CHAPTER 4

COMPANIES UNDER STUDY

- Accounting Regulations & I.F.R.S. Reporting in India
- Legal Recognition for Accounting Standards
- Convergence with I.F.R.S.
- Applicability of I.F.R.S. to Small & Medium Size Entities
- Companies under Study
  - Dabur India Ltd
  - Infosys Ltd
  - Noida Toll Bridge Organisation Ltd
  - Rolta India Ltd
CHAPTER 4
COMPANIES UNDER STUDY

ACCOUNTING REGULATIONS & I.F.R.S. REPORTING IN INDIA

To formulate Accounting Standards relevant to Indian enterprises on April 21, 1977 the Accounting Standards Board was constituted by the Council of the Institute of Chartered Accountants of India. At the outset, the Accounting Standards (ASs), relevant to Indian enterprises, were recommendatory in nature. After gaining sufficient experience, the Council of the Institute progressively started making the Accounting Standards compulsory for its members, that is, requiring the members to report on whether an enterprise subject to audit had implemented the compulsory ASs or not.

Presently, the Accounting Standards Board of the I.C.A.I. endeavours to originate Indian Accounting Standards following the path of I.F.R.S. Never the less, while formulating some of the ASs, the Accounting Standards Board has circumvented from the path of I.F.R.S. due to the domestic circumstances conjointly legal & financial environment. The said attempt has been approved in the ‘Preface’ to the Statement of Accounting Standards, issued by the I.C.A.I.: The ‘Preface’ reads as under:

“The I.C.A.I., being a full-fledged member of the International Federation of Accountants (IFAC), is expected, inter alia, to actively promote the I.A.S.B.’s pronouncement in the country with a view to facilitate global harmonization of accounting standards. Accordingly, while formulating the Accounting Standards, the Accounting Standards Board will give due consideration to Int.A.S. issued by the Int.A.S. Committee (predecessor body of I.A.S.B.) or I.F.R.S. issued by the I.A.S.B., as the case may be, & try to integrate them, to the extent possible, in the light of the circumstances & practices prevailing in India.”
Besides, the I.C.A.I. ensuring falling in line with I.F.R.S. to the extent possible, the National Advisory Committee on Accounting Standards (NACAS) constituted by the Central Government for recommending Accounting Standards to the Government, while reviewing the ASs issued by the I.C.A.I., considers the deviation in the ASs, if any, from the I.F.R.S. & recommends for the revisions to the I.C.A.I.in the ASs wherever it deems appropriate that the deviations are not suitable.

In formulating the India Accounting Standards the departure from the I.F.R.S. is due to unavoidable reasons like the following:

1. **To maintain uniformity with the legal & regulatory necessities:**

To illustrate the point, in AS-21, the definition of “control” ‘Consolidated Financial Statements’ is in line with the necessities of the Indian Companies Act 1956,(the “Companies Act”) while the same in Int.A.S.-27 ‘Consolidated & Separate Financial Statements’ is different. Nevertheless, recent Accounting Standards being issued by the I.C.A.I. are in line with I.F.R.S. even though they do not currently comply with the local regulations. For example, AS-31 ‘Financial Instruments: Presentation’. Still, it is also provided that until law is amended, the existing legal provisions will comply with.

2. **Indian financial environment:**

I.F.R.S. sponsor the use of fair values, but this idea had not found very many takers in India for the simple reason that Indian markets were not yet fully developed to provide dependable fair values on scale of various assets & liabilities. This has given rise to difference among the methods used for ‘Valuation of Investments’ in AS-13 as compared to the valuation of investments under Int.A.S.-39.

3. **Difference in Level of preparedness:**

Word for word implementing I.F.R.S. was likely to cause preventable hardship to the industry. For example, wilfully retirement disbursements made to workers according to AS-15 ‘Worker Benefits’ except that the expenditure so
deferred could not be carried forward to accounting periods commencing on or after April 1, 2010. This concession was allowed keeping in view the information that the Indian industry was undergoing a structural change at the time when the standard was introduced. There is no such provision in Int.A.S.-19.

The Guidance Notes are also issued by the I.C.A.I. to cover issues that not covered by the ASs.

LEGAL RECOGNITION FOR ACCOUNTING STANDARDS

A. Companies Act

The lawful acknowledgment to the ASs was accorded for companies in the Companies Act, 1956, with the insertion of section 211(3C) though the Companies (Amendment) Act, 1999, which stipulated that the companies shall follow the Accounting Standards notified by the Central Government on the suggestion made by the NACAS constituted under section 210A of the said Act. The Government of India, Ministry of Companies Affairs, (now Ministry of Corporate Affairs), has issued a notification suggested by the I.C.A.I., which have come into result in respect of accounting periods beginning on or after the aforesaid date with the publication of these Accounting Standards in the Official Gazette. These Standards are issued under the Companies (Accounting Standards) Rules, 2006. The Accounting Standards notified by the Government are practically like the Accounting Standards issued by Institute of Chartered Accountants of India. Though certain relaxations have been given to small & medium sized companies (SMCs) in the abovementioned rules. According to the rules, a SMC means, an organisation:

1. Whose equity or debt securities are not listed or not in the process of listing on any stock exchange, whether in India or outside India?

