office if and when the original Director returns to India or vacates office as Director

119. The vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise, shall be filled by reappointment or fresh appointment by the President of India.

Additional Director

120. Subject to the Provisions of Sections 149, 152 and 161 of the Act and applicable laws, the President of India shall have power to appoint an additional director. Such person shall hold office only up to the date of next annual general

meeting of the Company but shall be eligible for appointment as director at that meeting subject to the Provisions of the Act.

Independent / Woman Director

121. Subject to the provisions of Section 149 of the Act and the applicable Rule framed thereunder and any regulations prescribed by Securities & Exchange Board of India, the President of India shall appoint one or more independent directors on its Board.

122. Subject to the provisions of Section 149 of the Act and the applicable Rule framed thereunder and any regulations prescribed by Securities & Exchange Board of India, the President of India shall appoint a woman director on its Board.

Appointment of Managing Director

123. So long as the President of India holds not less than 51% of the total paid up capital of the Company, the President may appoint one or more Managing Director/s for the conduct of management of the business of the company subject to the control and supervision of the Board of Directors.

124. The President of India, at his discretion, may appoint the same persons or two different persons as the Chairman of the Board of Directors and the Managing Director of the Company for such period and on such terms and conditions as he may think fit and may revoke such appointment.

125. Any Managing Director so appointed may be authorised by the Board to exercise such powers and discretions in relation to the affairs of the Company as are specifically delegated to him by the Board and are not required to be done by the Board of Directors or the Company at the General Meeting under the Act.

126. The Managing Director so appointed shall be paid such remuneration as may be fixed by the President or as may be permissible under the applicable law and where required subject to the approval of the remuneration committee of the Board of Directors and the shareholders.

127. The Chairman and the Managing Directors so appointed shall be entitled to hold office till the expiry of his tenure unless removed earlier by the President of India and any vacancy arising either by death, removal, resignation or otherwise may be filled by fresh appointment by the President of India.

128. The Directors appointed shall be entitled to hold office for such period as the President of India may determine.

129. The vacancy in the office of a Director caused by retirement, removal, resignation, death or otherwise, shall be filled by reappointment or fresh appointment by the President of India.

General powers vested in Board

130. Subject to the provisions of Act and to such directive and or instructions as the Board of Directors shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do and who may from time to time delegate such powers to the Chairman and / or Managing Director as may be necessary, in accordance with the Act, for the proper conduct of the business of the Company

Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or any other act or by the memorandum or articles of the Company or otherwise, to be exercised or done by the Company in General Meeting.

Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or any other Act, or in the Memorandum or Articles of the Company or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but 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.

131. Notwithstanding any of the provisions contained in the other Articles, prior approval of the Central Government shall be obtained in respect of:

(a) Appointment, which term will include initial appointment, extension in service and reemployment of personnel, who have attained the prescribed retirement age on a pay (including pension and pensionary equivalent of retirement benefits) exceeding such amount as may be prescribed from time to time.

(b) Appointment of any foreign national to any post in the Company;

(c) Implementation of schemes involving capital expenditure exceeding such amount as may be prescribed by applicable Government guidelines from time to time in each case;

(d) Issue of debentures;

(e) Winding up of the Company;

(f) Sale lease or disposal of any land and/or building having such book value as may be prescribed by applicable Government guidelines or by the Board of Directors, as the case maybe, from time to time;

(g) The formation of a Subsidiary Company;

(h) Company's five year and annual plans for development and capital budgets;

(i) Revenue Budget of the Company in case there is an element of deficit which is proposed to be met by obtaining funds from Central Government;

(j) Agreement involving foreign collaboration proposed to be entered into by the Company; and

(k) Purchases and contracts of a major nature involving substantial capital outlay which are in excess of the powers vested in the Company.

