DRAFT RED HERRING PROSPECTUS
Dated September 27, 2017
Please read Section 32 of the Companies Act 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
100 % Book Built Offer

CMS Connecting Commerce

CMS INFO SYSTEMS LIMITED

CMS Info Systems Limited ("**our Company**" or "**the Company**" or "**the Issuer**") was incorporated as 'Subhiksha Realty Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 26, 2008 issued by the RoC. The name of our Company was subsequently changed to 'CMS Info Systems Private Limited' pursuant to a fresh certificate of incorporation granted by the RoC on December 10, 2008. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extra ordinary general meeting of the shareholders of our Company held on December 24, 2014 and the name of our Company was changed to our present name 'CMS Info Systems Limited', pursuant to a fresh certificate of incorporation granted by the RoC on January 27, 2015. For more information regarding changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 160.

Corporate Identity Number: U45200MH2008PLC180479

Registered and Corporate Office: Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon (East), Mumbai – 400 063; **Tel:** +91 22 3325 3100; **Fax:** +91 22 3325 3106
Contact Person: Praveen Soni, Company Secretary and Compliance Officer; **Tel:** +91 22 3325 3100; **Fax:** +91 22 3325 3106; **E-mail:** cms.ipo@cms.com; **Website:** www.cms.com

OUR PROMOTER: SION INVESTMENT HOLDINGS PTE. LIMITED

INITIAL PUBLIC OFFERING OF 44,400,000 EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF OUR COMPANY FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE (THE "OFFER PRICE") AGGREGATING UP TO ₹[●] MILLION THROUGH AN OFFER FOR SALE OF 44,400,000 EQUITY SHARES BY OUR PROMOTER (THE "OFFER FOR SALE" OR THE "OFFER" AND OUR PROMOTER, IN ITS CAPACITY OF A SELLER OF THE EQUITY SHARES IN THE OFFER IS HEREINAFTER REFERRED TO AS THE "SELLING SHAREHOLDER"). THE OFFER SHALL CONSTITUTE [●]% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

THE PRICE BAND WILL BE DECIDED BY OUR COMPANY AND THE SELLING SHAREHOLDER, IN CONSULTATION WITH THE BRLMS AND THE MINIMUM BID LOT SIZE WILL BE DETERMINED BY OUR COMPANY IN CONSULTATION WITH THE BRLMS, AND WILL BE ADVERTISED IN ALL EDITIONS OF [●] (A WIDELY CIRCULATED ENGLISH NATIONAL DAILY NEWSPAPER), ALL EDITIONS OF [●] (A WIDELY CIRCULATED HINDI NATIONAL DAILY NEWSPAPER) AND THE [●] EDITION OF [●] (A WIDELY CIRCULATED MARATHI NEWSPAPER, MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS SITUATED), AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE IN ACCORDANCE WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE", AND TOGETHER WITH THE BSE, THE "STOCK EXCHANGES") FOR THE PURPOSES OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH AND THE OFFER PRICE IS [●] TIMES THE FACE VALUE OF THE EQUITY SHARES

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

In terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended ("**SCRR**") read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up equity share capital of our Company. Further, the Offer is being made through the Book Building Process, in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Category**"), provided that our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors, including Mutual Funds), subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the Application Supported by Blocked Amount ("**ASBA**") process, and shall provide details of their ASBA Accounts. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 263.

RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Floor Price and Cap Price are [●] times and [●] times of the face value of the Equity Shares, respectively. The Offer Price is [●] times the face value of the Equity Shares. The Offer Price (as determined and justified by our Company and the Selling Shareholder in consultation with the BRLMs, in accordance with the SEBI ICDR Regulations, and as stated in "*Basis for Offer Price*" on page 102) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of the Issuer and the Offer, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does the SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "*Risk Factors*" on page 13.

OUR COMPANY'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect. Further, the Selling Shareholder accepts responsibility for and confirms only the statements specifically made by the Selling Shareholder in this Draft Red Herring Prospectus, to the extent of information specifically pertaining to the Selling Shareholder and the Offered Shares, are true and correct in all material aspects and are not misleading in any material respect. The Selling Shareholder, does not assume any responsibility for any other statements, including without limitation, any and all of the statements made by or in relation to our Company in this Draft Red Herring Prospectus.

LISTING

The Equity Shares proposed to be offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Offer, [●] is the Designated Stock Exchange. A signed copy of the Red Herring Prospectus and the Prospectus shall be delivered for registration to the RoC in accordance with Section 26(4) of the Companies Act 2013. For details of the material contracts and documents available for inspection from the date of the Red Herring Prospectus up to the Bid/Offer Closing Date. See "*Material Contracts and Documents for Inspection*" on page 320.

BOOK RUNNING LEAD MANAGERS			REGISTRAR TO THE OFFER
kotak Investment Banking	AXIS CAPITAL	UBS	LINKIntime
Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, G Block Bandra Kurla Complex, Bandra (East) Mumbai 400 051 **Telephone**: +91 22 4336 0000 **Facsimile**: +91 22 6713 2447 **Email**: cmsinfo.ipo@kotak.com **Investor grievance e-mail**: kmccredressal@kotak.com **Website:** www.investmentbank.kotak.com **Contact Person:** Ganesh Rane **SEBI Registration No:** INM000008704	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli, Mumbai 400 025 **Telephone**: + 91 22 4325 2183 **Facsimile**: +91 22 4325 3000 **E-mail:** cms.ipo@axiscap.in **Investor grievance e-mail**: complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact person**: Ankit Bhatia **SEBI Registration No:** INM000012029	**UBS Securities India Private Limited** 2/F, 2 North Avenue Maker Maxity, Bandra Kurla Complex Bandra (E), Mumbai 400 051 **Telephone**: +91 22 6155 6000 **Facsimile**: +91 22 6155 6292 **Email**: ol-cmsipo@ubs.com **Investor grievance e-mail:** customercare@ubs.com **Website:** www.ubs.com/indianoffers **Contact Person:** Jasmine Kaur **SEBI Registration No**: INM000010809	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park Lal Bahadur Shastri Marg Vikhroli (West), Mumbai – 400 083 **Telephone**: +91 22 4918 6200 **Facsimile**: +91 22 4918 6195 **Email**: cmsinfo.ipo@linkintime.co.in **Investor grievance e-mail**: cmsinfo.ipo@linkintime.co.in **Website**: www.linkintime.co.in **Contact Person**: Shanti Gopalkrishnan **SEBI Registration No**: INR000004058

BID/OFFER PERIOD*			
BID/OFFER OPENS ON*	[●]	**BID/OFFER CLOSES ON****	[●]

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

TABLE OF CONTENTS

SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the following terms shall have the meanings provided below in this section, and references to any rule, guideline, policy, circular, notification or clarification will include any amendments or re-enactments thereto, from time to time. In case of any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined below), the definitions given in this section shall prevail. Notwithstanding the foregoing, terms in "Main Provisions of the Articles of Association", "Statement of Tax Benefits", "Industry Overview", "Regulations and Policies in India", "Financial Statements", "Financial Information", "Outstanding Litigation and Other Material Developments" and "Part B" of "Offer Procedure", will have the meaning ascribed to such terms in those respective sections.

Unless the context otherwise indicates, all references to "the Company", "our Company" and "the Issuer" are references to CMS Info Systems Limited, a company incorporated in India under the Companies Act, 1956, with its Registered and Corporate Office situated at, Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon (East), Mumbai – 400 063. References to "we", "us" and "our" are references to our Company, together with its Subsidiaries (as defined below), on a consolidated basis, unless the context indicates otherwise.

Company Related Terms

Term	Description
AoA/Articles of Association or Articles	The articles of association of our Company, as amended from time to time.
Audit Committee	The Audit committee of our Company, constituted in accordance with Regulation 18 of the SEBI Listing Regulations and Section 177 of the Companies Act, 2013, as described in "*Our Management*" on page 176.
Auditors/ Statutory Auditors	The current statutory auditor of our Company, being S. R. Batliboi & Associates LLP, Chartered Accountants.
Board/ Board of Directors	The board of directors of our Company.
CEO ESOP 2016	CMS CEO Stock Option Plan, 2016.
Corporate Social Responsibility Committee	The Corporate Social Responsibility Committee of our Company, constituted in accordance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, as described in "*Our Management*" on page 176.
Director(s)	The director(s) on our Board.
Employees ESOP 2016	CMS Employees Stock Option Plan 2016.
Equity Shares	The equity shares of our Company of face value of ₹10 each.
ESOP Schemes	The ESOP schemes of our Company, namely the CEO ESOP 2016, the Management ESOP 2016 and Employees ESOP 2016.
Group Companies	The group companies of our Company, as covered under the applicable accounting standards and other companies as considered material by our Board, if any, in accordance with the Materiality Policy. For further details, see "*Group Companies*" on page 196.
Independent Director(s)	The Independent Directors of our Company, in terms of Section 2(47) and Section 149(6) of the Companies Act, 2013.
IPO Committee	The IPO committee of our Company, constituted to facilitate the process of the Offer, as described in "*Our Management*" on page 176.
Key Management Personnel/ Key Managerial Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and key managerial personnel of our Company in terms of Section 2(51) of the Companies Act, 2013 and as described in "*Our Management*" on page 176.
Management ESOP 2016	CMS Management Stock Option Plan 2016.
Materiality Policy	The policy adopted by our Board on August 28, 2017, for identification of material Group Companies, 'material' litigation involving our Company, its Subsidiaries, Promoter, Group Companies and Directors (excluding criminal proceedings, statutory/ regulatory actions and taxation matters) and 'material' outstanding dues to creditors, pursuant to the requirements under the SEBI ICDR Regulations and for the purpose of the disclosure in this Draft Red Herring Prospectus.
MoA/Memorandum of Association	The memorandum of association of our Company, as amended from time to time.

Term	Description
Nomination and Remuneration Committee / NRC	The Nomination and Remuneration Committee of our Company, constituted in accordance with Regulation 19 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management*" on page 176.
OCCPS	0.01% Optionally Convertible Cumulative Redeemable Preference Shares of our Company with face value of ₹100 each. As on the date of this Draft Red Herring Prospectus, there are no outstanding OCCPS. For further details, see "*Capital Structure*" on page 84.
Offered Shares	44,400,000 Equity Shares aggregating up to ₹[●] million offered by the Selling Shareholder in the Offer for Sale.
Promoter	The Promoter of our Company, Sion Investment Holdings Pte. Limited. For further details, see "*Our Promoter and Promoter Group*" on page 193.
Promoter Group	Persons and entities constituting the promoter group of our Company in accordance with Regulation 2(1)(zb) of the SEBI ICDR Regulations. For further details, see "*Our Promoter and Promoter Group*" on page 193.
Registered and Corporate Office	The registered and corporate office of our Company, situated at Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon (East), Mumbai – 400 063.
Restated Consolidated Financial Statements	The consolidated financial information of our Company along with its Subsidiaries and a controlled entity, namely CMS Securitas Employees Welfare Trust, which comprises, in each case: a) the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss (including other comprehensive income), the restated consolidated statement of changes in equity, and the restated consolidated statement of cash flows for the Fiscals ended March 31, 2017, March 31, 2016 and March 31, 2015 (proforma), and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus prepared under Ind AS and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016; and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI; and b) the restated consolidated statement of assets and liabilities, the restated consolidated statement of profit and loss and the restated consolidated statement of cash flows for the Fiscals ended March 31, 2014 and March 31, 2013, and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus prepared in accordance with Previous GAAP, restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI, included in "*Financial Statements*" on page 199.
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and Restated Unconsolidated Financial Statements.
Restated Unconsolidated Financial Statements	The unconsolidated financial information of our Company which comprises, in each case: a) the restated unconsolidated statement of assets and liabilities, the restated unconsolidated statement of profit and loss (including other comprehensive income), the restated unconsolidated statement of changes in equity, and the restated unconsolidated statement of cash flows for the Fiscals ended March 31, 2017, March 31, 2016 and March 31, 2015 (proforma), and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus prepared under Ind AS and restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI. b) the restated unconsolidated statement of assets and liabilities, the restated unconsolidated statement of profit and loss and the restated unconsolidated statement of cash flows for the Fiscals ended March 31, 2014 and March 31, 2013, and the related notes, schedules and annexures thereto included in this Draft Red Herring Prospectus prepared in accordance with Previous GAAP, restated in accordance with the SEBI ICDR Regulations, SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by ICAI, included in "*Financial Statements*" on page 199.
RoC or Registrar of Companies	The Registrar of Companies, Maharashtra at Mumbai situated at 100, Everest, Marine Drive, Mumbai - 400 002.
Selling Shareholder	Sion Investment Holdings Pte. Limited, who is also our Promoter.
Shareholders	Shareholders holding Equity Shares, from time to time.

Term	Description
SIPL	Securitrans India Private Limited, a Subsidiary of our Company.
Stakeholders Relationship Committee	The Stakeholders Relationship Committee of our Company, constituted in accordance with Regulation 20 of the SEBI Listing Regulations and Section 178 of the Companies Act, 2013, as described in "*Our Management*" on page 176.
Subsidiaries	The wholly owned subsidiaries of our Company, which are SIPL, CMS Securitas Limited and Quality Logistics Services Private Limited, within the meaning of Section 2(87) of the Companies Act, 2013. Further, CMS Marshall Limited is our indirect subsidiary, and a wholly owned subsidiary of CMS Securitas Limited. For further details of our Subsidiaries, see "*Our Subsidiaries*" on page 172.

Offer Related Terms

Term	Description
Acknowledgment Slip	The slip or document issued by the Designated Intermediary(ies) to a Bidder as proof of registration of the Bid.
Allotment Advice	The note or advice or intimation of Allotment, sent to each successful Bidder who has been or is to be Allotted the Equity Shares after approval of the Basis of Allotment by the Designated Stock Exchange.
Allotted/Allotment/Allot	Unless the context otherwise requires, the allotment of Equity Shares to successful Bidders by way of transfer of Equity Shares by the Selling Shareholder to successful Bidders, pursuant to the Offer.
Allottee	A successful Bidder to whom the Equity Shares are Allotted.
Anchor Escrow Account(s)	Account(s) opened with Escrow Bank and in whose favour the Anchor Investors will transfer money through direct credit or NEFT or RTGS in respect of the Bid Amount when submitting a Bid.
Anchor Investor	A QIB who applies under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations. For further details, see "*Offer Procedure*" on page 263.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to the Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company, in consultation with the BRLMs.
Anchor Investor Bidding Date	The date one Working Day prior to the Bid/Offer Opening Date on which Bids by Anchor Investors shall be submitted, prior to and after which the BRLMs will not accept any Bids in the Anchor Investor Portion, and allocation to the Anchor Investors shall be completed.
Anchor Investor Offer Price	The final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which will be a price equal to or higher than the Offer Price but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs.
Anchor Investor Portion	Up to 60% of the QIB Category, which may be allocated by our Company, in consultation with the BRLMs, to Anchor Investors, on a discretionary basis, in accordance with SEBI ICDR Regulations. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price.
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) by a Bidder (other than Anchor Investors) to make a Bid authorising the relevant SCSB to block the Bid Amount in the relevant ASBA Account.
ASBA Account	A bank account maintained with an SCSB and specified in the Bid cum Application Form which will be blocked by such SCSB to the extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder (other than a Bid by an Anchor Investor).
ASBA Bidder	Prospective investors (other than Anchor Investors) in the Offer who intend to submit the Bid through the ASBA process.
ASBA Form	An application form, whether physical or electronic, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus.
Axis	Axis Capital Limited.
Banker(s) to the Offer	Escrow Bank(s), Refund Banks(s) and Public Offer Account Bank(s).
Basis of Allotment	The basis on which the Equity Shares will be Allotted, as described in "*Offer Procedure – Basis of Allotment*" on page 298.
Bid	An indication to make an offer during the Bid/Offer Period by a Bidder (other than an Anchor Investor), or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form, to purchase our Equity Shares at a price within the Price Band, including all revisions and modifications thereto, to the extent permissible under the SEBI ICDR Regulations, in terms of the Red Herring Prospectus and the Bid cum Application Form. The term 'Bidding' shall be construed accordingly.

Term	Description
Bid Amount	The highest value of the optional Bids as indicated in the Bid cum Application Form and payable by the Bidder or as blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer, as applicable
Bid cum Application Form	The form in terms of which the Bidder shall make a Bid, including an ASBA Form, and which shall be considered as the application for the Allotment pursuant to the terms of the Red Herring Prospectus and the Prospectus.
Bid Lot	[●] Equity Shares.
Bid/Offer Closing Date	Except in relation to Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper**,** Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located**)** and in case of any revisions, the extended Bid/Offer Closing Date shall also be notified on the websites and terminals of the Syndicate Members, as required under the SEBI ICDR Regulations. Our Company in consultation with the BRLMs, may decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date, subject to the conditions imposed by the SEBI ICDR Regulations.
Bid/Offer Opening Date	Except in relation to Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids for the Offer, which shall be published in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper**,** Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located).
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof in accordance with the SEBI ICDR Regulations and the terms of the Red Herring Prospectus.
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor.
Bidding Centres	Centres at which the Designated Intermediaries shall accept the Bid cum Application Forms, being the Designated Branch for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for CRTAs and Designated CDP Locations for CDPs.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer Price shall be determined and the Offer is being made.
Book Running Lead Managers/BRLMs	Kotak Mahindra Capital Company Limited, Axis Capital Limited and UBS Securities India Private Limited are the book running lead managers to the Offer.
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders (other than Anchor Investors) can submit the Bid cum Application Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges.
CAN / Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bidding Date.
Cap Price	The higher end of the Price Band, i.e. ₹[●] above which the Offer Price and Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted, including any revisions thereof.
Client ID	Client identification number maintained with one of the depositories in relation to the demat account.
Collecting Depository Participants/CDPs	A depository participant, as defined under the Depositories Act, 1996 and registered under Section 12 (1A) of the SEBI Act and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI.
Cut-off Price	The Offer Price as finalised by our Company and the Selling Shareholder, in consultation with the BRLMs, which may be any price within the Price Band. Only Retail Individual Investors are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Investors are not entitled to Bid at the Cut-off Price.
Demographic Details	The details of the Bidders including the Bidders' address, names of the Bidders' father/husband, investor status, occupation and bank account details.
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Form used by Bidders (other than Anchor Investors), a list of which is available at the website of the SEBI

Term	Description
	(http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised =yes) and updated from time to time and at such other website as prescribed by SEBI from time to time.
Designated CDP Locations	Such centres of the Collecting Depository Participants where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated CDP Locations, along with the names and contact details of the CDPs are available on the respective websites of the Stock Exchanges and updated from time to time.
Designated Date	The date on which the funds from the Anchor Escrow Accounts are transferred to the Public Offer Account or the Refund Account(s), as appropriate, and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, to the Public Offer Account or Refund Account, as applicable, in terms of the Red Herring Prospectus, after the Prospectus is filed with the RoC.
Designated Intermediaries	Collectively, the members of the Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and CRTAs, who are authorised to collect Bid cum Application Forms from the Bidders (other than Anchor Investors), in relation to the Offer.
Designated RTA Locations	Such centres of the CRTAs where Bidders (except Anchor Investors) can submit the Bid cum Application Forms. The details of such Designated RTA Locations, along with the names and contact details of the CRTAs are available on the respective websites of the Stock Exchanges (www.nseindia.com and www.bseindia.com) and updated from time to time.
Designated Stock Exchange	[●].
Draft Red Herring Prospectus/DRHP	This draft red herring prospectus dated September 27, 2017, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars of the price at which our Equity Shares will be Allotted and the size of the Offer, including any addenda or corrigenda thereto.
Eligible NRI	A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares.
Escrow Agreement	Agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Offer, the BRLMs, the Escrow Bank and Refund Bank for collection of the Bid Amounts and where applicable remitting refunds, if any, on the terms and conditions thereof.
Escrow Bank	A bank, which is a clearing member and registered with SEBI as a banker to an issue and with whom the Anchor Escrow Account will be opened.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name appears as the first holder of the beneficiary account held in joint names.
Floor Price	The lower end of the Price Band, and any revisions thereof, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted and which shall not be less than the face value of the Equity Shares.
Frost & Sullivan	Frost & Sullivan (India) Private Limited
General Information Document	The General Information Document for investing in public issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013, notified by SEBI and updated pursuant to the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016, notified by SEBI and included in "*Offer Procedure*" on page 263.
Kotak	Kotak Mahindra Capital Company Limited.
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
Minimum Promoter's Contribution	Aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoter that shall be locked-in for a period of three years from the date of Allotment.
Mutual Fund Portion	5% of the QIB Category (excluding the Anchor Investor Portion) or 444,000 Equity Shares which shall be available for allocation to Mutual Funds only, on a proportionate basis, subject to valid Bids being received at or above the Offer Price.
Non-Institutional Category	The portion of the Offer, being not less than 15% of the Offer or 6,660,000 Equity Shares, available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price.
Non-Institutional Investors/NIIs	All Bidders, including Category III FPIs that are not QIBs (including Anchor Investors) or Retail Individual Investors, who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs).
Offer Agreement	The agreement dated September 27, 2017 entered into among our Company, the Selling Shareholder and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer.
Offer Price	The final price at which Equity Shares will be Allotted to the successful Bidders (except Anchor Investors), as determined in accordance with the Book Building Process and

Term	Description
	determined by our Company and the Selling Shareholder, in consultation with the BRLMs, in terms of the Red Herring Prospectus on the Pricing Date.
Offer/Offer for Sale	The initial public offer of 44,400,000 Equity Shares for cash at a price of ₹[●] by the Selling Shareholder in terms of the Red Herring Prospectus. The Offer shall constitute [●]% of the post-Offer paid up equity share capital of our Company.
Price Band	Price band of the Floor Price of ₹[●] and a Cap Price of ₹[●], including any revisions thereof. The Price Band for the Offer will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and the minimum Bid Lot size will be determined by our Company in consultation with the BRLMs, and each of the Price Band and the minimum Bid Lot size shall be advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of [●] (a widely circulated Hindi national daily newspaper) and [●] editions of [●] (a widely circulated Marathi newspaper**,** Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Offer Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price and shall be made available to the Stock Exchanges for the purpose of uploading on their websites.
Pricing Date	The date on which our Company and the Selling Shareholder, in consultation with the BRLMs, shall finalise the Offer Price.
Prospectus	The Prospectus to be filed with the RoC in relation to this Offer, on or after the Pricing Date in accordance with the provisions of Section 26 of the Companies Act 2013 and the SEBI ICDR Regulations, containing the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto.
Public Offer Account	The account(s) to be opened with the Banker(s) to the Offer under Section 40(3) of the Companies Act 2013 to receive monies from the Anchor Escrow Account(s) and the ASBA Accounts on the Designated Date.
Public Offer Account Bank	The banks with whom the Public Offer Account is opened for collection of Bid Amounts from Anchor Escrow Account and ASBA Account on the Designated Date.
QIB Category	The portion of the Offer, being not more than 50% of the Offer or 22,200,000 Equity Shares to be Allotted to QIBs on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholder, in consultation with the BRLMs).
Qualified Institutional Buyers or QIBs	A qualified institutional buyer as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations.
Red Herring Prospectus or RHP	The red herring prospectus to be issued in accordance with Section 32 of the Companies Act 2013 and the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares shall be Allotted and which shall be filed with the RoC at least three Working Days before the Bid/Offer Opening Date and will become the Prospectus after filing with the RoC after the Pricing Date, including any addenda or corrigenda thereto.
Refund Account(s)	Account(s) opened with the Refund Bank from which refunds, if any, of the whole or part of the Bid Amount shall be made to Anchor Investors.
Refund Bank(s)	The bank(s) with whom the Refund Account(s) will be opened.
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate and eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 14, 2012, issued by SEBI.
Registrar Agreement	The agreement dated September 27, 2017 entered into among our Company, the Selling Shareholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer.
Registrar to the Offer	Link Intime India Private Limited.
Retail Category	The portion of the Offer, being not less than 35% of the Offer or 15,540,000 Equity Shares, available for allocation to Retail Individual Investors, which shall not be less than the minimum Bid Lot, subject to availability in the Retail Category.
Retail Individual Investors/ RIIs	Bidders whose Bid Amount for Equity Shares in the Offer is not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their karta and Eligible NRIs and does not include NRIs other than Eligible NRIs).
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable. QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage.
Self Certified Syndicate Banks or SCSBs	The banks registered with the SEBI which offer the facility of ASBA and the list of which is available on the website of the SEBI (http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes) and updated from time to time and at such other websites as may be prescribed by SEBI from time to time.
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholder, our Company and a share escrow agent in connection with the transfer of the Offered Shares and credit of such shares

Term	Description
	to the demat account of the Allottees.
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form.
Stock Exchanges	Collectively, BSE Limited and National Stock Exchange of India Limited.
Syndicate Agreement	The agreement to be entered into among the members of the Syndicate, our Company, the Selling Shareholder and the Registrar to the Offer in relation to the collection of Bid cum Application Forms by the Syndicate (other than Bids directly submitted to the SCSBs under the ASBA process and Bids submitted to the Registered Brokers at the Broker Centres).
Syndicate Members	Intermediaries registered with the SEBI and permitted to carry out activities as an underwriter, as may be appointed by our Company in consultation with the BRLMs.
Syndicate or members of the Syndicate	Collectively, the BRLMs and the Syndicate Members.
Systemically Important Non-Banking Financial Company	A non-banking financial company registered with the Reserve Bank of India and having a net-worth of more than five thousand million rupees as per the last audited financial statements.
UBS	UBS Securities India Private Limited.
Underwriters	The underwriters to be appointed in terms of the Underwriting Agreement.
Underwriting Agreement	The agreement to be entered into among our Company, the Selling Shareholder and the Underwriters, to be entered into on or after the Pricing Date.
Working Day(s)	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, "Working Day" shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

Conventional and General Terms and Abbreviations

Term	Description
Adjusted EBITDA	Restated profit before tax before certain exceptional items included under legal, professional and consultancy fees; salaries, wages and bonus; share-based payments to employees; restated loss before tax from discontinued operations; finance cost (net of finance income); and depreciation and amortization (excluding depreciation and amortization on discontinued operations), as set forth in the table in "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Results of Operations - Adjusted EBITDA (Non-Ind AS financial measure)*" on page 211.
AIF(s)	Alternative Investment Funds.
BSE	BSE Limited.
CAGR	Compounded Annual Growth Rate.
Category III FPIs	FPIs registered as category III FPIs under the SEBI FPI Regulations, which shall include all other FPIs not eligible under category I and II foreign portfolio investors, such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices.
CCI	Competition Commission of India.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
CGST Act, 2017	Central Goods and Services Tax Act, 2017.
CHRO	Chief Human Resources Officer.
CIN	Corporate Identity Number.
CLRA	Contract Labour (Regulation and Abolition) Act, 1970.
Companies Act	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the Companies Act, 2013, read with the rules, regulations, clarifications and modifications thereunder.
Companies Act, 1956	Companies Act, 1956 (without reference to the provisions thereof that have ceased to have effect upon notification of the Notified Sections) and the rules, regulations, modifications and clarifications made thereunder as the context requires.
Companies Act, 2013	Companies Act, 2013, to the extent in force pursuant to the notification of the Notified Sections, read with the rules, regulations, notifications, clarifications and modifications thereunder.

Term	Description
Consolidated FDI Policy	The consolidated FDI Policy, effective from August 28, 2017, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time.
COO	Chief Operating Officer.
CSR	Corporate Social Responsibility.
CTC	Cost to company.
Demat	Dematerialised.
Depositories Act	The Depositories Act, 1996.
Depository	A depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, GoI.
DP ID	Depository Participant's Identity number.
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952.
EPS	Earnings per share.
ESI Act	Employees' State Insurance Act, 1948.
ESOP	Employee stock option plan
FCNR Account	Foreign Currency Non-Resident (Bank) account established in accordance with the FEMA.
FDI	Foreign direct investment.
FEMA	The Foreign Exchange Management Act, 1999 read with rules, regulations, notifications, circulars and directions thereunder.
Financial Year/Fiscal/ Fiscal Year	The period of 12 months commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.
FIPB	The Foreign Investment Promotion Board, which was abolished by the Union Cabinet at its meeting held on May 24, 2017.
FPIs	Foreign Portfolio Investors, as defined under SEBI FPI Regulations.
FVCI	Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI.
GDP	Gross Domestic Product.
GoI / Central Government	The Government of India.
GST	Goods and services tax.
HUF(s)	Hindu Undivided Family(ies).
ICAI	Institute of Chartered Accountants of India.
ICDS	Income Computation and Disclosure Standards.
IFRS	International Financial Reporting Standards.
IFSC	Indian Financial System Code.
IGST Act, 2017	Integrated Goods and Services Tax Act, 2017.
Income Tax Act	Income Tax Act, 1961.
Ind AS	The Indian Accounting Standards referred to in the Companies (Indian Accounting Standard) Rules, 2015.
INR / Rupee / ₹ / Rs.	Indian Rupee, the official currency of the Republic of India.
IPO	Initial public offering.
IRDA	Insurance Regulatory and Development Authority.
IRDA Investment Regulations	Insurance Regulatory and Development Authority (Investment) Regulations, 2016.
IT	Information Technology.
Labour Bill	Code on Wages Bill, 2017.
LLP	Limited Liability Partnership.
MCA	The Ministry of Corporate Affairs, GoI.
Mn	Million.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the MCA and are currently in effect.
NR / Non-resident	A person resident outside India, as defined under the FEMA and includes an NRI.
NRI	Non-Resident Indian as defined under the FEMA Regulations.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent account number.
PAT	Profit after tax.
Payment of Bonus Act	Payment of Bonus Act, 1965.
Payment of Gratuity Act	Payment of Gratuity Act, 1972.
PMJDY	Pradhan Mantri Jan Dhan Yojana.

Term	Description
Previous GAAP	Accounting Standards specified under Section 133 of the Companies Act, 2013, read together with Rule 7 of Companies (Accounts) Rules, 2014.
PSARA	Private Security Agencies (Regulation) Act, 2005.
RBI	The Reserve Bank of India.
Regulation S	Regulation S under the U.S. Securities Act.
Rule 144A	Rule 144A under the U.S. Securities Act.
SCRA	Securities Contract (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SE Act	Shops and establishment legislations as enacted by various state governments.
SEBI	The Securities and Exchange Board of India, constituted under the SEBI Act.
SEBI Act	Securities and Exchange Board of India Act, 1992.
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
SGST Act, 2017	State Goods and Services Tax Act, 2017, as enacted by various state governments.
STT	Securities Transaction Tax.
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
Trademarks Act	Trademarks Act, 1999.
U.S. GAAP	Generally Accepted Accounting Principles in the United State of America.
U.S. Securities Act	U.S. Securities Act of 1933.
US$/ USD/ US Dollar	United States Dollar, the official currency of the United States of America.
USA/ U.S./ US	United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.
VAT	Value Added Tax.
VCFs	Venture capital funds as defined in and registered with the SEBI under the Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 or the SEBI AIF Regulations, as the case may be.