2. Which is not a bank, financial institution or an insurance organisation?

3. Whose turnover (excluding other income) does not exceed Rs fifty crores in the immediately preceding accounting year?
4. Which does not have borrowing (conjointly public deposits) in excess of Rs ten crores at any time during the immediately preceding accounting year? and
5. Which is not a holding or subsidiary organisation of a organisation which is not a small & medium- sized organisation?

An organization shall meet the standards as a SMC, if the circumstances mentioned therein are fulfilled at the end of the relevant accounting period. Accounting Standards 30, 31 & 32 issued by the I.C.A.I. have not yet been notified by the NACAS.

B. Reserve Bank of India

The Reserve Bank of India (R.B.I.), being the regulator of banks in India, requires all the banks, through its circulars/guidelines to prepare the accounts in abidance with Accounting Standards issued by the Institute of Chartered Accountants of India.

C. Insurance Regulatory & expansion Authority (IRDA)

The Insurance Regulatory & expansion Authority (IRDA), which regulates the financial reporting practices of Insurance Companies in India under the Insurance Regulatory & expansion Authority Act, 1999, through IRDA (Preparation of accounts & Auditor’s Report of the Insurance Companies) Regulations, 2002, requires Insurance Companies to comply with the Accounting Standards issued by the Institute of Chartered Accountants of India.

Presentation of Financial Statements

The configuration of Ind. G.A.A.P. accounts for corporate is ascertained by the motives of Schedule VI to the Companies Act, 1956 & other set of rules like Schedule III to the Banking Regulation Act, 1949 (for banks), the regulations issued by the IRDA (for Insurance Companies) & the SEBI guidelines for Mutual Funds conjointly the ASs notified under the Companies (Accounting Standards) Rules, 2006.
The constituents of accounts under Ind. G.A.A.P. are:

(a) Balance sheet;
(b) Statement of profit & loss;
(c) Cash flow statement; accompanied by
(d) Notes to accounts with a summary of significant accounting policies.

Schedule VI to the Companies Act, 1956 prescribes the format in which the balance sheet is to be arranged by corporate entities & the disclosures to be made in the balance sheet & profit & loss account. Additional disclosures specified in the Accounting Standards are made in the notes to accounts or in the schedules, unless required to be disclosed on the face of the accounts.

Considering the changes in the international accounting scenario & call for more comprehensible, useful, transparent & user friendly accounts, the Ministry of Corporate Affairs requested the I.C.A.I.to suggest a revised Schedule VI. Taking in to account the best global practice, the study group of the I.C.A.I. submitted the draft of the Simplified Schedule VI (for Non-SMCs) & Saral Schedule VI (for SMCs). The Corporate rules Committee of the I.C.A.I. looked at the draft of both the Schedules & finalized the same after the obtaining the views of the Ministry of Corporate Affairs & other specified agencies for comments.

Note: Presently, the AS-1 ‘Disclosure of Accounting Policies’ is under revision to bring it in line with Int.A.S.-1. The Exposure Draft of the revised AS-1 has already been released by the Institute of Chartered Accountants of India.

CONVERGENCE WITH I.F.R.S.

The I.C.A.I. issued a concept paper in October 2007, on the convergence with I.F.R.S. in India, wherein the I.C.A.I. articulated that I.F.R.S. need be adopted in the interest of entities that are listed on one or more stock exchanges, banks & insurance companies besides large-sized companies from the accounting
periods beginning on or after April 1, 2012. On February 5, 2009, the Technical Directorate of the I.C.A.I. hosted on its website an announcement regarding the status of the convergence with I.F.R.S. in terms of keeping in touch with the various regulators for keeping tab on progress in changes in regulations & formulation of Standards.

Subsequently, the Ministry of Corporate Affairs issued a press release on January 22, 2010 stating that in view of the having charted the roadmap for maintaining progress on convergence of Indian ASs with I.F.R.S. from April, 2012, in the country, the Core Group, constituted by the Ministry of Corporate Affairs had agreed that, there will be two separate sets of Accounting Standards under section 211(3C) of the Companies Act, 1956. The first set would constitute of the Indian ASs converged with I.F.R.S. which shall be relevant to the specified class of companies. The second set would constitute of the existing Indian ASs & would be relevant to other companies, conjointly SMCs.