Specific powers to Directors

132. Without prejudice to the provisions of the Act, the general powers conferred by the relevant Articles hereinabove or hereinafter, and the other powers conferred by these Articles, the Directors shall have the following powers, that is to say, powers specifically-

a) **To acquire property:**

To Purchase, take on lease or otherwise acquire for the Company, property, rights or privileges which the Company is authorised to acquire at such price, and generally on such terms and conditions as they think fit;

b) **Works of capital nature**:

To authorise the undertaking of works of a capital nature

c) **To pay for property in debentures etc.:**

In accordance with applicable law, and the provisions of these Articles, to pay for any property, rights or privileges acquired by, or services rendered to the Company either wholly or partially in cash or in shares, bonds debentures or other securities of the Company, and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon; and any such bond, debentures or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged;

d) **To secure contracts by mortgage**:

To secure the fulfilment of any contracts or engagements entered into by the Company by mortgage or charge of all or any of the property of the Company and its uncalled capital for the time being or in such other manner as they may think fit.

e) **To appoint officers, etc.,**

To appoint and at their discretion, remove or suspend such managers, secretaries, officers, clerks, agents and servants, for permanent, temporary or special services, as they may, from time to time, think fit, and to determine their powers and duties and fix their salaries or emoluments, and to require security in such instances and for such amount as they think fit;

f) **To appoint trustees:**

To appoint any person or persons (whether incorporated or not) to accept and hold in trust for the Company, any property belonging to the Company or in which it is interested or for any other purposes, and to execute and do all such deeds and things as may be requisite in relation to any such trust, and to provide for the remuneration of such trustee or trustees;

g) **To bring and defend action, etc.**:

To institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers, or otherwise concerning the affairs of the Company and also to compound and allow time for payment or satisfaction of any claims or demands by or against the Company;

h) **To refer to arbitration**:

To refer any claims or demands by or against the Company to arbitration, and observe and perform the awards;

i) **To give receipt:**

To make and give receipts, releases, and other discharges for money payable to the Company, and for the claims and demands of the Company;

j) **To authorise acceptance etc**.:

To determine who shall be entitled to sign on the Company's behalf, bills, notes, receipts, acceptances, endorsements, cheques, releases, contracts and documents;

k) **To appoint attorneys**:

From time to time to provide for the management of the affairs of the Company outside in such manner as they think fit, and in particular to appoint any person to be the attorneys or agents of the Company with such powers (including power to sub-delegate) and upon such terms as may be thought fit;

l) **To invest moneys**:

Subject to relevant provisions of the Act, applicable law and the provisions of these Articles to invest and deal with any monies of the Company and immediately required for any purposes thereof upon such security (not being share of this Company) or without security and in such manner as they think fit and from time to time to vary or realise such investments. Save as provided in Section 187 of the Act, all investments shall be made and held in the Company's own name;

m) **To give security:**

To execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability for the benefit of the Company such mortgages of the Company's property (present and future) as they think fit and any such mortgage may contain a power of sale and such other powers, covenants and provisions as shall be agreed on;

n) **To give commission**:

Subject to the approval of the President, to give to any person employed by the Company a commission on the profits of any particular business transaction, or a share in the general profits of the Company and such commission or share of profits shall be treated as part of the working expenses of the Company;

o) **To make bye-laws**:

From time to time to make, vary and repeal byelaws for the regulation of the business of the Company, its officers and servants;

p) **To give bonus**:

To give, award or allow any bonus, pension, gratuity or compensation of any employee of the Company or his widow, children or dependents, that may appear to the Directors just and proper, whether such employee, his widow, children or dependents have or have not a legal claim upon the Company;

q) **To create provident fund**:

Before declaring any dividend and subject to the approval of the President, to set aside such portion of the profits of the Company as they may think fit, to form a fund to provide for such pensions, gratuities or compensation or to create any provident or benefit fund in such manner as the Directors may deem fit;

r) **To establish local board**:

i. From time to time and at any time to establish any local board for managing any of the affairs of the Company in any specified locality in India, or out of India;

ii. To appoint any person to be members of such local board and to fix their remuneration and from time to time and at any time to delegate to any person so appointed any of the powers, authorities and discretion for the time being vested in the directors other than their power to make call;

iii. To authorise the members for the time being of any such local board or any of them to fill up any vacancies, therein and to act not withstanding vacancies;

iv. Any such appointment or delegation may be made on such terms and subject to such conditions as the Directors may think fit; and

v. The Directors may at any time remove any person so appointed and may annul or vary any such delegation;

s) **To make contracts etc.:**

To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds, and things in the name and on behalf of the Company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the Company; and

t) **To sub-delegate power:**

Subject to Section 179 of the Act to sub-delegate all or any of the powers, authorities and discretion for the time being vested in them, subject however, to the ultimate control and authority being retained by them.