Industry Related Terms

Term	Description
ATM	Automated Teller Machine.
CII	The Confederation of Indian Industry.
CIT	Cash in transit.
CPD	Cash Pickup and Delivery
MHA	Ministry of Home Affairs, Government of India.
MSPs	Managed Services Provider.
NASSCOM	The National Association of Software and Services Companies.
OEM	Original equipment manufacturer.
OPEX	Operating expense.
POS	Point of sale.
UPI	Unified Payment Interface.

The words and expressions used but not defined in this Draft Red Herring Prospectus will have the same meaning as assigned to such terms under the Companies Act, the SEBI Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act and the rules and regulations made thereunder.

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

Certain Conventions

All references in this Draft Red Herring Prospectus to "India" are to the Republic of India.

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

Financial Data

Unless otherwise indicated or required by context, the financial data in this Draft Red Herring Prospectus is derived from our Restated Consolidated Financial Statements. The Restated Financial Statements for (a) Fiscals 2017, 2016 and 2015 have been prepared basis Ind AS, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations; and (b) Fiscals 2014 and 2013 have been prepared basis Previous GAAP, the Companies Act, 2013 and restated in accordance with SEBI ICDR Regulations.

The Government of India has decided to adopt the "Convergence of its existing standards with IFRS", Ind AS. In terms of a notification issued by the Ministry of Corporate Affairs, Government of India read with SEBI Circular dated March 31, 2016, our Company is required to: (i) prepare its financial statements in accordance with Ind AS for periods beginning on or after April 1, 2016, and (ii) for the purposes of disclosure in this Draft Red Herring Prospectus, prepare and present our unconsolidated and consolidated financial statements for the latest three Fiscals (in this case, for Fiscals 2017, 2016 and 2015 (Proforma as per the Guidance Note on Reports in Company Prospectuses (Revised 2016)) under Ind AS and present our unconsolidated and consolidated financial statements for the earliest two Fiscals (in this case, Fiscals 2014 and 2013) in accordance with Previous GAAP. Accordingly, our financial statements for Fiscals 2017, 2016 and 2015 may not be comparable to our historical financial statements. See "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Previous GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.*" on page 41.

Further, there are significant differences between the Previous GAAP, Ind AS, the International Financial Reporting Standards (the "**IFRS**") and the Generally Accepted Accounting Principles in the United States of America (the "**U.S. GAAP**"). Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices, the Companies Act and the SEBI ICDR Regulations on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to provide a reconciliation of our financial information to those under the U.S. GAAP or the IFRS. Potential investors should consult their own advisers for an understanding of the principal differences between the Previous GAAP, Ind AS, IFRS and U.S. GAAP, and how these differences might affect the Restated Financial Statements.

Our Company's financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year.

Certain figures contained in this Draft Red Herring Prospectus, including financial information, have been subject to rounding adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row. Further, any figures sourced from third-party industry sources may be rounded off to other than two decimal points to conform to their respective sources.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from the report titled "Assessment of Cash Management Services Market in India" dated September

2017 that we have commissioned from Frost & Sullivan. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information. Although we believe that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the Selling Shareholder, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. The extent to which the industry and market data presented in this Draft Red Herring Prospectus is meaningful depends upon the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business and methodologies and assumptions may vary widely among different market and industry sources.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "*Risk Factors*" on page 13. Accordingly, investment decisions should not be based solely on such information.

Currency and Units of Presentation

All references to "**Rupees**" or "**₹**" or "**Rs.**" are to Indian Rupees, the official currency of the Republic of India. All references to "**US$**", "**U.S. Dollar**", "**USD**" or "**U.S. Dollars**" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents '0.1 crore', '10 lakhs' or 1,000,000. However, where any figures that may have been sourced from third-party industry sources are expressed in denominations other than millions, such figures appear in this Draft Red Herring Prospectus expressed in such denominations as provided in their respective sources.

Exchange Rates

This Draft Red Herring Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of certain currencies used in this Draft Red Herring Prospectus into Indian Rupees for the periods indicated are provided below.

(in ₹)

Currency	**Exchange rate as on March 31, 2017**	**Exchange rate as on March 31, 2016**	**Exchange rate as on March 31, 2015**	**Exchange rate as on March 28, 2014***	**Exchange rate as on March 28, 2013****
1 USD	64.84	66.33	62.59	60.09	54.39

Source: RBI Reference Rate

** Exchange rate as on March 28, 2014, as RBI Reference Rate is not available for March 31, 2014, March 30, 2014 and March 29, 2014 being a public holiday, a Sunday and a Saturday, respectively.*

*** Exchange rate as on March 28, 2013, as RBI Reference Rate is not available for March 31, 2013, March 30, 2013 and March 29, 2013 being a Sunday, Saturday and public holiday respectively.*

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements include statements which can generally be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely to", "objective", "plan", "propose", "will continue", "seek to", "will pursue" or other words or phrases of similar import.

These forward-looking statements, whether made by us or a third-party, are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries in India in which we have our businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Important factors that would cause actual results to differ materially, include but are not limited to the following:

- A decrease in the availability or use of cash as the predominant mode of payment in India;
- Any adverse developments with respect to Indian banks that adversely affects their utilisation of and demand for cash management services or their deployment or utilisation of ATMs;
- Banks ceasing to engage MSPs to whom we provide our services;
- Materialisation of the security risks faced by our business;
- Our relationships with our workforce and the trade unions, as well as changes in the laws and regulations applicable to our business; and
- Failures of our information technology systems and violations of our information technology systems by third parties.

For a further discussion of factors that could cause our actual results to differ, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 13, 137 and 200, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially be different from those that have been estimated.

Forward-looking statements reflect our current views as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on management beliefs and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate. Neither our Company, nor the Selling Shareholder, nor the BRLMs, nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with regulatory requirements, our Company will ensure that investors in India are informed of material developments from the date of registration of the Red Herring Prospectus with the RoC until the receipt of final listing and trading approvals for the Equity Shares Allotted pursuant to the Offer. The Selling Shareholder shall ensure that it will keep our Company and the BRLMs informed of all developments pertaining to Offered Shares and itself, that may be material from the context of the Offer.

SECTION II - RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all of the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in the Equity Shares. The risks described below are not the only ones relevant to us or the Equity Shares, to the industries in which we operate or in India. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business, financial condition, results of operations, cash flows and prospects. In making an investment decision, prospective investors must rely on their own examination of us and the terms of the Offer including the merits and the risks involved. If any of the risks described below or other risks that are currently not known or deemed immaterial actually occur, our business, financial condition, results of operations, cash flows and prospects could be adversely affected, the trading price of the Equity Shares could decline, and prospective investors may lose all or part of their investment. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in the Equity Shares. Prospective investors should read this section in conjunction with the other sections of this Draft Red Herring Prospectus, in particular the sections titled "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 137, 111 and 200, respectively, as well as the Restated Financial Statements included in the section titled "Financial Statements" on page 199.

This Draft Red Herring Prospectus contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. For further details, see "Forward-Looking Statements" on page 12.

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

A. INTERNAL RISKS AND RISKS ASSOCIATED WITH OUR BUSINESS

1. A decrease in the availability or use of cash as the predominant mode of payment in India could have an adverse effect on our business, results of operations, cash flows and financial condition.

Our business and results of operations are significantly dependent on the use of cash remaining the predominant mode of payment in India. The use of cash as the predominant method of payment in India has been driven primarily by consumer and retailer preferences related to cashless and other methods of payment, including limitations on the availability and security of other methods of payment and the additional surcharges and fees often levied for their use. However, the proliferation of payment options other than cash, including credit cards, debit cards, POS terminals, stored-value cards, mobile payments and on-line purchase activity has increased significantly in certain other countries globally in recent years and a significant shift in consumer trends in India with respect to the use of cashless payment methods could result in a reduction in the use of cash as a payment method.

The RBI and the GoI have publicly stated that they are undertaking initiatives to encourage greater adoption of electronic and cashless payment methods, which could reduce the amount of cash in circulation and the use of cash as the preferred mode of payment in India. In addition, the RBI has set out in its "Payment and Settlement Systems in India: Vision-2018" statement of June 23, 2016 and in other public statements that it is undertaking strategic initiatives to encourage greater adoption of cashless payment methods, and promoting cashless payments has been a key part of the GoI's broader efforts to, among other things, curtail the circulation of counterfeit Indian currency.

In the event such government initiatives take effect, there is a shift in consumer trends in India with respect to the use of cashless payment methods or there is a decline in the use of cash as a mode of payment for any other reason, there may, for example, be a reduction in the amount of cash in circulation, less need for cash to be transported and a decrease in the number of ATMs deployed or in service generally or with respect to particular locations or markets, which could result in our customers having less need for our cash management services and our managed services. It could also result in a decline in the use of cash as a mode of payment in India. This would also adversely affect our future plans and strategies, such as our proposed plans to expand our Brown Label ATMs business. Any such development would have an adverse effect on our business, decrease the demand for our cash management services, our results of operations, cash flows and financial condition.

2. ***Our business is highly dependent on the banking sector in India and any adverse development with respect to Indian banks that adversely affects their utilisation of and demand for cash management services or their deployment or utilisation of ATMs could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our cash management services, which accounted for 59.61%, 69.73% and 81.70% of our total revenue from operations for Fiscal Years 2015, 2016 and 2017, respectively, are ultimately utilized by banks, while most of the customers of our managed services, which accounted for 22.51%, 27.97% and 13.87% of our total revenue from operations for Fiscal Years 2015, 2016 and 2017, respectively, and of our cards business are banks. As a result, our business is both directly and indirectly highly dependent on the banking sector in India. The ability of banks to make expenditures on cash management services, offer cash management services to their retail customers, continue to outsource cash management services and expand their ATM networks depends on the performance of their own businesses, which can in turn be impacted by a number of factors, some of which are beyond their control, including changes in interest rates, the performance of the Indian economy, India's GDP growth, inflation, the RBI's monetary policies and GoI regulations, domestic and international economic and political conditions, increased default and non-payment rates by customers and any financial difficulties they may have in relation to their commercial soundness due to their close credit, trading, clearing or other relationships they have with other financial institutions in India. For example, increased default and non-payment rates by customers and any financial difficulties they may have in servicing their obligations to the banks can impact the financial performance and, depending on the extent to which the bank's customers default or fail to comply with their service requirements, can impact the commercial soundness of the bank, which may negatively impact the bank's operations, and the amount of customers it services, which can decrease the bank's demand for our services. The ability of banks to sustain their financial performance and execute their growth strategies in light of these factors depends on, among other things, their ability to manage their expenditures, including with respect to cash management and their ATM networks.

Any adverse developments that impact the businesses of banks could result in banks postponing or cancelling any planned expenditures with respect to ATM cash management services they outsource to MSPs, retail cash management services they provide or their ATM networks, which in turn could result in decreased demand for our services. It could also result in increased competition for cash management and managed services mandates and increased pricing pressure for the services we provide. Banks could decide to, or implement strategies or other risk management policies which require them to, distribute their outsourcing requirements to a broader range of third-party service providers, or to redistribute certain cash management service requirements between their existing third-party service providers or to different third-party service providers, which could adversely affect their demand for our services.

Banks could also decide to develop their own cash management and managed services platforms to save on third-party costs, reducing the amount of those services that they outsource to third-party suppliers, such as MSPs and companies like us, or develop unified procurement platforms, which would enable them to negotiate with us as a single customer with increased market power. As a result, there can be no assurance that banks will continue to outsource their cash management and managed services to the same extent or on the same terms they do now or at all. Any adverse development with respect to the banking sector or the demand for the services that we provide directly or indirectly to the banking sector, or the ability of any particular bank to outsource cash management activities, either as a result of regulatory or other developments, could have a material adverse effect on our business, results of operations, cash flows and financial condition.

In addition, banks may perceive our position as a leading cash management services company in India as a potential concentration risk to their business and operations, and may decide to, or implement strategies or other risk management policies which require them to reduce or limit the amount of cash management services they purchase from us, and may also require them to distribute those services to other market participants or our competitors, which could have a material adverse effect on our business, results of operations, cash flows and financial condition.

3. ***We derive a substantial portion of our revenue from a limited number of customers. If one or more of our key customers were to suffer a deterioration in their business, cease doing business with us or substantially reduce its dealings with us, our revenues could decline, which may have an adverse effect on our business, results of operations, cash flows and financial condition.***

For Fiscal Years 2015, 2016 and 2017, our top three customers in terms of revenue contributed 33.16%, 39.49% and 29.15%, respectively, our top five customers in terms of revenue contributed 42.89%, 51.63% and 43.07%, respectively, and our top 10 customers in terms of revenue contributed 57.61%, 69.43% and 66.96%, respectively, in each case of our total revenue from our operations. A large public sector bank contributed 19.89%, 24.25% and 8.66% in Fiscal Years 2015, 2016 and 2017, respectively. Accordingly, a significant percentage of our future revenues will be dependent upon the successful continuation of our relationships with these customers.

The loss of any of our key customers, due to our inability to renew our contracts with them or failure to secure a large order from them, or a decision by any one of them to reduce the services we provide to them would result in a decline in our revenues. Furthermore, if the financial condition of any of our key customers were to deteriorate in the future, or if one or more of our key customers were to close, reduce or consolidate their ATM and RCM networks, or choose not to undertake expansion plans, our revenues could be significantly affected. Further, we may fail to collect or recover any or all receivables from such customers for services already rendered by us.

Most of our key customer contracts are subject to annual pricing renegotiations, and may also be terminated by any party by notice without cause. Our key customers may also elect not to renew their contracts with us upon expiration or following negotiations with us. In addition, even if our customers renew their contracts with us, the renewal terms may be less favourable to us than our current contracts with them. If any of our key customers fail to renew their contract with us upon expiration, or if the renewal terms with any of them are less favourable to us than under our current contracts, it could result in a decline in our revenues from such customers, which may have an adverse effect on our business, results of operations, cash flows and financial condition. There can be no assurance that any of our key customers will renew their contracts with us upon expiration, or that any renewal terms will not be less favourable to us than our current contracts, and to the extent we are not able to renew our contracts with our key customers, there can also be no assurance that we will be able to find new customers of appropriate size or at all in the future to compensate for any key customers that we lose or that renew their contracts on less favourable terms.

4. ***Our business is exposed to operational risks for which we have incurred and expect to continue to incur risk costs and penalties. Any material increase in these costs could have an adverse effect on our business, results of operations and financial condition.***

Given the large volumes of cash we handle and the large base of ATMs we manage, we are exposed to various operational risks, including armed robbery, end-customer or third-party fraud, theft or embezzlement by employees or personnel provided by our third-party service providers and third-party security service providers, reporting errors, both deliberate and inadvertent, failure to collect or recover any or all receivables from customers for services already rendered by us, and failure to meet specific requirements (e.g., turn-around time for first-line maintenance or second-line maintenance calls, reporting within a specified time period, ATM uptime criteria, etc.) under applicable service agreements for which we may incur penalty charges. In particular, we may experience shortfalls in the amounts of cash in a given ATM compared to the switch balance, bank customer claims and breaches of service-level agreements. In such circumstances, the customer may deduct such amount or penalty from the aggregate fees paid to us for the services we provide and we therefore reduce these amounts from the amount of revenue we recognize. In Fiscal Years 2015, 2016 and 2017, such deducted amounts accounted for approximately 2% to 4% of our total income. We also account for cash lost in transit, which includes theft, robbery, misappropriation, infidelity and embezzlement by employees or personnel provided by our third-party service providers and third-party security service providers in the course of replenishing ATMs or during transport. Cash lost in transit in Fiscal Years 2015, 2016 and 2017 was ₹55.89 million, ₹78.15 million and ₹5.70 million, respectively. We also made impairment allowances for trade receivables of ₹173.81 million, ₹109.24 million and ₹271.12 million, respectively, in Fiscal Years 2015, 2016 and 2017, as a result of customer deductions from the fees paid to us for our services due to failure to meet requirements under applicable service agreements, cash shortages and bank customer claims. Further, we had impairment allowance for doubtful insurance claims of ₹14.02 million, ₹10.38 million and nil, respectively, in Fiscal Years 2015, 2016 and 2017, due to the lead time of insurance approvals. We cannot assure you that such risk costs will not increase in the future, in which event our business, results of operations, cash flows and financial condition may be adversely affected.

5. ***Our business has significant expenses in relation to employee benefits and cash vans and transportation. Any material increase in any of these expenses could affect our ability to competitively price our services, maintain or increase our profitability and results of operations.***

For Fiscal Years 2015, 2016 and 2017, as a percentage of our total expense, employee benefit expense accounted for 25.01%, 23.18% and 25.73%, respectively, and vehicle maintenance, hire and fuel cost accounted for 8.28%, 9.78% and 11.89%, respectively. As of March 31, 2015, 2016 and 2017, we employed 11,650, 9,357, and 8,442 people, respectively, across India and our fleet comprised 4,180, 4,265 and 3,603 cash vans, respectively. As a result, our employee benefit expense, vehicle maintenance, hire and fuel costs, comprised a significant portion of our expenses for Fiscal Year 2017. Our performance, and in particular our margins, depends on our ability to deliver high quality services to our customers at low cost. For Fiscal Years 2015, 2016 and 2017, we incurred ₹3,086.92 million, ₹2,465.50 million and ₹2,293.91 million, respectively, or 23.05%, 21.63% and 22.77%, respectively, of our total revenue from operations, for employee benefit expense and ₹1,021.40 million, ₹1,040.57 million and ₹1,059.92 million, respectively, or 7.63%, 9.13% and 10.52%, respectively, of our total revenue from operations, for costs associated with vehicle maintenance, hire and fuel cost.

The salaries and wages of our employees are subject to wage inflation and other macroeconomic factors that can cause salaries and wages of our employees to increase. In addition, the salaries, wages and other benefits of our employees are regulated by government laws and regulations, which can change from time to time. The state governments have increased the minimum wage on a number of occasions in the past and the GoI is currently considering a change to the minimum wage for workers across all sectors, which could impact the salaries, wages and bonuses we pay our workforce. The union cabinet of the GoI has approved the Code on Wages Bill 2017 ("**Labour Bill**"). The Labour Bill, if passed by both houses of the Parliament and approved by the President of India, will be gazetted and notified for implementation and will integrate and replace the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. If the Labour Bill is notified, it can increase our employee benefit expense in respect of our employees and service and security charges payable by us in respect of personnel provided to us by our third-party service providers and third-party security service providers. In addition, as of March 31, 2017, approximately 20% of our employees and personnel provided to us by our third-party service providers and third-party security service providers were unionized and covered by collective bargaining agreements. For these employees and personnel, we typically negotiate wages and benefits through our negotiations with trade unions under long-term collective bargaining agreements, which typically includes agreed wage increases over a three-year period. There can be no assurance that any future long-term settlement agreements will be on terms that are favourable to our Company, or more favourable to our Company than its current long-term settlement agreements or that our labour unions will comply with the terms of any long-term settlement agreements reached, even in circumstances where we comply with our obligations under the relevant long-term settlement agreement. Further, if our relationships with our employees or unions deteriorate, we may experience significant labour unrest, strikes, lockouts or other labour action and work stoppages, which can increase our labour costs and adversely affect our business, results of operations, cash flow and financial condition. If we are unable to pass on any or all costs and expenses that may arise with respect to our employees to our customers in a timely manner, our total expenses could increase significantly, reducing our overall profitability.

We also rely heavily on our fleet of cash vans to provide our services to our customers. For Fiscal Years 2015, 2016 and 2017, we incurred ₹1,021.40 million, ₹1,040.57 million and ₹1,059.92 million, respectively, or 7.63%, 9.13% and 10.52%, respectively, of our total revenue from operations, for costs associated with vehicle maintenance, hire and fuel costs for cash vans. Our cash van expenses primarily include fuel costs and cash van hire charges, each of which are subject to external macroeconomic pressures over which we do not have control, including the price of fuel, which is linked with international crude oil prices and has fluctuated in recent years and may continue to fluctuate in the future, and government policies, such as in respect of the age of commercial vans that may be used in commercial operations. In addition, we typically purchase and/or lease cash vans with debt financing from third-party financial institutions, the terms of which are subject to negotiation with the financial institutions, and generally include interest payable on the borrowed amount. Any increases in interest rates will increase the cost of our borrowings where we have not fixed the interest rate. We cannot be certain that we will be able to secure financing on favourable terms, or at all, in respect of any cash van acquisition costs, or that the interest rates applicable to any such financing will not increase. Any decrease in our ability to obtain third-party debt financing for our business, or any increase to interest rates, can materially adversely affect our ability to expand our business and service our debt facilities. Any adverse developments with respect to costs and expenses associated with our fleet of cash vans could result in a material adverse effect on our business, results of operations, cash flows and financial condition.

6. Our business has significant expenses in relation to services and security services procured from third parties. Any material increase in any of these expenses could affect our ability to competitively price our services, maintain or increase our profitability and results of operations.

For Fiscal Years 2015, 2016 and 2017, as a percentage of our total expense, service and security charges accounted for 15.23%, 21.10% and 26.42%, respectively, and we engaged 12,441, 14,153 and 13,135 personnel (including consultants), respectively, provided to us by third-party service providers and third-party security service providers. As a result, our service and security charges comprised a significant portion of our expenses for Fiscal Year 2017. Our performance, and in particular our margins, depend on our ability to deliver high quality services to our customers at low cost. For Fiscal Years 2015, 2016 and 2017, we incurred ₹1,879.80 million, ₹2,244.15 million and ₹2,355.43 million, respectively, or 14.04%, 19.68% and 23.38%, respectively, of our total revenue from operations, for service and security charges.
We procure various services from third-party service providers, including providers of service personnel, such as drivers, custodians, back-office executives and cleaning personnel. In addition, to protect our operations and employees, we also procure security services from registered third-party security service providers. Our costs associated with personnel provided by our third-party service providers and third-party security service providers are primarily driven by the fees that these third-party service providers charge us, which may be impacted by similar pricing pressures that we face with respect to our own employees, such as demand and supply of labour in any particular region, regulatory increases in the minimum wage and subsequent pricing demands by third-party service providers or other factors. For Fiscal Years 2015, 2016 and 2017, service and security charges accounted for 14.04%, 19.68% and 23.38%, respectively, of our total revenue from operations. If we are unable to promptly pass on any increase in the costs that we pay to our third-party service providers for the services we procure from them, our margins, profitability and results of operations may be adversely affected. Further, if we are not able to procure the services provided to us by our third-party service providers in a timely manner, our operations might be adversely affected, which could impact our profitability and results of operations.

The service and security costs charged by our third-party service providers and third-party security service providers are subject to wage inflation and other macroeconomic factors that can cause the service and security costs charged by these third-party service providers to increase. In addition, the service and security costs charged by our third-party service providers and third-party security service providers are regulated by government laws and regulations, which can change from time to time. The state governments have increased the minimum wage on a number of occasions in the past and the GoI is currently considering the Labour Bill, which, if notified, may increase the minimum wage for workers across all sectors, which could impact the salaries, wages and bonuses we pay our workforce. If the relationships between third-party service providers and the personnel we procure through such third-party service providers and third-party security service providers or their unions deteriorate, we may experience significant labour unrest, strikes, lockouts or other labour action and work stoppages, which can increase our labour costs and adversely affect our business, results of operations, cash flow and financial condition. If we are unable to pass on any or all costs and expenses that may arise with respect to our service and security costs charged by our third-party service providers and third-party security service providers to our customers in a timely manner, our total expenses could increase significantly, reducing our overall profitability.

7. The businesses of certain of our customers are regulated by the RBI and the GoI, and our business can be affected by the policies, decisions and frameworks of the RBI and the GoI that relate to those customers, as well as any changes to the existing laws and regulations or the introduction of any new laws, regulations or policies relating to their businesses or our business.

Our business is both directly and indirectly highly dependent on the banking sector in India, which is highly regulated by the RBI and the GoI. As a result, our business can be affected by the policies, decisions and frameworks of the RBI and the GoI that relate to certain of our customers, as well as any changes to the existing laws and regulations or the introduction of any new laws, regulations or policies relating to their businesses. For example, banks that outsource their ATM operations to MSPs often pay on a per transaction basis to the MSP, which is in part dependent on the interchange fees that are charged by one bank for usage of another bank's debit, credit or prepaid cards on its ATM machines. Interchange fees are set by the National Payments Corporation of India ("**NPCI**"), an organisation established and regulated by the RBI, in consultation with the Indian Banking Association, and are subject to change at any time by the NPCI or the RBI. If the interchange fees that may be charged by banks decrease, the transaction fees payable to MSPs could decrease, which has a direct impact on the fees that MSPs are willing to pay us for the ATM cash management services we provide. Further, the RBI has, pursuant to its circulars dated November 2, 2006 and March 11, 2015, issued detailed guidelines in relation to code of conduct in the outsourcing of financial services by banks. Any adverse change to these guidelines could impact banks' ability to outsource activities, which can impact our business, financial condition and results of operations.

In addition, on August 14, 2014, the RBI announced that it will rationalise the number of free ATM transactions for certain accounts in certain locations for customers of one bank using other banks' ATMs, reducing the number of free transactions from five free transactions per month, to three free transactions per month for ATMs in metro cities. Any further rationalisation by the RBI in respect of the number of free ATM transactions available to customers, or increase in fee for ATM transactions could reduce the aggregate number of ATM transactions conducted, which could cause a reduction in the fees payable by banks to MSPs. Any reduction in the fees payable to MSPs could have a direct impact on the fees that MSPs are willing to pay to us for our cash management services.

Other policies, decisions and frameworks of the RBI and the GoI that do not directly relate to our business can also impact our business. Our managed services business, which includes the supply, installation and maintenance of ATMs, has its origins in regulatory policies framed by the RBI. Pursuant to a circular dated June 12, 2009, and amended by a Master Circular issued by the RBI dated January 14, 2016, the RBI permitted certain commercial banks to open off-site ATMs without RBI approval, subject to certain conditions being met, and other limitations contained in the Master Circular issued by the RBI dated July 1, 2015. This significantly reduced the regulatory burden of opening off-site ATMs, which significantly increased demand for the supply, installation and maintenance of ATMs. Any restrictive change or reversal of this policy, or any change restricting banks from utilising third parties to supply, install and maintain ATMs, could directly and adversely affect our business. There can be no assurance that the existing laws, regulations and policies that affect the businesses of our customers will not be revoked, amended or replaced, or that the RBI and the GoI will continue to implement or interpret existing laws, regulations or policies as they currently do.

In addition, various other aspects of our business are, and may in the future be, highly regulated by government regulation. For example, our fleet of over 3,603 cash vans as of March 31, 2017 is regulated by the Motor Vehicles Act, 1988 ("**Motor Vehicles Act**"), which regulates the licensing of drivers, vehicles (including our cash vans), transport undertakings, insurance and other aspects of our business relating to our fleet, and our workforce and their unions are also regulated by various labour laws, regulations and policies governed by the respective state and central governments. To the extent there are changes to the regulatory requirements to which our business is subject or if we are not able to comply with these or other regulatory requirements, we may be required to incur additional expenses or make changes to our business or we could become subject to penalties, which could include the suspension, revocation or termination of licenses, permits or approvals and limit our ability to operate and manage our business. For example, the Supreme Court of India has imposed, in certain regions, additional levy on automobile manufacturers for certain diesel vehicles.

For further details, see "*Regulations and Policies*" and "*Government and Other Approvals*" on pages 157 and 239, respectively.

8. The currency demonetisation measures imposed by the GoI in November 2016 had a significant impact on the Indian economy and cash circulation in India, and there is uncertainty about the long-term impact of demonetisation and whether similar unanticipated measures could be adopted by the GoI in the future.

On November 8, 2016, the GoI withdrew the legal tender of ₹500 and ₹1,000 denominations of bank notes. Pursuant to this currency demonetisation, these high denomination notes could no longer be used for transactions (except in few notified sectors for a short period of time) or exchange purposes and consequently had no value. These notes were replaced with a new series of bank notes of ₹500 and ₹2,000 denominations through banks. In an effort to monitor replacement of demonetised notes, the GoI had initially specified limits for exchange and withdrawal of currency all over India. The process of demonetisation and replacement of these high denomination notes significantly reduced the liquidity of cash in the Indian economy, a predominantly cash-based economy. This was particularly the case in rural and semi-urban regions of India, which are more remote and furthest away from supplies of the new bank notes and where bank branch and ATM penetration are at their lowest. In addition, during this period, ATM machines and other automated cash machines had to be recalibrated to accept the new bank notes, which were in sizes that were different from the old bank notes, contributing to the delays in normalising cash liquidity in the country. The cash management industry, together with our Company, were significantly impacted by this, as the circulation of cash decreased following demonetisation, and delays in recalibrating ATMs resulted in a large number of ATMs being temporarily incompatible with the new denominations. Further, during this time our retail cash management services business was also impacted, as the demand of our retail customers for our services decreased significantly following demonetisation. Further, we were required to direct significant resources towards recalibrating ATMs machines for the new bank notes. During the period immediately following demonetisation there was also a significant decrease in the number of ATMs we deployed, resulting, in part, in a decrease in the number of ATMs we deployed in Fiscal Year 2017 to 1,360 compared to 4,358 in Fiscal Year 2016.

Although cash availability has increased since demonetisation, with currency in circulation in India amounting to approximately ₹15,074 billion as of June 2017 (Source: RBI; Frost & Sullivan), the long-term effects of the GoI's demonetisation measures on cash in circulation, on the Indian economy, and on our operations are still unclear, and there can be no assurance that demonetisation will not have a long-term detrimental impact on the Indian economy, the cash management industry or our business. In addition, there can be no assurance that the GoI will not institute similar measures in the future. For example, the GoI has proposed various measures to accelerate India's transition to a cashless economy, including a ban on cash transactions over ₹200,000, tax incentives for creation of a cashless infrastructure, promoting greater usage of non-cash modes of payments, and making Aadhaar-based payments more widespread. Any decrease in cash in circulation or slowdown in the Indian economy, the cash management industry or our business as a result of demonetisation or any similar future measures by the GoI could adversely affect our business, results of operations, cash flow and financial condition.