Still, the first set of Accounting Standards (i.e. converged accounting standards) which was proposed to be applied to specified class of companies shall be implanted in phases, as detailed below:

**Phase-1:** The following categories of companies will convert their opening balance sheets as on April 1, 2012, if the financial year commences on or after April 1, 2012 in abidance with the notified accounting standards which were convergent with I.F.R.S. These companies were:

- Companies which were part of the National Stock Exchange (NSE)-Nifty 50
- Companies which were part of Bombay Stock Exchange (BSE)-Sensex 30
- Companies whose shares or other securities were listed on stock exchange outside India
- Companies, whether listed or not, which had net worth in excess of Rs 1,000 crores.
Phase-2: The companies, whether listed or not, having a net worth exceeding Rs 500 crores but not exceeding Rs 1,000 crores will convert their opening balance sheet as on April 1, 2013, if the financial year commences on or after April 1, 2013 in abidance with the notified accounting standards which are convergent with I.F.R.S.

Phase-3: Listed companies, which have a net worth of Rs 500 crores or less will convert their opening balance sheet as on April 1, 2014, if the financial year commences on or after April 1, 2014, whichever is later, in abidance with the notified accounting standards which are not converged with I.F.R.S.

When the accounting year ends on a date other than March 31, the conversion of the opening Balance Sheet will be made in relation to the first Balance Sheet which is made on a date after March 31. Companies which fall in the following categories will not be required to follow the notified accounting standards which are converged with I.F.R.S. (though they may voluntarily opt to do so) but need to follow only the notified accounting standards which are not converged with I.F.R.S. These companies are:

- Non-listed companies which have a net worth of Rs 500 crores or less & whose shares or other securities are not listed on Stock Exchange outside India.
- Small & Medium Companies (SMCs).

Separate roadmap for banking & insurance companies was submitted by the Sub-Group 1 in consultation with the regulators concerned on February 28, 2010.

The difference among I.F.R.S. & Ind. G.A.A.P. , as in Table 2.10.1, will continue to exist even after convergence with I.F.R.S. in case of companies which are not required to follow notified accounting standards converged with I.F.R.S. and, therefore, follow notified accounting standards not converged with I.F.R.S. Thus, wherever it is stated that difference among Ind. G.A.A.P. & I.F.R.S. G.A.A.P. are eliminated in exposure drafts of revised standards,
such statement is relevant only for companies which are required to follow notified accounting standards converged with I.F.R.S.

**Applicability of I.F.R.S. to Small & Medium Size Entities**

Once the revised/new Indian Accounting Standards are issued in line with I.F.R.S., a question arises regarding the applicability of these Standards to the entities which are not required to follow the notified accounting standards which are converged with I.F.R.S. The I.C.A.I. has taken a view which is similar to that by the I.A.S.B., i.e. the necessities to comply with I.F.R.S. or converged Indian Accounting Standards would be too voluminous for small & medium sized entities; hence a separate Standard would be formulated for these entities.

The I.A.S.B. has issued the I.F.R.S. for SMEs in July 2009. The I.C.A.I. would examine whether this I.F.R.S. for non-publicly accountable entities should be adopted in original form or with suitable modifications.

**COMPANIES UNDER STUDY**

Based on the methodology mentioned in Chapter III, data is collected from the sample of four Indian companies. The following table presents concise information about these four companies:

**Information about the Indian companies selected for study**

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Dabur India Ltd</th>
<th>Infosys Ltd</th>
<th>Noida Toll Bridge Co. Ltd</th>
<th>Rolta India Ltd</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of incorporation</td>
<td>September 16, 1975</td>
<td>July 2, 1981</td>
<td>April 8, 1996</td>
<td>June 27, 1989</td>
</tr>
</tbody>
</table>
A brief description about each organisation is discussed below to understand about their history, background, promoters, growth factors, joint ventures, acquisitions & other activities.

