

## RISK FACTORS

This Annual Report contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth in the following risk factors and elsewhere in this Annual Report. The following risk factors should be considered carefully in evaluating us and our business.

### Risks related to our Company and our industry

*Our revenues and expenses are difficult to predict because they can fluctuate significantly given the nature of the markets in which we operate. This increases the likelihood that our results could fall below the expectation of investors and market analysts, which could cause the market price of our equity shares and American Depositary Shares ("ADSs") to decline.*

Our results historically have fluctuated, may fluctuate in the future and may fail to match our past performance, our projections or guidance, or the expectations of investors due to a number of factors, including:

- the size, complexity, timing, pricing terms and profitability of significant projects, as well as changes in the corporate decision-making process of our clients;
- increased pricing pressure from our competitors;
- the proportion of services we perform at our clients' sites rather than at our offshore facilities;
- our ability to increase sales of our services to new customers and expand sales to our existing customers;
- seasonal changes that affect the mix of services we provide to our clients or the relative proportion of services and product revenue;
- seasonal changes that affect purchasing patterns among our consumers of servers, communication devices and other products;
- unanticipated cancellations, contract terminations or deferral of projects or those occurring as a result of our clients reorganizing their operations;
- our ability to accurately forecast our client's demand patterns to ensure the availability of trained employees to satisfy such demand;
- the effect of increased wage pressure in India and other locations and the time we require to train and productively utilize our new employees; and
- our ability to generate historical levels of yield on our investments.

A significant portion of our total operating expenses, particularly personnel and facilities, are fixed in advance of any particular quarter. As a result, unanticipated variations in the number and timing of our projects may cause significant variations in operating results in any particular quarter. Our pricing remains competitive and clients remain focused on cost reduction and capital conservation. While we believe that we have a flexible business model which can mitigate the negative impact of an uncertain or slow growing economy, we may not be able to sustain historical levels of profitability.

There are also other factors that are not within our control that could cause significant variations in our results in any particular quarter. These include:

- the duration of tax holidays or exemptions and the availability of other Government of India incentives;
- currency exchange fluctuations, specifically movement of the rupee against the U.S. Dollar, the United Kingdom Pound Sterling, the Euro, the Canadian Dollar and the Australian Dollar, as significant portion of our revenues are in these currencies;
- political uncertainties or changes in regulations in India and other countries that we operate in;
- other economic factors, including the economic conditions in United States, Europe and other geographies in which we operate; and
- increase in cost of operations in countries that we operate in on account of changes in minimum wage regulations.

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

***We may face difficulties in providing end-to-end business solutions for our clients that could cause clients to discontinue their work with us, which in turn could impact our business.***

As we have increased the breadth of our service offerings, we have engaged in larger and more complex projects with our clients. This requires us to establish closer relationships with our clients, develop a thorough understanding of their operations, and take higher commercial risks in our contracts with such clients, including penalty clauses in our agreements, larger upfront investments and compensation based on our client's financial or business outcomes. Our ability to establish such relationships will depend on a number of factors, including the proficiency of our IT professionals and our management personnel. Our failure to understand and successfully implement our client's requirements, the domain and country-specific laws and regulations which govern the products and services that we provide, or our failure to deliver services which meet the requirements specified by our clients could result in termination of client contracts, reputational harm and/or imposition of penalties or the payment of damages. Additionally, we may experience financial losses in contracts which are linked to our client's future business outcomes or based on assumptions which are not realized. We may also be subject to loss of clients due to dependence on alliance partners, subcontractors or third party product vendors.

Larger projects may involve multiple engagements or stages, and there is a risk that a client may choose not to retain us for subsequent stages or may cancel or delay subsequent planned engagements. Further, we may not be able to sell additional services to existing clients. Unsatisfied clients might seek to terminate existing contracts prior to the completion of the services or relationship. This may further damage our business by affecting our ability to compete for new contracts with current and prospective clients. We may also experience terminations, cancellations or delays as a result of the business or financial condition of our clients or the economy generally, as opposed to factors related to the quality of our services. Such cancellations or delays make it difficult to plan for project resource requirements, and inaccuracies in such resource planning may have a negative impact on our profitability.

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

We currently derive, and believe that we will continue to derive, a significant portion of our revenue from a limited number of corporate clients. The loss of a major client or a significant reduction in the service performed for a major client could result in a reduction of our revenue. Significant pricing or margin pressure exerted by our largest clients would also adversely affect our operating results. Our largest client accounted for 3%, 4% and 4% of our IT Services revenue for the years ended March 31, 2013, 2014 and 2015, respectively. Our ten largest IT Services clients accounted for approximately 22%, 23% and 21% of our IT Services revenues for the years ended March 31, 2013, 2014 and 2015, respectively. The volume of work we perform for specific clients may vary from year to year, particularly since we typically are not the exclusive external technology service provider for these clients. Thus, any major client during one year may not provide the same level of revenue in a subsequent year.

There are a number of factors other than our performance that could cause the loss of a client, such as a reduction in our clients' IT budgets due to macroeconomic factors or otherwise, shifts in corporate priorities and political or economic factors. These factors may not be predictable or under our control. If we were to lose one of our major clients or have a significantly lower volume of business with them, our revenue and profitability could be reduced. We cannot assure you that our large clients will not terminate their arrangements with us or significantly change, reduce or delay the amount of services ordered from us, any of which would reduce our net sales and net income.

Companies in the industries that we serve may also seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If two or more of our current clients merge or consolidate and combine their operations, it may decrease the overall amount of work that we perform for such clients. If one of our current clients merges or consolidates with a company that relies on another provider for its consulting, systems integration, technology or outsourcing services, we may lose work from that client or lose the opportunity to gain additional work. The increased market power of larger companies could also increase pricing and competitive pressures on us.

***Our revenues are highly dependent on clients primarily located in the Americas (including the United States) and Europe, as well as on clients concentrated in certain industries; therefore, an economic slowdown or factors that affect the economic health of the United States, Europe or these industries would adversely affect our business.***

We derive approximately 51% of our IT Services revenue from the Americas (including the United States) and 28% of our IT Services revenue from Europe. If the economy in the Americas or Europe continues to be volatile or uncertain or conditions in the global financial market deteriorate, pricing for our services may become less attractive and our clients located in these geographies may reduce or postpone their technology spending significantly. Reduction in spending on IT services may lower the demand for our services and negatively affect our revenues and profitability.

Our clients are concentrated in certain key industries. Any significant decrease in the growth of any one of these industries, or widespread changes in any such industry, may reduce or alter the demand for our services and adversely affect our revenue and profitability. For instance, the drop in global crude oil price has significantly impacted the companies operating in the energy industry, impacting revenue and profitability of our Energy, Natural Resources and Utilities industry vertical. Furthermore, some of the industries in which our clients are concentrated, such as the financial services industry, health care industry or the energy and utilities industry, are, or may be, increasingly subject to governmental regulation and intervention. For instance, clients in the financial services sector have been subject to increased regulation following the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States. Increased regulation, changes in existing regulation or increased governmental intervention in the industries in which our clients operate may adversely affect the growth of their respective businesses and therefore negatively impact our revenues.

***Our revenue and operating results may be affected by the rate of growth in the use of technology in business and the type and level of technology spending by our clients.***

Our business depends, in part, upon continued reliance on the use of technology in business by our clients and prospective clients as well as their customers and suppliers. In particular, the success of our new service offerings requires continued demand for such services and our ability to meet this demand in a cost-effective manner. In challenging economic environments, our clients may reduce or defer their spending on new technologies in order to focus on other priorities and prospective clients may decide not to engage our services. Also, many companies have already invested substantial resources in their current means of conducting commerce and exchanging information, and they may be reluctant or slow to adopt new approaches that could disrupt existing personnel, processes and infrastructures. If the growth of technology usage in business, or our clients' spending on such technology, declines, or if we cannot convince our clients or potential clients to embrace new technological solutions, our revenue and operating results could be adversely affected.