9. ***If our MSP customers cease to be engaged by banks, our business, results of operations, cash flows and financial condition may be adversely affected.***

MSPs are often engaged directly by banks to provide ATM cash management services, which are then subcontracted to third-party service providers, such as us. As of March 31, 2017, our ATM cash management customers included over 13 MSPs, on whose behalf we provide ATM cash management services to more than 50 public and private Indian banks. As a result, the revenues that we generate from ATM cash management services are significantly dependent on the relationship between our MSP customers and their bank customers, which is largely outside of our control. There can be no assurance that our MSP customers will continue to be engaged by the same banks or that those banks will not engage other MSPs that are not our customers or that are not the customers of our competitors. In addition, MSPs may be required to lower the prices they offer banks for their services, which could in turn require us to lower our prices. Public sector banks typically award contracts on price based bidding systems, increasing the external pressures on our pricing when tendering for contracts for public sector banks, who typically tender for high volume, high revenue contracts. This may increase pricing pressure and competition in the industry, as well as lower the margins of our services. If an MSP's contract with a bank for ATM management services is terminated or expires, the MSP is typically required to give us notice of at least 30 days' notice prior to terminating their contract with us. Any termination of a relationship between one of our MSP customers and the bank that engages them could result in a decrease in our revenues and our market share, as well as adversely affect our business, results of operations, cash flows and financial condition. In addition, to the extent that an MSP does not give us sufficient notice of termination of business by that MSP, in order to enable us to ramp down our costs, or new MSPs engaged by banks for migrated ATMs do not offer us an equal number of ATMs at similar pricing, the adverse effect on our business could be increased. In addition, MSPs are also subject to credit risk, which can be impacted by a number of factors, some of which are beyond their control, including increased default and non-payment rates by customers and any financial difficulties they may have in relation to their commercial soundness. For example, increased default and non-payment rates by customers and any financial difficulties they may have in servicing their obligations can impact on their financial performance and, depending on the extent to which the MSP's customers default or fail to comply with their obligations, can impact on the commercial soundness of the MSP, which may negatively impact on the MSP's operations, and the number of customers it services, which can decrease the MSP's demand for our services. Any adverse developments that impact the businesses of MSPs could result in them losing market share or decreasing the prices they can charge for their services, which in turn could result in decreased demand for our services or increased price pressure on our services. This can adversely affect our revenues, cash flow, margins and results of operations.

10. Failures of our information technology systems could have a material adverse effect on our business, results of operation, cash flows and financial condition.

The success of our businesses depends in part upon our ability to effectively deploy, implement and use information technology systems and advanced technology initiatives in a cost effective and timely basis. Our information technology systems include multiple applications and other systems that allocate resources, provide data for cash replenishment and plan daily routes and facilitate internal and external communications, enabling us to coordinate and make quick decisions across our business. Our information technology systems also rely on, and interact with, information technology systems of our customers and other third parties, and we share certain software with various banks. If we experience disruptions or other problems with our information technology systems, or in connection with the interaction between our information technology systems and those of our customers or other third parties, such as telephone or information technology infrastructure failure, cyber security or other external security breaches, viruses and other disruptive events, or that result from events beyond our control, such as fire, natural disasters, unauthorised entry, power loss, telecommunications failure, computer viruses, terrorist acts and war, our ability to service our customers, and conduct and manage our business, as well as our reputation with our customers, could be adversely affected, and we could lose customer contracts and business and incur significant remedial costs, penalties and expenses, each of which could have an adverse effect on our business, results of operations, cash flows and financial condition.

In addition, our ability to grow our business and improve the efficiency of our operations requires us to implement new information technology systems and integrate new businesses into our information technology systems. Any information technology systems, infrastructure or processes that we rely on for the delivery of our services may not perform satisfactorily, or may not be suitable for any new business we acquire. In addition, we may not have the ability or capacity to adapt our information system technologies, including our customer service platforms, for any new business, increase in scale of operations, changing user requirements or emerging trends and industry standards or government regulations. If we do not effectively manage our information technology systems, in a timely and cost-effective manner, we may experience disruption to our business and our ability to deliver value to our customers may decrease, and as a result, our expenses may increase, our margins may decrease, and our cash flows and results of operations may also be adversely affected. There can be no assurances that we will successfully be able to implement or adopt new information technology systems or integrate new businesses into our information technology systems without disruptions to our operations.

11. Violations of our information technology systems by third parties could harm our business and expose us to liability by compromising cardholder information and damaging our relationships with our financial card management business customers.

Our financial cards management business personalises and embosses plastic credit and debit cards and uploads variable data and information onto EMV chips or magnetic stripes on the credit and debit cards as part of this service. The personal information that is embossed onto the card, as well as the personal data that is uploaded on the EMV chips and magnetic stripes are generally provided to us by the bank for which the credit and debit cards are being produced with the contractual understanding that the information is to be held confidential and that we are required to implement security measures to protect such data and information. If the security measures that we have instituted to prevent violations of our information technology systems by third parties are insufficient or fail and illegal access is gained to this information or it is stolen by third parties or our employees or personnel provided to us by our third-party service providers and third-party security service providers and the information or data is misused, our financial cards management business could be disrupted and we may be exposed to liability and become subject to penalties and even protracted and costly litigation. Any security breach of this nature could also harm our reputation, including the reputations of our other businesses, and our relationships with the customers whose information was stolen or illegal accessed could be damaged, which could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

12. ***We are exposed to various security risks that may originate from within our Company, which could have an adverse effect on our reputation, business, results of operations and financial condition.***

By virtue of the nature of our industry and being in the business of handling large volumes of cash, we are exposed to various security risks and crimes that may originate from within our Company, such as cash-in-transit losses, reporting errors (both deliberate and inadvertent) and theft, embezzlement, fraud and other forms of malpractice by our employees and personnel provided to us by our third-party service providers and third-party security service providers. According to the Restated Financial Statements, in Fiscal Year 2015, there were 25 instances of cash embezzlement by our employees or personnel provided to us by our third-party service providers and third-party security service providers involving an aggregate amount of approximately ₹36.77 million, and nine instances of cash embezzlement done by employees of one of our Company's subsidiaries wherein the total amount involved was ₹27.23 million. According to the Restated Financial Statements, in Fiscal Years 2016 and 2017, there were 58 and 21 instances of cash embezzlement by our employees or personnel provided to us by our third-party service providers and third-party security service providers involving aggregate amounts of approximately ₹71.02 million and ₹71.67 million, respectively. Further, other instances of cash embezzlement by our employees and personnel provided to us by our third-party service providers and third-party security service providers, may not be detected. As a result, our operations depend substantially on the integrity of our employees and personnel provided to us by our third-party service providers and third-party security service providers, and the reliability and effectiveness of our internal controls and procedures. In the course of our screening and background check process when hiring personnel, we may be supplied with false or incomplete background information, or information which may be difficult for us and others to verify. These circumstances increase our exposure to security risks that may originate from our employees and personnel provided to us by our third-party service providers. We have in the past filed criminal complaints in relation to allegations of misappropriation of cash and theft of money by our employees and personnel provided to us by our third-party service providers and third-party security service providers. For further details, see "*Outstanding Litigations and Material Developments*" on page 229.

Our employees and personnel provided to us by our third-party service providers and third-party security service providers may introduce counterfeit currency into ATMs serviced, operated or managed by us or otherwise siphon off cash from such ATMs or currency deliveries. We undertake reconciliation processes, whereby we facilitate reconciliation with MSPs and banks at various stages, and also facilitate banks and MSPs raising queries and disputes to us as part of their own risk management processes, as well as auditing procedures, with any discrepancies reported and a detailed analysis undertaken; however, our internal controls and risk management processes may not be sufficient to detect any shortfalls in cash immediately, in particular where the parties responsible for the shortfall utilises counterfeit or methods of fraud. Further, we are dependent on timely and accurate information from MSPs and banks to complete the reconciliation process, which could affect our ability to promptly detect any shortfalls in cash, and certain cash shortfalls and introduction of counterfeit currency can only be detected by an internal audit of the ATM at a later date. In such cases, the amounts of cash being stolen can accumulate each time the ATM is replenished unless detected. In addition, the longer a shortfall goes undetected, the lower our ability to detect the shortfall, further limiting our ability to take remedial and investigative action to protect ourselves and our customers from any losses that may arise from such activity. To the extent that it is not possible for us to recover a shortfall in cash, including from the responsible person or persons, our reputation, business, results of operations, cash flows and financial condition could be adversely affected. Further, any delay in identifying any misappropriation may reduce our ability to recover the missing cash and result in our incurrence of additional expenses in connection with associated legal proceedings. We typically have contractual obligations with our customers and other third parties and, subject to certain conditions, are ultimately liable for the reimbursement or replenishment of any shortfall however caused. Such liability is ordinarily required to be satisfied as soon as reasonably practicable after detection, and in most cases within one month of detection. Our liability to reimburse or replenish the amount of the shortfall may be deducted from any payments that the customer or third-party may have otherwise been required to pay to us. In addition, to the extent we are not able to recover the shortfall or we are required to reimburse or replenish the shortfall, the scope of our insurance coverage may not be sufficient to cover the resulting liability, there may be a delay in the settlement of any claim to our insurance providers and, to the extent our insurance coverage does cover the liability, our cost of future insurance coverage could increase significantly, which in either case could have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

13. *Our business is subject to the risk of criminal attacks of various types by third parties, including armed robbery, theft and fraud.*

By virtue of the nature of our industry and handling large volumes of cash, we are exposed to various security risks and crimes including armed robbery, theft, fraud, embezzlement and other forms of illegal conduct. As a result, our operations, our employees and the personnel provided to us by our third-party service providers and third-party security service providers are exposed to the risk of criminal attacks of various types by third parties.

Criminal attacks against our business can range from attacks by armed individuals at drop-off and pick-up points, in transit, or while cash is being carried outside of our cash vans or branches, which can result in the death or serious bodily harm to our employees, personnel provided to us by our third-party service providers and third-party security service providers or even bystanders, to third parties gaining access or being given access to our facilities, vaults or our ATM sites and taking cash. The guns used by our third-party security service providers could be stolen during criminal attacks and misused. Criminal attacks against our business may also involve cyber-attacks against our information technology systems, including our enterprise resource planning system and our operations software modules, which could result in, among other things, significant disruption of our operations. To protect our operations and employees, we procure security services from registered third-party security service providers. To the extent the security measures we procure are not sufficient to protect our business and our employees and the personnel provided to us by our third-party service providers, we may need to substantially increase the amount we spend on procuring security services and implementing other security measures, which could negatively affect our margins.

In addition, to the extent criminal attacks by third parties result in liabilities that we are in whole or part responsible for, including loss of cash, injuries or fatalities that occur as a result of the criminal attacks, the scope of our insurance coverage may not be sufficient to cover the resulting liability or, to the extent our insurance coverage does cover the liability, our cost of future insurance coverage could increase significantly, which in either case could have an adverse effect on our reputation, business, results of operations, cash flows and financial condition. In addition, any such attacks may reduce our customers' confidence in our services and result in negative publicity even though we may not be at fault for the attack.

14. *We operate in highly competitive markets and may be unable to respond effectively to developments in those markets.*

We face significant competition and pricing pressures from competitors using similar pricing models in the markets in which we operate. Our industry currently has a number of industry participants, and is subject to significant competition, including in respect of pricing of services. We have experienced periods of increased competition from our competitors and other players in the market attempting to increase their market share. Further, MSPs have in the past and may in the future build in-house cash management business divisions to serve their captive demand, thereby increasing the competitive intensity of the industry. The industry in which we operate is undergoing a maturing process, resulting in consolidation among existing industry participants as well as among customers. As this process continues, some of our competitors may consolidate or merge with large domestic or international competitors with more resources than us, which could further increase the competition we face to sell our services. To the extent that our competitors utilise those resources or other means to introduce new services or utilise improved technologies to gain further efficiencies, it may be more difficult for us to sell our services and compete effectively, which could result in us losing business or customers to competitors. Similarly, consolidation among our customer and potential customers may significantly increase their negotiation power and ability to require terms of service that are more favourable to them, including in respect of price. Any of these developments could result in further competition for cash management and managed services opportunities under increased pricing pressures. In order to be able to compete under these circumstances, we might be required to implement costly restructurings or capital investments or reduce our prices, which may reduce our margins, and we cannot assure you that we will have the resources to undertake such measures, or that any such measures will be successful. If our market share decreases, or our customers move their business to our competitors, as a result of market developments, our business, financial condition and results of operations could be adversely affected.

15. ***Our ability to service contracts with public sector banks and other government bodies may involve added complexity and be adversely affected by political and administrative decisions.***

We enter into direct customer relationships with Indian public sector banks in connection with the provision of ATM deployment and maintenance services and financial card management services. We also provide ATM cash management services to public sector banks on behalf of MSPs, and part of our business strategy is to target public sector banks for new outsourcing opportunities. Our contracts with Indian public sector banks amounted to ₹3,362 million, ₹3,523 million and ₹1,933 million, or 25.11%, 30.90% and 19.19% of our revenues for Fiscal Years 2015, 2016 and 2017, respectively. Our contracts for services undertaken for public sector banks are usually only entered into following a tender process that has strict qualification criteria and pricing requirements. There can be no assurance that we will meet any such qualification criteria, or that the pricing of our services will meet the bank's requirements. Further, due to the strict pricing requirements of public sector bank tenders, any contracts that we secure for public sector banks may not be as profitable than certain of our other customer contracts, or at all, which could result in lower margins, reduced cash flow, and adversely affect our results of operations. In addition, the performance of our services for public sector banks may be affected by political and administrative decisions concerning levels of public spending and public opinion on outsourcing in general. In certain cases, due to applicable regulations, certain terms of public sector contracts, such as pricing terms, contract period, and use of subcontractors, are less flexible than comparable private sector contracts.

In addition, to the extent we provide services to the GoI, any contract with the GoI will be subject to audit by the Comptroller and Auditor General of India, which audits all receipts and expenditure of the GoI and the state governments. Payments from public sector customers may be, and have been, subject to delays, due to regulatory scrutiny and procedural formalities, including audit by the Comptroller and Auditor General of India. In addition, to the extent that payments under our contracts with governmental and public sector customers are delayed, our cash flows may be impacted. Additionally, any decisions to decrease spending as a result of an economic downturn, or otherwise, may result in the termination or downscaling of public sector contracts, which could have a material adverse effect on our business, results of operations or financial condition.

16. ***Our relationships with our workforce and the trade unions, as well as changes in the laws and regulations that regulate those relationships, could adversely affect our business, results of operations and financial condition.***

As of March 31, 2017, we employed 8,442 employees. Further, we also engaged 13,135 personnel provided to us by our third-party service providers and third-party security service providers (including consultants). Of our 282 branches and offices, 57 branches have unionized employees and personnel provided to us by our third-party service providers and third-party security service providers, who are covered by collective bargaining agreements. As of March 31, 2017, we had a total of 16 unions representing approximately 20% of our employees and personnel provided to us by our third-party service providers and third-party security service providers. When our relationships with our employees or unions deteriorate, or the relationships of our third-party service providers and third-party security service providers and their personnel or unions deteriorate, we may experience labour unrest, strikes, lockouts or other labour action and work stoppages that prevent us from providing our services to our customers. In addition, these disputes and unrest can also adversely affect our reputation with our customers and in some cases, may give rise to liability to our customers if we fail to perform our contractual obligations to them. In addition, any initiatives we undertake to prevent unrest in our employees, or that our third-party service providers and our third-party security service providers may take in respect of their personnel, may be ineffective, and there can be no assurance that we will not experience any labour unrest, strikes, lockouts or other labour action and work stoppages from our workforce in the future. In Fiscal Years 2015, 2016 and 2017, we experienced strikes and work stoppages during the course of our business operations in relation to union disputes. In particular, due to union unrest involving labour strikes, unfair and unethical demands and other employee driven disruptions of our business involving disruptive behaviour, including vandalism and violence, a number of cash deliveries to ATM points and retail pick-up points were affected and we were ultimately required to close down four of our branches in Mumbai on June 6, 2016. As a result of these closures, a total of 879 employees and personnel provided to us by our third-party service providers and third-party security service providers were affected and of whom 810 were compensated in accordance with Indian law. There can be no assurance that the corporate policies we have in place to help reduce our exposure to these risks will be effective or that we will not experience losses as a result of these risks. Any losses that we incur in this regard could have an adverse effect on our reputation, business, results of operations and financial condition.

Our employees and personnel provided to us by our third-party service providers and third-party security service providers are also covered by government laws and regulations, such as the minimum wages legislations of the respective states, which regulate, among other things, the wages and benefits that our employees and the personnel provided to us by our third-party service providers and third-party security service providers receive. In addition, the union cabinet of GoI has approved the Labour Bill. If passed by both houses of Parliament and approved by the President of India, the Labour Bill will be gazetted and notified for implementation and will integrate and replace the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. If the Labour Bill is notified, it can increase our employee benefit expense in respect of our employees and service and security charges payable by us in respect of personnel provided to us by our third-party service providers and third-party security service providers. The minimum wages legislations of the respective states where we operate regulates, among other things, the wages and benefits that are payable to our employees and the personnel provided to us by our third-party service providers and third-party security service providers. If the Minimum Wages Act, 1948 is held to be applicable to us, it can increase our employee benefit expense, in respect of our employees, and service and security charges payable by us, in respect of personnel provided to us by our third-party service providers and third-party security service providers. If we are unable to pass on any or all such expenses to our customers in a timely manner, our total expenses could increase significantly and our profit margins could be adversely affected.

Any increases in expenses or other adverse consequences that we experience as a result of strikes, work stoppages or other labour disputes, or generally as a result our negotiations with trade unions or due changes in the law and regulations that govern our relationships with our employees and the relationships of our third-party security services providers and the personnel provided to us by our third-party service providers and third-party security service providers, could have an adverse effect on business, results of operations and financial condition.

17. ***To protect our operations and employees we procure security services from regulated third-party security service providers whose personnel may carry and handle firearms and ammunition. Any misuse or contravention of laws or policies relating to firearms by such personnel may adversely affect our reputation and expose us to potential liabilities.***

To protect our operations and employees, we procure security services from regulated third-party security service providers. These security services include armed guards and security personnel, who are licensed to carry and operate firearms. In connection with procuring security services, our security service provider and its employees must have special licenses in order to provide these services and to carry firearms and ammunition. Their weapons must also be registered, and there are, for example, legal requirements for storing weapons when they are not in use as well as limitations on the type of ammunition and weapons that can be used. We do not control our third-party security service provider or personnel provided by our third-party service providers and third-party security service providers, however we could be exposed to direct or indirect liability (including vicariously) or suffer reputational damage in the event of misuse or contravention of laws or policies by our third-party security service providers or personnel provided by our third-party service providers and third-party security service providers, including as a result of an customer, employee, member of the public or other persons being injured or killed through the misuse of firearms or ammunition, which may have an adverse effect on our reputation and expose us to liabilities, resulting in an adverse effect on our business and financial condition.

In addition, certain of personnel provided by our third-party service providers and third-party security service providers are regulated pursuant to PSARA and rules made thereunder and enforced by the respective state governments, and other laws and regulations, under which any increase in costs that are due to any change in regulatory requirements for such services may be passed on by the vendor suppliers and security agencies to the party acquiring those services. Therefore, as a consumer of such regulated services, we may be liable to pay to our vendor suppliers and security agencies any increase in costs they incur as a result of any changes to the regulatory requirements in respect of personnel provided by our third-party service providers and third-party security service providers. There can be no assurance that there will not be any changes to the regulatory requirements in respect of personnel provided by our third-party service providers and third-party security service providers, or that we will not be liable for any resulting increased costs in the future. Any increase in costs that we are required to pay in connection with personnel provided by our third-party service providers and third-party security service providers will increase our expenses, which could decrease our margins, and adversely affect our cash flows and results of operations.

18. Any adverse change in laws, rules and regulations, including with respect to the PSARA, may adversely affect our business, prospects and results of operation, as well as your investment in our Equity Shares.

We are engaged in the business of providing cash management services. The regulatory and policy environment in which we operate is evolving and may be subject to change. The governmental and regulatory bodies in India may notify new regulations and policies, which may require us to obtain approvals and licenses from the government and other regulatory bodies, or impose onerous requirements and conditions on our operations, in addition to those which we are undertaking currently. Any such changes and the related uncertainties with respect to the implementation of new regulations and policies may have a material adverse effect on our business, financial condition and results of operations.

The application of various Indian laws, rules and regulations to our services, currently or in the future, may also be subject to interpretation by applicable authorities, and if retrospectively interpreted, amended or notified, could result in an increase in our compliance cost (prospectively or retrospectively) or subject us to penalties, which could affect our business operations. For instance, the PSARA regulates the provision of private security services in India, which we believe is not applicable to our business. In connection with our acquisition in 2011 of SIPL, which is also engaged in providing cash management and logistics services, we were requested by the FIPB to obtain FIPB approval, since according to the FIPB, the activities undertaken by SIPL were covered under the PSARA and therefore, foreign investment in such companies were subject to the approval of the FIPB. After us drawing the FIPB's attention to the distinction between cash management services and services provided by private security agencies under the PSARA, submitting to FIPB that the PSARA does not apply to SIPL and that only an intimation to (and not an approval from) FIPB was required for our downstream investment in SIPL, the matter was considered by the FIPB at its meeting held on December 6, 2013. Thereafter, through its letter dated January 2, 2014, FIPB noted our downstream investment in SIPL.

The MHA had sent an office memorandum to the Department of Financial Services, Ministry of Finance, containing draft standard operating procedures dated February 16, 2016 for secured cash handling and transportation by private security agencies under PSARA ("**Draft SOP**"), which among other things suggested enforcement of basic operating guidelines and risk mitigation procedures for secured cash handling and transportation by licensed private security agencies under PSARA. We have provided our comments on the Draft SOP on the basis that cash management activities are distinct from PSARA regulated activities.

We have also received letters from police departments of three states stating that our cash vans must have the necessary security features and also stating that the cash management activities undertaken by us would require PSARA license and appropriate action would be taken against us in case of violation of PSARA. We have responded to these letters or met the authorities concerned, explaining that cash management is a distinct category from private security services and does not fall under the ambit of PSARA. Since then we have not received any further correspondence from police departments. Similarly, in another instance a police department has filed a complaint against officers of our Company in 2011 before the Chief Metropolitan Magistrate in relation to alleged violations by our Company of the PSARA and state private security agency rules on various grounds; however, the Chief Metropolitan Magistrate has not yet taken cognizance of the matter. For further details, see section "*Outstanding Litigation and Other Material Developments*" on page 229.

If any regulatory authority takes a view different from the view taken by us, or acknowledged by FIPB in connection with our acquisition of SIPL, and interprets the PSARA to apply to aspects of our business, then we may seek to alter or reorganize the manner in which we conduct our business in order to avoid the need for us to obtain a license under the PSARA. However, there can be no assurance that we would be able to do so in a manner that is profitable and commercially acceptable to our customers or, at all. Foreign investment laws in India currently limit foreign ownership in holders of a PSARA licence to 49% of the share capital. If, as a result in future interpretations of PSARA, we are unable to avoid the need for our business to hold a license under PSARA, we could be required to take steps to reduce foreign investment in our Company to the then permitted level of foreign shareholding, including requiring our Promoter to sell all or a portion of its holdings of Equity Shares or our Company conducting offerings of new Equity

Shares to reduce foreign investment, and any such dilutive offering could be required at times or on terms that adversely impact both foreign and domestic holders of our Equity Shares

There are no clear rules or regulations that set out the manner or timeline in which we would be required to achieve compliance with PSARA and related foreign shareholding limits in our Company in the event of abovementioned future adverse interpretations, which could result in uncertainty and adversely impact our business as well as our shareholders. Additionally, in the event that we are found to be in violation of the PSARA or foreign investment laws in India, we could also be exposed to sanctions and penalties such as imprisonment and fines.

Additionally, the GoI introduced on July 1, 2017, a comprehensive national GST regime that combines taxes and levies by the central and state governments into one unified rate of interest. While the GoI and other state governments have announced that all committed incentives will be protected following the implementation of the GST, we are unable to provide any assurance for the same.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including PSARA and foreign investment laws (including by reason of an absence, or a limited body, of administrative or judicial precedent) governing our business, operations and group structure could result in us being in contravention of such laws which may attract penalties including imprisonment, and may require us to apply for additional approvals. Further, we may incur increased costs and other burdens relating to compliance with such new requirements, and any failure to comply may adversely affect our business, results of operations and prospects and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future, as well as your investment in our Equity Shares.

19. There are outstanding legal proceedings against our Company, our Directors, our Subsidiaries and our Promoter. Any adverse decision in such proceedings may result in liabilities or penalties, which will adversely affect our business and results of operations.

There are outstanding legal proceedings against our Company, our Directors, our Subsidiaries and our Promoter. These proceedings are currently being adjudicated at different levels of adjudication before various courts, tribunals and other authorities. The summary of outstanding litigation in relation to criminal matters, direct tax matters, indirect tax matters, actions by regulatory and statutory authorities and matters above the materiality threshold against our Company, our Directors, our Subsidiaries and our Promoter is provided in the following table, which sets out brief details of such outstanding proceedings:

Nature of cases *	**Number of cases**	**Total amount involved (₹ in millions)** **
Proceedings against our Company		
Criminal	-	-
Civil	3	16.04
Taxation	7	49.59
Statutory/regulatory proceedings	2	-
Proceedings against the Subsidiaries		
Criminal	-	-
Civil	5	279.33
Taxation	1	1.64
Statutory/regulatory proceedings	-	-
Proceedings against our Directors		
Criminal	-	-
Civil	1	-
Taxation	-	-
Statutory/regulatory proceedings	-	-
Proceedings against our Promoter		
Criminal	-	-
Civil	1	-
Taxation	-	-
Statutory/regulatory proceedings	-	-

* *For the purpose of this disclosure, pre-litigation notices and FIRs are not considered.*

** *The amounts indicated are approximated amounts, wherever quantifiable.*

The case identified and amounts claimed in these legal proceedings have been disclosed to the extent ascertainable and to the best of our knowledge and include amounts claimed jointly and severally. If any new developments arise, such as a change in the applicable laws or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current liabilities.

We cannot assure you that any of these proceedings will be settled in our favour or in favour of our Directors or our Subsidiaries or our Promoter or that no additional liability will arise out of these proceedings. For further details, see "*Outstanding Litigation and Material Developments*" on page 229. An adverse outcome in any of these proceedings could have an adverse effect on our Company, our Directors, our Subsidiaries or our Promoter, as well as on our reputation, business, prospects, financial condition, cash flows and results of operations.

20. Our auditors have included certain qualified statements in relation to matters specified in the Companies (Auditors' Report) Order, 2003; Companies (Auditors' Report) Order, 2015 and Companies (Auditors' Report) Order, 2016 as applicable, in the annexure to the audit report on our audited financial statements for financial years 2013 through 2017.

Our Auditors have included certain qualified statements in relation to matters specified in the Companies (Auditors' Report) Order, 2003, Companies (Auditors' Report) Order, 2015 and Companies (Auditors' Report) Order, 2016, in the annexure to the audit report on our audited consolidated and unconsolidated financial statements of our Company and our Subsidiaries for Fiscal Years 2017, 2016, 2015, 2014 and 2013, as applicable.

Consolidated Financial Statements

The annexures to the audit report on our financial statements for Fiscal Year 2015 contain certain qualifications with respect to:

- the accumulated losses of one of our Company's subsidiaries at the end of the financial year are more than fifty percent of its net worth. Our Company and remaining entities in the group have no accumulated losses at the end of the financial year and none of the entities in the group have incurred cash losses in the current and immediately preceding financial year;

- 25 instances of cash embezzlement done by employees of our Company where the total amount involved was ₹36.77 million, and nine instances of cash embezzlement done by employees of one of our Company's subsidiaries wherein the total amount involved was ₹27.23 million. Our Company and the aforesaid subsidiary of our Company has recovered ₹6.46 million and ₹5.19 million, respectively, and the balance amount of claims, ₹19.23 million and ₹11.84 million, respectively, being doubtful of recovery, have been written off during the year;

- nine instances of theft/loot by third parties on our Company, wherein the total amount involved was ₹8.04 million, and six instances of theft/loot by third parties on one of the subsidiaries of our Company, wherein the total amount involved was ₹42.81 million. Our Company and the aforesaid subsidiary of our Company has recovered ₹0.61 million and ₹30.77 million, respectively, and the balance amount of claims, ₹4.94 million and ₹7.25 million, respectively, being doubtful of recovery, have been written off during the year; and

- delays in the payments of, in the case of our Company, a large number of cases of works contracts tax and, in the case of one of the subsidiaries of our Company, some cases of provident fund, value added tax and professional tax. However, such delays have not been serious. Our Company has taken corrective action to prevent any such delay in the future; and

- the dues outstanding of income-tax on account of any dispute, in relation to the 2012-13 assessment year, due under the Income Tax Act, 1961 total ₹26.33 million.

For further details, see the sections "B.1." of Annexure VI of our Restated Consolidated Financial Statements on page F-31.

Unconsolidated Financial Statements

The annexures to the audit report on our financial statements for Fiscal Year 2017 contain certain qualifications with respect to:

- the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, in relation to the 2013-14 and 2014-15 assessment years, total ₹2.90 million; and

- 21 instances of cash embezzlements done by employees of our Company wherein the total amount involved was ₹71.67 million. Our Company has recovered ₹6.23 million and ₹12.66 million, being doubtful of recovery, has been written off during the year.

The annexures to the audit report on our financial statements for Fiscal Year 2016 contain certain qualifications with respect to 58 instances of cash embezzlement done by employees of our Company, where the total amount involved was ₹71.02 million. Our Company has recovered ₹16.18 million and ₹14.43 million, being doubtful of recovery, has been written off during the year.

The annexures to the audit report on our financial statements for Fiscal Year 2015 contain certain qualifications with respect to:

- 25 instances of cash embezzlement done by employees of our Company where the total amount involved was ₹36.77 million. Our Company has recovered ₹6.46 million and ₹19.23 million, being doubtful of recovery, has been written off during the year;

- nine instances of theft/loot by third parties on our Company, wherein the total amount involved was ₹8.04 million. Our Company has recovered ₹0.61 million and ₹4.94 million, being doubtful of recovery, has been written off during the year; and

- delays in the payments of, in the case of our Company, a large number of cases of works contracts tax, though such delays have not been serious. Our Company has taken corrective action to prevent any such delay in the future.