Appointment of Committees

133. The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.

134. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

135. A Committee may elect a Chairperson of its meetings.

136. A Committee may meet and adjourn as it thinks fit.

137. Questions arising at any meeting of a Committee shall be determined by a majority of votes of the members present, and in case of an equality of votes, the Chairperson shall have a second or casting vote.

Meetings of the Board / Committee

138. The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.

139. A Director may, and the Manager or Secretary on the requisition of a Director shall, at any time, summon a meeting of the Board.

140. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.

141. In case of an equality of votes, the Chairperson of the Board, if any, shall have a second or casting vote.

142. The continuing Directors may act notwithstanding any vacancy in the Board; but, if their number is below three, the Directors shall not act so long as the number of Directors is below three.

143. The Board may elect a Chairperson of its meetings and determine the period for which he is to hold office.

144. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their numbers to be Chairperson of the meeting.

145. All acts done in any meeting of the Board or of a Committee thereof or by any person acting as a Director, shall, notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or such person had been duly appointed and was qualified to be a Director.

146. Save as otherwise expressly provided in the Act, a resolution in writing, signed by all the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.

147. Subject to and compliance of the provisions of Section 173 of the Act, the Board or a Committee may transact the agenda of a meeting through video conferencing or any other approved electronic mode as the Board may from time

to time decide and Directors, who have expressed their willingness to participate by such electronic mode, shall be allowed to participate in the Board meeting.

148. Save and except as provided in the Act to be passed at a meeting of the Board and subject to Section 175 of the Act or any other applicable law, a resolution shall be valid as if it had been passed at a meeting of the Board or Committee of the Board, as the case may be, duly called and constituted, if a draft thereof in writing is circulated together with necessary papers, if any, to all the Directors, or to the members of the Committee of the Board, as the case may be, and has been approved by a majority of the Directors or members of such Committee of the board as are entitled to vote on the resolution. Provided that, where not less than one third of the total number of Directors of the Company for the time being require that any resolution under circulation must be decided at a meeting, the Chairman shall put the resolution to be decided at a Board meeting.

Chief Executive Officer, Chief Financial Officer or Company Secretary

149. Subject to the provisions of the Act,—

a) A Chief Executive Officer, Chief Financial Officer or Company Secretary may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any Chief Executive Officer, Chief Financial Officer or Company Secretary Officer so appointed may be removed by means of a resolution of the Board

b) A Director may be appointed as Chief Executive Officer, Chief Financial Officer or Company Secretary.

150. A provision of the Act or these Articles requiring or authorizing a thing to be done by or to a Director and Chief Executive Officer, Chief Financial Officer or Company Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in place of, Chief Executive Officer, Chief Financial Officer or Company Secretary.

Chapter IV
Accounts & Audit

Accounts to be audited annually

151. Once at least in every financial year the accounts of the Company shall be examined and the correctness of the profit and loss account and balance sheet ascertained by one or more auditors as provided in the Act.

Appointment of Auditors

152. The auditor or auditors of the Company shall be appointed or reappointed by the Central Government on the advice of the Comptroller and Auditor-General of India and his/their appointment, remuneration, power and duties shall be regulated by Sections 139 to 148 of the Act and the Rules framed thereunder.

153. Secretarial auditor shall be appointed by the Board and their rights and duties are regulated in accordance with Section 204 of the Act and Applicable law, if any

Auditor's right to attend meetings

154. The auditor/s of the Company shall be entitled to receive a notice of and attend any General Meeting of the Company at which any accounts which have been examined or reported on by them are to be laid before the company and may make any statement or explanation they desire with respect to the accounts.

Powers of C.A.G

155. The Comptroller and Auditor-General of India shall have power:

(a) to direct the manner in which the Company's accounts shall be audited by the auditor/auditors appointed in pursuance of Article 152 hereof and to give such auditor/auditors instructions in regard to any matter relating to the performance of his/their functions as such:

(b) to conduct a supplementary or test audit of the Company's accounts by such person or persons as he may authorise in this behalf;

(c) and for the purposes of such audit, to have access at all reasonable times, to all accounts, accounts books, vouchers, documents and other papers of the Company and to require information or additional information to be furnished to any person or persons so authorised, on such matters, by such person or persons and in such form, as the Comptroller and Auditor-General may, by general or special order, direct.