**DABUR INDIA LTD**

**A) History & Background:**

“Dabur (Dabur India Ltd.) derived from Daktar Burman is India's is one of the oldest & largest Ayurvedic medicine manufacturer. The founder of Dabur was Dr S.K Burman. By profession he was like any other physician in West Bengal. His original aspiration was to effectively produce & market successful medicines for villagers. Soon the news of his effective prescription extended, & he came to be known as the trustworthy 'Daktar' or Doctor who came up with effective cure for all ailments. He founded Dabur in 1884 with the purpose of producing & to dispense Ayurvedic medicines. That
is how the famous organisation “Dabur” got its name - derived from the Devanagri version of Daktar Burman. As a result of growing popularity of Dabur products, Dr. Burman established a manufacturing plant for mass production of formulations. In early 1900s, Dabur entered the specialized area of type based Ayurvedic medicines. Slowly but steadily in 1919, Dabur established research laboratories to develop scientific processes & quality controls. In three decades or so, in 1936, Dabur came up a full-fledged organisation with the brand name as Dabur India (Dr. S.K. Burman) Pvt Ltd. Dabur shifted its operations from Kolkatta to Delhi in 1972. Dabur India Limited (DIL) was incorporated on September 16, 1975 for manufacture of high-grade edible & industrial guar-gum powder & its sophisticated derivatives. After hard work nearly a hundred years Dabur became a Public Limited Organisation in 1986 & Dabur India Limited came into existence after reverse merger with Vidogum Limited. Ever since then it never looked back. In 1992, Dabur entered into a joint venture with Agrolimen of Spain to manufacture & market confectionary items in India. It came with its (IPO) public matter in 1994. The face value of organisation’s share was kept as Rs. 5. It was get listed on BSE, NSE apart from raising capital through Global Depository Receipts (GDRs) from European markets. Burman family handed over the management of the organisation to professionals in the year 1998. Presently, the Chairman & Managing Director of the organisation is Shri Anand Burman. A milestone of turnover of Rs 1000 crores was achieved in 2000, by Dabur India. In 2005, Dabur acquired Balsara. Dabur crossed $ 2 billion market cap in 2006. In addition to Ind. G.A.A.P., the organisation is also reporting its financials in I.F.R.S. from the financial year 2007. CRISIL assigned CRISIL GVC LEVEL 2 rating for governance & value creation practices of the organisation. As an evidence of its steady efforts in maintaining superior quality standards, Dabur became the first Ayurvedic products organisation to get ISO 9002 certification. Some of the well-known brands of Dabur are: Amla Chyawanprash, Hajmola, Lal Dantmanjan, Type
Care, Pudin Hara, Babool Toothpaste, Hingoli, Dabur Honey, Lemoneez, Meswak, Odonil, Real, Real Activ & Vatika. Dabur's Ayurvedic Specialities Division has over 260 medicines for treating a wide spectrum of ailments & body conditions-from common cold to chronic paralysis. Dabur International, a fully owned subsidiary of Dabur India formerly held shares in the UAE based Weikfield International, which it disposed of on 25th June 2012.”

(source: Website of Dabur India Ltd.)

b) Activities & product-lines:

“Presently, Dabur is famous name as one of the leading FMCG companies in India with a legacy of superior quality & experience gained over the years. It is India’s one of the most trustworthy name & the world’s largest Ayurvedic & Natural Health Care Organisation. The Organisation’s FMCG portfolio includes five flagship brands with distinct brand identities consisting of:

(1) Dabur as the master brand for natural health care product,
(2) Dabur Vatika for premium personal care,
(3) Hajmola for digestives,
(4) Real Fruit for fruit-based drinks &
(5) Anmol for affordable personal care products.

The organisation’s expansion plans were rolled in a phased manner. In brief, in 1978, it started marketing of its popular ‘Hajmola’ tablet as a digestive aid. In 1979, Dabur Research Foundation & commercial production plant at Sahibabad were established. In 1988, the organisation launched pharmaceutical medicines & in 1989 it launched Hajmola Candy a children’ product. During the year 1992, a new range of coconut oil under the brand name ‘Anmol’ was marketed. Moving to specialised medicine manufacturing segment the organisation developed ‘Dab 10’, an intermediate for anticancer medicine in the name of ‘Taxol’. In 1994, the organisation entered into Oncology segment. In the year 1995 the organisation made a distinct mark in export business & in
addition to the existing products, the organisation had exported products like an improved version of Chyawanprash. The organisation also entered into the arena of food business with the launch of Real Fruit Juice in the year 1996, the first local brand of 100% pure natural fruit juices made according to International standards. In 1997, the organisation set up a new manufacturing unit with a high degree of automation at Baddi (Himachal Pradesh) to produce organisation’s well-known brands viz. ‘Chyawanprash’, ‘Janma Ghunti’, Ayurvedic Oils & Asva-Arishtas. During the year 2000, Dabur launched Efarelle Comfort, a natural menstrual pain reliever besides another product as plain ‘Isabgol’ husk under the brand name ‘Type Care’. With the setting up of Dabur Oncology sterile cytotoxic facility, the organisation gained further entry into the highly specialized area of cancer therapy in 2001. Fiscal 2012-13 witnessed Dabur introduce a number of new products & variants, across categories & geographies. Some of the launches in India during the year include Babool Salt toothpaste, air-freshening gels under the brand Odonil, Gulabari Saffron & Turmeric Cold Cream & Lotion, Turmeric & Saffron-based bleaches under Fem.”