The annexures to the audit report on our financial statements for Fiscal Year 2014 contain certain qualifications with respect to:

- transactions made pursuant to contracts or arrangements exceeding the value of ₹500,000 entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, the auditors were unable to comment on whether the transactions were made at prevailing market prices at the relevant time;

- slight delays in payment, in the case of our Company, of instalments of advance tax;

- the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, in relation to various assessment years from 1999-00 to 2010-11, total ₹15.19 million;

- certain instances of cash embezzlement done by employees of our Company working in the cash management services division wherein the total amount involved was ₹60.38 million. Our Company has recovered ₹14.28 million and the balance amount of claims doubtful of recovery, amounting to ₹20.29 million, have been written off during the year; and

- certain instances of theft / loot by third parties amounting to ₹36.64 million. Our Company has recovered ₹5.41 million and the balance amount of claims doubtful of recovery, amounting to ₹15.03 million, have been written off during the year.

The annexures to the audit report on our financial statements for Fiscal Year 2013 contain certain qualifications with respect to:

- transactions made pursuant to contracts or arrangements exceeding the value of ₹500,000 entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, the auditors were unable to comment on whether the transactions were made at prevailing market prices at the relevant time;

- slight delays in payment, in the case of our Company, of instalments of advance tax;

- the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, in relation to various assessment years from 1999-00 to 2009-10, total ₹18.40 million;

- certain instances of cash embezzlement done by employees of our Company working in the cash management services division wherein the total amount involved was ₹85.11 million. Our Company has recovered ₹5.78 million and the balance amount of claims doubtful of recovery, amounting to ₹58.83 million, have been written off during the year; and

- certain instances of theft / loot by third parties amounting to ₹28.89 million. Claims doubtful of recovery, amounting to ₹11.75 million, have been written off during the year.

For further details, see Annexure VI of our Restated Unconsolidated Financial Statements on page F-144. If any such qualifications or observations are included in the annexure to the auditor's report for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.

21. Potential new currency designs may require modifications to certain automated banking products in our portfolio that could adversely effect on our business, results of operations, cash flows and financial condition.

Any change to the features of Indian bank notes that are processed or dispensed from ATMs and other automated cash machines that we service or deploy, such as to the size or the addition of tactile features onto notes, could require modifications to the ATMs or automated cash machines that result in delays or inefficiencies in our ability to service or deploy those machines. For example, during the recent currency demonetisation by the GoI, the size of certain of the bank notes changed. This meant that ATMs and other automated cash machines had to be recalibrated to accept the new bank notes, which resulted in significant delays and inefficiencies, since ATMs could not be used until they had been recalibrated for the specified currency. The cash management industry, including our Company, were significantly impacted by this and had to direct significant resources towards recalibrating ATMs machines to accept the new bank notes. There can be no assurance that this will not happen again in the future. For example, on August 25, 2017, the RBI issued legal tender of new ₹200 denomination bank notes, which were significantly narrower than the new ₹500 bank note. The difference in dimensions will necessitate recalibration of ATM machines and other automated cash machines in order to enable such machines to accept the new bank notes, which may result in delays or inefficiencies in our ability to service or deploy those machines. Any such changes or modifications could cause significant delays or inefficiencies, and require us to incur substantial additional expenditures to accommodate such changes or modifications, which could adversely effect on our business, results of operations, cash flows and financial condition.

22. We extend warranties to certain of our customers, which exposes us to potential liabilities.

When we enter into an arrangement to deploy an ATM or other automated cash machine for our customers, we provide our customer with a product and service warranty of one to three years that typically covers general repairs and replacements during the initial warranty period which may typically be extended for a fee or at no additional cost to our customer. Although we seek to arrange back-to-back warranties with the manufacturing suppliers from which we source the ATMs and other automated cash machines, we are nevertheless obligated to perform our obligations under the terms of warranties we issue to our customers, regardless of whether our back-to-back warranties are honoured by our suppliers. Our assumptions regarding the scope of the manufacturer's warranty may not be accurate, the manufacturer may dispute the scope of their warranty and any amounts under the warranty that we claim, or the manufacturer could enter into financial difficulty or bankruptcy during the term of the warranty and not be able to perform its obligations under the warranty. If we experience a significant increase in warranty claims from our customers, we may incur significant repair and replacement costs associated with such claims if we are not able to claim those costs from our suppliers. If we are not able to satisfactorily fulfil any warranty conditions offered to our customers, we may incur penalties and other liabilities, harm our reputation and relationships with our customers, and may also not be requested or permitted to participate in future tenders for contracts. To the extent that the shortfall associated with performing the terms of any warranty are not covered by our arrangements with our OEM suppliers, we may have to incur such costs ourselves, which could adversely affect our business, results of operations, cash flows and financial condition. When we enter into an arrangement to provide services to our customers, we provide our customers with a performance guarantee. If we are not able to satisfactorily fulfil such guarantees, we may incur penalties and other liabilities, harm our reputation and relationships with our customers, and may also not be requested or permitted to participate in future tenders for contracts.

23. We may be subject to claims arising out of accidents or injuries at the sites of ATMs that are operated by us as part of our Brown Label ATM services.

The services we offer as part of our Brown Label ATM services business may attract liability in certain circumstances where bodily injury occurs to persons interacting with our ATMs, including where the person may suffer injury from being trapped inside an ATM or the premises on which the ATM is located. To the extent that we are liable for any such instances and our insurance does not cover the costs associated with such claims, we may have to incur such costs ourselves, which would increase our expenses, and which may adversely affect our business, results of operations, cash flows and financial conditions.

24. We face difficulties and incur additional expenses in operating in certain regions in India where infrastructure may be limited.

We provide our services to our customers in a number of difficult to reach and remote rural and semi-urban areas, such as the India-Pakistan and India-China border regions, villages in remote regions in the Himalayas and the Andaman and Nicobar Islands, some of which are only accessible by boat. To the extent we decide to further expand our network or increase the amount of services we provide in these areas, we may incur additional costs and encounter additional obstacles in operating in those markets due to the limited or unreliable infrastructure, particularly with respect to procuring adequate security measures and enhancing information technology systems, as well as having access to adequate road transportation and utilities, such as electricity. In addition, industrialization and growth of construction in urban areas have presented greater opportunities to increase income, resulting in migration of approximately 10 million people from rural areas to urban areas each year. (Source: Frost & Sullivan) There can be no assurance that offering or providing services in such regions is, will remain, or will be profitable or advantageous to our operations, or that there will be constant or increasing demand for our services in such regions, or that any opportunities we currently perceive in such in such regions will develop or be realised by us. The costs of providing services in remote regions, which can be high, may exceed the potential revenues that may be earned from offering services in those regions, particularly if migration from rural areas to urban areas continues or increases. In addition, by directing resources to offering services in such regions, we may not be able to direct sufficient resources to other, more profitable or strategically beneficial business opportunities, such as in urban areas. To the extent we are required to incur more costs and expenses than originally envisioned or are unable to expand our network or increase the amount of services we provide in these areas in the manner we desire, our margins decrease, or there are unanticipated difficulties in hiring appropriately trained or suitable personnel in the region or servicing customer requirements in the region, our business, results of operations, cash flows and financial condition could be adversely affected.

25. We face risks associated with our acquisitions, including risks arising from change of control provisions in contracts of any acquired company, local law factors and risks associated with restructuring of operations.

We have acquired companies in recent years which now form part of our business, and we intend to continue to explore selective strategic acquisitions both in India and outside of India to continue to grow our business. For further information, relating to our acquisition strategy, see "*Our Business - Our Strategies - Grow through selective value accretive strategic acquisitions*" on page 142.

However, acquisitions involve a significant number of risks, including risks arising from change of control provisions in contracts of any acquired company, local law factors and risks associated with restructuring operations. The successful implementation of acquisitions depends on a range of factors, including funding arrangements, cultural compatibility and integration. Potential difficulties that we may encounter as part of an acquisition could include the following:

- inability to obtain GoI or other regulatory approvals;
- our inability to turnaround or grow a business, which may also result in our inability to meet acquisition finance costs;
- underestimated costs associated with the acquisition or over-valuation by us of acquired companies;
- limited control to retain customer contracts after any acquisition;
- incurring of debt or loan liabilities in order to finance an acquisition and execution of financing agreements with restrictive covenants in relation to the same;
- insufficient indemnification from the selling parties for legal liabilities incurred by the acquired company prior to the acquisition;
- our failure to discover issues around an acquired company's intellectual property, customer relationships, accounting practices or regulatory compliances;
- financial liabilities (including payment of arrears in remuneration and other labour welfare benefits) of acquired companies;
- potential unknown liabilities, legal contingencies and unforeseen increased expenses or delays associated with the acquisition;
- delays in the integration of strategies, operations and services and increased costs of integration;
- attrition and differences in business backgrounds, corporate cultures and management philosophies that may delay successful integration;
- the possibility that the full benefits anticipated to result from the acquisition will not be realised;
- reallocation of our management's time from our existing business as a result of the acquisition;
- litigation or other claims in connection with acquired companies, including claims from terminated workforce, customers, former stockholders or other third parties;
- retaining key executives and other employees;
- challenges associated with creating and enforcing uniform standards, controls, procedures and policies;
- the disruption of, or the reduction in growth in, our on-going businesses; and
- foreign exchange controls and other changes in regulatory environment.

If we are unable to successfully overcome the potential difficulties associated with the integration process and achieve our objectives following an acquisition, the anticipated benefits and synergies of our recent or any future acquisitions may not be realised fully, or at all, or may take longer to realise than expected. There can be no assurance that we will be able to fully realize the anticipated benefits of any future acquisitions successfully within our expected timeframe or at all**.** Additionally, no assurance can be given that any businesses acquired will be profitable. Any failure to realise anticipated benefits in a timely manner could have an adverse effect on our business, results of operations, cash flows and financial condition.
In addition, we do not have experience in operating businesses outside of India, which may impact our ability to acquire, manage, develop, grow and successfully integrate business outside of India with our existing business operations in India. There can be no assurance that we will be able to successfully acquire or develop any businesses outside of India. Any inability by us to successfully operate in new markets outside of India could adversely affect our growth and prospects and have an adverse effect on our business, results of operations, cash flows and financial condition.

26. We may not be able to successfully implement our business strategies to grow our business organically.

Our growth strategy includes growing our business organically and expanding into new business areas, including Brown Label ATM management, currency chest automation and retail cash automation. We cannot assure you that our growth strategy will be successful or that we will be able to continue to expand further or diversify our product and service offerings. For example, in order to expand our business into Brown Label ATM management, we purchased the Brown Label ATM business (including its ATM outsourcing business contracts) of a small Brown Label ATM services company in January 2017, with the expectation of growing it. However, we may not be successful in winning Brown Label ATM contracts that are sufficiently profitable and may be unable to fully realise the anticipated benefits of integrating this business with our existing businesses due to unforeseen difficulties, contingencies or increased expenses or delays associated with the acquisition. There can also be no assurance that any contracts won for Brown Label ATM services will be remain sufficiently profitable in the future, which may adversely affect our profitability, cash flows and results of operations. In addition, our expansion into the currency chest automation business and our future growth of that business is largely dependent on state-owned banks continuing to outsource their currency chest automation operations to private third-party companies, such as us. If, for example, regulations change so that these banks were no longer permitted to outsource such operations or it became no longer economical to do so, we may not be able to grow our currency chest automation business as anticipated or at all. We are have begun deployment of our retail cash automation services business. However, to the extent our future expenditures to grow this business are more than anticipated or our plans with regard to this business change for unforeseen reasons, we may not be able to realise a return on our investments.

In addition, our organic growth strategies have placed and continue to place significant demands on our management and our ability to manage our growth and these strategies will depend on the timely and cost-effective availability of capital, debt, allocation of our workforce and other resources, ability to procure, service and maintain plant and equipment efficiently and cost effectively, and maintenance of strict risk management standards to minimise risk. There can be no assurance that our current policies, systems and processes will adequately address these and other risks that we face, or that new risks will not arise as a result of our growth strategies which we have not anticipated. If we are not able to successfully implement our business strategies to grow our business organically in the manner we have planned, our business, financial condition and results of operations could be adversely affected.

27. We are dependent on a number of key managerial personnel, including senior management, and the loss of or our inability to attract or retain such persons with specialised technical know-how could adversely affect our business, results of operations, cash flows and financial condition.

Our performance depends largely on the efforts and abilities of our senior management team, other key personnel and the performance and productivity of our operational managers and field personnel. Our senior management consists of a diverse group of experienced and qualified professionals and any loss of these individuals could result in a loss of their respective industry knowledge and expertise. The input and experience of our senior management and Key Management Personnel are also important to the future development of our business and our business strategy. We cannot assure you that we will be able to retain these employees or, to the extent they leave our Company, find adequate replacements for them in a timely manner, or at all. We may also require a long period of time to identify potential candidates, and recruit and train personnel when skilled personnel cease employment with us. Further, the market for qualified personnel with relevant industry expertise in India is competitive. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining skilled employees that our business requires. The loss of the services of any or a group of our key personnel could adversely affect our business, results of operations, cash flows and financial condition. In addition, there is a limited number of people with the requisite skills and industry experience required to manage complex, and significant, business operations such as ours. If we are unable to recruit sufficient personnel with the necessary skills and industry expertise, our ability to manage our operations may be adversely affected, which may result in decreased customer satisfaction with our services, decreased revenues and adverse effects to our results of operations.

28. Any failure to obtain, renew and maintain requisite statutory and regulatory permits, licenses and approvals for our operations from time to time may adversely affect our business.

We are required to maintain certain licenses, approvals, permits and registrations in order to undertake our business activities. We are also required to maintain licenses under various applicable national and state labour laws in force in India for certain of our offices and with regard to certain of our employees. For instance, we have applied for certain licenses under the SE Act and the CLRA and rules made thereunder, notified by the central government and adopted with such modifications as deemed necessary by the respective state governments, applicable to us in certain locations in which we operate, of which some are currently pending and may also be subject to intermittent applications for renewal. We require such permissions in order to operate various of our branches and offices in India, and must apply for renewals of such permissions from time to time, as required. We have applied for certain licenses under the SE Act and CLRA for some of our branches and are yet to apply for some licenses under the SE Act and CLRA for some of our branches. We cannot assure that we will be able to obtain such licenses in time and will not be subject to any penalty. Further, an additional labour commissioner has in the past cancelled our license under the CLRA, against which an appeal has been preferred by us. We cannot assure you that any such instance would not occur again in the future. We are also registered for GST registration under the CGST Act 2017, IGST Act 2017 and SGST Act 2017.

In addition, in the ordinary course of our business, we may apply for renewal of any relevant licenses, approvals, permits and registrations that may have expired. There can be no assurance that the relevant authorities will grant the required permissions or renew the expired licenses and approvals in the anticipated time-frame, on terms that are acceptable to us, or at all. There have been certain discrepancies in relation to statutory filings required to be made with the RoC under the Companies Act, 2013. There can be no assurance that the RoC will not impose penalties on our Company in this regard. Further, our branches may be inspected by various local, state level and central government authorities, who may, after such inspections, instruct us to comply with specific guidelines, impose penalties or even cancel our licenses. Additionally, our failure to comply with the terms and conditions to which such licenses, approvals, permits or registrations are subject or to renew, obtain or maintain the required licenses, approvals, permits or registrations may result in an interruption of our operations and may have a material adverse effect on our business, financial condition and results of operations. We have a number of applications for fresh approvals and for renewal of expired licenses pending and there can be no assurance that we will receive these in time or at all. For details in relation to the approvals we have received or those which we have applied for, see "*Government and Other Approvals*" on page 239.

29. We have applied for registration of three trademarks, and there can be no assurance that we will be able to successfully register the trademarks, or that it will not be infringed upon.

Our trademarks are significant to our business and operations. We have applied for registration of trademarks for "*CMS Connecting Commerce*" (under different classes), "*ALGO*" and "*CMS*" (under different classes), and there can be no assurance that we will be able to obtain registration of the trademarks applied for in our name, and such failure may materially and adversely affect our business, prospects, reputation and goodwill. For further details, see "*Government and Other Approvals – Intellectual property related approvals*" on page 240. Pending registration of these trademark applications, any third-party may claim on our trademark, which may have an adverse effect on our business, operations, financial results and reputation. We have not yet applied for registration of our trademark "Securitrans" under the Trademarks Act, 1999. In the absence of an application for registration of the trademark, we may have lesser recourse to initiate legal proceedings in case of any breach. Further, we may not be able to avail legal protection under the Trademarks Act, 1999 or prevent unauthorised use of such trademark by third parties, which may adversely affect our reputation and business.

30. Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, cash flows and results of operations.

As of July 31, 2017, our outstanding borrowings were ₹84.56 million, consisting of vehicle loans of ₹46.54 million and cash credit and bank overdraft facilities with banks of ₹38.02 million. Further, we had bank guarantees and letters of credit issued by banks of ₹774.85 million. Our ability to repay our outstanding borrowings and meet our debt service obligations will depend primarily on the cash generated by our business.

Our financing agreements all contain certain restrictive covenants that limit our ability to undertake certain types of transactions, any of which could adversely affect our business and financial condition. We may be required to obtain an approval from our lenders for, among other things:

- effecting any change in the capital structure;
- undertaking any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise;
- incurring major capital expenditure or incurring capital expenditure which is not in the ordinary course of business;
- prepaying loans;
- declaring dividends;
- change in the composition of the Board;
- investing, lending, extending advances or placing deposits with any other concern;
- entering into borrowing arrangements;
- creating any charges, lien or encumbrances over our assets;
- selling, assigning, mortgaging or disposing off any fixed assets charged to a lender;
- undertaking to guarantee obligations on behalf of a third-party;

- changing the ownership pattern or management structure of our Company or effecting any material changes in the management of the business; and
- making amendments to the Memorandum and Articles of Association.

Under these agreements, certain of the lenders also have the right to, inter-alia, impose penal and default interests, accelerate the maturity of our obligations and declare all amounts payable in respect of the facility to be due and payable immediately or otherwise on demand in the event of a default. Further, under the terms of our current agreements and any future agreements we enter into, any downgrading of the credit rating of our Company by a credit rating agency, any reduction in profits beyond a certain percentage or any adverse comment from the statutory auditors of our Company may qualify as an event of default under the relevant financing agreements. If we breach any financial or other covenants contained in any of our current or future financing arrangements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs.

We cannot assure you that, in the event that any of our lenders exercise their contractual rights against under any of the financing agreements, we will have sufficient resources to repay the borrowings or take any of the other demanded actions or actions we are contractually obligated to take. In addition, certain of our financing arrangements contain cross default provisions which could automatically be triggered by defaults under other financing arrangements. We may be forced to sell some or all of our assets if we do not have sufficient funds or credit facilities to make repayments. Additionally, because some of our borrowings are secured against all or a portion of our assets, lenders may be able to sell those assets to enforce their claims for repayment. Our failure to meet our obligations under the debt financing agreements could have an adverse effect on our business, results of operations, cash flows and financial condition.

Our Company has provided corporate guarantees assuring repayment of certain loan facilities availed by our Subsidiary, SIPL. If any Subsidiary or any other guarantor under the loan facilities commits a default, or fails to meet their obligations under the facility agreements, there is a risk that the lender may enforce its rights against our Company (in addition to any rights it may have against our Subsidiaries). If any lender seeks the accelerated repayment of any such loan or is successful in enforcing any other rights against us, including enforcing the corporate guarantees and pledge on shares, there could be a material adverse effect on our business, financial condition and results of operations.

Our Company has also provided performance guarantees to certain of our customers, assuring performance by us and our subsidiaries, where relevant, of obligations owed under our customer contracts. If we or our subsidiaries, where relevant, commits a default under a customer contract, which we have guaranteed there is a risk that the customer may enforce its rights against our Company under the terms of the performance guarantee, which may materially adversely affect our business, financial condition and results of operations.

For more information on our borrowings, see "*Financial Indebtedness*" on page 226.

31. Our Promoter has availed an offshore loan facility ("Facility") and the holding company of our Promoter has pledged a part of its shareholding in our Promoter as security. The Facility also imposes certain obligations on our Promoter that are based on compliance of our Company with certain financial and operational parameters, and our Promoter is required to ensure our compliance with those parameters. A default by our Promoter of any such obligations may result in an invocation of the pledge on our Promoter's shares, which subsequent to the Offer, could cause an indirect change in control of our Company and trigger an open offer requirement under the Takeover Regulations.

Our Promoter has availed the Facility and as a security for the Facility, the holding company of our Promoter has pledged 30% of its shareholding in our Promoter and all the preference shares issued by our Promoter ("**Pledged Shares**") with the lending bank under the Facility (through the security agreement). Further, holding company of our Promoter has issued irrevocable power of attorney for all the ordinary shares in our Promoter (other than Pledged Shares) held by it ("**PoA Shares**"), in favour of the security agent for sale of such ordinary shares, in case of an event of default. Additionally, as per the terms of the security agreement, the holding company of our Promoter has agreed to not dispose its shareholding in our Promoter. The facility agreement imposes a number of obligations on our Promoter that are based in part on compliance of our Company with certain financial and operational parameters, and our Promoter is required to ensure our compliance with those parameters. Some of these obligations on our Promoter include the following:

- obligation to hold 50.1% of our Equity Shares and direct control of our Company;

- obligation to impose limitations on certain corporate actions by us including, acquisitions, investments, joint ventures, creation of encumbrance, incurring financial indebtedness and issuance of Equity Shares;

- obligation to limit changes in the general nature of the business of our Company; and

- obligation to ensure compliance with certain other covenants which are in the nature of compliance with financial and operational parameters.

These obligations and restrictions are legal obligations on our Promoter, which may indirectly limit the financial and operational flexibilities of our Company. In addition, in the event our Promoter is unable to comply with, or ensure compliance with, such covenants, the lending bank has the right to invoke the pledge, which would result in transfer of the Pledged Shares to the lending bank and in case of an event of default, security agent can sell PoA Shares to a third party. Invocation of pledge on the Pledged Shares or sale of PoA Shares subsequent to the Offer may result in indirect change in control of our Company and the acquirer having to make an open offer for the Equity Shares, in accordance with the Takeover Regulations, which could adversely affect the trading price of our Equity Shares.

32. Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.

Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, working capital requirements, capital expenditure and restrictive covenants of our financing arrangements. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and subsequent approval of shareholders and will depend on factors that our Board and shareholders deem relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. We cannot assure you that we will be able to pay dividends at any point in the future. See "*Dividend Policy*" on page 198.

33. Negative publicity about our name or brand could lead to a loss of revenues or profitability.

The services that we provide to banks and other customers form a critical function of their businesses, and accordingly, trust and reliability are of utmost importance. As a result, our reputation for delivering quality services that they can rely on is a key factor to the success of our business and our long-term relationships with many of our customers. For example, if we and/or our subsidiaries are associated with actual or perceived breaches of conduct, such as theft, embezzlement, fraud, unethical behaviour or reporting errors, and such behaviour is made public and publicised, as has occurred from time to time in the past, our brand and reputation could be adversely affected, resulting in us losing the trust of and business from our current customers or opportunities for business from new customers, which could have a material adverse effect on our business, reputation, ability to retain and increase market share, results of operations, cash flows and financial condition. In addition, the nature of our operations exposes us to the risk of additional public scrutiny and, in the event of material breach, as per the terms of our contracts, our customers have the right to publicize our name. As a result, any actual or perceived breaches of conduct, such as theft, embezzlement, fraud, unethical behaviour or reporting errors may receive significant and unfavourable publicity, which may adversely affect our reputation with existing and potential customers and consequently our business and financial condition. Our Company and SIPL have, from time to time, been mentioned in publicity in respect of various robberies of cash vans in India, and other criminal activities and incidents, including where we are not the subject of such incidents. There can be no assurance that we or our Subsidiaries will not be mentioned in any negative publicity in the future, or that we will not suffer any reputational damage as a result of being mentioned in any such publicity.

34. *We have certain contingent liabilities that may adversely affect our financial condition.*

As of March 31, 2017, our contingent liabilities were ₹61.68 million, which comprised 0.61% of our total revenue from operations for the relevant periods, respectively. In the event that any of these contingent liabilities materialise, our results of operations and financial condition may be adversely affected.

The details of our contingent liabilities, in accordance with Ind AS–37 – "Provisions, Contingent Liabilities and Contingent Assets", as of March 31, 2017 as follows:

Particulars	**Amount (₹ in millions)**
Disputed Customs matter	42.78
Claims against Group not acknowledged as debt	18.90
Total	61.68

In relation to the matters of custom duty listed above, the Group is contesting the rejection of refund claim filed by the Company from the relevant Government departments. No provision has been made in our Company's financial statements for said claim.

For details, see "*Financial Statements – Annexure XXVII – Restated Ind As Consolidated Statement of Contingent Liabilities and Capital Commitments*" in accordance with the provisions of Ind AS–37 – "Provisions, Contingent Liabilities and Contingent Assets" on page F-55.

35. *We have had negative cash flows from investing and financing activities in the last 3 years and we may have negative cash flows in the future.*

Set forth below is a table of selected information from our consolidated statements of cash flows for Fiscal Years 2017, 2016 and 2015:

	Fiscal Year		
	2017 (*in ₹ millions*)	**2016 (*in ₹ millions*)**	**2015 (*in ₹ millions*)**
Net cash flow from operating activities	1,359.97	874.99	514.79
Net cash flow used in investing activities	(381.54)	(215.97)	(306.89)
Net cash flow from/ (used in) financing activities	(943.15)	20.30	(197.00)

For further details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Results of Operations and Financial Condition*" on pages 199 and 200, respectively. We cannot assure you that our net cash flows will be positive in the future.

36. *We have availed unsecured loans which may be recalled by the lenders at any time.*

As of July 31, 2017, our Company has availed unsecured non-fund based facilities of an aggregate amount of ₹65.19 million, which may, in accordance with the terms on which the facilities have been availed, be recalled by the lenders at any time. Our Promoter has not provided us with any unsecured loans. If one or more of the lenders recall the amounts provided under the facilities they have advanced to us, we may not have sufficient resources to repay the full amounts due and owing by us under those facilities. Any default by our Company in respect of its repayment obligations may also be an event of default under other of our facility agreements, which may trigger cross default provisions under other of our financing arrangements. Further, in the event that any lender seeks a repayment of any unsecured facility, we may need to find alternative sources of financing, which may not be available on commercially reasonable terms, or at all. If we are unable to procure alternative sources of finance, we may not have sufficient working capital to undertake any planned or unplanned projects, or complete any existing projects that we are undertaking. As a result, any such demand may affect our business, cash flows, financial condition and results of operations.

37. *Our Promoter will continue to be our largest shareholder and will have the right to approve certain corporate actions, which may potentially involve conflicts of interest with our equity shareholders.*

Following the completion of the Offer, our Promoter will continue to hold more than 51.00% of our outstanding Equity Shares, and therefore will have the ability to significantly influence our operations. Our Promoter will also have significant influence on actions at Board and at shareholders' meetings, including the issue of Equity Shares and dividend payments, business plans, mergers and acquisitions, any consolidation or joint venture arrangements, any amendment to our Memorandum and Articles of Association, and any assignment or transfer of our interest in any of our properties. Further, our Promoter currently has the right to nominate two directors on our Board and will continue to exercise such right, subject to receipt of approval from our shareholders after the listing of our Equity Shares. We cannot assure you that our Promoter will not have conflicts of interest with other shareholders or with our Company. Any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

Further, our Promoter being part of a private equity group, is continuously exploring opportunities in the domestic and global markets to make investments and explore ways in which it can leverage its existing networks, expertise and investment experience to expand its portfolios through potential new acquisitions and optimize its investment value. Further to this objective, Baring Private Equity Asia and the Promoter may evaluate investment opportunities in future, some of which could be in a similar line of business. Further, Baring Private Equity Asia and the Promoter may cause potential combinations or collaborations to create synergies between our Company and other portfolio companies, in compliance with applicable regulatory requirements. We cannot assure you that any such actions by Baring Private Equity Asia and our Promoter will be beneficial for our Company or will not conflict with our interests or interest of other shareholders.

In addition, our Promoter may, after the expiry of any lock up periods in respect of any of their Equity Shares, divest all or part of its stake in our Company after completion of the Offer, or may cease to hold a controlling stake in our Company. In such circumstances, our Company may not continue to be managed and operated in accordance with current management or operations, and we will not have the benefit of our Promoter's industry expertise and business acumen, which may have an adverse effect on our operations, profitability, and results of operations.

38. We rely on contract labour for carrying out certain of our operations and we may be held responsible for paying the wages of such workers, if the independent contractors through whom such workers are hired default on their obligations, and such obligations could have an adverse effect on our results of operations and financial condition.

In order to retain flexibility and control costs, we appoint independent contractors who in turn engage contract labour for performance of certain of our operations in our business. Although we do not engage these labourers directly, we may be held responsible for any wage payments to be made to such labourers in the event of default by such independent contractor to pay the labourers' wage payments. Any requirement to fund their wage requirements may have an adverse impact on our results of operations and financial condition. In addition, under the CLRA, notified and enforced by the central government and adopted with such modifications as may be deemed necessary by the respective state governments, we may be required to absorb a number of such contract labourers as permanent employees. In the event of any non-compliance by contractors with statutory requirements, legal proceedings may be initiated against us. Thus, any such order from a regulatory body or court may have an adverse effect on our business, results of operations and financial condition.

39. Claims relating to death, personal injury claims or other operating risks associated with our vehicles that are not adequately insured may adversely affect our business, results of operations and financial condition.

As of March 31, 2017, our fleet comprised of 3,603 cash vans. Our business is subject to various risks inherent with road transportation, including potential liability resulting from the death or bodily injury of our employees and/or personnel provided by our third-party service providers and third-party security service providers and/or members of the public due to accidents involving our cash vans. To the extent that we are liable as a result of any such accidents, and our insurance does not cover any or all of the costs associated with any relevant claims, we may be required to incur such costs ourselves, which would increase our expenses and which may adversely affect our business, results of operations, cash flows and financial condition.

40. The proceeds from this Offer will not be available to us

As this Offer is by way of an offer for sale of Equity Shares by the Selling Shareholder, the proceeds from this Offer will be remitted to the Selling Shareholder and we will not benefit from such proceeds. For further information, see "*Objects of the Offer*" on page 101.

41. ***We do not own the land or premises for our Registered and Corporate Office, which is held by us on lease. Such lease may be terminated or not renewed on commercially acceptable terms, which may have an adverse effect on our business, financial condition and results of operations.***

Our Registered and Corporate Office is located on premises that has been leased to us from third parties through lease or leave and license or tenancy arrangements. Upon expiration of the agreement for the Registered and Corporate Office, we will be required to negotiate the terms and conditions on which the lease agreement may be renewed. We cannot assure you that we will be able to renew the agreement on commercially reasonable terms, in a timely manner, or at all.