Comments by C.A.G to be placed before meetings

156. The auditor/auditors aforesaid shall submit a copy of his/their audit report to the Comptroller and Auditor General of India who shall have the right to comment upon or supplement the audit report in such manner as he may think fit.

157. Any such comments upon or supplement to the audit report shall be placed before the Ordinary Meeting of the Company at the same time and in the same manner as the audit report.

When accounts to be deemed finally settled

158. Every account of the Company, when audited and approved by a General Meeting shall be conclusive.

Chapter V
The President's / Government's rights, privileges or prerogatives

Representatives of the President at Meeting of the Company

159. The President may, so long as he is a member of the Company within the meaning of the Act, authorize from time to time such persons, whether a member of the Company or not as he thinks fit to act as his representative at any General Meeting of the Company or at any meeting of any class of members of the Company.

160. The President may, if he is a creditor including a holder of debentures of the Company within the meaning of the Act, authorize from time to time, such person as he thinks fit to act as his representative at any meeting of any creditors of the Company held in pursuance of the Act or of any rules made therein or in pursuance of the provisions contained in any debenture or trust deed, as the case may be.

161. The President may, from time to time, revoke or cancel any authorization made in Articles 159 or 160 and make any fresh authorization or authorizations.

162. The production at the meeting of the Company or at the meeting of any creditors of the Company of an order made and executed in the name of the President authenticated as provided by the Constitution of India in respect of such authorization, revocation or cancellation as aforesaid shall be accepted by the Company as sufficient and conclusive evidence thereof.

163. Any of the persons so appointed who is personally present at the meeting shall be deemed to be member entitled to vote and be present in person and shall be entitled to represent the President at all or any such meetings and to vote on his behalf whether on a show of hands or on a poll.

164. Any person authorized by the President to represent him as aforesaid may, if so authorised by the order of the President, appoint another person whether a member or not, as a proxy or substituted authority, whether special or general, to represent the President as aforesaid.

165. Any person authorized or appointed as aforesaid shall be entitled to exercise the same rights or powers including the right to vote by proxy, on behalf of the President whom he represents, as the President could exercise as member, creditor or holder of debenture of the Company.

President's rights to issue directives

166. So long as the President of India holds not less than 51% of the paid-up capital of the Company, and notwithstanding anything contained in any of these Articles, the President may as and when he thinks fit, from time to time, issue such directives as he may consider necessary, to the Company or Director's thereof, in regard to conduct of business or affairs of the Company or in regard to the exercise or performance of the Company's functions in matters involving national security or of substantial public interest and in like manner vary and annul any such directive and the Directors shall be bound to give immediate effect to directives so issued.

167. The President may also call for such returns, accounts and other information with respect to the property and activities of the Company as may be required from time to time.

168. The President may also at any time by issuing a notice to the company convene a General Meeting of the Company.

169. All directives by the President shall be in writing addressed to the Chairman.

170. The Company shall give immediate effect to the directions or instructions so issued.

171. The Company shall, whenever its revenue budget for any financial year shows an element of deficit which is proposed to be met by obtaining funds from the Government, submit the same to the President for approval.

172. The Board shall, except where the President considers that the interest of the national security requires otherwise, incorporate the contents of the directives issued by the President in the Annual Report of the Company and also indicate its impact on the financial position of the Company.

Chapter VI
Miscellaneous

The Seal

173. The Board shall provide a common seal for the Company and for the safe custody of the seal and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof.

174. The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least two Directors and of the Secretary or such other person as the Board may appoint for the purpose; and those two Directors and the Secretary or other person aforesaid shall sign every instrument to which the Seal of the Company is so affixed in their presence.

Dividends and Reserve

175. The Company in General Meeting may declare dividend, but no dividend shall exceed the amount recommended by the Board.

176. Subject to the provisions of Section 123 of the Act, the Board may from time to time pay to the members such interim dividends as appear to it to be justified by the profits of the Company.

177. Subject to such directions as may from time to time be issued by the President of India, the Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends.

178. Pending such application, at the like discretion, such reserve/s may either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, thinks fit.

179. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

180. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.

181. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this Regulation as paid on the share.

182. 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.

183. However if any share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.

184. The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

185. Any dividend, interest or other monies payable in cash in respect of shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.

186. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

187. Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.

188. Notice of any dividend that may have been declared shall be given to the persons entitled to share therein in the manner mentioned in the Act.

189. No dividend shall bear interest against the Company.

190. Dividend or any other payment payable by the Company to a shareholder or other security-holder may be credited electronically to the banking account of such shareholder or security-holder signified previously to the Company in this behalf.

191. There shall not be any forfeiture of unclaimed dividends and the Company shall comply with applicable provisions of the Act relating to transfer of unclaimed and unpaid dividend to the Investor Education and Protection Fund or to any such other fund as may be required under applicable laws.

Inspection of accounts, register, etc., by Members

192. The Board shall from time to time determine whether and to what extent and at what times and places and under what conditions or regulations, the accounts and books of the Company, or any of them, shall be open to the inspection of members not being Directors.

193. No member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorized by the Board or by the Company in General Meeting.

Winding up

194. Subject to the provisions of Chapter XX of the Act and rules made thereunder—

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 members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

Indemnity

195. Subject to the provisions of the Act, every Director, Managing Director, Key Managerial Personnel, Manager and other Officer or servant of the Company shall be indemnified by the Company against and it shall be the duty of the Board to pay out of the funds of the Company, all costs, losses, damages and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into or act or thing done by him as such Director, Managing Director, Key Managerial Personnel, Manager or other Officer or servant or in any way in the discharge of his duties including travelling expenses and in particular and so as not to limit the generality of the foregoing provisions, against all liabilities incurred by him as such Director, Managing Director, Key Managerial Personnel, Manager or other Officer or servant in defending any proceedings whether civil or criminal in which judgment is given in his favour or in which he is acquitted or in connection with any application under the Act in which relief is granted by the Court.

196. Subject to the provisions of the Act no Director of the Company, Managing Director, Key Managerial Personnel, Manager or other Officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director, Key Managerial Personnel, or Officer or for joining in any receipt or other act of conformity or for any loss or expenses, happening to the Company through insufficiency or deficiency of title to any property acquired by order of the Board for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from bankruptcy, insolvency or tortuous act of any person, company or Corporation with whom any moneys, securities of effects shall be entrusted or deposited or any loss caused by an error of judgment or oversight on his or their part or for any other loss or damage or misfortune, whatever, which shall happen in the execution of duties of his or their office or any relation thereto, unless the same happens through his own dishonesty, negligence, default, breach of duty or breach of trust.

Secrecy

197. Every Director, Key Managerial Personnel, Manager, Auditor, Members of the Committee, Officer, Servant Agent, Accountant or other persons employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy, respecting all transactions of the Company with its customers and state of account with individuals and any matter relating thereto and shall by such declaration pledge himself not to reveal any of the matters which might come to his knowledge in the discharge of his duties, except when required to do so by the Directors at any meeting or by a Court of Law and to persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these Articles.

198. No member or other persons, unless he is a Director, Key Managerial Personnel or other person in management of the affairs of the Company, can inspect or examine the Company's premises or other property of the Company without permission of the Directors of the Company, Key Managerial Personnel or Officers authorized by the Directors for

the time being to require discovery of or any information respecting any detail of the Company's trading or any matter which is or which may be in the nature of trade secret or secret process which may relate to the conduct of the business of the Company and which, in the opinion of the Directors, Key Managerial Personnel or of Officers authorised by the Directors, it will be inexpedient in the interest of the members of the Company to communicate.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following documents and 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 and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of this Red Herring Prospectus until the Bid/Issue Closing Date.

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 the shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

Material Contracts to the Issue

1. Issue Agreement amongst our Company and the BRLMs dated September 27, 2018 along with the Amendment Agreement dated January 13, 2020.

2. Registrar Agreement amongst our Company and Registrar to the Issue dated September 27, 2018 and the restated and amended registrar agreement dated January 13, 2020.

3. Public Issue Account and Sponsor Bank Agreement dated January 16, 2020 amongst our Company, the BRLMs, the Banker(s) to the Issue, Registrar to the Issue, and Syndicate Members.