(source: Website of Dabur India Ltd.)

c) Investment activities:

“The organisation had entered into a joint venture agreement with M/s Guldenhorst BV Netherland to form a organisation for manufacture & marketing of all types of bubble gum, chewing gum, toffees, chocolate, cocoa related products & sugar based spreading creams. The organisation had signed a MOU (memorandum of understanding) with Osein International Ltd in 1994 for the manufacture of biscuits, snack, foods & other products in India. In 1998, Dabur signed a joint venture with Bongrain International SA of France to form a new organisation under the name of Dabon International Ltd (Da derived from Dabur & bon from Bongrain). Quickly ,after a year only , in 1999, the organisation entered into an agreement with its Spanish partner Agrolimen to offload its 49 per cent stake in the joint venture organisation
General De Confiteria India Ltd in favour of an Agrolimen group organisation. In the year 2003, the organisation made its tie up with Free Markets Inc. for using leading edge technologies to execute online markets for its procurement needs. In 2006, the organisation incorporated one subsidiary organisation also under the name Asian Consumer Care Pakistan Ltd. to sell FMCG products in Pakistan.”

(source: Website of Dabur India Ltd.)

**d) Diversification, mergers & acquisitions activities:**

“The organisation had demerged its pharmaceuticals business from the FMCG business (in 2003), into separate organisation as part of strategy to endow with bigger focus to both the business. In 2004, it tied up with the Government of Uttaranchal for cancer drug. It acquired a Nigerian organisation called African Consumer Care Ltd in 2004. During the year 2005, as part of the inorganic growth strategy, Dabur India acquired Balsara’s Hygiene & Home products business, a leading provider of Oral care & household care products in the Indian market for the consideration of Rs 143 crore. In the year 2006, Panadensa Foods Ltd was amalgamated with Dabur Foods Ltd. In the same year in April, Besta Cosmetic Ltd was amalgamated with the organisation. Subsequent to these in 2007, Dabur Foods Ltd was amalgamated with the organisation to extract synergies & unlock operational efficiencies to assist the organisation to allot more focus on the high growth business of foods & beverages, & also to enter newer product categories in this space.”

(source: Website of Dabur India Ltd.)

**e) Other activities:**

“In year 2007, the organisation also entered into the organized retail business through its wholly owned subsidiaries, H&B Stores Ltd. It entered into MOU to partner Indian Oil Corporation (IOC), India’s major commercial enterprise, in servicing the rising rural market demand for consumer commodities through IOC’s chain of Kisan Seva Kendra. In 2008, H&B Stores Ltd. made its
presence in South India & subsequently expanded to whole of India. The organisation entered into the hard surface cleaning market by launch of disinfectant floor cleaner & anti-bacterial kitchen cleaner under the brand name ‘Dazzl’. The latest entrant in (2012)Dabur’s hair oil portfolio, Dabur Almond Hair Oil performed well. During year 2012-13, Dabur established an Ayurvedic Health Care Centre in Delhi, where free consultation is offered by Ayurvedic practitioners & Ayurvedic medicines are sold. This centre seeks to promote Ayurveda among the urban Indians, besides enhance availability & visibility of Ayurvedic medicines. During year 2012-13 Dabur India Ltd’s performance was again better than previous years/s despite global dismal scenario. During the year its Sales grew by 16.3% to Rs. 6,146.4 crores when compared from Rs. 5,283.2 crores in previous year 2011-12. Similarly, Earnings prior to Interest, Taxes, Depreciation & Amortisation (EBITDA) increased to Rs. 1,124.3 crores from Rs. 947.6 crores in contrast to 2011-12, recording a growth of 18.7%. In so far the Profit After Tax is concerned it (PAT) increased to Rs. 763.4 crores (up by 18.4%) as against Rs. 644.9 crores in preceding year 2011-12.”

(source: Website of Dabur India Ltd.)

INFOSYS LTD

a) History & background:

“Infosys Ltd is a public limited organisation & India’s second largest software exporter. The organisation was incorporated in Jul y 1981 in Model Colony, Pune as the registered office & signed its first client, Data Basics Corporation, New York. In 1983, the organisation's corporate headquarters was relocated to Bengaluru-Karnataka by the name ‘Infosys Consultants Private Ltd’ by N. R. Narayana Murthy. The organisation was originated at a low profile organization by seven people (N. R. Narayana Murthy, Nandan Nilekani, N. S.
Raghavan, S. Gopalakrishnan, S. D. Shibulal, K. Dinesh & Ashok Arora (after they resigned from Patni Computer Systems) with the meagre capital investment of US$ 250(approximately Rs.10000). Still, only after a decade, the organisation was made a public limited organisation in the year 1992 & the word Private Ltd was removed subsequently. Infosys had the honour of being the first Indian organisation to be listed on the NASDAQ in 1999. Not only that, the organisation had the privilege of forming part of the NASDAQ-100 index. Apart from listing on the NASDAQ, it is listed in major stock exchanges of India that is NSE & BSE. Infosys made an initial public offer (IPO) in February 1993 with an offer price of Rs. 98 per share against book value of Rs. 10 per share. The Infosys IPO was under subscribed but it was "bailed out" by US investment banker Morgan Stanley which picked up 13% of equity at the offer price. Its shares were listed in stock exchanges in June 1993 with trading opening at Rs. 145 per share. The face value of organisation per share was Rs 5 in the category of computer-software-large. The organisation reports its accounts in I.F.R.S. also from the financial year 2007 along with Ind. G.A.A.P. besides US-G.A.A.P.. The name of the organisation was changed from Infosys Technologies Ltd to Infosys Ltd with result from June 16, 2011. The current Chairman of the organisation is N. R. Narayana Murthy(from June 2013). He was CEO from 1981 to 2002. On 1 June 2013, Mr. Narayana Murthy, one of the founding members of Infosys & its long time CEO, returned from his retirement to assume office in Infosys as its Executive Chairman. The present Managing Director & CEO of the organisation is S. D. Shibulal. (from August 2011).He is due to retire in 2015. Continuously from the years 2001-2003, the organisation had the pride of winning the National award for Excellence in Corporate Governance conferred by the Government of India. The organisation was selected as ‘Best Outsourcing Partner’ by the readers of Waters, a publication covering the motives of chief information officers in the capital market organisations. besides , the organisation was ranked among the top 50 most respected companies in the world by Reputation
Institute’s Global Reputation Pulse 2009. It was also voted the ‘Most Admired Indian Organisation’ in the Wall Street Journal Asia 200 for 10 years in a row since 2000. The organisation was also listed in the Most Admired Acknowledge Enterprise 2008 study & Forbes Asian Fabulous 50 for the fourth consecutive year. December 2012, Infosys transferred the listing of its American Depositary Shares (ADS) from the NASDAQ to the NYSE.

Thus the organisation has a large number of laurels at its credit & that too consistently.”

(source: Website of Infosys Ltd.)

b) Activities & product-lines:

“Infosys Ltd provides world class technology services that defines designs & delivers information technology (IT)-enabled services & solutions to their clients globally. Apart, the organisation provides end-to-end business solutions that leverage technology for their clients, conjointly technical consulting, design, development, product engineering, maintenance, & system integration, packaged-enabled consulting, & implementation & infrastructure management services. Among the recent innovations, in December 2009, the organisation launched Flyapp, an application platform that empowers mobile service providers for the benefit of digital consumers through a large number of ready-to-use experimental applications across the cosmos of devices. In addition, the organisation has a name in providing software products to the banking industry. In doing so, the organisation has the credentials of having developed Finacle, a universal adopted banking solution to large & medium size banks across India as well in several other nations in overseas. Never the less in December 2009, the organisation launched Finacle Advisor, which is an integrated platform to assist the banking industry to deliver products & services through a fully assisted self-service channel using existing Internet banking capabilities. In March 2010, the organisation launched Finacle
Treasury in a Box, a rapid implementation framework for an integrated front, middle & back office treasury system.”

(source: Website of Infosys Ltd.)

c) **Investment activities:**

“Infosys BPO is a majority owned subsidiary, incorporated in India in April 2002. Through Infosys BPO, the organisation provides business process management service, such as offsite customer relationship management, finance & accounting, & administration & sales order processing. The organisation is having marketing & technical alliances with world class companies like File Net, IBM, Intel, Microsoft, & Oracle & system application products. To add further, in October 2004, the organisation set up a wholly owned subsidiary in People’s Republic of China named Infosys Technology (China) Co. Ltd. In 2005, the organisation established Infosys Consulting Inc., a wholly owned subsidiary in Texas, USA to add high-end consulting capabilities to their Global Delivery Model. In 2009, the organisation incorporated a wholly owned Brazilian subsidiary, namely Infosys Tecnologia Do Brazil Ltda. In the same year in the month of December, as a major breakthrough the organisation set up a wholly owned subsidiary Infosys Technologies Inc headquartered in Dallas, Texas, USA to knock the multibillion dollar opportunities from government projects. During 2009-10, Infosys Consulting Inc incorporated a wholly owned subsidiary, Infosys Consulting India Ltd. In lately in February 2011, it incorporated a wholly owned subsidiary, Infosys (Shanghai) Organisation Ltd. Infosys is the third-largest India-based IT services organisation by 2012 revenues, & the second largest employer of H-1B visa professionals in the United States, as of 2012. On 28 March 2013, its market capitalisation was $30.8 billion, making it India's sixth largest publicly traded organisation. The organisation was ranked number one among the best managed companies in Asia Pacific in the annual Euro money Best Managed Companies in Asia survey, 2013.”
d) Diversification, mergers & acquisitions activities:

“In 2004, the organisation acquired 100% equity in Expert Information Services Private Ltd, Australia for US$ 24.3 million. The acquired organisation was renamed as Infosys Technology (Australia) Private Ltd. In 2007 the organisation increased its stake in Progeon to 98.9% after acquiring shares from Citicorp International Financial Organisation. Infosys had taken over Philip’s finance & administration business process outsourcing centres spread across India, Poland & Thailand for US$ 28 million. In December 2009, Infosys BPO acquired 100% voting interests in McCamish System LLC, a business process solutions provider based at Atlanta, USA.