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

The continued efforts of the senior members of our management team are critical to our success. Our ability to execute project engagements and to obtain new clients depends in large part on our ability to attract, train, motivate and retain highly skilled professionals, especially senior technical personnel, project managers and software engineers. If we cannot hire and retain additional qualified personnel, our ability to bid on and obtain new projects and to continue to expand our business will be impaired and our revenue could decline. We believe that there is significant competition for professionals with the skills necessary to perform the services we offer, particularly in the locations in which we have operations. We may not be able to hire and retain enough skilled and experienced employees to replace those who leave. Increasing competition for technology professionals may also impact our ability to retain personnel. Changes in government policies may also affect our ability to attract, hire and retain personnel. Additionally, we may not be able to reassign or retain our employees to keep pace with continuing

changes in technology, evolving standards and changing client preferences. Our revenues, results of operations and financial condition could be adversely affected if we are unable to manage employee hiring and attrition to achieve a stable and efficient workforce structure.

***Our profitability could suffer if we are unable to continue to successfully manage our costs.***

Our ability to improve or maintain our profitability is dependent on successful management of our costs. Our cost management strategies include maintaining appropriate alignment between the demand for our services and our resource capacity, optimizing the costs of service delivery through automation and deployment of tools and effectively leveraging our sales and marketing and general and administrative costs. We also have to manage additional costs to replace the unsatisfactory solutions or services if our clients are not satisfied if we fail to properly understand their needs and develop solutions accordingly. We have also taken actions to reduce certain costs, including increasing productivity from fixed costs such as better utilization of existing facilities, investing in automation and relocating non-client-facing employees to lower-cost locations. There is no guarantee that these, or other cost-management efforts will be successful, that our efficiency will be enhanced, or that we will achieve desired levels of profitability. If we are not able to mitigate rising employee compensation costs by passing such increases to clients, or increase our revenues sufficiently to offset increasing costs, our results of operations could be materially adversely affected.

***If we do not effectively manage our growth, including, among other things by improving our administrative, operational and financial processes and systems to manage our growth, the value of our shareholders' investment may be harmed.***

Our expected growth will continue to place significant demands on our management and other resources. This will require us to continue to develop and improve our operational, financial and other internal controls. As a result of our growing operations, we face and expect to continue to face challenges such as:

- recruiting, training and retaining sufficiently skilled technical, marketing and management personnel;
- maintaining an effective internal control system and properly educating and training employees to mitigate the risk of individuals engaging in unlawful or fraudulent activity or otherwise exposing us to unacceptable business risks;
- maintaining our high quality standards of service;
- maintaining high levels of client satisfaction;
- developing and improving our internal administrative infrastructure, particularly our financial, operational, communications and other internal systems including data management in our IT applications and Management Information Systems ("MIS");
- preserving our culture, values and entrepreneurial environment;
- assimilating and integrating disparate IT systems, personnel and employment practices, and operations of acquired companies; and
- managing our procurement, supply chain and vendor management processes.

If we are unable to manage our growth effectively, the quality of our services and products may decline, and our ability to attract clients and skilled personnel may be negatively affected. These factors in turn could negatively affect the growth of our business and harm the value of our shareholders' investment.

***Our profitability could suffer if we are not able to maintain favorable utilization rates.***

Our profitability and the cost of providing our services are affected by the utilization rate of our professionals. If we are not able to maintain high utilization rates for our professionals, our profit margin and our profitability may suffer. Our utilization rates are affected by a number of factors, including:

- our ability to transition employees from completed projects to new assignments and to hire and integrate new employees;
- our ability to forecast demand for our services and thereby maintain an appropriate headcount in each of our geographies and workforces;

- our ability to manage attrition; and
- our need to devote time and resources to training, professional development and other non-chargeable activities.

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

***Our failure to complete fixed-price, fixed-time frame contracts within the budget and on time may negatively affect our profitability.***

We offer a portion of our services on a fixed-price, fixed-time frame basis, rather than on a time-and-materials basis. Although we use our specified software engineering processes and rely on our past project experience to reduce the risks associated with estimating, planning and performing fixed-price or fixed-time frame projects, we bear the risks of cost overruns, completion delays and wage inflation in connection with these projects. If we fail to accurately estimate the resources and time required for a project, future rates of wage inflation and currency exchange rates, or if we fail to complete our contractual obligations within the contracted timeframe, our profitability may suffer.

***If our pricing structures do not accurately anticipate the cost and complexity of performing our work, then our contracts could be unprofitable.***

We negotiate pricing terms with our clients utilizing a range of pricing structures and conditions. Depending on the particular contract, we may use time and materials pricing, fixed-price arrangements, or hybrid contracts with features of both pricing models. We also undertake element or transaction based pricing, which relies on a certain scale of operations to be profitable for us. Our pricing is highly dependent on client or our internal forecasts and predictions about our projects and the marketplace, which might be based on limited data and could be inaccurate. If we do not accurately estimate the costs and timing for completing projects, our contracts could prove unprofitable for us or yield lower profit margins than anticipated. The risk is greatest when pricing our outsourcing contracts, as many of our outsourcing projects entail the coordination of operations and workforces in multiple locations, utilizing workforces with different skill sets and competencies across geographically-distributed service centers. Furthermore, when work gets outsourced, we occasionally takeover employees from our clients and assume responsibility for one or more of our clients' business processes. Our pricing, cost and profit margin estimates on outsourced work frequently include anticipated long-term cost savings from transformational initiatives and other endeavors that we expect to achieve and sustain over the life of the outsourcing contract. There is a risk that we will underprice our contracts, fail to accurately estimate the costs of performing the work or fail to accurately assess the risks associated with potential contracts. In particular, any increased or unexpected costs, or wide fluctuations compared to our original estimates, delays or failures to achieve anticipated cost savings, or unexpected risks we encounter in connection with the performance of this work, including those caused by factors outside our control, could make these contracts less profitable or unprofitable, which could have an adverse effect on our profit margin.

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

The IT services market is characterized by rapid technological changes, evolving industry standards, changing client preferences and new product and service introductions. Our future success will depend on our ability to anticipate these advances and enhance our existing offerings or develop new product and service offerings to meet client needs. We may not be successful in anticipating or responding to these advances on a timely basis, or, if we do respond, the services or technologies we develop may not be successful in the marketplace. We may also be unsuccessful in stimulating customer demand for new and upgraded products, or seamlessly managing new product introductions or transitions. Further, products, services or technologies that are developed by our competitors may render our services non-competitive or obsolete. Our failure to address the demands of the rapidly evolving information technology environment, particularly with respect to cloud computing and storage, mobility and applications and analytics, could have a material adverse effect on our business, results of operations and financial condition.

If flaws in design, function or maintenance of our services were to occur, we could experience a rate of failure that would result in substantial repair, replacement or service costs and potential damage to our reputation. Continued improvement of our services and control of quality, costs and product testing are critical factors in our future growth. There can be no assurances that our efforts to monitor, develop, modify and implement appropriate testing for errors and upgrading processes will be sufficient to prevent us from having to incur substantial repair, replacement or service costs, or from a disruption in our ability to provide services, either of which could have a material adverse effect on our business, results of operations or financial condition.

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

We have alliances with companies whose capabilities complement our own. A significant portion of our service offerings are based on technology or software provided by our alliance partners. The priorities and objectives of our alliance partners may differ from ours. As most of our alliance relationships are nonexclusive, our alliance partners are not prohibited from competing with us or aligning more closely with our competitors. In addition, our alliance partners could experience reduced demand for their technology or software, including in response to changes in technology, which could lessen related demand for our services. If we do not obtain the expected benefits from our alliance relationships for any reason, we may be less competitive, our ability to offer attractive service offerings to our clients may be negatively affected, and our revenues and results of operations could be adversely affected.