Termination of our lease may occur for reasons beyond our control. If we or our current or future landlords breach the lease agreements, we may have to relocate to alternative premises or shut down our operations at that site. Relocation of any part of our operations may cause disruptions to our business, and may require significant expenditure. We cannot assure you that in such a case, we will be able to find suitable premises on commercially reasonable terms in a timely manner, if at all, or we may have to pay significantly higher rent or incur additional expenses toward installing necessary furniture, fittings, fixtures, and security systems. Occurrence of any of these may materially and adversely affect our business, financial condition and results of operations.

In the event that our existing lease is terminated or not renewed on commercially acceptable terms, or at all, we may suffer a disruption in our operations. If alternative premises are not available at the same or similar costs, size or locations, our business, financial condition and results of operations may be adversely affected.

42. ***The market price of our Equity Shares may be adversely affected by additional issuances of equity or equity-linked securities by us resulting in dilution of your shareholding. Further, any sale of Equity Shares by a significant shareholder and related transactions may adversely affect the trading price of the Equity Shares.***

Any issuance of the equity or equity-linked securities by us, including through exercise of employee stock options pursuant to the ESOP Schemes may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. No assurance may be given that we will not issue additional Equity Shares. In this regard, our Board and shareholders have approved employee stock option plans, under which we have granted an aggregate of 13,916,667 stock options under the CEO ESOP 2016 and Employee ESOP 2016, none of which have vested, lapsed, forfeited or been cancelled as of the date of this Draft Red Herring Prospectus. Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director may sell certain shares, as allotted, pursuant to exercise of stock options within three months of listing. For further details, see "*Capital Structure – Employee Stock Option Plans*" on page 86.

Although the pre-Offer shareholding of the shareholders (except Equity Shares allotted pursuant to exercise of employee stock options) is subject to lock-in as per applicable provisions of the SEBI ICDR Regulations, disposal of a large number of Equity Shares by any significant shareholder of our Company after the expiry of the lock-in periods could adversely affect the market price of the Equity Shares. Our employees may also choose to exercise the vested options and subsequently sell the Equity Shares upon listing. For further details in relation to sale of Equity Shares arising from exercise of ESOPs, please see "*Capital Structure – Employee Stock Option Plans*" on page 86. Any perception by investors that such issuances or sale might occur could also affect the trading price of the Equity Shares. In addition, Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director, has also entered into an agreement dated September 26, 2017 with Vault L.P, which entitles him to receive from Vault L.P. certain amounts equivalent to 0.61% of the value of our Company, subject to various adjustments. For further details, see "*Our Management – Service Contracts with Directors*" on page 179.

43. ***Our Promoter does not have adequate experience and has not actively participated in the business activities we undertake, which may have an adverse impact on the management and/or operations of our Company.***

Our Promoter does not have adequate experience and has not actively participated in the business activities undertaken by us. For further details of our Promoter, see "*Our Promoter and Promoter Group*" on page 193. We cannot assure you that this lack of adequate experience will not have any adverse impact on the management and/or operations of our Company.

B. EXTERNAL RISKS

44. ***A slowdown in economic growth in India or global economic instability could result in an adverse effect on our business, financial condition and results of operations***

We currently operate primarily in India, which is generally viewed as a jurisdiction with a developing economy, that may not have as firmly established legal and regulatory systems as other countries, and are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the overall performance of the Indian economy, the GDP growth rate in India and the economic cycle in India. India's GDP growth was 6.8% in Fiscal Year 2017, decreased from 7.9% in Fiscal Year 2016. India's GDP is expected to grow at the rate of 7.6% from Fiscal Year 2018 to Fiscal Year 2020. (Source: World Bank; Frost & Sullivan)

In addition, according to the Monthly Economic Reports for July 2017 and 2016, respectively, the Wholesale Price Index ("**WPI**") headline inflation rate for the month of July 2017 was 1.9% as compared to 3.5% in July 2016. In periods prior to Fiscal Year 2016, India experienced a slowdown in economic growth due to a variety of factors, including unsustainably high current account deficit, capital outflows and consequent exchange rate pressures. Despite the recent signs of an economic turnaround in the Indian economy, there is no assurance that growth will not slow down again or that inflation will not increase further in the future. A slowdown in the Indian economy could adversely affect our business and our customers and contractual counterparties, especially if such a slowdown were to be continued and prolonged. In periods of high rates of inflation, our operating expenses may increase which could have an adverse effect on our cash flows and results of operations.

Generally, economic growth in India is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports (oil and oil products), global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the Indian economy could harm our business, results of operations and financial condition. There have been periods of slowdown in the economic growth of India. Demand for our services may be adversely affected by an economic downturn in domestic, regional or global economies, as during these periods there may be less cash in circulation and less cash-based transactions, which can reduce the demand for our services. Any decrease in the demand for our services may adversely affect our revenue, margins, cash flows and results of operations.

Further, in light of the increasing linkage of the Indian economy to other global economies, the Indian economy is increasingly influenced by economic developments and volatility in securities markets in other countries. Global slowdown of the financial markets and economies has in the past contributed to weakness in the Indian financial and economic environment. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located in other countries, including India. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalisation policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. The global credit markets have continued to experience significant volatility in recent years, which have had, and may continue to have, a significant adverse effect on the availability of credit and the confidence of the financial markets, globally as well as in India. The global economic downturn led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally.

The resulting economic pressure and dampened consumer sentiment may adversely affect our business and our results of operations. A recession in the United States and other countries in the developed world and a slowdown in economic growth in markets such as China could also have an adverse effect on economic growth in India, which could in turn adversely affect our business, results of operations, cash flows and financial condition.

Other specific country risks that may have a material adverse effect on our business, financial condition and results of operations are:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal and regulatory regimes;
- arbitrary or inconsistent Government action;
- inflation in local economies;
- cancellation, nullification or unenforceability of contractual rights; and
- underdeveloped industrial and economic infrastructure.

Additionally, changes in investment policies or shifts in the prevailing political climate in any of the countries in which we operate, or seek to operate, could result in the introduction of changes to Government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

Unexpected changes in these policies or regulations could have a material adverse effect on our business, financial condition and results of operations.

45. If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate in order to pass costs on to our customers and our profits might decline.

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past, and despite significantly low levels of inflation in recent periods, according to the RBI's Monetary Policy Report of April 2017, there are broad-based inflation pressures, which make the inflation outlook for Fiscal Year 2018 challenging. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or increase the prices of our services at a proportional rate in order to pass the increase in costs on to our customers. In such case, our business, results of operations, cash flows and financial condition may be adversely affected. Further, the GoI has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

46. Political instability or a significant change in the Government's economic liberalisation and deregulation policies could adversely affect our business and the price of our Equity Shares.

Our business and customers are primarily located in India, and we currently derive all of our revenues from operations in India and all of our assets are located in India. Consequently, our performance, market price and liquidity of our Equity Shares may be affected by changes in control, government policies, taxation, social, instability, civil unrest and other political and economic developments affecting India. The GoI has traditionally exercised, and continues to exercise, significant influence over many aspects of the economy. Government policies could adversely affect business and economic conditions in India, as well as our ability to implement our strategy and our future financial performance. Our business is also impacted by regulations and conditions in the various states in India where we operate.

Since 1991, successive Indian governments have pursued policies of economic liberalisation. The current GoI has announced that its general intention is to continue India's current economic and financial sector liberalisation and deregulation policies, including significantly relaxing restrictions on the private sector and encouraging the development of the Indian financial sector. However, there can be no assurance that such policies will be continued. A significant change in the GoI's policies could result in an adverse effect on our business, financial condition and results of operations. The rate of economic liberalisation could change and specific laws and policies affecting foreign investment, currency exchange and other matters affecting investment in our securities could change as well. Any significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally and our business in particular.

47. Regional hostilities, terrorist attacks, social unrest, natural or man-made disasters and other similar threats to security and events outside our control could adversely affect our business.

Certain parts of India have experienced localised hostilities, terrorist attacks and social unrest, in particular in districts that are prone to Naxalite violence and disturbances. Given the broad scale of our pan-India operations, we operate and have branches in a number of districts where historically such violence and disturbances have occurred and therefore may have a greater exposure to the risks of operating in these areas than our competitors. If violence and disturbances occurs or becomes more widespread in any of these districts, our ability to operate in those districts or the affected areas could be limited, which could adversely affect the revenue we generate from those districts. India has, from time to time, experienced terrorist attacks, instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and have an adverse effect on our business and the price of our Equity Shares Any unexpected changes in the political, social, economic or other conditions in India, or in neighbouring countries, could also have a material adverse effect on our business, financial condition and results of operations. Further, there can be no assurance that we will not be the target of terrorist attacks in the future. Such attacks may be directed at our property or personnel or at ATMs and other property belonging to our customers or at state-owned infrastructure and the general population. Such attacks, or the threat of such attacks, whether or not successful, may disrupt our operations or those of our customers and the delivery of our services, result in increased costs for security and insurance and may put our assets and personnel at risk and adversely affect our business, results of operations, financial condition and prospects. Events such as these have also historically had an adverse effect on the Indian economy and may do so again in the future, which could in turn adversely affect our business, results of operations, cash flows and financial condition.

In addition, certain of our assets and business operations, including our offices and branches are located in areas that may be impacted by natural disasters such as fires, earthquakes, water shortage, droughts and floods. Since all of our operations and workforce are located in India and there can be no assurance that we will not be affected by natural disasters that occur in India in the future. If any such event were to occur, our business could be affected due to the event itself or due to our inability to effectively manage the effects of the particular event. Potential effects include the damage to our network of branches and fleet of cash vans, the loss of customer property and valuables, or the loss of business continuity and any such event could also have an adverse effect on the financial markets and India's economy. Any disruption of our operations at any of our locations could result in a material adverse effect on our ability to service our customers, and in turn, our business, financial condition and results of operations.

48. Significant differences exist between Ind AS and other accounting principles, such as Previous GAAP, IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.

We are required to prepare annual and interim financial statements under Ind AS from periods beginning April 1, 2016 as required under Section 133 of the Companies Act 2013. We have not attempted to quantify the impact of US GAAP or IFRS on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Ind AS and previous GAAP in accordance with Companies

(Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 ("**Previous GAAP**"). Accordingly, the degree to which the Ind AS and Previous GAAP financial statements, which are restated as per SEBI ICDR Regulations included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

49. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002, as amended (the "**Competition Act**"), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition is considered void and may result in the imposition of substantial monetary penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services in any manner by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or in any other similar way or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. If it is proved that the contravention committed by a company took place with the consent or connivance or is attributable to any neglect on the part of, any director, manager, secretary or other officer of such company, that person shall be also guilty of the contravention and may be punished.

On March 4, 2011, the GoI issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the "**CCI**"). Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure in regard to the transaction of business relating to combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India. The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India.

The applicability or interpretation of the Competition Act to any merger, amalgamation or acquisition proposed or undertaken by us, or any enforcement proceedings initiated by CCI for alleged violation of provisions of the Competition Act may adversely affect our business, financial condition or results of operation. We cannot assure you that we will be able to obtain approval for any future acquisitions on satisfactory terms, or at all. If we are affected directly or indirectly by the application or interpretation of any provision of the Competition Act or any proceedings initiated by the CCI or any other relevant authority (or any other claim by any other party under the Competition Act) or any adverse publicity that may be generated due to scrutiny or prosecution under the Competition Act, including by way of financial penalties, our reputation may also be materially and adversely affected.

50. Our ability to raise foreign capital may be constrained by Indian law.

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies, including those specified under the Foreign Exchange Management Act (the "**FEMA**") and the rules thereunder. Such regulatory restrictions limit our financing sources for our projects under development and hence could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. Additionally, we cannot assure you that any required regulatory approvals for borrowing in foreign currencies will be granted to us without onerous conditions, or at all. Further, limitations on foreign debt may have an adverse effect on our business, results of operations, cash flows and financial condition.

51. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.

Under foreign exchange regulations currently in force in India, transfers of shares between non-residents and residents are freely permitted (subject to certain exceptions), if they comply with the valuation and reporting requirements specified by the RBI. If a transfer of shares is not in compliance with such pricing guidelines or reporting requirements and falls under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert the Indian Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India will require a no-objection or a tax clearance certificate from the Indian income tax authorities. Additionally, the GoI may impose foreign exchange restrictions in certain emergency situations, including situations where there are sudden fluctuations in interest rates or exchange rates, where the GoI experiences extreme difficulty in stabilising the balance of payments or where there are substantial disturbances in the financial and capital markets in India. These restrictions may require foreign investors to obtain the GoI's approval before acquiring Indian securities or repatriating the interest or dividends from those securities or the proceeds from the sale of those securities. We cannot assure you that any required approval from the RBI or any other GoI agency can be obtained on any particular terms or at all.

52. Any downgrading of India's debt rating by a domestic or international rating agency could adversely affect our business.

India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

53. Third-party statistical and financial data in this Draft Red Herring Prospectus may be incomplete or unreliable.

We have not independently verified data obtained from industry publications and other external sources referred to in this Draft Red Herring Prospectus and therefore, while we believe them to be true, we cannot assure you that they are complete or reliable. Such data may also be produced on different bases from those used in other industry publications. Therefore, discussions of matters relating to India, its economy and the industries in which we currently operate in this Draft Red Herring Prospectus are subject to the caveat that the statistical and other data upon which such discussions are based may be incomplete or unreliable.

Further, we have engaged Frost & Sullivan to produce an industry report. Frost & Sullivan has provided us with a report titled "Assessment of Cash Management Services Market in India", dated September 2017, which has been used for industry-related data disclosed in this Draft Red Herring Prospectus. The report uses certain methodologies for market sizing and forecasting. We have not independently verified such data and therefore, while we believe them to be true, we can make no assurance that they are accurate, complete or reliable. Accordingly, investors should read the industry-related disclosure in this Draft Red Herring Prospectus in this context. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. While industry sources take due care and caution while preparing their reports, they do not guarantee the accuracy, adequacy or completeness of the data. Accordingly, investors should not place undue reliance on, or base their investment decisions solely on such information. For further information, see "*Industry Overview*" on page 111 and "*Certain Conventions, Use of Financial Information and Market Data and Currency of Presentation – Industry and Market Data*" on page 10.

C. RISKS RELATING TO THE EQUITY SHARES AND THE OFFER

54. Future sales of Equity Shares by our Promoter may adversely affect the market price of the Equity Shares.

After the completion of the Offer, our Promoter will own, directly, more than 51.00% of our outstanding Equity Shares. Upon expiry of the lock-in period provided under the SEBI ICDR Regulations, our Promoter will be eligible to sell part or all of the Equity Shares held by it. Future sales of a large number of the Equity Shares by our Promoter, either in one sale or over a series of sales, could adversely affect the market price of the Equity Shares. Similarly, the perception that any such primary or secondary sale may occur could adversely affect the market price of the Equity Shares. No assurance may be given that our Promoter will not dispose of, pledge or encumber their Equity Shares in the future, or that the market price of the Equity Shares will not be adversely affected by any such disposal, pledge or encumbrance of their Equity Shares.

55. You will not be able to sell immediately on an Indian stock exchange any of the Equity Shares you purchase in the Offer.

The Equity Shares will be listed on the Stock Exchanges. Pursuant to the applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors' book entry, or "demat" accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in this Offer and the credit of such Equity Shares to the applicant's demat account with depository participant could take approximately six Working Days from the Bid Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors' ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors' demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

56. Investors bear the risk of fluctuation in the price of the Equity Shares.

There has been no public market for the Equity Shares prior to the Offer and the trading price of the Equity Shares may fluctuate after the Offer. The Offer Price of the Equity Shares in this Offer will be determined by us in consultation with the BRLMs pursuant to the Book Building Process, and it may not necessarily be indicative of the market price of the Equity Shares after the Offer is complete. You may be unable to resell your Equity Shares at or above the Offer Price and, as a result, you may lose all or part of your investment. Following the Offer, the Equity Shares are expected to trade on the Stock Exchanges; however, there can be no assurance that active trading in the Equity Shares will develop after the Offer or, if such trading develops, that it will continue. Investors may not be able to rapidly sell the Equity Shares at the quoted price if there is no active trading in the Equity Shares.

In addition, the price at which the Equity Shares will trade after this Offer will be determined by the marketplace and may be influenced by many factors, including:

- our financial condition and financial performance;
- the history of, and the prospects for, our business and the cash management industry;
- an assessment of our management, our past and present operations, and the prospects for, and timing of, our future revenues and cost structures;
- any analyst reports in respect of our Company;
- the present state of our development; and
- the valuation of publicly traded companies that are engaged in business activities similar to ours.

Further, the Stock Exchanges have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects. The market price of our Equity Shares may fluctuate due to the volatility of the Indian securities market and may be more volatile than the securities markets in other countries.

57. Any future issuance of Equity Shares by us may dilute your shareholding and adversely affect the trading price of the Equity Shares.

Any future issuance of the Equity Shares or securities linked to the Equity Shares by us may dilute your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares. No assurance may be given that we will not issue additional Equity Shares.

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

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of Equity Shares in an Indian company are generally taxable in India. Any gain realised on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if Securities Transaction Tax (**"STT"**) has been paid on the transaction. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold other than on a recognised stock exchange and on which no STT has been paid to an Indian resident, will be subject to long-term capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less will be subject to short term capital gains tax in India. Capital gains arising from the sale of the Equity Shares will be exempt from taxation in India in cases where the exemption from taxation in India is provided under a treaty between India and the country of which the seller is resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on a gain upon the sale of the Equity Shares. However, capital gains on the sale of our Equity Shares purchased in the offer by residents of certain countries will not be taxable in India by virtue of the provisions contained in the taxation treaties between India and such countries.

59. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile and you may be unable to resell your Equity Shares at or above the Offer Price or at all.

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Draft Red Herring Prospectus. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

Prominent Notes

1. Initial public offering of 44,400,000 Equity Shares, at an Offer Price of ₹[●] per Equity Share for cash, aggregating up to ₹[●] million and is being made through the Book Building Process, through an Offer for Sale of 44,400,000 Equity Shares by the Selling Shareholder. In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up equity share capital of our Company.

2. The Offer is being made pursuant to Regulation 26(1) of the SEBI ICDR Regulation, wherein not more than 50% of the Offer shall be available for allocation, on a proportionate basis, to QIBs. Our Company and the Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the QIB Category (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIBs (other

than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Offer Price.

3. Our net worth as on March 31, 2017 was ₹5,745.33 million and ₹5,733.80 million, as per our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, respectively. Our net asset value per Equity Share was ₹38.82 and ₹38.74 as at March 31, 2017, as per our Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, respectively. For details, see "*Financial Statements*" on page 199.

4. The average cost of acquisition of Equity Shares by our Promoter is ₹122.03 per Equity Share. The average cost of acquisition has been computed by dividing cumulative amount paid for Equity Shares by cumulative number of Equity Shares. For details, see "*Capital Structure*" on page 84.

5. Pursuant to conversion into a public limited company, the name of our Company was changed to its present name and a fresh certificate of incorporation was issued by the RoC on January 27, 2015. Subsequent to the change of our name, there was no variation to the activities being undertaken by our Company. Accordingly, the objects clause of our Memorandum of Association was not required to be altered.

6. For details of transactions entered into by our Company with the Subsidiaries during the last Fiscal, the nature and value of transactions, see "*Related Party Transactions*" on page 197.

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

8. Investors may contact any of the Book Running Lead Managers as well as the Registrar to the Offer for any complaint pertaining to the Offer. For details of the Book Running Lead Managers and the Registrar to the Offer, see "*General Information*" on page 76.

9. All grievances, in relation to the ASBA process, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, date of submission of ASBA Form, address of Bidder, the name and address of the relevant Designated Intermediary, where the ASBA Form was submitted by the Bidder and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgment Slip from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

The information in this section is derived from industry sources including an industry report entitled "Assessment of Cash Management Services Market in India" dated September 2017 that we have commissioned from Frost & Sullivan. Neither we nor any other person connected with the offering has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Macroeconomic overview

India's real gross domestic product ("**GDP**") grew at a five-year high rate of 7.9% in Fiscal Year 2016, making it the fastest growing economy amongst the world's largest countries. Economic growth was primarily driven by a strong pick up in the manufacturing sector which expanded by an estimated 10.8% in Fiscal Year 2016, up from 8.3% in Fiscal Year 2015. The manufacturing sector benefited from the collapse of global commodity prices and lower input costs. However, in Fiscal Year 2017, GDP growth slowed down to a three-year low of 6.8%, on account of the demonetisation drive implemented by the Indian government in November 2016. Furthermore, the Indian economy is expected to grow at a compound annual growth rate ("**CAGR**") of 7.6% between 2018 and 2020. This growth is expected to be driven by the implementation of policy measures and key reforms, such as the goods and services tax ("**GST**"), loosening of supply-side bottlenecks and appropriate fiscal and monetary policies aimed at boosting investments and growth of the economy, such as Smart Cities, Digital India and the 'Make in India' initiative.

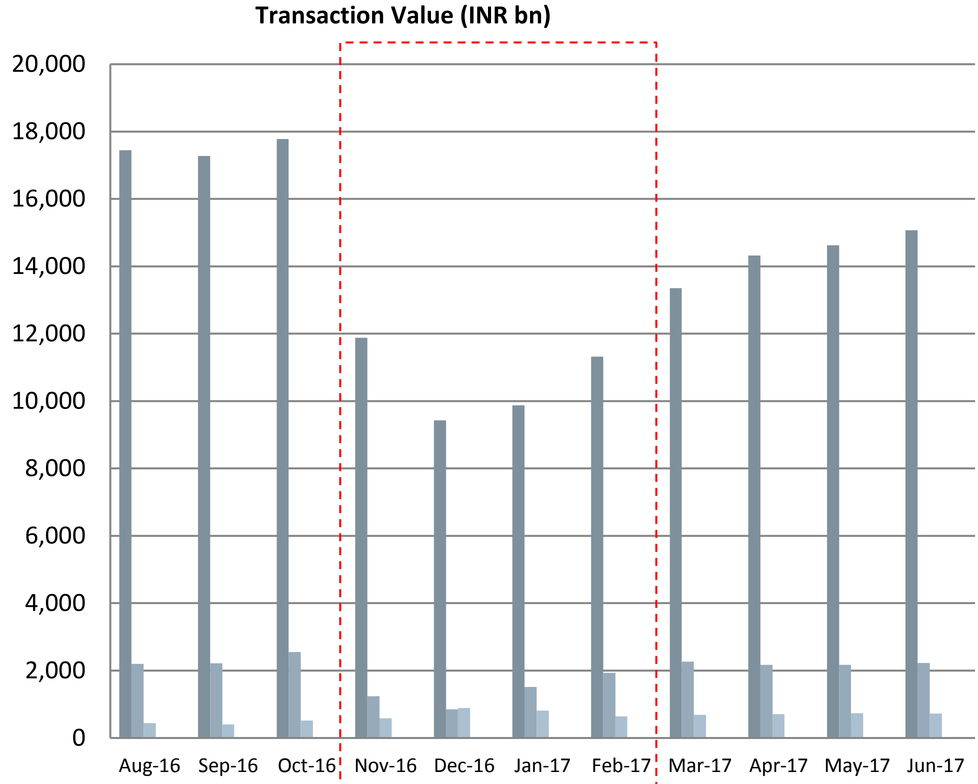
Rural contribution to GDP growth and financial access

The growth in urban population and in the urban contribution to India's GDP has been a significant driver of growth, but the Indian government has also promoted several initiatives to encourage development in rural areas. As of June 30, 2017, 18.4% (40,997 ATMs) of the total ATMs in India were located in rural areas. The number of ATMs in rural areas is significantly below that of urban areas: in 2016, ATM density in non-rural areas (which includes metro, urban and semi-urban areas) was 8.4 times greater than the ATM density in rural areas, with an estimated 0.046 ATMs per 1000 people in rural areas, compared to 0.388 ATMs per 1000 people in non-rural areas. The RBI has been trying to increase the number of ATMs though an initiative that granted licenses to non-bank entities to set up white label ATMs. The main objective of this initiative is to expand the reach of ATMs into semi-urban and rural areas where banks have not put up ATMs.

As a result of the RBI promoting financial inclusion and extension of the banking network to the remote areas of the country, there has been a steady rise in the number of rural banks in India. Beginning in April 2011, the RBI mandated that at least 25% of the total new branches opened during a year by any domestic Scheduled Commercial Bank must be in "un-banked" rural areas. The RBI is expected to provide a list of 700 un-banked *gram panchayats* for which the banking entities would submit their proposal for opening new banking points. Such government guidelines and initiatives are anticipated to boost the growth of the banking sector and increase the number of bank branches, thereby also boosting the growth of the cash management services sector, including ATM deployment, in India. Private sector banks have also increased their expansion into rural and semi-urban areas.

Cash in circulation

The cash in circulation ("**CIC**") is the total of cash with banks and currency with the public. Cash in circulation in India has risen along with GDP. Non-cash payment transactions continue to steadily increase, though cash still remains the major mode of payment in India and cash transactions far outnumber the total number of electronic transactions done on a daily basis. India's economy is cash-intensive, with the CAGR of CIC at approximately 11.8% between 2011 and 2015, approximately 1.7 times the CAGR of GDP during the same period. In November 2016, the Indian government implemented a policy of demonetisation as a method of combating its shadow economy and the use of illicit and counterfeit cash to fund illegal activity and terrorism. Following the government's demonetisation drive, the cash-to-GDP ratio dipped to 11.0% for Fiscal Year 2017. However, by January 2017, CIC was rising and, by June 2017, nearly 82% of the currency was remonetized.



	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Cash in Circulation (INR Bn)	17,449	17,279	17,775	11,884	9,432	9,877	11,317	13,353	14,320	14,628	15,074
ATM Transactions (INR Bn)	2,200	2,223	2,551	1,236	850	1,518	1,930	2,262	2,171	2,167	2,224
POS Transactions (INR Bn)	441	401	519	587	892	817	643	686	706	733	730
Wallet Transactions (INR Bn)				13	21	21	19	21	22	24	22
UPI Transactions (INR Bn)				1	7	17	19	24	22	28	31

Source: RBI
Note: Wallet and UPI transactions data not available prior to November 2016

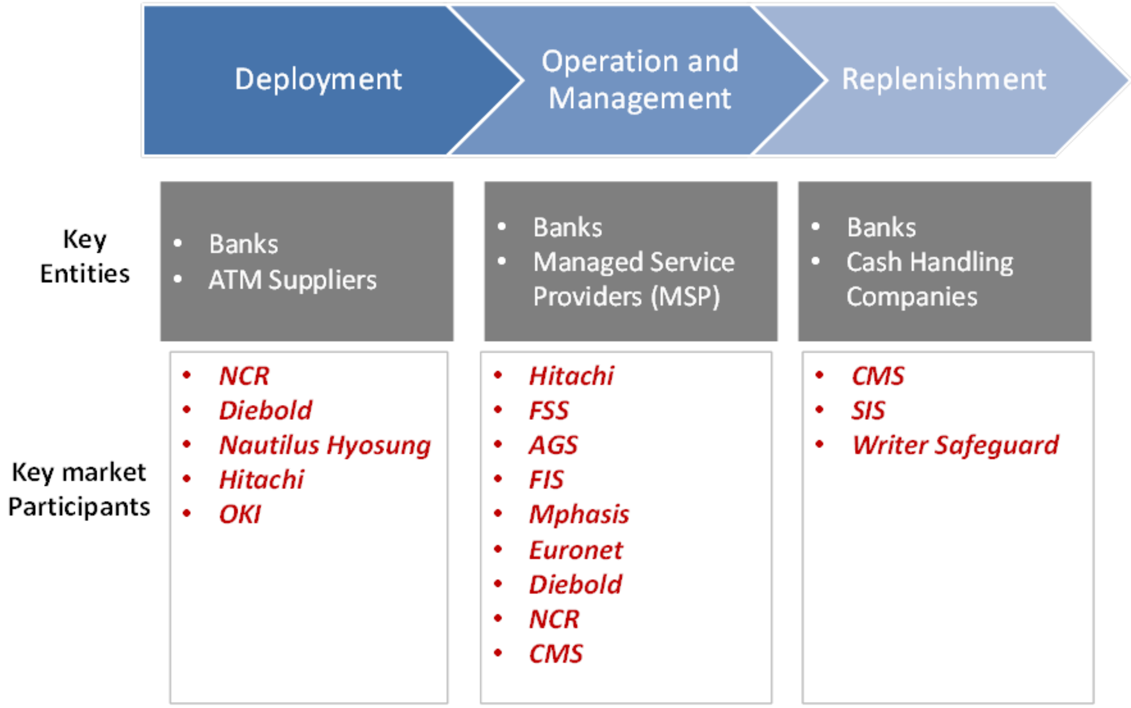
As the initial impact of demonetisation began to fade, cash in circulation increased by 5% and 15% in January and February 2017, respectively, and the number of ATM transactions increased by 79% and 27% in the same respective periods. Concurrently, POS transactions fell by 8% and 21% in January and February 2017, respectively, while mobile wallet transactions fell by 1% and 11% and the growth in UPI transactions fell (from a record peak during demonetisation of 674% in December 2016) to 137% and 15% in the same respective periods. India continues to have a high rate of circulation of liquid currency in the economy. Despite the increase in non-cash payment transactions, cash remains the major mode of payment in India. As of March 31, 2016, India's CIC-to-GDP ratio was 14.7%. Indian consumers continue to prefer using cash transactions for a variety of reasons, including convenience and ease of use. The cash-intense nature of the Indian economy is reflected in India having the highest value and volume of cash transactions compared to the rest of the BRICS nations.

Overview of the Indian retail market

India's retail industry has been a significant contributor to growth and, in 2017, India surpassed China to reach the top of the global retail index of 30 developing countries for ease of doing business. The retail industry in India is split into two categories, organized and unorganized. As of Fiscal Year 2016, organized retail penetration remained low, at 9%, while unorganized retail held 90% of the market and e-commerce held 1%. Organized retail is expected to reach 13% by 2019. Despite the demonetisation in November 2016, cash payments continue to dominate the Indian retail sector. According to a report by USAID, in Fiscal Year 2015, cash transactions accounted for an estimated 97% of the volume of total retail transactions. Cash-on-delivery is the most commonly used method of payment among e-commerce retailers in India, accounting for 45% of all e-commerce transactions as of Fiscal Year 2017. The Indian retail sector is comprised of the organized and unorganized sectors, with the unorganized sector mostly made up of local *kirana* shops, owner-operated stores, and small mobile convenience stores. After the implementation of GST, every tax payer in the retail sector must employ proper accounting and book-keeping. As it is anticipated that the unorganized retail sector will also participate in the mainstream tax system due to measures such as the low-tax composition scheme and the availability of tax credits for all transactions, this will result in unorganized retail becoming organized retail.