The business acquisition was conducted by entering into membership interest purchase agreement for cash consideration of Rs 173 crores & a contingent consideration of Rs 67 crores. In January 2012, Infosys BPO acquired Australia-based Portland Group, provider of strategic sourcing & category management services, for about AUD 37 million. In September 2012, Infosys acquired Switzerland-based Lodestone Management Consultants for about $345 million.”

(e) Other activities:

“During 2009-10, SET Labs IP cell of the organisation filed 31 patent applications in the United States Patent & Trademark office & Indian Patent office. During the year 2010-11, the organisation formally launched its new corporate strategy-‘Building. Tomorrow’s Enterprise’ to showcase their plans for leading the service industry into the new era as the next generation global consulting & service organisation. Infosys lab’s IP Cell filed 91 patent applications with the United States Patent & Trademark. Office & the Indian Patent Office during this period. The organisation has also partnered with ACDI/VOCA to promote broad based financial growth & to develop
information & communication technology enabled applications to improve efficiencies in the agro supply chain in India. The long term strategy of the organisation is to change the business landscape with the assist of accessible talent pools & the implementation of non-linear growth models.”

(source: Website of Infosys Ltd.)

NOIDA TOLL BRIDGE ORGANISATION LTD

a) History & background:

“The Noida Toll Bridge Organisation Limited (NTBCL) was promoted by Infrastructure Leasing & Financial Services Ltd (IL&FS), with the purpose to develop, construct, operate & maintain the Delhi-Noida-Direct Flyway on a Build-Own-Operate-Transfer basis. NTBCL was incorporated in Uttar Pradesh on April 8, 1996 & operates only in India. The public matter (IPO) of the organisation was brought in 1999. The face value of the share is Rs 10 per share; organisation is listed on London Stock Exchange, BSE besides NSE. The organisation is also reporting financials in I.F.R.S.(I.F.R.S.) since 2007 as well in Ind. G.A.A.P. . The Chairman & Managing Director of the organisation is R. K. Bhargava.”

(source: Website of NTBOL)

b) Activities & product-lines:

“The product revenues of the organisation are toll revenue, license fees & contract revenue. A concession agreement was entered into by the Noida, NTBCL & IL&FS in 1997 to confer to NTBCL, the right to Build-Own-Operate-Transfer the Toll Bridge & the other project facilities. The land lease agreements comprising Delhi Land Lease Deed, Delhi Lands Sub-Lease Deed & Noida Land Deed were signed among Government of Nation Council Territory of Delhi, Noida & the organisation in October 1998. During the year
1999, the organisation set up a Fee Review Committee to monitor the toll charges. The organisation awarded one of its bridge contracts in the year 2000 at the Delhi end of the project to Afcons infrastructure Ltd. The Delhi Noida Toll Bridge became operational in February 2001. The Organisation also constructed a further intersection, known as the Ashram Flyover, with the intention of providing effective dispersal of traffic at the Delhi end of the Delhi Noida Toll Bridge. The Ashram Flyover was opened to traffic in October 2001. An entry of the Srinivaspuri Flyover, which became operational in October 2004, had a positive impact on the traffic on the Delhi Noida Toll Bridge as it reduced congestion.”
(source: Website of NTBOL)

c) Investment activities:

“The organisation, IL&FS, Iter toll Pvt. Limited, Itertoll Netherlands & Iter toll India entered into a conditional agreement in February 2006 to vary certain facets of the original Operate & Maintain contract, conjointly the fee structure & the share sale restrictions. In June 2007, ITNL Toll Management Services Ltd was incorporated as a joint venture organisation with IL&FS Transportation Network Ltd to carry out Operate & maintain services for Noida Toll Bridge & other similar venture on a pan-India basis. The Mayur Vihar Link Road Project of the organisation, which connects Mayur Vihar, a part of Delhi located across the River Yamuna which comprises essentially of residential apartment buildings, was completed in two phases, one in June 2007 & the other in January 2008, respectively.”
(source: Website of NTBOL)
“Rolta India Limited (Rolta) was incorporated on June 27, 1989 at Mumbai by K. K. Singh. It received the certificate of commencement of business on July 5, 1989. The public matter of the organisation was in the year 1990. The face value of the shares is Rs.10 per share & shares are listed on London, BSE, NSE besides Singapore Stock Exchanges. The organisation also reports its financials in I.F.R.S. since financial year 2007, along with Ind. G.A.A.P. . It is an ISO 9001:2000, SEI CMM Level 5 & BSI 15000 certified organisation. During 2002, Rolta ranked amongst Forbes Globe’s 200 best companies in 2000 & it retained its position in premier league. The organisation was awarded Geospatial Organisation of the year 2005, by Geospatial Today. It also received BS ISO/IEC 27001:2005 certification in the year 2006. Rolta & SAP announced a strategic original equipment manufacturer (OEM) agreement where Rolta will integrate numerous industry solutions with platform technology from SAP. Rolta will provide customers across the world with cutting-edge business analytics & Big Data solutions designed to exploit the power of SAP technology by combining Rolta’s products with the database & technology portfolio offered by SAP. The portfolio, which includes the SAP HANA platform, SAP Sybase IQ software, SAP Predictive Analysis software & the SAP Strategy Management application, will be embedded in Rolta’s solutions.”

(source: Website of Rolta India Limited)

b) Activities & product-lines:

“It is an Indian multinational organization in IT based geospatial solutions, & caters to industries as diverse as infrastructure, telecom, electric, airports, defence, home land security, urban development, town planning & environmental protection. The organisation serves these markets by providing innovative solutions in geospatial information system; engineering & design services; & enterprise information & communication technology, which includes software development, advanced security, network management, oracle applications, ERP consulting & business intelligence.
The organisation undertook to augment the state of the art production facility in 1996 at Mumbai for executing export orders. The organisation had entered into mapping & data conversion also in a big way for export markets. During 1999, Rolta had set up engineering & software centres in Mumbai to support projects. The organisation launched new dial-up Internet packages in 2003 with a range of features & options.”

(source: Website of Rolta India Limited)

c) Investment activities:

“Rolta, through its joint venture with the Shaw Group Inc USA-Stone & Webster Rolta Ltd, provides comprehensive engineering, procurement & construction management services to meet turn fundamental project necessities of power, oil, gas & petrochemical sectors. Rolta has executed projects in over 40 countries. The Organisation set up a joint venture in Saudi Arabia to cater to the vast markets in the Middle East. During the year 1995, Rolta had entered into a collaboration agreement with M/s. Intergraph Corporation, USA, for transfer of technology, thereby giving the benefit of Research & expansion Investment of Intergraph & also covering all new products launched by Intergraph. In 1998, Rolta had collaboration with Intergraph Corp Inc, a organisation that had 90 percent share in the global business of CAD/CAM. In 1997, Rolta had set up a wholly owned subsidiary-Rolta International Inc with headquarters in the USA & also a subsidiary in Saudi Arabia. The organisation had signed a strategic tie up with one of the Fortune 500 list of most admired companies, DELL Computer Corporation. The organisation made collaboration with ALLTE-a US- based Telecom Organisation to convert telephone exchange records into Unix/Oracle database. Rolta & Parametric Technology Corporation had entered into a strategic alliance to promote advanced solutions in mechanical design automation in the country. In 2000, IBM India Ltd had entered in a strategic alliance with the organisation to pursue the e-business market in India & also to provide customized e-business solutions to domestic customers. The organisation launched its operation in the
UK, through a wholly owned subsidiary Rolta UK Ltd. In 2003 the organisation signed the Memorandum of Understanding with the Department of Science & Technology to jointly showcase the contribution made by the Indian mapping community.”

(source: Website of Rolta India Limited)

d) Diversification, mergers & acquisitions activities:

“During 2005-06, the organisation acquired technology & established long term business strategic partnership with world leaders in this field-Intergraph & Z/I Imaging for end-to-end mapping, photogrammetric & GIS solutions. During 2007, the organisation inked a purchase agreement to buy Orion Technology, a Canadian software & integration organisation. Orion specializes in enterprise web geographical information system solutions. In January 2008, the organisation announced the acquisition of Broech Corporation, doing business as TUSC, an IT consulting organisation specializing in ERP applications besides database & business intelligence solutions based on Oracle technologies. The consideration for this dealing was about US$ 45 million, conjointly escrows & earn-outs. In July 2008, the organisation signed an agreement to acquire Whittman Hart Consulting, the consulting division of Whittman Hart, a premier Chicago-based organisation providing value driven solutions in digital communications, & enabling technologies.”

(source: Website of Rolta India Limited)

e) Other activities:

“In 2006-07, the organisation launched ERP services, in partnership with Oracle, to specialized markets like utilities, engineering division & oil & others.”

(source: Website of Rolta India Limited)
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