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

A significant element of our business strategy is to continue to leverage and expand our offshore development centers in Bangalore, Chennai, Hyderabad, Kolkata, Pune, Delhi and other cities in India, as well as near-shore development centers outside of India. We believe that the use of a strategically located network of software development centers provides us with cost advantages, the ability to attract highly skilled personnel from various regions of India and the world, the ability to service clients on a regional and global basis and the ability to provide services to our clients 24 hours a day, seven days a week. Part of our service model is to maintain active voice and data communications between our main office in Bangalore, our clients' offices, and our software development and support facilities. Although we maintain redundancy facilities and satellite communications links, any significant loss in our ability to transmit voice and data through satellite and telephone communications could result in a disruption in business, thereby hindering our performance or our ability to complete client projects on time. This, in turn, could lead to a reduction of our revenue.

***We may be liable to our clients for damages caused by disclosure of confidential information or data security system failures.***

We often have access to or are required to collect and store confidential client and customer data. We face a number of threats to our data centers and networks such as unauthorized access, security breaches and other system disruptions. It is critical to our business that our infrastructure remains secure and is perceived by customers to be secure. Despite our security measures, our infrastructure may be vulnerable to attacks by hackers or other disruptive problems. Breaches of our security measures or the accidental loss, inadvertent disclosure or unapproved dissemination of confidential customer data could expose us, our customers or the individuals affected to a risk of loss or misuse of this information. We could be subject to termination of contracts for non-compliance with our client's information security policies and procedures.

Many of our client agreements do not limit our potential liability for breaches of confidentiality. If any person, including any of our employees or former employees, penetrates our network security or misappropriates sensitive data, we could be subject to significant liability from our clients or from our clients' customers for breaching contractual confidentiality provisions or privacy laws. Unauthorized disclosure of sensitive or confidential client and customer data, whether through breach of our computer systems, systems failure, loss or theft of assets containing confidential information or otherwise, could damage our reputation and cause us to lose clients.

***We may be liable to our clients for damages caused by system failures, which could harm our reputation and cause us to lose clients.***

Many of our contracts involve projects that are critical to the operations of our clients' businesses and provide benefits to our clients that may be difficult to quantify. Any failure in a client's system could result in a claim for substantial damages against us, regardless of our responsibility for such failure. Although we attempt to limit our contractual liability for consequential damages in rendering our services, we cannot be assured that such limitations on liability will be enforceable in all cases, or that they will otherwise protect us from liability for damages. A successful assertion of one or more large claims against us that exceeds our available insurance coverage or results in changes to our insurance policies, including premium increases or the imposition of a large deductible or co-insurance requirement, could adversely affect our revenues and operating results. We may also be liable to our clients for damages or termination of contract if we are unable to address disruption in services to our clients with adequate business continuity plans.

***We may be subject to litigation and be required to pay damages for deficient services or for violating intellectual property rights.***

We may be subject to litigation and be required to pay damages for losses caused by deficient services. We may also be subject to damages for violating or misusing our clients' intellectual property rights or for breaches of third-party intellectual property rights or confidential information in connection with services to our clients. Further, our contracts often contain provisions pursuant to which we indemnify our clients for such third-party breaches of intellectual property pursuant to our contracts. Our inability to provide services at contractually-agreed service levels or inability to prevent violation or misuse of the intellectual property of our clients or that of third parties could cause significant damage to our reputation and adversely affect our results of operations.

Third party providers of software that we license may subject us to claims or litigation to seek damages for violating their licenses and intellectual property rights which could require us to pay damages, enter into expensive license arrangements or modify our products and services. We may also face litigations or incur additional fees and be required to pay damages for violating contractual terms, misuse or excessive use of our license to intellectual property rights, which could cause significant damage to our reputation and adversely affect our results or operations. Further, we may be required to indemnify our clients for third-party breaches of intellectual property pursuant to our contracts.

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

Our clients include national, provincial, state and local governmental entities. Our government work carries various risks inherent in the government contracting process, which may affect our operating profitability. These risks include, but are not limited to, the following:

- Government entities often reserve the right to audit our contract costs, including allocated indirect costs, and conduct inquiries and investigations of our business practices with respect to our government contracts. If the client finds that the costs are not chargeable, then we will not be allowed to bill for them or the cost must be refunded to the client if it has already been paid to us. Findings from an audit may also result in prospective adjustments of previously agreed upon rates for our work and may affect our future margins.
- If a government client discovers improper or illegal activities in the course of audits or investigations, we may become subject to various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or unilateral debarment from doing business with other agencies of that government. The inherent limitations of internal controls may not prevent or detect all improper or illegal activities, regardless of their adequacy, and therefore we can only mitigate, and not eliminate, this risk.
- Government contracts are often subject to more extensive scrutiny and publicity than contracts with commercial clients. Negative publicity related to our government contracts, regardless of its accuracy, may further damage our business by affecting our ability to compete for new contracts among commercial and governmental entities.

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- Political and economic factors such as pending elections, changes in leadership among key governmental decision makers, revisions to governmental tax policies and reduced tax revenues can affect the number and terms of new government contracts signed.
- Terms and conditions of government contracts tend to be more onerous and are often more difficult to negotiate than those for commercial contracts.
- Government contracts may not include a cap on direct or consequential damages, which could cause additional risk and expense in these contracts.

***Many of our client contracts can be terminated without cause, with little or no notice and without termination charges, which could negatively impact our revenue and profitability.***

Our clients typically retain us on a non-exclusive, project-by-project basis. Some of our client contracts, including those that are on a fixed-price, fixed-time frame basis, can be terminated with or without cause, with as little as 15 days' notice and without termination-related penalties. Additionally, most of our contracts with clients are typically limited to discrete projects without any commitment to a specific volume of business or future work. Our business is dependent on the decisions and actions of our clients, and there are a number of factors that might result in the termination of a project or the loss of a client that are outside of our control, including:

- the business or financial condition of our clients or the economy generally;
- a change in strategic priorities, resulting in a reduced level of IT spending;
- a demand for price reductions; and
- a change in outsourcing strategy such as moving to client in-house IT departments or to our competitors.

Termination of client relationships, particularly relationships with our largest customers, would have a material adverse effect on our business, results of operations and financial condition.

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

Some of our client contracts contain benchmarking and most favored customer provisions. The benchmarking provisions allow a customer in certain circumstances to request a study prepared by an agreed upon third-party comparing our pricing, performance and efficiency gains for delivered contract services against the comparable services of an agreed upon list of other service providers. Based on the results of the benchmark study and depending on the reasons for any unfavorable variance, we may be required to reduce our pricing for future services to be performed for the remainder of the contract term, which could have an adverse impact on our revenues and results. Most favored customer provisions require us to give existing customers updated terms in the event we enter into more favorable agreements with certain other customers, which limits our ability to freely enter into agreements and could have an adverse impact on our revenues and results.

***Exchange rate fluctuations in various currencies in which we do business could negatively impact our revenue and operating results / net income. Our financial condition and results of operations may be harmed if we do not successfully reduce such risks through the use of derivative financial instruments.***

Our IT Services business contributes approximately 93% of our revenue. A significant portion of our revenue from this segment is derived from transactions in foreign currencies, including the U.S. Dollar, the United Kingdom Pound Sterling, the Euro, the Canadian Dollar and the Australian Dollar while a large portion of our costs are in Indian Rupees. The exchange rate between the Rupee and foreign currencies has fluctuated significantly in recent years and may continue to fluctuate in the future. As our financial statements are presented in Rupees, such fluctuations could have a material impact on our reported results. Due to these exchange rate fluctuations, there has been an increased demand from our clients that all risks associated with such fluctuations be borne by us. Appreciation of the rupee against foreign currencies can therefore adversely affect our revenue and competitive position, and can adversely impact our operating results. We generate approximately 43% of our IT Services revenues in non-U.S. Dollar currencies, and the exchange rate fluctuations between these currencies and the U.S. Dollar can affect our revenues and growth, as expressed in U.S. Dollar terms.