4. Syndicate Agreement dated January 16, 2020 amongst our Company, the BRLMs, Registrar to the Issue and the Syndicate Members.

5. Underwriting Agreement dated [●] amongst our Company, the BRLMs and the Underwriters.

6. Monitoring Agency Agreement dated January 16, 2020 between our Company and Monitoring Agency.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association, as amended from time to time.

2. Our certificate of incorporation dated January 25, 1950.

3. Fresh certificate of incorporation dated January 24, 1994 issued to our Company consequent upon change in the name of our Company to ITI Limited.

4. Resolution of our Board dated February 13, 2018 approving the Issue.

5. Shareholders’ resolution dated April 5, 2018 in relation to the Issue and other related matters.

6. Board resolution dated January 17, 2020 approving the RHP.

7. Letter bearing reference number SEBI/HO/CFD/DIL1/OW/P/20643/2018 dated July 20, 2018 from SEBI for exemption from certain provisions of the SEBI ICDR Regulations and SEBI Listing Regulations;

8. Letter (bearing reference number 20-36/2012-FAC II dated April 3, 2018 from Department of Telecommunications, Ministry of Communications, conveying the approval granted by the GoI for the Issue.

9. Order bearing case number 504/2004 dated January 8, 2013 issued by the BIFR in relation to our Company.

10. MoU dated March 31, 2011 between our Company, Chris Tech Systems Private Limited and India Satcom Limited.

11. Memorandum of Understanding executed with the Department of Telecommunications, Ministry of Communications, GoI for Fiscal 2019-20.

12. Letter dated January 16, 2020 bearing reference number SEBI/HO/CFD/DIL1/OW/P/2300/2020 issued by SEBI granting exemption to our Company from complying with disclosure provisions of the 2009 SEBI ICDR Regulations and provisions of the SEBI Listing Regulations in relation to the composition of our Board, only for the purpose of the further public offering.

13. Letter dated April 3, 2019 bearing reference number SEBI/HO/CFD/DIL1/OW/P/8714/2019 issued by SEBI to our Company granting exemption from naming certain technical collaborators of the Company in the Issue Documents as required under the 2009 SEBI ICDR Regulations.

14. Letter bearing reference number 20-36/2012-FAC.II dated January 14, 2020 issued by the DoT granting our Company extension up to March 31, 2020 to allot Equity Shares to our Promoter.

15. Letter bearing reference F. No. E-14-3/2018-PSA dated October 14, 2019 issued by Department of Telecommunications, Ministry of Communications to appoint Rakesh Mohan Agarwal as the Chairman and Managing Director.

16. Letter bearing reference E-14-2/2018-PSA dated December 9, 2019 issued by Department of Telecommunications, Ministry of Communications to appoint Chittaranjan Pradhan as Director (Finance) for a period of six months.

17. Letter bearing reference F.No. E-14-1/2018-PSA dated October 9, 2018, issued by Department of Telecommunications, Ministry of Communications to appoint Shashi Prakash Gupta as Director (Human Resources) for a period of five years.

18. Letter bearing reference F No.E-14-8/2018-PSA dated June 28, 2019 issued by Department of Telecommunications, Ministry of Communications to specify the terms of appointment of Shashi Prakash Gupta as Director (Human Resources).

19. Letter bearing reference No. E-14-3/2019-PSA dated November 5, 2019, issued by Department of Telecommunications, Ministry of Communications to appoint D. Venkateswarlu as Director (Production).

20. Letter bearing reference F.No. E-5-1/2018-PSA dated August 1, 2018 issued by Department of Telecommunications, Ministry of Communications for the appointment of Rajesh Sharma as Government Nominee Director for a period of three years.

21. Letter bearing reference F.No. E-5-1/2016-PSA dated April 3, 2019 issued by Department of Telecommunications, Ministry of Communications for the appointment of Lt. General Rajeev Sabherwal as Government Nominee Director for a period of three years.

22. Letter bearing reference F.No.5-1/2016-PSA dated January 30, 2017 issued by Department of Telecommunications, Ministry of Communications for the appointment of Asha Kumari Jaswal for a period of three years.

23. Letter bearing reference F.No. E-5-5/2018-PSA dated July 17, 2018 by Department of Telecommunications, Ministry of Communications for the appointment of Dr. K. R. Shanmugam as Non-Official Independent, Director for a period of three years.