Overview of the Indian ATM services market

The ATM services market includes services associated with deployment, management (managed services) and replenishment (cash management services) of ATMs. The following table shows the ATM services value chain in India:



Source: Frost & Sullivan

The ATM deployment sector

ATM deployment is the supply and installation of cash dispensers and cash recyclers, including both new and replacement demand and both brown and white label ATMs. ATM deployment is expected to gain momentum mainly due to low current penetration and new demand from rural areas into which banking operations are expanding, as well as replacement demand, where old and inefficient systems are replaced with more advanced, secure and efficient machines. The average life span of an ATM is approximately seven to eight years. The number of ATMs in India increased from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017 and is expected to increase from 222,762 as of June 30, 2017 to 400,000 as of June 30, 2021, a CAGR of 15.76%.
Key drivers

ATM deployment is expected to gain momentum in India mainly due to low current penetration, one of the lowest in the world. ATMs are currently concentrated in cities and urban areas, with very low penetration in rural areas of the country and skewed toward the most developed states. Efforts to increase ATM penetration and to increase the efficiency of existing ATM machines make India one of the largest markets for ATM deployment in Asia. ATMs are considered the best alternative banking channel to operating a bank branch and also enjoys the highest level of acceptance among customers. However, many ATMs in India are outdated in terms of software and hardware, which contributes to the replacement demand for ATMs in India. Many cash dispensers are now being replaced with cash recyclers to improve the efficiency in cash replenishment in India

The managed services sector

As of December 31, 2016, the ATM managed services market in India was estimated to be approximately ₹60 billion in size. ATM managed services include ATM monitoring; set up and maintenance of a 24-hour help desk to ensure availability of ATMs; automatic generation of trouble tickets; event and incident management; provision of first-level maintenance; coordinating with the OEMs for second-level maintenance, including preventative maintenance and on-call break-and-fix services, cash monitoring, forecast and replenishment; regular reporting of ATM uptime; and site maintenance.

Key market drivers

Outsourcing ATM operations and management to third-party service providers is growing in India, and is further encouraged by the directive from the Ministry of Finance for all Public Sector Banks to deploy OPEX model ATMs, where the MSP installs and manages ATMs and is paid for each transaction. As banks expand their branch locations and ATM network, and the government continues to push for increased financial inclusion in rural areas, outsourcing ATM deployment and management reduces the costs incurred by banks. Additional drivers include banks' efforts to reduce internal costs and related decrease in dependence on capital infusion by the government; use of capital on technology to improve customer service; improvement in efficiency and reduction of human resources through reduction in manual work required; and joint infrastructure for back-end operations.

The cash management services sector

Currently, there are eight cash management companies operating in the Indian cash management services industry, which includes small regional companies that offer services in very few cities. The largest three to four companies dominate 80% of the market share. Cash management services consists of three main services, namely: ATM replenishment, CIT and Retail Cash Management ("**RCM**") or Cash Pickup and Delivery ("**CPD**"). Cash management companies also provide other services, such as transportation of jewels, artwork, bullion and other valuables, cash processing and cash vaulting services. Cash management companies are engaged by MSPs for ATM replenishment services and are engaged by banks and retailers to provide CIT, CPD, RCM and other services. Cash management services has grown from a ₹12.0 billion industry in 2010 to an estimated ₹30.3 billion in 2016.

Key drivers

The majority of growth will be driven by growth in the banking and organized retail sectors. As the government continues to pursue its financial inclusion initiatives, competition in the cash management services industry is expected to increase and lead to further consolidation of the market, in line with mature markets, with industry participants expecting the market to shrink to three to four companies with the ability to provide services across India and mobilize cash cost-effectively, which would also have the effect of improving the cash management services price environment by easing the pressure on pricing.

ATM replenishment

ATM replenishment is the largest segment of the three main cash management services, holding approximately 45% of the market share by revenue. RCM / CPD holds 21% and CIT holds 18% of the market revenue, while the remaining 16% can be attributed to other services offered by cash management services companies. As of June 30, 2017, close to 65% to 70% of the ATMs in India are outsourced to cash management service companies. Revenues for ATM replenishment services, which includes first line maintenance ("**FLM**") services, is generally linked to the number of replenishments on a monthly basis. The ATM replenishment market is estimated to grow at a rate of 24.45% between 2017 and 2021.

Key market drivers

As of December 31, 2015, India had one of the lowest average number of ATMs per capita (in 2015, India had 19.7 ATMs per 100,000 adults; among the BRICS countries, Brazil had 114, Russia 173, China 76 and South Africa a density of 69 ATMs per 100,000 adults) and one of the lowest ATM densities in the world with only 25.4 ATMs per 1000 sq. km. The RBI has initiated several initiatives to increase the ATM density in India, and the ATM replenishment services market is expected to continue to grow. In particular, as banks increase the number of ATMs in the India, especially in rural centres, the need for services by cash management companies in the rural regions is expected to increase.

RCM / CPD

RCM / CPD is the transport of cash and valuables to and from retail or other private establishments that deal in large volumes of cash and valuables. RCM / CPD services include cash pickup and cheque collection services, demand draft, and travellers' cheque doorstep delivery and other similar services, and may also involve processing picked-up cash and overnight vaulting. Cash and valuables are transported on behalf of the retailers or private establishments either to be deposited in a bank, or at the retailer's corporate headquarters or various branch locations.

Key market drivers

As of Fiscal Year 2016, organized retail penetration remained low, at 9%, while unorganized retail held 90% of the market and e-commerce held 1%. However, the organized retail sector is growing at an annual rate of 20%, and is expected to reach 13% of the market by 2019. The growth of e-commerce has not slowed RCM / CPD market growth, as 45% of e-commerce transactions are cash-on-delivery transactions. The increasing customer base of retail jewellers, gold loan companies and hospital chains, all three of which handle large volumes of cash and engage the services of private cash management companies, are driving growth in the Indian cash management services market, and particularly in the RCM / CPD sector.

CIT

CIT services involve the physical transfer of bank notes, coins and items of value from the currency chests of banks to its various branches or branch-to-branch. CIT services also include bulk inter-city and inter-branch transportation of currency. The growth of the CIT services sector is directly tied to the expansion of bank branches. The CIT services market, as of December 31, 2016, was estimated to be ₹5.5 billion, with new bank licenses increasing the market potential.

Other cash services

Cash management companies may offer other services such as bullion management, vaulting services and cash processing. As of December 31, 2016, the market for other cash services was ₹5 billion, with an estimated growth of 12.5% expected between 2016 and 2021. Cash processing services involves the outsourcing of currency chests to cash management companies providing CIT services. Cash processing services is currently a very small portion of the cash management services sector, with only 0.02% of the total 4,075 currency chests in India outsourced as of March 31, 2016. However, the cash processing services sector is expected to grow as more customers look to outsource. Banks have been running pilot studies to understand the costs and benefits of outsourcing currency chests, with industry experts estimating that banks can save 35% to 50% on costs by outsourcing currency chests to cash management companies.

SUMMARY OF BUSINESS

The following information should be read together with the information contained in the sections titled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Information" on pages 13, 111, 200 and 199, respectively. Unless otherwise stated or required by context, the financial information used in this section is derived from the Restated Financial Statements. Unless otherwise stated or required by context, all references to the "Company" refer to CMS Info Systems Limited and all references to the "we", "us" and "our" refer to CMS Info Systems Limited and, as the context requires, its Subsidiaries at the relevant point of time.

OVERVIEW

We are India's largest cash management company based on number of ATM points and number of retail pick-up points as of March 31, 2017. (Source: Frost & Sullivan) We are also the fifth largest ATM cash management company worldwide based on number of ATM points as of December 31, 2016. (Source: Frost & Sullivan) For Fiscal Year 2017, our total currency throughput, or the total value of the currency passing through all of our ATM and retail cash management businesses, amounted to ₹7,290 billion.

We provide a wide range of services across each stage of the cash cycle in India, from when the RBI initially deposits cash in branches of selected banks, called currency chests, that are authorised by the RBI to hold and distribute rupee notes and coins for circulation to banks, to when cash is deposited back in banks after going through the various stages of the cash cycle. We operate our business in three segments:

- *Cash management services*, which include ATM services, cash delivery and pick-up and network cash management services (together known as "retail cash management services");
- *Managed services*, which include sale of ATMs and ATM sites and related products and maintenance services; and
- *Others*, which include trading in card and card personalization services.

We believe our services help increase the velocity of cash through the cash cycle by assisting customers to meet their outsourcing needs and increase the speed with which they handle cash by automating and decreasing duplication in the processing and turnaround of cash, which we believe also allows customers to improve their productivity and reduce their cash processing costs.

As the amount of cash in circulation increases, so does the need for cash and cash-related services. Cash in circulation in India increased at a CAGR of 11.74% from Fiscal Year 2012 to Fiscal Year 2016, driven primarily by GDP growth during the same period, reaching a peak of ₹17,775 billion as of October 2016 prior to the banknote demonetization in India in November 2016. Demonetization caused cash in circulation to decrease to ₹9,432 billion as of December 2016, but it has since recovered significantly, increasing to ₹15,074 billion as of June 2017. Cash in circulation is currently expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020, with GDP expected to grow at a CAGR of 7.6% during the same period. (Source: RBI; World Bank; Frost & Sullivan)

As the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017. (Source: Frost & Sullivan) They are also increasingly outsourcing their ATM operations and management in order to process and distribute cash to consumers more quickly and efficiently. For example, of the cash replenishment services provided to the 222,762 total ATMs in India as of June 30, 2017, approximately 65% to 70% were outsourced to third-party cash management companies. The cash management market grew from approximately ₹12.0 billion in 2010 to approximately ₹30.3 billion in 2016, a CAGR of more than 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan)

In addition, India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults, compared to a global average of 40.5 ATMs per 100,000 adults as of December 31, 2015, and the GoI has undertaken initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs, in particular in rural regions where ATM penetration is very low at 4.6 ATMs per 100,000 adults as of December

31, 2016. (Source: RBI; Frost & Sullivan) We believe our pan-India fleet of over 3,603 cash vans and our network of 282 branches and offices, which as of March 31, 2017 cover all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult to reach and remote rural and semi-urban areas, position us well to take advantage of future opportunities arising from this growth and these initiatives.

We are also supported by our Promoter, Sion Investment Holdings Pte. Limited, which acquired our Company in 2015 and is an affiliate of Baring Private Equity Asia, a private equity firm that has over US$10 billion in total committed capital and investments in over 40 portfolio companies across Asia as of March 31, 2017.

For Fiscal Years 2015, 2016 and 2017, we generated revenue from operations of ₹13,391.55 million, ₹11,400.91 million and ₹10,074.49 million, respectively, and restated profit before tax of ₹1,107.64 million, ₹802.42 million and ₹1,201.73 million, respectively. For Fiscal Years 2015, 2016 and 2017, restated profit before tax as a percentage of our total income was 8.24%, 7.01% and 11.88%, respectively.

OUR STRENGTHS

We believe our key strengths are as follows:

Leading player in growth market with strong fundamentals

In our industry, there is a positive correlation between market share, network size and profitability. As of March 31, 2017, we are India's largest cash management company based on number of ATM points and number of retail pick-up points, and as of June 30, 2017, we had a market share of 25.6%, based on the total number of ATMs in India. (Source: Frost & Sullivan) In terms of revenue, we were over three times the size of our nearest competitor in the growing cash management market in India in Fiscal Year 2016. (Source: Frost & Sullivan) For Fiscal Year 2017, our total currency throughput, or the total value of the currency passing through all of our ATM and retail cash management businesses, amounted to ₹7,290 billion. We provide a wide range of services across each stage of the cash cycle in India and believe our services help increase the velocity of cash through the cash cycle by assisting customers to meet their outsourcing needs and increase the speed with which they handle cash. In addition, the size and wide reach of our network enables us to realize further economies of scale, allowing us to increase the productivity of our operations and our profit margins.

In Fiscal Years 2015, 2016 and 2017, our cash management services segment accounted for 59.61%, 69.73% and 81.70%, respectively, of our total revenue from operations. The cash management market grew from ₹12.0 billion in 2010 to ₹30.3 billion in 2016, a CAGR of more than 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan) This growth is expected to continue to be driven primarily by:

- Strong economic growth in India, where GDP grew at 7.2%, 7.9%, and 6.8% in Fiscal Years 2015, 2016 and 2017, respectively, and is expected to continue growing at a CAGR of 7.6% from Fiscal Year 2018 to Fiscal Year 2020 (Source: World Bank; Frost & Sullivan);

- Increasing cash in circulation, which is expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020 as GDP continues to grow (Source: RBI; Frost & Sullivan);

- Government initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs in regions of India where penetration is relatively low, including semi-urban and rural regions, together with the impact of demonetization, which has resulted in an increase in the amount of cash that is utilized through banking and ATM channels;

- Increasing automation of banking services and the outsourcing of the cash management needs of banks and other financial institutions, in particular public sector banks, as they focus on their core business and operations and seek to increase their productivity and reduce costs; and

- Growing access to banking services in India, such as debit cards, which has increased the total number of debit card transactions in India from 518.7 million in April 2013 to 928.3 million in April 2017, a CAGR of 15.66% (Source: Frost & Sullivan).

In addition, as the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017 (Source: Frost & Sullivan), and issuing more debit cards, which have increased from 336.9 million as of April 2013 to 867 million as of April 2017, a CAGR of 26.66%. (Source: RBI – ATM & Card Statistics).

Pan-India footprint with deep penetration in growing markets

Our pan-India fleet of over 3,603 cash vans and our network of 282 branches and offices as of March 31, 2017 cover all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult-to-reach and remote rural and semi-urban areas, such as the India-Pakistan and India-China border regions, villages in remote regions in the Himalayas, such as Dras in Kargil, the Andaman and Nicobar islands, border towns in Kutch, such as Vayor, and remote towns in North East India, such as Roing in Arunachal Pradesh, and few locations which are only accessible by boat. India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults, compared to a global average of 40.5 ATMs per 100,000 adults as of December 31, 2015, and the GoI has undertaken initiatives aimed at increasing financial inclusion, such as the launch of *Pradhan Mantri Jan Dhan Yojana*, a national programme aimed at providing universal access to banking facilities, including basic bank accounts and 'RuPay' debit cards, through bank branches and ATMs, in particular in rural regions where ATM penetration is very low at 4.6 ATMs per 100,000 adults as of December 31, 2016. (Source: Frost & Sullivan) In addition, the RBI requires that at least 25% of any new branches that Indian banks open in a given year be in rural areas that do not have access to banking services, and private sector banks have been independently expanding their bank branches in the rural and semi-urban areas as a result of the opportunities created by rural economic growth being created by government initiatives in those areas. (Source: Frost & Sullivan) We believe these initiatives have increased and will continue to increase the number of cash transactions in these regions, as well as demand for cash management services and ATM sales and maintenance services.

We believe we were among the first cash management companies to invest in the growth of our business in rural and semi-urban areas in India, and our pan-India footprint enables us to offer our services to our customers in these areas as they grow their businesses and take advantage of opportunities created by these government initiatives and the expansion of the banking network in India. Our platform offers our customers a single point of reference across India for their operations, and we believe our knowledge of the markets in which they operate and their regional requirements enables us to provide our customers with better quality services that are customized to their needs. As of March 31, 2017, of the total number of ATM points our cash management business serviced, 31% were metro, 27% were urban, 20% were semi-urban and 22% were rural, based on RBI's classification of ATMs, and in terms of geographic location, 30% were in the North of India, 25% were in the South, 22% were in the East and 23% were in the West. In addition, as of March 31, 2017, of the total number of retail pick-up points our cash management business serviced, 55% were metro, 35% were urban, 9% were semi-urban and 1% were rural, and in terms of geographic location, 34% were in the North of India, 28% were in the South, 26% were in the West and 12% were in the East.

Longstanding customer relationships leading to increased business opportunities

The cash management services, managed services and other services that we provide to MSPs, banks and our other customers form a critical function in the businesses that they serve. Accordingly, we believe trust and reliability in our services are of utmost importance to our customers. We believe we have built up that trust through our track record of providing efficient, cost-effective and quality-oriented services, while using risk management systems and processes. Our platform of services aims to provide our customers with the same level of quality, efficiency and consistency across India, regardless of location, while enabling them to benefit from the economies of scale of our network. This is an advantage not only when we are providing a new service in a different location to an existing customer but also when we are taking on a new customer that requires a broad range of services across a number of different locations. We believe this is also reflected in our customer retention and our low rate of customer turnover. In Fiscal Years 2015, 2016 and 2017, we generated at least ₹200 million in revenues from 15, 14 and 15 customers, respectively. In addition:

- in our ATM cash management business, we have enjoyed relationships with seven of our ten largest MSP customers for more than eight years and two additional customers for more than four years. Our contracts with these customers typically range from one to three years;
- in our retail cash management business, we have enjoyed relationships with our six largest customers for more than 10 years and four additional customers for more than five years. Our contracts with these customers typically range from one to three years;

- in our managed services business, our relationship with the largest managed services customer, which accounted for over 69.46% of our total revenue from our managed services business in Fiscal Year 2017, spans over four years. Our contracts with this customer typically range from five to eight years and relate to the maintenance of deployed ATM machines; and
- in our Financial Card Management business, our relationships with three of the top five customers span over 10 years. Our contracts with these customers typically range up to three years.

We believe that the strength of our relationships with our customers also puts us in an advantageous position to win new mandates for other key aspects of their businesses, opens cross-selling opportunities and enhances our market reputation as our customers expand their businesses geographically and increase the outsourcing and automation of their banking services.

Systems and processes to manage and scale an operationally complex business

In our industry, as market share and sales volumes increase, operating resources can often be deployed more efficiently and margins can be improved. We are India's largest cash management company based on number of ATM points and number of retail pick-up points as of March 31, 2017. As of March 31, 2015, 2016 and 2017 and as of June 30, 2017, we serviced 46,045, 50,987, 53,006 and 57,098 ATM points, respectively, through our ATM cash management services, and as of March 31, 2015, 2016 and 2017, we serviced 33,668, 34,786 and 34,499 retail pick-up points, respectively, through our pan-India fleet of over 3,603 cash vans, 282 branches and offices. In Fiscal Year 2017, we completed 6.31 million ATM cash replenishments and 8.50 million RCM cash pick-ups. Managing and coordinating movements of large volumes of cash and the various other services involves complex planning and logistics that can have a significant impact on performance and profitability. In order to maximize the scalability of our operations, we leverage customised systems and processes that are designed around internally developed applications tailored to cater to the specific requirements of the Indian banking sector and our other customers. These systems monitor and track the allocation of resources across our business, enabling us to minimize the duplication of efforts and resources and drive operational efficiencies. They also allow us to automate certain processes within our operations, helping us to reduce human error and optimize costs associated with our employees and the third-party service providers and third-party security service providers from whom we procure services.

Our systems and processes are present at all levels of our business, including through:

- enabling the field mobility of our workforce through mobile applications;
- geo-tagging of more than 90% of the business points we serve;
- facilitating real-time reporting and security monitoring by our branches through web enabled applications;
- identifying available capacities in our network and synergies across our businesses to continue to increase our productivity through route optimization for over 3,000 routes, which we planned and structured daily in Fiscal Year 2017; and
- facilitating coordination of disaster recovery and data centres by corporate management.

We believe these systems and processes and the manner in which we have integrated them into our operations give us a competitive advantage relative to our competitors.

Track record of strong productivity and operational excellence

As our business has grown, we have actively sought to increase our profitability and the efficiency with which we deploy our resources by: (i) increasing the density of stops in the routes of our cash vans; (ii) leveraging the fixed costs of our cash processing infrastructure; and (iii) introducing other efficiencies, such as by standardizing and automating processes. We have done this in conjunction with independent international consultants, with whom we undertake studies to identify improvement areas in our operations. Between 2011 and 2017, we have undertaken four such studies to continually enhance our operational capabilities. For example, in 2011 we undertook an in-depth study down to each individual branch, route and vehicle, with the aim of implementing industry best practice initiatives and increasing our market leadership, and then in 2016 we undertook a study with an international expert in cash management to evaluate productivity and cost optimisation initiatives.

As a result of these efforts, we have realized important gains in critical metrics, including:

- *Productivity*: We have increased our productivity by leveraging our network to realize economies of scale, improving our processes and planning and increasing the density of stops in the routes of our cash vans, such as by using route optimization technologies to identify low density routes and available capacities to optimize the routes of our cash vans. In Fiscal Years 2015, 2016 and 2017, we had 19.1, 20.1 and 24.3 business points per cash van, respectively.

- *ATM uptime*: The efficiencies and controls we introduced helped us to further reduce ATM downtime or "cash-outs", when cash is not available at an ATM, and improve ATM uptime. For example, in June 2017 we received over 323,000 ATM first line maintenance calls. We were able to adhere to a turn-around-time of less than four hours in more than 85.29% of those calls, providing additional uptime for our customers. Improving ATM uptime and turn-around-time for customers not only results in increased customer satisfaction but also decreases aggregate penalty charges that we are required to incur when we do not meet the agreed scheduled response times, hence improving our margins and profitability on any given contract.

- *Reporting and settlement*: We have been able to make improvements in our reconciliation of ATM and retail cash balances and end-of-day reporting to bank branches. For example, in Fiscal Year 2017, we received over 20,000 reconciliation-related queries per month and in June 2017, we had success rates of 84.11% for daily reporting of operations performance to clients for our ATM cash management business and 98.07% of our customer accounts in our retail cash management business were settled on a same-day basis.

We have also implemented a range of risk management systems, including (i) cash reconciliation processes, whereby we facilitate cash reconciliation with MSPs and banks at various stages, with any discrepancies reported and a detailed analysis undertaken (and appropriate actions taken, where necessary); (ii) comprehensive auditing procedures, conducted by attending ATMs and routes, and process audits at branches and other relevant locations; and (iii) comprehensive and appropriate insurance policies with reputable institutions to distribute risks. As of March 31, 2017, we had an audit team of approximately 120 internal auditors that performed internal audits of all of our ATMs, vaults and branches in Fiscal Year 2017.

Experienced and highly qualified management team that have successfully grown our business

Our senior management team comprises a diverse group of highly experienced and qualified professionals, who have in-depth industry knowledge and expertise, as well as several years of experience at our Company. Many of our senior management team have also held senior positions at leading multinational companies in our industry and other reputable institutions. We are also supported by Baring Private Equity Asia (Sion Investment Holdings Pte. Limited, our Company's current Promoter, is an affiliate of Baring Private Equity Asia), which has expertise and business know-how that it has drawn on to support our Company and grow our Company's business and improve its operations. Our senior management team is led by our Executive Vice Chairman, Chief Executive Officer and Whole Time Director, Rajiv Kaul, who is the former general manager of India and managing director at Microsoft India and a former partner at Actis Capital, London. Since 2009, we believe Rajiv and our senior management team have built up our Company's structure and operations and identified growth opportunities for our business to transform our Company into India's largest ATM cash management services and retail cash management services company as of March 31, 2016. For example, we believe we were among the first cash management companies to invest in the growth of our business in rural and semi-urban areas in India.

Rajiv and our senior management team are supported by a strong group of middle management leaders across all our business functions and geographies, who have been key to the growth and performance of our Company. Many of the members of our management teams have worked in their assigned regions for many years and come from diverse backgrounds, such as from the financial services or the IT industry, enabling them to contribute direct and relevant experience to their jobs. We believe in investing in our employees and enhancing their leadership capabilities. As an example of our commitment to continuously developing our workforce, we launched the CMS Learning Academy, where our senior and middle management teams invest their time and expertise to train other members of our workforce in areas relevant to their business. We have also implemented a reward and recognition framework, known as the Simply Excellent, across all functions under which we reward the contributions of our workforce to our business.

OUR STRATEGIES

The key elements of our business strategy are as follows:

Leverage our scale and reach to grow our business

India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults as of December 31, 2015. This has led to the GoI to take initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs, particularly in rural regions where ATM penetration is the very low at 4.6 ATMs per 100,000 adults as of December 31, 2016. (Source: RBI; Frost & Sullivan) For example, the RBI currently requires Indian banks to open at least 25% of their new branches each year in rural areas that do not have access to banking services. We believe initiatives such as these have increased and will continue to increase the number of cash transactions in these regions, as well as increase demand for cash management services and ATM sales and maintenance services. For example, as the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017, a CAGR of 16.28%. (Source: Frost & Sullivan) We believe our pan-India footprint, which as of March 31, 2017 covers all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult-to-reach and remote rural and semi-urban areas, positions us well to take advantage of future opportunities arising from this growth and these initiatives, and we plan to continue to grow our business organically to meet this demand. As of March 31, 2017, of the total number of ATM points our cash management business serviced, 31% were metro, 27% were urban, 20% were semi-urban and 22% were rural, based on RBI's classification of ATMs, and in terms of geographic location, 30% were in the North of India, 25% were in the South, 22% were in the East and 23% were in the West. Our platform offers our customers a single point of reference across India for their operations, and we believe our knowledge of the markets and regional requirements in which they operate enables us to provide customers with better quality services that are customized to their needs. This is an advantage not only when we are providing a new service in a different location to an existing customer but also when we are taking on a new customer that requires a broad range of services across a number of different locations, and we plan to capitalize on this advantage.

Grow through selective value accretive strategic acquisitions

Globally, the cash management industry is a highly consolidated industry, with a small number of large competitors in each market, in part since market participants are often required to leverage their scale and geographic footprint in order to drive productivity and must also make significant investments in technologies and risk management. The cash management industry in India has also been subject to consolidation in recent years, with a number of large and medium scale mergers and acquisitions in the industry. We have benefited from this trend and have grown and plan to continue to grow our business through value accretive strategic acquisitions, where we can realize synergies across our business. We believe we have a track record of successfully completing business acquisitions and optimizing acquired businesses. For example, in 2011 we acquired SIPL, consolidating our position as the leading cash management services company in India. Since that acquisition, we have successfully improved the SIPL business through aggressive cost controls, including by restructuring operations and route reductions. In 2017, we also took over the business of a mid-sized cash management company, which helped increase the number of ATMs that we provide cash management services for, as well as parts of the business of a small Brown Label ATM services company (including its ATM outsourcing business contracts), which increased our capacity to provide Brown Label ATM services to mid-sized banks and other customers and we believe assisted us to win other contracts from similar customers. We currently intend to consider opportunities that consolidate our market position in existing business lines, achieve operating leverage in key markets and potentially new geographic markets by unlocking potential efficiency and synergy benefits to increase productivity, strengthen and expand our service and product portfolio and enhance our economies of scale and depth of experience, knowledge-base and know-how. Recently, we have signed a non-binding term sheet for the purchase of a business, that is similar to a few of the businesses that we undertake, from an Indian company (the "**Transaction**"). Entering into definitive agreements for the Transaction is subject to completion of satisfactory due-diligence, satisfaction of number of condition precedents and receipt of necessary approvals. In addition, we are continually exploring opportunities in the markets that we service and ways in which we can leverage our existing network, expertise and management experience to expand our business through potential new acquisitions.

Capitalize on the growing cash cycle to expand our operations

As the amount of cash in circulation increases, so does the need for cash and cash-related services, and although demonetization in India in November 2016 caused cash in circulation to decrease, cash in circulation is currently expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020, with GDP expected to grow at a CAGR of 7.6% during the same period. (Source: RBI; World Bank; Frost & Sullivan) This increase in demand for cash and cash-related services in India is expected to cause banks and other participants in India to deploy more ATMs. According to Frost & Sullivan, the number of ATMs in India is expected to increase from 222,762 as of June 30, 2017 to 400,000 as of June 30, 2021, a CAGR of 15.76%. We also believe that these trends have caused and will continue to cause banks and other market participants in the cash management market and across the cash cycle in India to increase the automation of their banking services and their outsourcing of cash management and other banking services. For example, of the cash replenishment services provided to the 222,762 total ATMs in India as of June 30, 2017, approximately 65% to 70% were outsourced to third-party cash management companies. The cash management market grew from ₹12 billion in 2010 to ₹30.3 billion in 2016, a CAGR of 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan)

We currently provide a wide range of services across each stage of the cash cycle in India and assist customers to meet their outsourcing needs and increase the speed with which they handle cash by automating and decreasing duplication in the processing and turnaround of cash, including in areas of the cash cycle, such as currency chest automation, that have only recently started being outsourced to third-party companies such as us. We believe this allows them to improve their productivity and reduce their cash processing costs. We plan to utilize the strength of our relationships with our customers, as well as our network and our expertise in providing cash management and managed services to cross sell our services and capitalize on opportunities across the growing cash cycle in India.

Drive operational efficiencies and increase productivity

As our business has grown, we have actively sought to increase our profitability and the efficiency with which we deploy our resources by: (i) increasing the density of stops in the routes of our cash vans; (ii) leveraging the fixed costs of the cash processing infrastructure; and (iii) introducing other efficiencies, such as by standardizing and automating processes. We have done this in conjunction with independent international consultants, with whom we undertake studies to identify improvement areas in our operations. Between 2011 and 2017, we have undertaken four such studies to continually enhance our operational capabilities. For example, in 2011 we undertook an in-depth study down to each individual branch, route and vehicle, with the aim of implementing industry best practice initiatives and increasing our market leadership, and then in 2016 we undertook a study with an international expert in cash management to evaluate productivity and cost optimisation initiatives. We plan to strive to continue to improve ATM uptime and turn-around-time for our customers and focus on improving the efficiency of our reconciliation of ATM and retail cash balances and end-of-day reporting to bank branches. These operational efficiencies result not only in increased customer satisfaction but also in decreased aggregate penalty charges that we incur if we do not meet the agreed scheduled response times, which improves our margins and profitability on any given contract. Further, we plan to increase our productivity by leveraging our network to realize economies of scale, improving our processes and planning and increasing the density of stops in the routes of our cash vans, such as by using route optimization technologies to identify low density routes and available capacities to optimize the routes of our cash vans. We also plan to continue to focus on cost management, as well as optimizing the ratio of our back office employees to our field staff, while making targeted investments, such as in technology to improve connectivity and communication across our branches and operations and with our customers, to further increase efficiencies and productivity. In addition, a key aspect of our ability to optimize our business and reduce operational costs is to manage our risk cost through reconciliation processes and comprehensive auditing procedures, which reduce discrepancies and additional costs associated with our operations. We also intend to continue to invest in systems and processes in order to reduce and mitigate risk cost.