A significant portion of our debt is in various foreign currencies. We also undertake hedging strategies to mitigate exposure of exchange rate risk relating to foreign currency borrowing, including entering into cross-currency interest rate swaps. As mentioned above, the exchange rate between the Indian Rupee and foreign currencies has fluctuated significantly in recent years and will likely continue to fluctuate in the future. If the value of the rupee declines, the size of our debt obligations and interest expenses in Indian Rupees may increase. This will adversely impact our net income. We also experience other market risks, including changes in the interest rates of the securities that we own. We may use derivative financial instruments to reduce or mitigate these risks where possible. However, if our strategies to reduce market risks are not successful, our financial condition and operating results may be harmed.

***Restrictions on immigration in the U.S. may affect our ability to compete for and provide services to clients in the U.S., which could hamper our growth and cause our revenue to decline.***

Our employees who work onsite at client facilities or at our facilities in the U.S. on temporary or extended assignments typically must obtain visas. If U.S. immigration laws change and make it more difficult for us to obtain H-1B and L-1 visas for our employees, our ability to compete for and provide services to our clients in the U.S. could be impaired. In response to past terrorist attacks in the U.S., the U.S. Citizenship and Immigration Services ("USCIS") and the U.S. Department of State have increased their level of scrutiny in reviewing visa applications and work petitions and have decreased the number of such visas granted.

Additionally, the U.S. is currently considering immigration reforms which may result in additional restrictions or changes that could hamper our ability to serve our clients, causing our revenue to decline. If those proposed restrictive provisions are signed into law, they could have a substantial impact on our hiring practices or capacity to complete client projects, and our cost of doing business in the U.S. could increase and that may discourage clients from seeking our services. This could have a material and adverse effect on our business, revenues and operating results.

Although there is currently no regulatory limit to the number of new L-1 petitions or visas granted, the L-1 Visa Reform Act of 2004 precludes foreign companies from obtaining L-1 visas for employees with specialized knowledge if (1) such employees will be stationed primarily at the worksite of another company in the U.S. and the employee will not be controlled and supervised by his employer, or (2) the placement is essentially an arrangement to provide labor for hire rather than in connection with the employee's specialized knowledge. Furthermore, the USCIS conducts worksite compliance visits for L-1 employees as well as H-1B employees.

In addition, companies which have obtained H-1B visas on behalf of employees face higher labor, legal and regulatory standards. Investigations by the Wage and Hour Division of the U.S. Department of Labor or unannounced random site inspections by the U.S. Department of Homeland Security could also affect our ability to efficiently compete for and provide services to our clients in the U.S.

Immigration laws in the U.S. and in other countries are subject to legislative changes, as well as to variations in the standards of application and enforcement due to political forces and economic conditions. It is difficult to predict the political and economic events that could affect immigration laws, or the restrictive impact they could have on obtaining or reviewing work visas for our technology professionals.

Although we currently have sufficient personnel with valid H-1B and L-1 visas, we cannot be assured that we will continue to be able to obtain any or a sufficient number of H-1B and L-1 visas for our onsite employees on the same timeframe as we currently maintain.

***Our international operations subject us to risks inherent in doing business on an international level that could harm our operating results.***

Currently, we have software development facilities in several countries around the world. The majority of our software development facilities are located in India. As we continue to increase our presence outside India through our strategic development centers worldwide, we are subject to additional risks related to our international expansion strategy, including risks related to complying with a wide variety of national and local laws, localization

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requirements, restrictions on the import and export of certain technologies, data privacy and protection regulations, currency fluctuations, economic and political volatility and multiple and possibly overlapping tax structures. In addition, we may face competition in other countries from companies that may have more experience with operations in such countries or with international operations in general. We may also face difficulties integrating new facilities in different countries into our existing operations, as well as integrating employees that we hire in different countries into our existing corporate culture. Our international expansion plans may not be successful, and we may not be able to compete effectively in other countries.

### ***Legislation in certain countries in which we operate, including the U.S., may restrict companies in those countries from outsourcing work.***

Some countries and organizations have expressed concerns about a perceived connection between offshore outsourcing and the loss of jobs domestically. With high domestic unemployment levels in many countries and increasing political and media attention on the outsourcing of services internationally by domestic corporations, there have been concerted efforts in many countries to enact new legislations to restrict offshore outsourcing or impose restrictions on companies that outsource. Periodically, restrictive outsourcing legislation has been considered by federal and state authorities in the U.S. In the event any of these measures become law, our ability to do business in these jurisdictions could be adversely impacted, which in turn could adversely affect our revenues and operating profitability.

In addition, from time to time, negative experiences associated with offshore outsourcing, such as theft and misappropriation of sensitive client data, have been publicized, including reports involving service providers in India. Our current or prospective clients may elect to perform certain services themselves or may be discouraged from transferring services from onshore to offshore service providers to avoid harmful publicity or any negative perceptions that may be associated with using an offshore service provider. Any slowdown or reversal of existing industry trends towards offshore outsourcing would seriously harm our ability to compete effectively with competitors that provide services from within the countries in which our clients operate.

Further, under the United Kingdom's Transfer of Undertakings (Protection of Employees) Regulations, 2006, as well as similar regulations in European Union member countries, employees who are dismissed by an outsourcing vendor could seek compensation from their current or new employer. This could adversely impact our customers' ability to outsource and also result in additional costs due to redundant payment liabilities. Such events could have an adverse impact on our results of operations and our financial position.

### ***We may incur substantial costs for environmental regulatory compliance.***

We are subject to various federal, state, local and foreign laws relating to protection of the environment. We may incur substantial fines, civil or criminal sanctions, including fines and sanctions against our directors and officers, or third-party claims for property damage or personal injury if we are held liable under environmental laws and regulations. Our current compliance with environmental laws and regulations is not expected to have a material adverse effect on our financial position, results of operations or competitive position.

### ***We are making substantial investments in new facilities and physical infrastructures, and our profitability could be reduced if our business does not grow proportionately.***

We have invested substantially in construction or expansion of software development facilities and physical infrastructure in anticipation of growth in our business. The total amount of investment made to purchase property, plant and equipment in fiscal year 2015 was Rs. 12,661 million (US\$ 203 million). Additionally, as of March 31, 2015, we had contractual commitments of Rs. 1,262 million (US\$ 20 million) related to capital expenditures on construction or expansion of our software development and other facilities. We may encounter cost overruns or project delays in connection with new facilities and these expansions may increase our fixed costs. If we are unable to grow our business and revenues to sufficiently offset the increased expenditures, our profitability could be reduced.

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

Our insurance policies cover physical loss or damage to our property and equipment arising from a number of specified risks and certain consequential losses, including business interruption, arising from the occurrence of an insured event under the policies. Under our property and equipment policies, damages and losses caused by certain natural disasters, such as earthquakes, acts of terrorism, floods and windstorms are also covered. We also maintain various other types of insurance, such as directors' and officers' liability insurance, workmen's compensation insurance and marine insurance. We maintain insurance on property and equipment in amounts believed to be consistent with industry practices, but we are not fully insured against all such risks. Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could materially harm our financial condition and future operating results. There can be no assurance that any claims filed, under our insurance policies will be honored fully or timely. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage.

***We may invest in companies for strategic reasons that may not be successful or meet our expectations.***

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

Investments in companies where we do not have majority ownership expose us to decisions made by others. This could impact our ability to align the strategic goals of the companies with our goals and this may impact the returns on our investment. We may also be required to exit such investments at inopportune times or make further investments based on current shareholder agreements. Such further investments may have to be made at a time when the venture is financially struggling and this may erode or dilute its value to our shareholders.