24. Letter bearing reference F.No. E-5-5/2018-PSA dated July 17, 2018 by Department of Telecommunications, Ministry of Communications for the appointment of Dr. Akhilesh Charan Dube as Non-Official, Independent, Director for a period of three years.

25. Letter bearing reference F.No. E-5-5/2018-PSA dated July 17, 2018 by Department of Telecommunications, Ministry of Communications for the appointment of Mayank Gupta as Non-Official, Independent Director for a period of three years.

26. Letter bearing reference F.No. E-5-5/2018-PSA dated July 17, 2018 by Department of Telecommunications, Ministry of Communications for the appointment of Rajen Vidyarthi as Non-Official, Independent Director for a period of three years.

27. Copies of annual reports of our Company for Fiscals 2019, 2018, 2017, 2016 and 2015.

28. Examination reports of the Statutory Auditor M/s. Sankaran & Krishnan, Chartered Accountants, dated November 15, 2019 on the Standalone and Consolidated Restated Financial Statements included in this Red Herring Prospectus.

29. Statement of special tax benefits from M/s. Sankaran & Krishnan, Chartered Accountants dated January 13, 2020.

30. The report titled "*Information and communication technology scenario in India*" released in Decemeber, 2019 issued by CRISIL.

31. Consent dated Janaury 7, 2020 from CRISIL for the report titled "*Information and Communication technology scenario in India*".

32. Certificate for confirming utilization of loans for the purpose that they were availed dated January 13, 2020 issued by M/s. Sankaran & Krishnan, Chartered Accountants.

33. Certificate for the working capital of our Company dated Janaury 13, 2020 issued by M/s. Sankaran & Krishnan, Chartered Accountants.

34. Written consent dated January 13, 2020 of the Statutory Auditor, M/s. Sankaran & Krishnan, Chartered Accountants, to include their name as "expert" as defined under Section 2(38) of the Companies Act, 2013 in respect of their: (a) reports dated November 15, 2019 on the Standalone and Consolidated Restated Financial Statements; and (b) report dated January 13, 2020 on the statement of possible tax benefits available for our Company and the Shareholders.

35. Consents of the Bankers to our Company, BRLMs, Syndicate Members, Sponsor Bank, Registrar to the Issue, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer, Monitoring Agency, Banker(s) to the Issue and legal counsels, in their respective capacities.

36. Tripartite agreement dated September 2, 1998, among NSDL, our Company and Integrated Registry Management Services Private Limited.

37. Tripartite agreement dated March 8, 2000, among CDSL, our Company and Integrated Registry Management Services Private Limited.

38. Due diligence certificate dated September 27, 2018 addressed to SEBI from the BRLMs.

39. In-principle listing approvals dated October 19, 2018 and December 11, 2018 issued by BSE and NSE respectively.

40. SEBI observation letter no. CFD/DIL-1/AR/OW/2754/2019 dated January 25, 2019.

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 other parties, without notification to the 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 rules, regulations and guidelines issued by the Government or 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, SCRR, the SEBI Act or rules or regulations made thereunder or guidelines issued, as the case may be. We further certify that all the disclosures and statements in this Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

Rakesh Mohan Agarwal
Chairman and Managing Director

Chittaranjan Pradhan
Director with additional charge of Director (Finance)

Shashi Prakash Gupta
Director (Human Resources)

D.Venkateswarlu
Director (Production)

Rajesh Sharma
Government Director, Nominee (Non-Executive)

Lt General Rajeev Sabherwal
Government Director, Nominee (Non-Executive)

Asha Kumari Jaswal
Non-Official Independent, Director (Non-Executive)

Dr. K. R. Shanmugam
Non-Official, Independent Director (Non-Executive)

Dr. Akhilesh Charan Dube
Non-Official, Independent Director (Non-Executive)

Mayank Gupta
Non-Official, Independent Director (Non-Executive)

Rajen Vidyarthi
Non-Official, Independent Director (Non-Executive)

SIGNED BY THE CHIEF FINANCIAL OFFICER OF OUR COMPANY

Rajeev Srivastava
Chief Financial Officer

Date: January 17, 2020
Place: Bengaluru