Expand into business areas that create synergies with our current business

We believe we have a strong track record of scaling up our business in business areas where we identify opportunities for potential growth, whether in a new business area or in areas where we have existing operations. For example, in 2012, we identified our ATM deployments business as a key growth driver. The following year, in 2013, we won one of the largest order of ATMs in India from a large public sector bank to deploy more than 7,850 ATMs. (Source: Frost & Sullivan) Subsequent to our deployment for that bank, we identified ATM maintenance (including the sale of spares) as an upcoming opportunity and successfully grew that business. We have also identified and are in the process of expanding three new business areas, currency chest automation, Brown Label ATM deployments and retail cash automation:

- *Currency chest automation* – we have expanded our service offering even further within the cash cycle by offering currency chest automation services. Historically, the operations of currency chests have been managed internally by state-owned banks; however, the operations of currency chests and their cash management needs are expanding and currency chests are finding themselves in need of further automation and cash management services in order to process cash at lower costs. Although as of March 31, 2016, only 0.02% of the currency chests were outsourced in India, there is an increasing trend in the industry for these services to be outsourced by the banks to private third-party companies, such as us. (Source: Frost & Sullivan) We recently secured a contract for currency chest automation from a large public sector bank that was our customer at the time to execute and operate 20 currency chests across India that it has outsourced as of March 31, 2017, demonstrating our ability to leverage our relationships with our current clients to win new opportunities such as this.

- *Brown Label ATM deployments* – we began to grow our managed services business by acquiring the ATM outsourcing business of a small Brown Label ATM services company in January 2017. In Fiscal 2018, our Company received an order for 250 Brown Label ATM deployments, from one of the large private sector banks under the ATM outsourcing model. Our aim is to continue to grow this business by being selective about the profitability of contracts we choose to service. In addition, as the largest cash management company in India, we believe we are well placed to identify the appropriate geographic locations for ATM deployments. We further believe that this business will also increase our vertical integration, which will allow for more efficient execution.

- *Retail cash automation* – we recently launched our retail cash vault offering targeted towards retail outlets that require automated solutions to handle their cash collection across multiple stores. Our retail cash vault business utilizes smart safes, capable of note counting and verification, sourced from our OEM suppliers and offered to retail outlets through banks who are our customers. This equipment enables the retail customers to count and verify currency bills while providing a real-time notification to our back-end monitoring system for cash deposited, while the cash in the smart safe remains at the retailers' stores. Additionally, this equipment notifies us when specific cash thresholds have been met, allowing us to optimize our cash pickup logistics. The retail cash deposit vault is primarily targeted at all cash convergent locations such as retailer's cash collection hubs, organized retailers, petrol stations, gold loan companies, jewellery stores, hospitals and educational institutions. Retail cash vaults benefit banks and their customers by providing real-time cash verification, counting and back-office management at their centres.

In addition to these opportunities, we are continually exploring opportunities in the markets that we service and ways in which we can leverage our existing network, expertise and management experience to expand our business organically.

Enhancing our organizational capabilities

We aim to be an employer of choice in India by providing to our employees a compelling place to work and striving to attract the best talent in the industry by focusing on our employees' development, retention and contribution to our success. We believe that this, together with providing our employees and personnel from our third-party services providers and third-party security service providers with comprehensive training and development resources on ongoing and as-needed basis, benefits our employees and our third-party service providers and creates efficiencies within our business by improving the ability of our employees and our third-party service providers to perform their jobs. For example, we launched the CMS Learning Academy, which focuses on enhancing the skills and knowledge of our workforce in areas relevant to our business. We also plan to continue to focus on diversity in hiring, health programs for our employees and personnel provided by our third-party service providers and third-party security service providers and offering specialized safety programs to our workforce to ensure they conduct their jobs safely and efficiently.

We are also committed to continuing to develop processes and systems that support our workforce and our current scale of operations, but which are also sufficiently powerful, flexible and scalable to continue to support our business and operations as they grow. Where we can realize further efficiencies within our business, we plan to continue to develop additional bespoke, internally developed, applications that improve our service response levels and accuracy of information reporting, such as our bespoke Customer Relationship Management portal, developed in conjunction with an IT vendor, which allows us to "ticket" and monitor, through to resolution, issues that arise on a "by customer" basis in connection with maintenance service calls.

SUMMARY FINANCIAL INFORMATION

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

The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 199 and 200 respectively.

Summary Statement of Assets and Liabilities (Ind AS Consolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	As at		
		March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
		₹	₹	₹
	ASSETS			
A	**Non-current assets**			
	Property, plant and equipment	806.92	892.32	1,008.83
	Capital work-in-progress	21.35	29.80	27.22
	Goodwill	1,847.68	1,841.78	1,841.78
	Other Intangible assets	41.58	58.13	80.68
	Financial assets			
	Investments	0.08	0.08	0.08
	Other bank balances	52.83	34.36	25.81
	Other financial assets	114.63	118.96	127.20
	Deferred tax assets (net)	346.47	236.64	145.79
	Income tax assets (net)	126.05	150.78	26.08
	Other non-current assets	120.00	96.21	145.56
	Total of Non-current assets	**3,477.59**	**3,459.06**	**3,429.03**
B	**Current assets**			
	Inventories	108.73	242.36	466.03
	Financial assets			
	Investments	190.11	-	1.33
	Trade receivables	1,867.83	2,469.63	3,293.22
	Cash and cash equivalents	204.72	280.84	49.75
	Other bank balances	55.40	69.42	76.58
	Other financial assets	1,698.81	1,938.81	1,529.43
	Income tax assets (net)	-	-	2.68
	Other current assets	233.12	312.62	228.35
	Total of Current assets	**4,358.72**	**5,313.68**	**5,647.37**
	Total (A + B)	**7,836.31**	**8,772.74**	**9,076.40**
	EQUITY AND LIABILITIES			
C	**Equity and liabilities**			
	Equity			
	Equity Share capital	1,480.00	1,480.00	1,467.75
	Other Equity			
	Securities premium	42.87	42.87	-
	Treasury shares	-	-	(195.30)
	Retained earnings	3,924.30	3,149.17	2,798.61
	Other reserves	286.63	150.50	157.43
	Total equity attributable to equity holders	**5,733.80**	**4,822.54**	**4,228.49**
D	**Non-current liabilities**			
	Financial liabilities			
	Borrowings	15.31	62.72	95.53
	Provisions	57.45	69.88	45.63
	Total of Non-current liabilities	**72.76**	**132.60**	**141.16**

E	**Current liabilities**			
	Financial liabilities			
	Borrowings	33.08	927.56	991.73
	Trade payables	695.89	1,293.80	1,463.37
	Other	1,064.95	1,345.26	2,016.77
	Liabilities for current tax (net)	31.68	-	50.10
	Provisions	148.72	133.19	115.71
	Other liabilities	55.43	117.79	69.07
	Total of Current liabilities	**2,029.75**	**3,817.60**	**4,706.75**
	Total (C+D+E)	**7,836.31**	**8,772.74**	**9,076.40**

Summary Statement of Profits and Losses (Ind AS Consolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended		
		March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
		₹	₹	₹
F	**Income**			
	Revenue from operations	10,074.49	11,400.91	13,391.55
	Finance income	20.07	21.21	12.79
	Other income	21.83	17.99	45.69
	Total income	**10,116.39**	**11,440.11**	**13,450.03**
G	**Expenses**			
	Cost of materials consumed	-	-	1.12
	Purchase of traded goods	668.60	2,092.93	1,842.48
	Decrease in inventories	148.28	224.36	1,409.09
	Employee benefit expense	2,293.91	2,465.50	3,086.92
	Other expenses	5,399.95	5,287.14	5,392.47
	Depreciation and amortisation	317.56	344.79	412.64
	Finance costs	79.14	178.41	196.36
	Foreign exchange loss (net)	7.22	44.56	1.31
	Total expenses	**8,914.66**	**10,637.69**	**12,342.39**
H	**Restated profit before tax**	**1,201.73**	**802.42**	**1,107.64**
	- from continuing operations	1,201.73	802.42	1,379.94
	- from discontinuing operations	-	-	(272.30)
	Tax expense			
	- from continuing operations			
	Current tax	536.84	393.21	463.23
	Adjustment of tax relating to earlier years	(14.64)	(47.52)	0.21
	Deferred tax (credit) / charge	(107.08)	(92.20)	17.90
	- from discontinuing operations	-	-	(93.70)
	Total tax expense	**415.12**	**253.49**	**387.64**
I	**Profit for the year attributable to equity shareholders of parent**	**786.61**	**548.93**	**720.00**
J	**Other comprehensive income (‘OCI’)**			
	OCI not to be reclassified to profit or loss in subsequent periods:			
	Remeasurement gains / (losses) on defined benefit plans	(16.52)	2.75	(17.22)
	Income tax effect	5.04	(1.35)	5.95
	OCI for the year, net of tax	**(11.48)**	**1.40**	**(11.27)**
K	**Total comprehensive income for the year attributable to equity shareholders of parent**	**775.13**	**550.33**	**708.73**

Summary Statement of Cash Flows (Ind AS Consolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
		₹	₹	₹
A	**Cash flow from operating activities:**			
	Profit before tax (as restated)	1,201.73	802.42	1,107.64
	Adjustments to reconcile profit before tax to net cash flow:			
	Depreciation and amortisation	317.56	344.79	412.64
	Unrealised foreign exchange (gain) / loss	(1.18)	1.95	(0.52)
	Impairment allowance for bad and doubtful receivables and unbilled revenue	271.12	109.24	173.81
	Impairment allowance for doubtful advances and insurance claims (net)	(2.49)	10.38	64.44
	Bad debts written off	1.63	0.31	41.15
	Loss / (profit) on disposal of property, plant and equipment (net)	2.41	(5.42)	(0.10)
	Sundry balances written back	(11.01)	(6.68)	(41.76)
	Finance income	(20.07)	(21.21)	(12.79)
	Gain on fair valuation of investment	(0.11)	-	-
	Employee stock option compensation cost	136.13	1.91	2.58
	Finance costs	79.14	178.41	196.36
	Operating profit before working capital changes	**1,974.86**	**1,416.10**	**1,943.45**
	Movement in working capital			
	Decrease in trade and other payables	(926.66)	(674.69)	(622.53)
	(Decrease) / increase in provision	(16.69)	43.96	8.94
	Decrease in inventories	133.87	223.68	1,307.86
	Decrease / (increase) in trade receivables	340.78	714.04	(1,033.16)
	Decrease / (increase) in other receivables, assets and prepayments	319.63	(435.77)	(584.58)
	Cash flow generated from operations	**1,825.79**	**1,287.32**	**1,019.98**
	Direct taxes paid (net of refunds)	(465.82)	(412.33)	(505.19)
	Net cash flow from operating activities (A)	**1,359.97**	**874.99**	**514.79**
B	**Cash flow from investing activities:**			
	Proceeds from sale of property, plant and equipment	2.58	6.67	3.43
	Purchase of property, plant and equipment (including CWIP and capital advances) and intangible assets	(142.06)	(234.19)	(280.35)
	Payment made on subscription of shares in CMS IT	-	-	(0.10)
	Purchase consideration paid on acquisition of business	(63.25)	-	-
	Investment in Mutual Funds	(190.00)	-	-
	Proceed from sale of Investment	-	1.33	-
	Fixed and margin money deposits placed	(42.18)	(31.89)	(58.36)
	Fixed and margin money deposits matured	34.71	27.84	17.87
	Restricted cash received	3.01	2.66	-
	Interest received	15.65	11.61	10.62
	Net cash flow used in investing activities (B)	**(381.54)**	**(215.97)**	**(306.89)**
C	**Cash flows from financing activities**			
	Proceeds from exercise of share options against treasury shares	-	250.42	-
	Proceeds from non-current borrowings	10.91	76.94	83.80
	Repayment of non-current borrowings	(99.74)	(215.35)	(365.40)
	Proceeds from / (repayment of) current borrowings	(777.20)	400.04	280.00
	Repurchase of vested stock options	-	(314.07)	-
	Finance costs	(77.12)	(177.68)	(195.40)
	Net cash flow from / (used in) financing activities (C)	**(943.15)**	**20.30**	**(197.00)**
	Net increase in cash and cash equivalents (A+B+C)	**35.28**	**679.32**	**10.90**
	Cash and cash equivalents at the beginning of the year	115.01	(564.31)	(574.23)
	Less: Transfer in accordance with scheme of Demerger	-	-	(0.98)

	Cash and cash equivalents at the end of the year	**150.29**	**115.01**	**(564.31)**
	Components of cash and cash equivalents:			
	Cash on hand	5.46	5.72	4.23
	Cheques in hand	100.02	20.00	-
	Balances with current accounts	92.12	250.23	45.45
	In deposits account with original maturity of less than three months	7.12	4.89	0.07
	Less: Cash credit facilities and bank overdraft	(30.24)	(147.52)	(611.73)
	Less: Book overdraft	(24.19)	(18.31)	(2.33)
	Total	**150.29**	**115.01**	**(564.31)**

Summary Statement of Assets and Liabilities (Previous GAAP Consolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
	Equity and liabilities		
A	**Shareholders' funds**		
	Share capital	1,617.75	1,617.75
	Reserves and surplus	3,776.80	2,867.71
	Total of Shareholders' funds	**5,394.55**	**4,485.46**
B	**Minority interest**	**23.08**	**13.70**
C	**Non-current liabilities**		
	Long-term borrowings	186.20	221.75
	Other long-term liabilities	-	4.37
	Long-term provisions	38.42	55.12
	Total of Non-current liabilities	**224.62**	**281.24**
D	**Current liabilities**		
	Short-term borrowings	700.01	254.22
	Trade payables	2,860.68	615.58
	Other current liabilities	2,229.49	1,879.86
	Short-term provisions	280.59	177.79
	Total of Current liabilities	**6,070.77**	**2,927.45**
	Total (A + B + C + D)	**11,713.02**	**7,707.85**
	Assets		
E	**Non - current assets**		
	Fixed assets		
	Tangible assets	1,349.52	1,111.42
	Intangible assets	110.16	128.96
	Capital work-in-progress	36.13	131.14
	Goodwill	1,841.77	1,841.77
	Non-current investments	1.40	1.40
	Deferred tax assets (net)	163.37	127.99
	Long-term loans and advances	706.14	230.19
	Other non-current assets	18.78	38.15
	Total of Non - current assets	**4,227.27**	**3,611.02**
F	**Current assets**		
	Inventories	1,931.10	120.38
	Trade receivables	3,248.78	2,322.28
	Cash and bank balances	82.15	213.33
	Short-term loans and advances	626.26	604.74
	Other current assets	1,597.46	836.10
	Total of Current assets	**7,485.75**	**4,096.83**
	Total (E + F)	**11,713.02**	**7,707.85**

Summary Statement of Profits and Losses (Previous GAAP Consolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended March 31, 2014 ₹	March 31, 2013 ₹
G.	**Income**		
	Revenue from operations	11,862.94	9,743.16
	Other income	23.05	52.20
	Total revenue	**11,885.99**	**9,795.36**
H.	**Expenses**		
	Cost of materials consumed	1.22	3.74
	Purchase of traded goods	4,069.84	1,108.73
	Increase in inventories	(1,809.77)	(6.24)
	Employee benefit expense	2,983.56	2,650.30
	Other expenses	4,843.27	4,133.11
	Foreign exchange (gain) / loss (net)	(0.86)	0.55
	Total expenses	**10,087.26**	**7,890.19**
I.	**Earnings before interest, tax, depreciation and amortisation (EBITDA)**	**1,798.73**	**1,905.17**
	Depreciation and amortisation	328.95	282.49
	Interest Income	32.85	36.14
	Finance costs	168.03	171.42
J.	**Restated profit before tax**	**1,334.60**	**1,487.40**
K.	**Tax expense**		
	Current tax	479.60	547.93
	Adjustment of tax relating to earlier years	(28.14)	5.39
	Deferred tax credit	(35.37)	(88.73)
	Total tax expense	**416.09**	**464.59**
L.	**Profit for the year**	**918.51**	**1,022.81**
	Less: Minority interest - Share of Profit	9.38	8.96
L.	**Restated profit for the year attributable to shareholders of parent**	**909.13**	**1,013.85**

Summary Statement of Cash Flows (Previous GAAP Consolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended March 31, 2014 ₹	For the years ended March 31, 2013 ₹
A	**Cash flow from operating activities:**		
	Profit before tax (as restated)	1,334.60	1,487.40
	Adjustments for:		
	Prior Period expense adjusted in restatement	-	(41.24)
	Depreciation and amortisation	328.95	282.49
	Unrealised foreign exchange loss	0.18	0.79
	Realised foreign exchange loss on repayment of secured loan and interest	-	7.63
	Provision for doubtful receivables (net)	99.21	98.73
	Provision for doubtful deposits and advances (net)	5.84	6.16
	Bad debts written off	67.77	62.66
	Loss on sale / write off of fixed assets (net)	9.87	15.81
	Sundry balances written back	(1.14)	(28.06)
	Provision for warranty (net)	26.56	-
	Provision for doubtful insurance claims (net)	16.11	30.36
	Interest income	(31.93)	(36.14)
	Finance costs	168.03	163.79
	Operating profit before working capital changes	**2,024.05**	**2,050.38**
	Movement in working capital		
	Increase in trade receivables	(1,093.48)	(508.78)
	Increase in loans and advances	(514.02)	(98.38)
	(Increase) / decrease in inventories	(1,810.72)	7.42
	Increase in other assets	(757.32)	(271.23)
	Increase in trade payables and other liabilities	3,199.98	30.00
	Increase in provisions	24.55	26.17
	Cash flow generated from operations	**1,073.04**	**1,235.58**
	Direct taxes paid (net of refunds)	(418.33)	(353.10)
	Net cash flow from operating activities (A)	**654.71**	**882.48**
B	**Cash flow from investing activities:**		
	Proceeds from sale of fixed assets	7.68	3.09
	Purchase of fixed assets (including CWIP and capital advances)	(496.28)	(410.61)
	Payment made on acquisition of subsidiary	(533.16)	(11.92)
	Loan given to employee welfare trust (net)	(61.84)	-
	Margin money deposits matured	88.86	239.14
	Margin money deposits placed	(70.74)	(261.57)
	Interest received	32.02	35.77
	Net cash flow from used in investing activities (B)	**(1,033.46)**	**(406.10)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	435.19	155.91
	Repayment of long-term borrowings	(462.30)	(402.51)
	Proceeds from / (repayment of) short-term working capital demand loans from banks (net)	80.00	(80.00)
	Cash credit facilities with banks availed (net)	365.80	43.83
	Dividend paid on preference shares (including dividend distribution tax)	(0.04)	-
	Finance costs	(158.08)	(122.73)
	Net cash flow from / (used in) financing activities (C)	**260.57**	**(405.50)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(118.18)**	**70.88**
	Cash and cash equivalents at the beginning of the year	143.96	73.08
	Cash and cash equivalents at the end of the year	**25.78**	**143.96**
	Cash and cash equivalents comprises of:		
	Cash on hand	3.87	3.40
	With banks - on current account	21.84	140.50
	In deposits account with original maturity of less than three months	0.07	0.06
	Total	**25.78**	**143.96**

Summary Statement of Assets and Liabilities (Ind AS Unconsolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
		₹	₹	₹
	ASSETS			
A	**Non-current assets**			
	Property, plant and equipment	568.68	603.97	672.20
	Capital work-in-progress	14.59	12.27	8.65
	Goodwill	1,041.08	1,035.18	1,035.18
	Other Intangible assets	12.63	6.74	8.17
	Financial assets			
	Investments	1,237.65	1,231.92	1,228.62
	Other bank balances	20.90	6.53	0.40
	Other financial assets	746.46	410.31	307.69
	Deferred tax assets (net)	233.14	163.68	99.77
	Income tax assets (net)	51.77	47.31	-
	Other non-current assets	66.36	55.76	90.03
	Total of Non-current assets	**3,993.26**	**3,573.67**	**3,450.71**
B	**Current assets**			
	Inventories	108.49	242.19	462.24
	Financial assets			
	Investments	190.11	-	-
	Trade receivables	1,233.19	1,947.71	2,688.10
	Cash and cash equivalents	106.27	217.01	31.36
	Other bank balances	44.33	63.01	60.53
	Other financial assets	1,418.92	1,612.96	1,476.87
	Other current assets	194.89	274.81	166.72
	Total of Current assets	**3,296.20**	**4,357.69**	**4,885.82**
	Total (A + B)	**7,289.46**	**7,931.36**	**8,336.53**
	EQUITY AND LIABILITIES			
	-			
C	**Equity and liabilities**			
	Equity			
	Equity Share capital	1,480.00	1,480.00	1,467.75
	Other Equity			
	Securities premium	42.87	42.87	-
	Retained earnings	3,936.33	3,189.84	2,794.51
	Other reserves	286.13	150.00	157.43
	Total equity attributable to equity holders	**5,745.33**	**4,862.71**	**4,419.69**
D	**Non-current liabilities**			
	Financial liabilities			
	Borrowings	6.90	34.11	56.82
	Provisions	2.77	23.49	-
	Total of Non-current liabilities	**9.67**	**57.60**	**56.82**
E	**Current liabilities**			
	Financial liabilities			
	Borrowings	33.08	627.56	654.48
	Trade payables	735.50	1,400.36	1,490.64
	Other	658.13	849.34	1,611.17
	Liabilities for current tax (net)	25.31	-	41.26
	Provisions	52.92	43.99	22.67
	Other liabilities	29.52	89.80	39.80
	Total of Current liabilities	**1,534.46**	**3,011.05**	**3,860.02**
	Total (C+D+E)	**7,289.46**	**7,931.36**	**8,336.53**

Summary Statement of Profits and Losses (Ind AS Unconsolidated)

(Amount in ₹ million)

Sr. No.	Particulars	For the years ended		
		March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
		₹	₹	₹
F	**Income**			
	Revenue from operations	7,833.57	9,246.27	10,945.16
	Finance income	56.11	51.59	37.74
	Other income	13.58	12.94	44.12
	Total income	**7,903.26**	**9,310.80**	**11,027.02**
G	**Expenses**			
	Cost of materials consumed	-	-	1.12
	Purchase of traded goods	667.80	2,084.99	1,819.16
	Decrease in inventories	148.28	220.73	1,365.19
	Employee benefit expense	594.96	603.51	1,194.88
	Other expenses	5,072.40	5,120.37	5,286.57
	Depreciation and amortisation	213.95	220.42	287.50
	Finance costs	45.50	132.84	140.46
	Foreign exchange loss (net)	7.25	44.97	1.50
	Total expenses	**6,750.14**	**8,427.83**	**10,096.38**
H	**Restated profit before tax**	**1,153.12**	**882.97**	**930.64**
	- from continuing operations	1,153.12	882.97	1,202.94
	- from discontinuing operations	-	-	(272.30)
	Tax expense			
	- from continuing operations			
	Current tax	480.00	370.46	390.00
	Adjustment of tax relating to earlier years	-	(19.08)	-
	Deferred tax (credit) / charge	(72.31)	(63.60)	27.63
	- from discontinuing operations	-	-	(93.70)
I	**Profit for the year attributable to equity shareholders**	**745.43**	**595.19**	**606.71**
J	**Other comprehensive income ('OCI')**			
	OCI not to be reclassified to profit or loss in subsequent periods:			
	Remeasurement gains / (losses) on defined benefit plans	1.63	(0.90)	(5.00)
	Income tax effect	(0.57)	0.31	1.73
	OCI for the year, net of tax	**1.06**	**(0.59)**	**(3.27)**
K	**Total comprehensive income for the year attributable to equity shareholders**	**746.49**	**594.60**	**603.44**

Summary Statement of Cash Flows (Ind AS Unconsolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
		₹	₹	₹
A	**Cash flow from operating activities:**			
	Profit before tax (as restated)	1,153.12	882.97	930.64
	Adjustments for:			
	Depreciation and amortisation	213.95	220.42	287.50
	Unrealised foreign exchange (gain) / loss	(1.18)	1.95	(0.52)
	Impairment allowance for bad and doubtful receivables and unbilled revenue	164.75	99.03	161.09
	Impairment allowance for doubtful advances and insurance claims (net)	(2.49)	10.38	66.26
	Bad debts written off	-	-	39.12
	(Profit) / loss on disposal of property, plant and equipment (net)	4.22	(1.59)	2.82
	Sundry balances written back	(10.06)	(5.64)	(40.48)
	Finance income	(56.11)	(51.59)	(37.74)
	Gain on fair valuation of investment	(0.11)	-	-
	Employee stock option compensation cost	133.61	1.91	2.58
	Finance costs	45.50	132.84	140.46
	Operating profit before working capital changes	**1,645.20**	**1,290.68**	**1,551.73**
	Movement in working capital			
	Decrease in trade and other payables	(939.97)	(701.24)	(550.29)
	(Decrease) / Increase in provision and gratuity	(13.43)	43.41	(10.77)
	Decrease in inventories	133.70	220.05	1,263.96
	Decrease / (Increase) in trade receivables	561.49	641.37	(1,048.36)
	Decrease / (Increase) in other assets, receivables and prepayments	279.05	(471.21)	(452.92)
	Cash flow generated from operations	**1,666.04**	**1,023.06**	**753.35**
	Direct taxes paid (net of refunds)	(460.51)	(334.50)	(413.71)
	Net cash flow from operating activities (A)	**1,205.53**	**688.56**	**339.64**
B	**Cash flow from investing activities:**			
	Proceeds from sale of property, plant and equipment	0.07	1.93	0.29
	Purchase of property, plant and equipment (including CWIP and capital advances) and intangible assets	(122.04)	(178.24)	(188.82)
	Payment made on subscription of shares in subsidiary	-	-	(0.10)
	Investment in Mutual Funds	(190.00)	-	-
	Advances given to subsidiary (net)	(329.84)	(100.93)	(63.15)
	Advance repaid by employee welfare trust (net)	-	257.15	150.00
	Purchase consideration paid on acquisition of Business	(63.25)	-	-
	Margin money deposits matured	27.87	17.27	(37.62)
	Margin money deposits placed	(23.57)	(25.87)	17.87
	Interest received	47.04	40.46	32.37
	Net cash flow from / (used in) investing activities (B)	**(653.72)**	**11.77**	**(89.16)**
C	**Cash flows from financing activities**			
	Proceeds from equity shares issued to CMS Trust for ESOP Scheme	-	55.12	-
	Payments made to holders of preference shares on redemption	-	-	(150.00)
	Payment on repurchase of vested options	-	(314.07)	-
	Proceeds from non-current borrowings	10.91	44.26	83.79
	Repayment of non-current borrowings	(60.03)	(140.82)	(276.43)
	(Repayment) / proceeds from short-term working capital demand loans from banks (net)	(477.20)	200.03	180.00
	Dividend paid on preference shares (including dividend distribution tax thereon)	-	-	(0.02)
	Finance costs	(42.80)	(132.24)	(139.30)
	Net cash flow used in financing activities (C)	**(569.12)**	**(287.72)**	**(301.96)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(17.31)**	**412.61**	**(51.48)**
	Cash and cash equivalents at the beginning of the year	69.49	(343.12)	(290.66)

	Less: Transfer in accordance with scheme of Demerger	-	-	(0.98)
	Cash and cash equivalents at the end of the year	**52.18**	**69.49**	**(343.12)**
	Components of cash and cash equivalents:			
	Cash on hand	4.33	3.98	2.50
	Cheque in hand	41.84	-	-
	On current accounts	60.10	213.03	28.86
	Less: Cash credit facilities	(30.24)	(147.52)	(374.48)
	Less: Book overdraft	(23.85)	-	-
	Total	**52.18**	**69.49**	**(343.12)**

Summary Statement of Assets and Liabilities (Previous GAAP Unconsolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	As at March 31, 2014 ₹	As at March 31, 2013 ₹
	Equity and liabilities		
A	**Shareholders' funds**		
	Share capital	1,617.75	1,617.75
	Reserves and surplus	3,699.13	2,981.14
	Total of Shareholders' funds	**5,316.88**	**4,598.89**
B	**Non-current liabilities**		
	Long-term borrowings	115.08	97.48
	Other long-term liabilities	-	4.37
	Total of Non-current liabilities	**115.08**	**101.85**
C	**Current liabilities**		
	Short-term borrowings	399.42	267.33
	Trade payables	2,802.83	637.59
	Other current liabilities	1,870.97	1,401.77
	Short-term provisions	165.75	105.83
	Total of Current liabilities	**5,238.97**	**2,412.52**
	Total (A + B + C)	**10,670.93**	**7,113.26**
	Assets		
D	**Non - current assets**		
	Fixed assets		
	Tangible assets	965.08	845.58
	Intangible assets	16.10	17.02
	Capital work-in-progress	22.65	75.18
	Goodwill	1,035.18	1,035.18
	Non-current investments	1,221.02	1,282.85
	Deferred tax assets (net)	95.57	66.91
	Long-term loans and advances	566.14	409.16
	Other non-current assets	13.11	24.80
	Total of Non - current assets	**3,934.85**	**3,756.68**
E	**Current assets**		
	Inventories	1,883.40	120.38
	Trade receivables	2,615.82	1,759.69
	Cash and bank balances	49.54	132.98
	Short-term loans and advances	755.47	493.95
	Other current assets	1,431.85	849.58
	Total of Current assets	**6,736.08**	**3,356.58**
	Total (D + E)	**10,670.93**	**7,113.26**

Summary Statement of Profits and Losses (Previous GAAP Unconsolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended	
		March 31, 2014	**March 31, 2013**
		₹	**₹**
F.	**Income**		
	Revenue from operations	9,508.44	7,869.85
	Other income	18.29	46.88
	Total revenue	**9,526.73**	**7,916.73**
G.	**Expenses**		
	Cost of materials consumed	1.22	3.74
	Purchase of traded goods	3,929.22	1,108.73
	Increase in inventories	(1,762.07)	(6.25)
	Employee benefit expense	1,286.29	1,237.25
	Other expenses	4,737.29	4,120.23
	Foreign exchange loss (net)	0.15	1.29
	Total expenses	**8,192.10**	**6,464.99**
H.	**Earnings before interest, tax, depreciation and amortisation (EBITDA)**	**1,334.63**	**1,451.74**
	Depreciation and amortisation	222.68	204.88
	Interest Income	39.50	53.19
	Finance costs	95.19	104.83
I.	**Restated profit before tax**	**1,056.26**	**1,195.22**
J.	**Tax expense**		
	Current tax	390.00	432.50
	Adjustment of tax relating to earlier years	(23.11)	4.40
	Deferred tax credit	(28.66)	(44.02)
	Total tax expense	**338.23**	**392.88**
K.	**Restated profit after tax**	**718.03**	**802.34**

Summary Statement of Cash Flows (Previous GAAP Unconsolidated)

(*Amount in ₹ million*)

Sr. No.	Particulars	For the years ended March 31, 2014	March 31, 2013
		₹	₹
A	**Cash flow from operating activities:**		
	Profit before tax (as restated)	1,056.26	1,195.22
	Adjustments for:		
	Depreciation and amortisation	222.68	204.88
	Unrealised foreign exchange loss / (gain)	(0.18)	0.45
	Realised foreign exchange loss on repayment of secured loan and interest	-	7.63
	Provision for doubtful receivables (net)	89.59	89.13
	Provision for doubtful deposits and advances (net)	5.84	6.16
	Bad debts written off	60.29	58.62
	Loss on sale / write off of fixed assets (net)	14.37	17.73
	Sundry balances written back	(1.09)	(25.97)
	Provision for warranty (net)	25.50	-
	Provision for doubtful insurance claims (net)	16.10	30.36
	Interest income	(39.49)	(53.19)
	Finance costs	95.19	97.20
	Operating profit before working capital changes	**1,545.06**	**1,628.22**
	Movement in working capital		
	Increase in trade receivables	(993.55)	(382.47)
	Increase in loans and advances	(451.23)	(104.21)
	(Increase) / decrease in inventories	(1,763.02)	7.42
	Increase in other assets	(570.71)	(208.29)
	Increase in trade payables and other liabilities	3,108.59	5.95
	Increase / (decrease) in provisions	7.08	(1.68)
	Cash flow generated from operations	**882.22**	**944.94**
	Direct taxes paid (net of refunds)	(341.95)	(243.35)
	Net cash flow from operating activities (A)	**540.27**	**701.59**
B	**Cash flow from investing activities:**		
	Proceeds from sale of fixed assets	3.04	2.52
	Purchase of fixed assets (including CWIP and capital advances)	(329.08)	(294.93)
	Payment made on acquisition of subsidiary	(533.16)	(11.92)
	Advances repaid by / (given to) subsidiary (net)	60.53	(133.92)
	Advance given to by employee welfare trust (net)	(61.84)	-
	Margin money deposits matured	63.86	26.74
	Margin money deposits placed	(63.65)	(34.55)
	Interest received	39.49	53.19
	Net cash flow used in investing activities (B)	**(820.81)**	**(392.87)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	343.73	123.03
	Repayment of long-term borrowings	(185.68)	(227.66)
	Proceeds from / (repayment of) short-term working capital demand loans from banks (net)	80.00	(80.00)
	Cash credit facilities with banks availed (net)	52.09	2.58
	Dividend paid on preference shares (including dividend distribution tax)	(0.04)	(0.04)
	Finance costs	(92.92)	(85.91)
	Net cash flow from / (used in) financing activities (C)	**197.18**	**(268.00)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(83.36)**	**40.72**
	Cash and cash equivalents at the beginning of the year	92.13	51.41
	Cash and cash equivalents at the end of the year	**8.77**	**92.13**
	Cash and cash equivalents comprises of:		
	Cash on hand	2.18	1.26
	With banks - on current account	6.59	90.87
	Total	**8.77**	**92.13**

THE OFFER

The following table summarises details of the Offer:

Offer*	**44,400,000 Equity Shares aggregating up to ₹ [●] million**
Of which	
QIB Category	**Not more than 22,200,000 Equity Shares**
Of which:	
Anchor Investor Portion#	**13,320,000 Equity Shares**
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	**8,880,000 Equity Shares**
Of which:	
- Available for allocation to Mutual Funds only (5% of the QIB Category (excluding the Anchor Investor Portion)	**Up to 444,000 Equity Shares**
- Balance for all QIBs including Mutual Funds	**8,436,000 Equity Shares**
Non-Institutional Category	**Not less than 6,660,000 Equity Shares**
Retail Category	**Not less than 15,540,000 Equity Shares**
Equity Shares outstanding prior to and after the Offer	**148,000,000 Equity Shares**
Use of proceeds of the Offer	**For details, see "*Objects of the Offer*" on page 101**

** The Offer has been authorised by a resolution passed by our Board of Directors dated August 19, 2017. The Selling Shareholder has specifically confirmed and authorised its participation in the Offer for Sale by way of its letter dated September 25, 2017 and the resolution passed by its board of directors and its members in their respective meetings, each dated September 7, 2017. The Selling Shareholder, specifically confirms that the Offered Shares have been held by it for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, in accordance with Regulation 26(6) of SEBI ICDR Regulations. For details see "Other Regulatory and Statutory Disclosures" on page 241.*

 # Our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which Equity Shares are allocated to Anchor Investors in the Offer. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added to the QIB Category. For more information, see "Offer Procedure" on page 263.