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

We have acquired and in the future may acquire or make investments in complementary businesses, technologies, services or products, or enter into strategic partnerships or joint ventures with parties that we believe can provide access to new markets, capabilities or assets. The acquisition and integration of new businesses subjects us to many risks and we can provide no assurances that any such acquisition will be successful or meet our expectations. If it does not, we may suffer losses, dilute value to shareholders, may not be able to take advantage of appropriate investment opportunities or complete transactions on terms commercially acceptable to us. We could have difficulties in assimilating the personnel or operations of the acquired companies. We could also have difficulty in integrating the acquired products, services, solutions or technologies into our operations. We may face litigations or other claims arising out of our acquisitions, including disputes with regard to earn-outs or other closing adjustments. These difficulties could disrupt our ongoing business, distract our management and employees, and increase our expenses. Changes in competition laws in India and abroad could also impact our acquisition plans by prohibiting potential transactions which could otherwise be beneficial for us.

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

***Goodwill and acquisition related intangibles that we carry on our balance sheet could give rise to significant impairment charges in the future.***

The amount of goodwill and intangible assets in our consolidated financial statements has increased significantly in recent years, primarily on account of acquisitions. Goodwill and acquisition related indefinite life intangibles are subject to impairment review at least annually. Impairment testing under IFRS may lead to impairment charges in the future. Any significant impairment charges could have a material adverse effect on our results of operations.

***Compliance with new and changing corporate governance and public disclosure requirements adds uncertainty to our compliance policies and increases our costs of compliance.***

Changing laws, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes Oxley Act of 2002, new SEC regulations, New York Stock Exchange ("NYSE") rules, Securities and Exchange Board of India ("SEBI") rules, the Indian Companies Act, 2013, and Indian stock market listing regulations are creating uncertainty for companies like ours. These new or changed laws, regulations and standards may lack specificity and are subject to varying interpretations. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. For example, the implementation of the new Indian Companies Act, 2013, which is replacing the prior Indian Companies Act, 1956, has been slow, uneven and inconsistent, and on many of the provisions, clarifications are awaited from the Ministry of Corporate Affairs, which will distribute circulars effecting modification in rules or notifications or changes. In addition, many of the provisions of the Companies Act, 1956 also continue to be applicable and both legislations are concurrently in operation.

In particular, continuing compliance with Section 404 of the Sarbanes-Oxley Act of 2002 and the related regulations regarding our required assessment of our internal controls over financial reporting requires the commitment of significant financial and managerial resources. With respect to our Form 20-F for the year ended March 31, 2015, our management has performed an assessment of the effectiveness of the internal control over financial reporting. We have determined that the internal controls are effective.

We are committed to maintaining high standards of corporate governance and public disclosure, and our efforts to comply with evolving laws, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and significant management time and attention. In addition, the new laws, regulations and standards regarding corporate governance may make it more difficult for us to obtain director and officer liability insurance. Further, our board members, chief executive officer and chief financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may face difficulties attracting and retaining qualified board members and executive officers, which could harm our business. In certain instances, the compliance requirements under the Companies Act, 2013 and our listing agreement with the NYSE are more onerous than those under the Sarbanes-Oxley Act of 2002. For example, our Board of Directors is required to state that they have established internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively. Additionally, under the listing agreements with stock exchanges in India, the Chief Executive Officer, the Managing Director or a full time director appointed under the Companies Act, 2013 and the Chief Financial Officer are required to certify to the Board that (i) they accept responsibility for establishing and maintaining internal controls for financial reporting, (ii) that they have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting, and (iii) they have disclosed to the auditors and the Audit Committee any significant changes in internal control over financial reporting during the year, instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

Furthermore, with respect to material related party transactions, the Company is required to obtain approval from its non-controlling shareholders if the controlling shareholders are related parties. Obtaining the approval of non-controlling shareholders is not guaranteed and may be time consuming, which could affect the Company's ability to carry out the decisions of the Board of Directors in a timely matter. If we fail to comply with new or changed laws or regulations and standards, our business and reputation may be harmed.

***If we fail to or are unable to implement and maintain effective internal controls over financial reporting, the accuracy and timeliness of our financial reporting may be adversely affected.***

We are subject to reporting obligations under U.S. securities laws. The SEC, as required under Section 404 of the Sarbanes-Oxley Act of 2002, has adopted rules requiring every public company to include a report of management on the effectiveness of such company's internal control over financial reporting in its annual report. In addition, an independent registered public accounting firm must issue an attestation report on the effectiveness of the company's internal control over financial reporting.

We recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and our management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. If we fail to maintain effective internal control over financial reporting in the future, we and our independent registered public accounting firm may not be able to conclude that we have effective internal control over financial reporting at a reasonable assurance level. This could in turn result in the loss of investor confidence in the reliability of our financial statements. Furthermore, we have incurred and anticipate that we will continue to incur considerable costs and use significant management time and other resources in an effort to comply with Section 404 and other requirements of the Sarbanes-Oxley Act. If we are not able to continue to meet the requirements of Section 404 in a timely manner or with adequate compliance, we might be subject to sanctions or investigation by the SEC, the NYSE or other regulatory authorities. Any such action could adversely affect the accuracy and timeliness of our financial reporting.

***We cannot predict the outcome of the Securities and Exchange Commission's ongoing formal investigation, the outcome of which could have a material adverse effect on us.***

As we have previously disclosed, the SEC has issued a formal order directing a private investigation by the Staff of the Enforcement Division of, among other things, issues relating to auditor independence, our internal financial controls and books and records, and the appropriateness of certain accounting entries pertaining to our exchange rate fluctuation and outstanding liability accounts. We continue to fully cooperate with the SEC's investigation. The outcome of the SEC's review of this matter is uncertain. Adverse determinations by the SEC could have a material adverse effect on us.

***Management's use of estimates may affect our income and financial position.***

To comply with IFRS, management is required to make various estimates, judgments and assumptions. The facts and circumstances on which management bases these estimates, judgments, assumptions, and management's judgment of the facts and circumstances, may change from time to time and this may result in significant changes in the estimates, with an impact on our assets or income. Current and future accounting pronouncements and other financial reporting standards may adversely affect the financial information we present. We regularly monitor our compliance with all of the financial reporting standards that are applicable to us and any new pronouncements that are relevant to us. Findings of our monitoring activity or new financial reporting standards may require us to change our internal accounting policies and to alter our operational policy so that it reflects new or amended financial reporting standards. We cannot exclude the possibility that this may have a material impact on our assets, income, or cash flows. For a summary of significant accounting policies, refer to Note 3 of the Notes to the Consolidated Financial Statements section.

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

Our business depends on our ability to successfully obtain payment from our clients of the amounts they owe us for work performed. We evaluate the financial condition of our clients and usually bill and collect on relatively short cycles. We maintain provisions against receivables and unbilled services. Actual losses on client balances could differ from those that we currently anticipate and as a result we might need to adjust our provisions. There is no guarantee that we will accurately assess the creditworthiness of our clients. Macroeconomic conditions, such as a potential credit crisis in the global financial system, could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to us, all of

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which could increase our receivables. Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays in the collection of or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. In addition, if we experience delays in billing and collection for our services, our cash flows could be adversely affected.

### ***We are exposed to fluctuations in the market values of our investment portfolio.***

Deterioration of the credit as well as debt and capital markets due to economic turmoil could result in volatility of our investment earnings and impairments to our investment portfolio, which could negatively impact our financial condition and reported income.

### **Risks related to investments in Indian companies and international operations generally.**

We are incorporated in India, and a substantial portion of our assets and our employees are located in India. Consequently, our financial performance and the market price of our ADSs will be affected by political, social and economic developments affecting India, Government of India policies such as taxation and foreign investment policies, Government of India currency exchange control and changes in exchange rates and interest rates.

### ***Wage increases in India may diminish our competitive advantage against companies located in the U.S. and Europe and may reduce our profit margins.***

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

### ***We would realize lower tax benefits if the special tax holiday scheme for units set up in Special Economic Zones is substantially modified.***

Currently, we benefit from tax incentives under Indian tax laws. We qualify for a deduction from taxable income on profits attributable to our status as a developer of Special Economic Zones ("SEZs") or from operation of units located in SEZs. The tax deduction for SEZ developers is available for any ten consecutive years out of fifteen years, commencing from the year in which the SEZ is notified. The tax deduction for a unit in an SEZ is equal to 100% of profits from the export of services for the first five years after the commencement of operations in the SEZ, and thereafter is equal to 50% of profits from the export of services for a subsequent period of ten years, subject to meeting specified re-investment conditions and earmarking of specified reserves in the last five years. This tax deduction will terminate if our operations are no longer located in an SEZ, fail to comply with rules required for an SEZ or fail to meet certain conditions prescribed under the Income Tax Act, 1961 of India. These tax benefits of units are conditioned upon our ability to generate positive net foreign exchange within five years of the commencement of our operations in the SEZ. If we fail to generate positive net foreign exchange within five years, or thereafter fail to maintain it, we will be subject to penalties under the Foreign Trade (Development and Regulation) Act, 1992, or the Indian Foreign Trade Act. The maximum penalty that may be imposed is equal to five times the gross value of the goods and services that we purchase with duty exemptions. We are subject to a Minimum Alternate Tax ("MAT") at a fixed rate of approximately 21.34% on our net profits as adjusted by certain prescribed adjustments. Where any tax is paid under MAT, such tax will be eligible for adjustment against regular income tax liability computed under the Income Tax Act, 1961 of India, for the following ten years as MAT credit. We cannot assure you that the Government of India will continue these special tax exemptions or that we will continue to qualify for such tax benefits and other incentives. If we no longer receive these tax benefits and other incentives, or if the MAT rate of taxation is increased, our financial results may be adversely affected.

In the past, there have been demands by legislators and various political parties in India for the Government of India to actively regulate the development of SEZs by private entities. There have also been demands to impose strict conditions which need to be complied with before economic zones developed by private entities are designated as SEZs. If such regulations or conditions are imposed, it would adversely impact our ability to set up new units in such designated SEZs and avail ourselves of the tax benefits associated with SEZs.

***Political considerations in the Government of India could delay the liberalization of the Indian economy and adversely affect economic conditions in India in general, which could in return impact our financial results and prospects.***

Despite economic liberalization policies, the Indian central and state governments remain a significant part of the Indian economy as producers, consumers and regulators. Although we believe that the process of economic liberalization will continue, the rate of economic liberalization could change, and specific laws and policies affecting technology companies, foreign investment, currency exchange and other matters affecting investment in our securities could change as well. A significant change in India's economic liberalization and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

For instance in April 2007, the Government of India announced a number of changes in its policy relating to SEZs, including specifying a cap on land available for SEZs. The Government of India is currently considering making further changes in its SEZ policy. We currently have several facilities operating within SEZs and any adverse change in policy relating to SEZs could affect our profitability.

***We operate in jurisdictions that impose transfer pricing and other tax related regulations on us, and any failure to comply could materially and adversely affect our profitability.***

We are required to comply with various transfer pricing regulations in India and other countries. Failure to comply with such regulations may impact our effective tax rates and consequently affect our net margins. Additionally, we operate in several countries and our failure to comply with the local tax regime may result in additional taxes, penalties and enforcement actions from local authorities. In the event that we do not properly comply with transfer pricing and tax-related regulations, our profitability may be adversely affected. The Finance Act 2012 extended the applicability of transfer pricing regulations to domestic transactions entered into with related parties and certain specified transactions.

Taxation laws are susceptible to frequent change. In India, changes in taxation law are announced on an annual basis in February, when the Union Budget is presented. These changes in law may affect the accuracy of our estimated tax obligations, or the obligations of holders of our equity shares and ADSs.

***Terrorist attacks or a war could adversely affect our business, results of operations and financial condition.***

Terrorist attacks, such as the attacks on November 29, 2008 and July 13, 2011 in Mumbai, India and other acts of violence or war have the potential to directly impact our clients. To the extent that such attacks affect or involve the U.S. or Europe, our business may be significantly impacted, as the majority of our revenue is derived from clients located in those regions. In addition, such attacks may make business travel more difficult, may make it more difficult to obtain work visas for many of our technology professionals who are required to work in the U.S. or Europe, and may effectively curtail our ability to deliver services to our clients. Such obstacles to business may increase our expenses and negatively affect the results of our operations. Furthermore, any terrorist attacks in India could cause a disruption in the delivery of our services to our clients, could have a negative impact on our business, personnel, assets and results of operations, and could cause our clients or potential clients to choose other vendors for the services we provide. Terrorist threats, attacks or war could also delay, postpone or cancel our clients' decisions to use our services.

***The markets in which we operate are subject to the risks of earthquakes, floods and other natural disasters, the occurrence of which could cause our business to suffer.***

Some of the regions that we operate in are prone to earthquakes, hurricanes, tsunamis, flooding and other natural disasters. In the event that any of our business centers are affected by such disasters, we may sustain damage to our operations and properties, suffer significant financial losses and be unable to complete our client engagements in a timely manner, if at all. Further, in the event of a natural disaster, we may also incur costs in redeploying personnel and property. In addition, if there is a major earthquake, as occurred in Japan in March 2011, a flood, as occurred in Thailand in July 2011, or other natural disaster in any of the locations in which our significant clients are located, we face the risk that our clients may incur losses or sustained business interruption which may materially impair their ability to continue their purchase of our products or services. A major earthquake, flood or other natural disaster including as a result of climate changes in the locations in which we operate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Regional conflicts in South Asia could adversely affect the Indian economy, disrupt our operations and cause our business to suffer.***

South Asia has from time to time experienced instances of civil unrest and hostilities among neighboring countries, including between India and Pakistan. There have been military confrontations between India and Pakistan in the Kashmir region and along the India-Pakistan border. The potential for hostilities between the two countries is high due to recent terrorist activities in India and the aggravated geopolitical situation. Both countries have initiated active measures to reduce hostilities. Military activity or terrorist attacks in the future could harm the Indian economy by disrupting communications and making travel more difficult. Such political tensions could create a greater perception that investments in Indian companies involve a higher degree of risk. This, in turn, could have a material adverse effect on the market for the securities of Indian companies, including our equity shares and our ADSs, and on the market for our services.

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

Indian law constrains our ability to raise capital outside of India through the issuance of equity or convertible debt securities. Generally, any foreign investment in, or an acquisition of, an Indian company requires approval from relevant government authorities in India, including the Reserve Bank of India. However, subject to certain exceptions, the Government of India currently does not mandate prior approvals for IT companies such as ours. If we are required to seek the approval of the Government of India and the Government of India does not approve the proposed investment or implements a limit on the foreign equity ownership of IT companies, our ability to seek and obtain additional equity investment by foreign investors will be limited. In addition, these restrictions, if applied to us, may prevent us from entering into a transaction, such as an acquisition by a non-Indian company, which would otherwise be beneficial for our Company and the holders of our equity shares and ADSs.

***Our ability to acquire companies organized outside India depends on the approval of the Government of India. Our failure to obtain approval from the Government of India for the acquisition of companies organized outside India may restrict our international growth, which could negatively affect our revenue.***

The Ministry of Finance of the Government of India and/or the Reserve Bank of India must approve our acquisition of any company organized outside of India or grant general or special permission for such acquisition. The Reserve Bank of India permits acquisitions of companies organized outside India by an Indian party without approval in the following circumstances:

- if the transaction consideration is paid in cash, up to 400% of the net worth of the acquiring company; or
- if the acquisition is funded with cash from the acquiring company's existing foreign currency accounts or with cash proceeds from the issue of ADRs or Global Depositary Receipts ("GDRs").

We cannot assure you that any necessary approval from the Reserve Bank of India or the Ministry of Finance or any other Government agency can be obtained. Our failure to obtain such approvals from the Government of India for acquisitions of companies organized outside India may restrict our international growth, which could negatively affect our revenue.



***It may be difficult for you to enforce any judgment obtained in the U.S. against us, our directors or executive officers or our affiliates.***

We are incorporated under the laws of India and many of our directors and executive officers reside outside the U.S. A substantial portion of our assets and the assets of many of these persons are also located outside the U.S. As a result, you may be unable to effect service of process upon us outside of India or upon such persons outside their jurisdiction of residence. In addition, you may be unable to enforce against us in courts outside of India, or against these persons outside the jurisdiction of their residence, judgments obtained in courts of the U.S., including judgments predicated solely upon the federal securities laws of the U.S.

We have been advised by our Indian counsel that the U.S. and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgments, other than arbitration awards, in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any federal or state court in the U.S. on civil liability, whether or not predicated solely upon the federal securities laws of the U.S., would not be enforceable in India. However, the party in whose favor such final judgment is rendered may bring a new suit in a competent court in India based on a final judgment that has been obtained in the U.S. The suit must be brought in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgment if it viewed the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain approval from the Reserve Bank of India under the Foreign Exchange Management Act, 1999, to execute such a judgment or to repatriate any amount recovered.

***The laws of India do not protect intellectual property rights to the same extent as those of the U.S., and we may be unsuccessful in protecting our intellectual property rights. Unauthorized use of our intellectual property may result in development of technology, products or services which compete with our products. We may also be subject to third-party claims of intellectual property infringement.***

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

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

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

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

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

We have more than 30,000 employees located outside India. We are subject to risks relating to compliance with a variety of national and local laws including multiple tax regimes, labor laws, and employee health, safety, wages and benefits laws. We may, from time to time, be subject to litigation or administrative actions resulting from claims against us by current or former employees individually or as part of class actions, including claims of wrongful terminations, discrimination, misclassification or other violations of labor law or other alleged conduct. We may also, from time to time, be subject to litigation resulting from claims against us by third parties, including claims of breach of non-compete and confidentiality provisions of our employees' former employment agreements with such third parties or claims of breach by us of their intellectual property rights. Our failure to comply with applicable regulatory requirements could have a material adverse effect on our business, results of operations and financial condition.

Further, the Company is subject to the new Indian Companies Act, 2013, which is replacing the prior Indian Companies Act, 1956. However, the implementation of the new legislation has been slow, uneven and inconsistent. It is unclear where case law and practice will evolve, so we cannot predict the costs of compliance, or impact or burden on our resources. In addition, many of the provisions of the previous Companies Act, 1956 also continue to be applicable and both legislations are concurrently in operation until the Companies Act, 2013 is completely effective and enforced.

#### **Risks Related to the ADSs**

***Sale of our equity shares may adversely affect the prices of our equity shares and ADSs.***

Sale of substantial amounts of our equity shares in the public market, including sales by insiders, or the perception that such sales may occur, could adversely affect the prevailing market price of our equity shares or our ADSs or our ability to raise capital through an offering of our securities. In the future, we may also sponsor the sale of shares currently held by some of our shareholders, or issue new shares. We can make no prediction as to the timing of any such sales or the effect, if any, that future sales of our equity shares, or the availability of our equity shares for future sale, will have on the market price of our equity shares or ADSs prevailing from time to time.

The Government of India has recently notified implementation of the Depository Receipts Scheme, 2014, which permits liberalized rules for sponsored and unsponsored secondary market issue of depository receipts up to the sectorial cap of foreign investment as per the prescribed regulations. This scheme is subject to guidelines and regulations to be enacted by the regulators like Reserve Bank of India, Ministry of Corporate Affairs, Ministry of Finance and Securities and Exchange Board of India. Once the regulations are fully notified, our shares can be freely convertible into depository receipts, which would impact the share price and available float in Indian as well as the price and availability of ADSs on NYSE.

***Indian law imposes foreign investment restrictions that limit a holder's ability to convert equity shares into ADSs, which may cause our ADSs to trade at a premium or discount to the market price of our equity shares.***

Under certain circumstances, the Reserve Bank of India must approve the sale of equity shares underlying ADSs by a non-resident of India to a resident of India. The Reserve Bank of India has given general permission to effect sales of existing shares or convertible debentures of an Indian company by a resident to a non-resident, subject to certain conditions, including the price at which the shares may be sold. Additionally, except under certain limited circumstances, if an investor seeks to convert the rupee proceeds from a sale of equity shares in India into foreign currency and then repatriate that foreign currency from India, he or she will have to obtain additional approval from the Reserve Bank of India for each transaction. Required approval from the Reserve Bank of India or any other government agency may not be obtained on terms which are favorable to a non-resident investor or may not be obtained at all.

Investors who exchange ADSs for the underlying equity shares and are not holders of record will be required to declare to us details of the holder of record, and the holder of record will be required to disclose the details of the beneficial owner. Any investor who fails to comply with this requirement may be liable for a fine of up to Rs. 1,000 for each day such failure continues. Such restrictions on foreign ownership of the underlying equity shares may cause our ADSs to trade at a premium or discount to the equity shares. Such restrictions may change in the future, including by the recently approved Depository Receipt Scheme, 2014, and may affect the trading value of our ADSs relative to our equity shares.

***Our stock price continues to be volatile.***

Our stock price is affected by factors outside our control. Such volatility could negatively impact the perceived value and stability of our ADSs. Further, the Indian stock exchanges have, in the past, experienced substantial fluctuations in the prices of their listed securities. The Indian stock exchanges, on which our equity shares are listed, including the BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"), have experienced problems that, if they continue or reoccur, could affect the market price and liquidity of the securities of Indian companies, including our shares. These problems in the past included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Furthermore, from time to time disputes have occurred between listed companies and stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment.

Also, regulation and monitoring of the Indian securities markets and the activities of investors, brokers and other participants, may differ as compared to that of the U.S. SEBI has prescribed regulations and guidelines in relation to disclosure requirements, insider dealing and other matters relevant to the Indian securities market. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in the U.S.

***The price of our ADSs and the U.S. dollar value of any dividends we declare may be negatively affected by fluctuations in the U.S. dollar to Indian rupee exchange rate.***

Our ADSs trade on the NYSE in U.S. Dollars. Since the equity shares underlying the ADSs are listed in India on the BSE and the NSE and trade in Indian Rupees, the value of the ADSs may be affected by exchange rate fluctuations between the U.S. Dollar and the Indian Rupee. In addition, dividends declared, if any, are denominated in Indian Rupees, and therefore the value of the dividends received by the holders of ADSs in U.S. Dollars will be affected by exchange rate fluctuations. If the Indian Rupee depreciates against the U.S. Dollar, the price at which our ADSs trade and the value of the U.S. Dollar equivalent of any dividend will decrease accordingly.

***Our ADSs have historically traded at a significant premium to the trading prices of our underlying equity shares on Indian stock exchanges, but may not continue to do so in the future.***

Historically, our ADSs have traded at a premium to the trading prices of our underlying equity shares on Indian stock exchanges due to the relatively small portion of our market capitalization represented by ADSs, restrictions imposed by Indian law on the conversion of equity shares into ADSs, and the potential preference of some investors to trade securities listed on U.S. exchanges. The completion of any additional secondary ADS offering will increase the number of our outstanding ADSs. Further, the restrictions on the issuance of ADSs imposed by Indian law may be relaxed in the future, including by the recently effective Depository Receipts Scheme, 2014. Over a period of time, investor preferences may also change. Therefore, the historical premium of our ADSs as compared to the trading prices of our underlying equity shares on Indian stock exchanges may be reduced or eliminated.

***Negative media coverage and public scrutiny may adversely affect the prices of our equity shares and ADSs.***

Media coverage, including social media coverage such as blogs, of our business practices, employees, policies and actions has increased dramatically over the past several years. Any negative media coverage, regardless of the accuracy of such reporting, may have an initial adverse impact on our reputation and investor confidence, resulting in a decline in the share price of our equity shares and our ADSs.

***Holders of ADSs are subject to the Securities and Exchange Board of India's Takeover Code with respect to their acquisitions of ADSs or the underlying equity shares, and this may impose requirements on such holders with respect to disclosure and offers to purchase additional ADSs or equity shares.***

The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (the "Takeover Code") is applicable to publicly listed Indian companies such as Wipro and to any person acquiring our equity shares or voting rights in our company, including ADSs.

Under the Takeover Code, persons who acquire 5% or more of the shares of a company are required, within two working days of such acquisition, to disclose the aggregate shareholding and voting rights in the company to the company and to the stock exchanges on which the shares of the company are listed.

Additionally, holders of 5% or more of the shares or voting rights of a company who acquire or dispose of shares representing 2% or more of the shares or voting rights of the company must disclose, within two working days of such transaction their revised shareholding to the company and to the stock exchanges on which the shares of the company are listed. This disclosure is required even if the transaction is a sale which results in the holder's ownership falling below 5%. The Takeover Code may also impose conditions that discourage a potential acquirer, which could prevent an acquisition of our company in a transaction that could be beneficial for our equity holders.

***An investor in our ADSs may not be able to exercise preemptive rights for additional shares and may thereby suffer dilution of his or her equity interest in us.***

Under the Indian Companies Act, 2013, a company incorporated in India must offer its holders of equity shares preemptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless such preemptive rights have been waived by three-fourths of the shares voting on the resolution to waive such rights. Holders of ADSs may be unable to exercise preemptive rights for the equity shares underlying ADSs unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements of the Securities Act is available. We are not obligated to prepare and file such a registration statement, and our decision to do so will depend on the costs and potential liabilities associated with any such registration statement, as well as the perceived benefits of enabling the holders of ADSs to exercise their preemptive rights, and any other factors we consider appropriate at the time. No assurance can be given that we would file a registration statement under these circumstances. If we issue any such securities in the future, such securities may be issued to the Depositary, which may sell such securities for the benefit of the holders of the ADSs. There can be no assurance as to the value, if any, the Depositary would receive upon the sale of such securities. To the extent that holders of ADSs are unable to exercise preemptive rights granted in respect of the equity shares represented by their ADSs, their proportional interests in the Company would be diluted.

***ADS holders may be restricted in their ability to exercise voting rights.***

At our request, the Depositary will mail to you any notice of shareholders' meeting received from us along with information explaining how to instruct the Depositary to exercise the voting rights of the securities represented by ADSs. If the Depositary receives voting instructions from you prior to such shareholders' meeting, relating to matters that have been forwarded to you, it will endeavor to vote the securities represented by your ADSs in accordance with such voting instructions. However, the ability of the Depositary to carry out voting instructions may be limited by practical and legal limitations and the terms of the securities on deposit. We cannot assure that you will receive voting materials in time to enable you to return voting instructions to the Depositary in a timely manner. Securities for which no voting instructions have been received will not be voted. There may be other communications, notices or offerings that we only make to holders of our equity shares, which will not be forwarded to holders of ADSs. Accordingly, you may not be able to participate in all offerings, transactions or votes that are made available to holders of our equity shares.

***We may be classified as a passive foreign investment company, which could result in adverse U.S. federal income tax consequence to U.S. holders.***

Based on the current price of our ADSs and the composition of our income and assets, we do not believe that we are a Passive Foreign Investment Company ("PFIC") for U.S. federal income tax purposes for our current taxable year ended March 31, 2015. However, a separate determination must be made after the close of each taxable year as to whether we are a PFIC. We cannot assure you that we will not be a PFIC for any future taxable year. If we were treated as a PFIC for any taxable year during which a U.S. holder held an equity share or an ADS, certain adverse U.S. federal income tax consequences could apply to the U.S. holder. See "Taxation - Material U.S. Federal Tax Consequences - Passive Foreign Investment Company."

#### Item 4. Information on the Company

##### History and development of the Company

Wipro Limited was incorporated on December 29, 1945, as Western India Vegetable Products Limited under the Indian Companies Act, VII of 1913, which is now superseded by the Indian Companies Act, 2013 ("Companies Act, 2013"). We are a public limited company deemed to be registered under the Companies Act and are registered with the Registrar of Companies, Bangalore, Karnataka, India as Company No. 20800. In October 2000, we raised gross aggregate proceeds of approximately US\$131 million in our initial U.S. public offering of our American Depositary Shares ("ADSs") on the New York Stock Exchange. Our registered office is located at Doddakannelli, Sarjapur Road, Bangalore 560 035, and the telephone number of our registered office is +91-80-4672-6603. The name and address of our registered agent in the United States is CT Corporation System, located at 111 8th Avenue, 13th Floor, New York, New York 10011-5252.

We began business as a vegetable oil manufacturer in 1945 in Amalner, Maharashtra, India and later expanded into manufacturing soaps and other consumer care products. During the late 1970s and early 1980s, we further expanded into the IT industry in India. We began selling personal computers in India in 1985. In the 1990s, we leveraged our hardware expertise and also began offering software services to our clients. We are one of the pioneers of the Global Delivery Model. In March 2013, we completed the demerger of our non-IT business segments and we now focus solely on our IT business (the "Demerger"). Our headquarters are in Bangalore, India and we have operations in North America, Europe, Australia, Africa, Latin America and Asia.

Following the Demerger, our business comprises of the IT Services and IT Products segments. To align ourselves with industry trends, we elected to start providing our IT Services segment revenue and results by industry verticals beginning with the year ended March 31, 2014. For the fiscal year ended March 31, 2015, the IT Services segment generated 93% of revenue and 102.3% of operating income. For the same period, the IT Products segment generated 7% of revenue and 0.4% of our operating income and (2.7)% of our operating income pertains to reconciling items.

We incurred total capital expenditure of Rs. 10,616 million, Rs. 8,913 million and Rs. 12,661 million during the fiscal years ended March 31, 2013, 2014 and 2015, respectively. These capital expenditures were primarily incurred on new software development facilities in India for our IT Services and IT Products businesses. As of March 31, 2015, we had contractual commitments of Rs. 1,262 million related to capital expenditures on construction or expansion of software development facilities. We currently intend to finance our planned construction and expansion entirely through our operating cash flows and through cash and investments held as of March 31, 2015.

There has not been any indication of any public takeover offers by third parties in respect of the Company's shares or by the Company in respect of other companies' shares during the last and current fiscal years.

##### Acquisitions

In the last three fiscal years, we have made several acquisitions, including the acquisition of Opus CMC, a leading US-based provider of mortgage due diligence and risk management services in January 2014 and the acquisition of ATCO I-Tek Inc., the provider of IT Services to ATCO Group, a leading Canadian global utilities and logistics company in August 2014. Please see Note 7 of the Notes to the Consolidated Financial Statements for additional information regarding our acquisitions.

##### The Demerger of the Diversified Business

Effective as of March 31, 2013 ("Effective Date"), the consumer care and lighting, infrastructure engineering and other non-IT business segments (collectively, the "Diversified Business") were demerged into Wipro Enterprises Limited, a company incorporated under the laws of India. The Demerger was effected pursuant to a scheme of arrangement approved by the High Court of Karnataka, Bangalore. Following the Effective Date, the Diversified Business is classified and presented in the Consolidated Financial Statements as discontinued operations. Please see Note 4 of the Notes to Consolidated Financial Statements for additional information regarding the treatment of discontinued operations and the Demerger.