Notes:

1. Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up equity share capital of our Company.

2. As the Offer comprises of only an Offer for Sale (without any fresh issue of Equity Shares by our Company), our Company will not receive any proceeds from the Offer.

3. Allocation to all categories, except Anchor Investors, if any and Retail Individual Bidders, shall be made on a proportionate basis. The allocation to each Retail Individual Bidder shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Category and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. For details, see "*Offer Procedure*" on page 263.

4. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or a combination of categories, as applicable, at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable law.

For details, including in relation to grounds for rejection of Bids, refer to "*Offer Structure*" and "*Offer Procedure*" on page 256 and 263, respectively. For details of the terms of the Offer, see "*Terms of the Offer*" on page 259.

GENERAL INFORMATION

Our Company was incorporated as 'Subhiksha Realty Private Limited', a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 26, 2008 issued by the RoC. The name of our Company was subsequently changed to 'CMS Info Systems Private Limited' pursuant to a fresh certificate of incorporation granted by the RoC on December 10, 2008. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extra ordinary general meeting of the Shareholders held on December 24, 2014 and the name of our Company was changed to our present name 'CMS Info Systems Limited', pursuant to a fresh certificate of incorporation granted by the RoC on January 27, 2015. For more information regarding changes in the name and registered office of our Company, see "*History and Certain Corporate Matters*" on page 160.

Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office is as follows:

CMS Info Systems Limited
Silver Metropolis, 11th Floor
Jay Coach Compound
Off. Western Express Highway
Goregaon (East)
Mumbai - 400 063
Tel: +91 22 3325 3100
Fax: +91 22 3325 3106
Website: www.cms.com

For details of change in the registered office of our Company, see *"History and Certain Corporate Matters – Changes in the registered office*" on page 160.

Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

a. Registration number: 180479
b. Corporate identity number: U45200MH2008PLC180479

The Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Mumbai, which is situated at the following address:

100, Everest, Marine Drive
Mumbai - 400 002

Board of Directors

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

Name	Designation	DIN	Address
Krzysztof Wieslaw Jamroz	Chairman and Independent Director	07462321	1005, Bucida Road, Delray Beach, Florida - 33483 0000, United States of America
Rajiv Kaul	Executive Vice Chairman, Chief Executive Officer and Whole Time Director	02581313	B-40, SFS Sheikh Sarai- Phase I, New Delhi-110 017, India
Jimmy Lachmandas Mahtani	Non-Executive Director	00996110	1, Chatsworth Road, #20-23 Singapore - 249 745, Singapore
Ashish Agrawal	Non-Executive Director	00163344	Flat No. 3403 D-Wing, Ashok Towers, Dr. SS Rao Road, Opp. Gandhi Hospital, Parel, Mumbai - 400 012, India

Lai Peng Wong	Non-Executive Director	07551924	Flat B16/F, Tower 5, The Avenue, 33 Tai Yuen St. Hong Kong - 999 077, China
Gopal Krishna Pillai	Independent Director	02340756	D-241, Second Floor, Sarvodaya Enclave New Delhi 110 017, India

For further details of our Board of Directors, see "*Our Management*" on page 176.

Chief Financial Officer

Pankaj Khandelwal is the President and Chief Financial Officer of our Company. His contact details are as follows:

Pankaj Khandelwal
Silver Metropolis, 11th Floor
Jay Coach Compound
Off. Western Express Highway
Goregaon (East)
Mumbai – 400 063
Tel: +91 22 3325 3100
Fax: +91 22 3325 3106
E-mail: cfo@cms.com

Company Secretary and Compliance Officer

Praveen Soni is the Company Secretary and Compliance Officer our Company. His contact details are as follows:

Praveen Soni
Silver Metropolis, 11th Floor
Jay Coach Compound
Off. Western Express Highway
Goregaon (East)
Mumbai – 400 063
Tel: +91 22 3325 3100
Fax: +9122 3325 3106
E-mail: cms.ipo@cms.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, investors may also write to the BRLMs, in the manner provided below.

All grievances, other than of Anchor Investors, may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary(ies) with whom the Bid-cum Application Form was submitted, giving full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder's DP ID, Client ID, PAN, address of Bidder, number of Equity Shares applied for, ASBA Account number in which the amount equivalent to the Bid Amount was blocked, date of Bid cum Application Form and the name and address of the relevant Designated Intermediary(ies) where the Bid was submitted. Further, the Bidder shall enclose the Acknowledgment Slip or the application number from the Designated Intermediaries in addition to the documents or information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders' DP ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid Amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Book Running Lead Managers

Kotak Mahindra Capital Company Limited
1st Floor, 27 BKC, Plot No. 27
G Block, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Tel: +91 22 4336 0000
Fax: +91 22 6713 2447
E-mail: cmsinfo.ipo@kotak.com
Investor grievance e-mail: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Axis Capital Limited
1st Floor, Axis House
C-2, Wadia International Centre
P.B. Marg, Worli
Mumbai - 400 025
Tel: +91 22 4325 2183
Fax: +91 22 4325 3000
Email: cms.ipo@axiscap.in
Investor grievance e-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Ankit Bhatia
SEBI Registration No: INM000012029

UBS Securities India Private Limited
2/F, 2 North Avenue
Maker Maxity
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
Tel: +91 22 6155 6000
Fax: +91 22 6155 6292
Email: ol-cmsipo@ubs.com
Investor grievance e-mail: customercare@ubs.com
Website: www.ubs.com/indianoffers
Contact Person: Jasmine Kaur
SEBI Registration No: INM000010809

Syndicate Members

[●]

Statement of inter-se allocation of responsibilities among the Book Running Lead Managers

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of this Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.	Kotak, Axis, UBS	Kotak
2.	Drafting and approval of all statutory advertisement	Kotak, Axis, UBS	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.	Kotak, Axis, UBS	Axis
4.	Appointment of Intermediaries - Registrar to the Offer, Advertising Agency, Printers and Banker(s) to the Offer.	Kotak, Axis, UBS	UBS
5.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team.	Kotak, Axis, UBS	UBS
6.	Non-institutional and Retail marketing of the Offer, which will cover, *inter alia*, • Finalising media, marketing and public relations strategy; • Finalising centres for holding conferences for brokers, etc; • Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and • Finalising collection centres.	Kotak, Axis, UBS	Axis
7.	Domestic Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of domestic investors for one-to-one meetings; and • Finalizing domestic road show and investor meeting schedule.	Kotak, Axis, UBS	Kotak
8.	International Institutional marketing of the Offer, which will cover, *inter alia*: • Institutional marketing strategy; • Finalizing the list and division of international investors for one-to-one meetings; and • Finalizing international road show and investor meeting schedule.	Kotak, Axis, UBS	UBS
9.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading and payment of STT on behalf of Selling Shareholder.	Kotak, Axis, UBS	Axis
10.	Managing the book and finalization of pricing in consultation with the Company.	Kotak, Axis, UBS	UBS

Sr. No	Activity	Responsibility	Co-ordinator
11.	Post-Bidding activities including management of escrow accounts, co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and SCSBs.	Kotak, Axis, UBS	Axis

Legal Counsel to the Company as to Indian Law

Khaitan & Co
One Indiabulls Centre
13th Floor, Tower 1
841 Senapati Bapat Marg
Mumbai – 400 013
Tel: +91 22 6636 5000
Fax: +91 22 6636 5050

Legal Counsel to the BRLMs as to Indian Law

Luthra & Luthra Law Offices
Indiabulls Finance Center
Tower 2, Unit A2, 20th Floor
Elphinstone Road
Senapati Bapat Marg
Mumbai – 400 013
Tel: +91 22 6630 3600
Fax: +91 22 6630 3700

International Legal Counsel to the BRLMs

Ashurst LLP
12 Marina Boulevard
#24-01 Marina Bay Financial Centre
Tower 3, Singapore – 018 982
Tel: +65 6221 2214
Fax: +65 6221 5484

Legal Counsel to the Selling Shareholder as to Indian Law

J. Sagar Associates
Vakils House
18 Sprott Road, Ballard Estate
Mumbai – 400 001
Tel: +91 22 4341 8600
Fax: +91 22 4341 8617

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park
Lal Bahadur Shastri Marg
Vikhroli (West)
Mumbai – 400 083
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
Email: cmsinfo.ipo@linkintime.co.in
Investor grievance e-mail: cmsinfo.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No: INR000004058

Escrow Bank

[●]

Public Account Offer Bank

[●]

Refund Bank

[●]

Designated Intermediaries

Self –Certified Syndicate Banks

The list of SCSBs is available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes on the SEBI website, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated Branches of the SCSBs with which a Bidder (other than an Anchor Investor), not bidding through Syndicate/ Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms available at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, or at such other website as may be prescribed by SEBI from time to time.

Syndicate SCSB Branches

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

Registered Brokers

Bidders can submit Bid cum ASBA Forms in the Offer using the stock broker network of the Stock Exchanges, *i.e.* through the Registered Brokers at the Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as may be updated from time to time. In relation to ASBA Bids submitted to the Registered Brokers at the Broker Centres, the list of branches of the SCSBs at the Broker Centres named by the respective SCSBs to receive deposits of the ASBA Forms from the Registered Brokers will be available on the website of the SEBI (www.sebi.gov.in) or at such other website as may be prescribed by SEBI from time to time.

Collecting Registrar and Share Transfer Agents

The list of the CRTAs eligible to accept ASBA Forms at the Collection Centres, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as may be updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Collection Centres, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and https://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as may be updated from time to time.

Auditors to our Company

S. R. Batliboi & Associates LLP, Chartered Accountants
14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai – 400 028
Tel: +91 22 6192 0000
Fax: +91 22 6192 1000
E-mail: srba@in.ey.com
Firm registration number: 101049W/E300004

Bankers to our Company

Kotak Mahindra Bank Limited
8th floor, 12 BKC
G Block, Bandra Kurla Complex
Bandra (East), Mumbai 400 051
Tel.: +91 22 6218 5893
Fax: Nil
Email: krutika.maniar@kotak.com
Website: www.kotak.com
Contact Person: Krutika Maniar
CIN: L65110MH1985PLC038137

ICICI Bank Limited
ICICI Bank Towers
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Tel.: +91 99300 65560
Fax: + 91 22 2653 1374
Email: ambarish.sathe@icicibank.com
Website: www.icicibank.com
Contact Person: Ambarish Sathe
CIN: L65190GJ1994PLC021012

Credit Rating

As the Offer comprises of Equity Shares, there is no credit rating for the Offer.

Grading of the Offer

No credit agency registered with SEBI has been appointed in respect of obtaining grading for the Offer.

Appraising Entity

The Offer being an Offer for Sale, the objects of the Offer have not been appraised. Accordingly, no appraising entity is appointed for the Offer.

Monitoring Agency

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

Expert

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

Our Company has received written consent from the Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 28, 2017 and the statement of possible special tax benefits dated September 4, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Trustees

As the Offer comprises of Equity Shares, there are no trustees appointed for the Offer.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Offer Price will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs, and advertised in [●] editions of [●] (a widely circulated English national daily newspaper), [●] editions of a Hindi national daily newspaper and [●] editions of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located), at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purposes of uploading on their respective websites.

All Investors (except Anchor Investors) can participate in this Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

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

For further details on method and process of Bidding, see **"***Offer Structure*" on page 256.

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

For further details see "*Offer Structure*" and "*Offer Procedure*" on pages 256 and 263, respectively.

Illustration of Book Building Process and the Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation – Illustration of the Book Building Process and Price Discovery Process*" on page 296.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters for the Offered Shares. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC)

Name, address, telephone, fax and e-mail of the Underwriters	Indicative Number of Equity Shares to be underwritten	Amount underwritten (₹in million)
[●]	[●]	[●]
[●]	[●]	[●]

The abovementioned amounts are provided for indicative purposes only and would be finalised after the determination of the Offer Price and finalisation of the Basis of Allotment, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors (based on representations made to our Company by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them in accordance with the Underwriting Agreement.

In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

The Underwriting Agreement has not been executed as on the date of this Draft Red Herring Prospectus and our Company and Selling Shareholder intend to enter into the Underwriting Agreement with the Underwriters after determination of the Offer Price and allocation of Equity Shares, but prior to filing the Prospectus with the RoC.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Draft Red Herring Prospectus, before and after the Offer, is set forth below.

	Particulars	Aggregate nominal value *(in ₹)*	Aggregate value at Offer Price *(in ₹)*
A)	**AUTHORISED SHARE CAPITAL** (1)		
	173,000,000 Equity Shares	1,730,000,000	-
	1,500,000 OCCPS	150,000,000	-
	TOTAL	**1,880,000,000**	-
B)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER**		
	148,000,000 Equity Shares	1,480,000,000	-
C)	**PRESENT OFFER** (2)		
	Offer for Sale of 44,400,000 Equity Shares by the Selling Shareholder	444,000,000	[●]
D)	**ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL AFTER THE OFFER**		
	148,000,000 Equity Shares	1,480,000,000	-
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	42,868,350	
	After the Offer	42,868,350	

(1) *For details of the changes in the authorized share capital of our Company, see "History and Certain Corporate Matters – Amendments to our Memorandum of Association" on page 162.*

(2) *The Offer has been authorised by our Board of Directors pursuant to a resolution passed at its meeting held on August 19, 2017. The Selling Shareholder has specifically confirmed and authorised its participation in the Offer for Sale by way of its letter dated September 25, 2017, and the resolution passed by its board of directors and members, in their respective meetings, each dated September 7, 2017. For details see "Other Regulatory and Statutory Disclosures" on page 241.*

Notes to Capital Structure

1. **Share Capital History**

   a. The following table sets forth the history of the equity share capital of our Company.

Date of allotment	Number of equity shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
April 15, 2008	10,000	10	10	Cash	Subscription to the MoA (1)	10,000	100,000
January 5, 2009	40,000	10	10	Cash	Further issue (2)	50,000	500,000
July 1, 2009	112,830,189	10	-	Other than cash	Allotment pursuant to the scheme of arrangement between CMS Computers Limited and our Company (3)	112,880,189	1,128,801,890
December 12, 2011	27,595,001	10	46.51	Cash	Rights issue (4)	140,475,190	1,404,751,900
December 12, 2011	6,300,000	10	31	Cash	Further issue (5)	146,775,190	1,467,751,900
August 21, 2015	1,224,810	10	45	Cash	Allotment pursuant to the restated and amended trust deed dated August 17, 2015 (6)	148,000,000	1,480,000,000

Date of allotment	Number of equity shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of equity shares	Cumulative paid-up equity share capital (₹)
Total paid up equity share capital						**148,000,000**	

(1) 5,000 Equity Shares allotted each to Manish H. Jain and Sanat Upadhyay.

(2) 40,000 Equity Shares allotted to Ramesh D. Grover.

(3) Pursuant to the scheme of arrangement between our Company and CMS Computers Limited, approved by the High Court of Bombay vide its order dated April 24, 2009, 37,585,673 Equity Shares allotted to Ramesh D. Grover, 4,787,327Equity Shares allotted to Vishal Grover, 70,160 Equity Shares allotted to Raju Grover, 3,155,687 Equity Shares allotted to Aarti Grover, 2,666,667 Equity Shares allotted to R. D. Grover (HUF), 589,958 Equity Shares allotted to Srinivasan Ramadorai and 63,974,717 Equity Shares allotted to Blackstone FP Capital Partners (Mauritius) V Limited. For further details, see "History and Certain Corporate Matters – Details of schemes involving our Company" on page 170.

(4) 8,402,586 Equity Shares allotted to CMS Computers Limited and 19,192,415 Equity Shares allotted to Blackstone FP Capital Partners (Mauritius) V Limited.

(5) 6,300,000 Equity Shares allotted to Rajiv Kaul and Pankaj Khandelwal, in their capacity as the authorised trustees of CMS Securitas Employees Welfare Trust.

(6) 1,224,810 Equity Shares allotted to Dinesh C. Salian and Hemant Chopra, in their capacity as the authorised trustees of CMS Securitas Employees Welfare Trust.

b. The following table sets forth the history of the preference share capital of our Company.

Date of allotment/ redemption	Number of OCCPS	Face value per OCCPS (₹)	Issue price per OCCPS (₹)	Nature of consideration	Reason/ Nature of allotment	Cumulative number of OCCPS	Cumulative paid-up preference share capital (₹)
March 26, 2010	1,500,000	100	100	Cash	Further issue [(1)]	1,500,000	150,000,000
December 2, 2014	(1,500,000)	100	-	-	Redemption of OCCPS out of profits of the Company	-	-

(1) 500,000 OCCPS each allotted to Mathew Cyriac, Rajiv Kaul and Pankaj Khandelwal respectively, in their capacity as authorised trustees of CMS Securitas Employees Welfare Trust.

2. **Equity Shares issued for consideration other than cash**

Except as set forth below, our Company has not issued any Equity Shares for consideration other than cash:

Date of allotment	Name of allottees	Number of Equity Shares	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Reasons for allotment	Benefits accrued to our Company
July 1, 2009	Ramesh D. Grover	37,585,673	10	-	Allotment pursuant to the scheme of arrangement between CMS Computers Limited and our Company	Nil
	Vishal Grover	4,787,327				
	Raju Grover	70,160				
	Aarti Grover	3,155,687				
	R. D. Grover (HUF)	2,666,667				
	Srinivasan Ramadorai	589,958				
	Blackstone FP Capital Partners (Mauritius) V Limited	63,974,717				
	Total	**112,830,189**				

3. **Issue of securities in the last one year**

Our Company has not issued any Equity Shares or preference shares in the last one year immediately preceding the date of this Draft Red Herring Prospectus.

4. **Issue of securities in the last two years**

Our Company has not issued any Equity Shares or preference shares in the last two years immediately preceding the date of this Draft Red Herring Prospectus.

5. **Share capital build-up of the Selling Shareholder**

For details of the share capital build-up of the Selling Shareholder, see "- *History of build-up, contribution and lock-in of Promoter's shareholding*" on page 93.

6. **Employee Stock Option Plans**

Pursuant to a resolution of our Board of Directors dated October 19, 2016 and a special resolution passed by our Shareholders in an EGM dated October 20, 2016, our Company instituted the following employee stock option plans:

(i) CMS CEO Stock Option Plan, 2016 ("**CEO ESOP 2016**");
(ii) CMS Management Stock Option Plan 2016 ("**Management ESOP 2016**"); and
(iii) CMS Employees Stock Option Plan 2016 ("**Employees ESOP 2016**").

The maximum Equity Shares that may be issued pursuant to exercise of options granted will constitute 6.00% of diluted capital under CEO ESOP 2016, 1.20% of diluted capital under Management ESOP 2016 and 2.80% of diluted capital under Employees ESOP 2016.

The details of the employee stock option plans are listed below:

(i) **CEO ESOP 2016**

To implement the terms and conditions of the employment of Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director, our Company has instituted the CEO ESOP 2016 in October 2016. Pursuant to the terms of the CEO ESOP 2016, up to an aggregate of 9,866,667 options may be granted, which with each option upon exercise grants the option holder a right to be allotted one Equity Share upon payment of the exercise price of ₹123 per Equity Share. The quantum of options granted, the exercise price under the CEO ESOP 2016 and the issue of Equity Shares upon exercise of such options are subject to corresponding fair and reasonable adjustments in the event of a corporate action by our Company, including a rights issue, bonus issue, merger and sale of division, etc. In terms of the CEO ESOP 2016, in the event the option holder fails to exercise the exercisable options within the exercise period, the unexercised options shall lapse irrevocably and the rights thereunder shall stand extinguished. As on the date of this Draft Red Herring Prospectus, our Company has granted 9,866,667 stock options under CEO ESOP 2016 and accordingly, no further options can be granted under CEO ESOP 2016. Further, none of the options granted under the CEO ESOP 2016 have vested, lapsed, forfeited or been cancelled. The following table sets forth further details in relation to CEO ESOP 2016:

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">Details for the Fiscal</th><th rowspan="2">During the period April 1, 2017 to September 25, 2017</th></tr>
<tr><th>2015</th><th>2016</th><th>2017</th></tr>
<tr><td rowspan="2">Options granted</td><td>N.A.</td><td>N.A.</td><td>9,866,667</td><td>Nil</td></tr>
<tr><td colspan="4">No options were granted prior to Fiscal 2015 under the CEO ESOP 2016. Total options granted as on September 25, 2017: 9,866,667 (Net of options forfeited / cancelled)</td></tr>
<tr><td>Pricing formula for the options</td><td colspan="4">Fair Market Value as approved by the NRC in concurrence with our Board as on the date of the grant of options</td></tr>
<tr><td>Exercise price of options (in ₹)</td><td>N.A.</td><td>N.A.</td><td>123.00</td><td>Nil</td></tr>
<tr><td rowspan="2">Vesting period</td><td>N.A.</td><td>N.A.</td><td>12 months from date of grant</td><td>Nil</td></tr>
<tr><td colspan="4">Total options vested as on September 25, 2017: Nil</td></tr>
<tr><td rowspan="2">Options vested</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">Total options vested as on September 25, 2017: Nil</td></tr>
<tr><td rowspan="2">Options exercised</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">Total options exercised as on September 25, 2017: Nil</td></tr>
</table>

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">Details for the Fiscal</th><th rowspan="2">During the period April 1, 2017 to September 25, 2017</th></tr>
<tr><th>2015</th><th>2016</th><th>2017</th></tr>
<tr><td rowspan="2">Total number of Equity Shares arising as a result of exercise of options</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">Total number of Equity Shares arising as a result of exercise of options as on September 25, 2017: Nil</td></tr>
<tr><td rowspan="2">Options forfeited/ lapsed/ cancelled</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">Total number of options forfeited/ lapsed/ cancelled as on September 25, 2017: Nil</td></tr>
<tr><td>Variation of terms of options</td><td colspan="4">There has been no variation of terms of options as on September 25, 2017.</td></tr>
<tr><td rowspan="2">Money realised by exercise of options (in ₹)</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>Nil</td></tr>
<tr><td colspan="4">Total money realised by exercise of options as on September 25, 2017: Nil</td></tr>
<tr><td rowspan="2">Total number of options in force</td><td>N.A.</td><td>N.A.</td><td>9,866,667</td><td>9,866,667</td></tr>
<tr><td colspan="4">As on September 25, 2017, there are no vested options in force. Total number of unvested options in force as on September 25, 2017 were 9,866,667.</td></tr>
<tr><td>Employee-wise details of options granted to:</td><td colspan="4"></td></tr>
<tr><td>(i) Senior managerial personnel (i.e. Directors and Key Management Personnel)</td><td colspan="4">Details as included in “Note 1”.</td></tr>
<tr><td>(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year</td><td colspan="4"><table><tr><th>Year of grant</th><th>Name and designation of employee</th><th>Number of granted options</th></tr><tr><td>Fiscal 2017</td><td>Rajiv Kaul (Executive Vice Chairman, Chief Executive Officer and Whole-time Director)</td><td>9,866,667</td></tr></table></td></tr>
<tr><td>(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant</td><td colspan="4"><table><tr><th>Year of grant</th><th>Name and designation of employee</th><th>Number of granted options</th></tr><tr><td>Fiscal 2017</td><td>Rajiv Kaul (Executive Vice Chairman, Chief Executive Officer and Whole-time Director)</td><td>9,866,667</td></tr></table></td></tr>
<tr><td>Fully diluted EPS on pre-Offer, unconsolidated basis, pursuant to the issue of Equity Shares upon exercise of options in accordance with Ind AS 33 ‘Earnings Per Share’ (in ₹)</td><td>N.A.</td><td>N.A.</td><td>5.04</td><td>N.A.</td></tr>
<tr><td>Fully diluted EPS on Pre-Offer, consolidated basis, pursuant to the issue of Equity Shares upon exercise of options in accordance with Ind AS 33 ‘Earnings Per Share’ (in ₹)</td><td>N.A.</td><td>N.A.</td><td>5.31</td><td>N.A.</td></tr>
<tr><td>Impact on profit and on EPS of the last three years if the accounting policies as specified in the Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended, had been followed in respect of options granted in the last three Fiscal Years</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>N.A.</td></tr>
</table>

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">Details for the Fiscal</th><th rowspan="2">During the period April 1, 2017 to September 25, 2017</th></tr>
<tr><th>2015</th><th>2016</th><th>2017</th></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and EPS of the Company</td><td colspan="4">N.A.

Our Company follows the Fair Market Value for the exercise price of shares and Black Scholes valuation model for the stock options price as on the date of grant for calculating employee compensation cost</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td colspan="4"><table>
<tr><th></th><th>Fiscal 2015</th><th>Fiscal 2016</th><th>Fiscal 2017</th><th>During the period April 1, 2017 to September 25, 2017</th></tr>
<tr><td>Weighted average exercise price</td><td>N.A.</td><td>N.A.</td><td>123.00</td><td>N.A.</td></tr>
<tr><td>Weighted average fair value of option</td><td>N. A</td><td>N.A.</td><td>25.38</td><td>N.A.</td></tr>
</table></td></tr>
<tr><td>Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer.</td><td colspan="4">N.A.</td></tr>
<tr><td>Intention to sell equity shares arising out of the exercise of shares granted under CEO ESOP 2016 within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)</td><td colspan="4">Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole-time Director has been granted 9,866,667 options, which with each option upon exercise grants him a right to be allotted one Equity Share upon payment of the exercise price of ₹123 per Equity Share. He may sell such number of Equity Shares, so allotted, as may constitute up to four per cent of the total subscribed, paid up and issued capital of our Company, within three months of listing of the Equity Shares on the Stock Exchanges.</td></tr>
</table>

A description of the method and significant assumptions used during the following years to estimate the fair values of options, including weighted average information, namely:

Grant Date	**October 20, 2016**		
Particulars	**Fiscal 2015**	**Fiscal 2016**	**Fiscal 2017**
Risk-free interest rate (in %)	N.A.	N.A.	7%
Expected life of options granted (in years)	N.A.	N.A.	2 years
Expected volatility (in %)	N.A.	N.A.	25%
Expected dividends yield (in %)	N.A.	N.A.	0%
Price of underlying share in the market at the time of grant of option (₹)	N.A.	N.A.	N.A.
Exercise price (₹)	N.A.	N.A.	123.00

The details of the impact for the previous three years on profits and earnings per share on account of accounting policies specified in the SEBI (Share Based Employee Benefits) Regulations, 2014 are as follows:

	For Fiscal		
	2015	**2016**	**2017**
Impact on profits of the Company (₹)	Nil	Nil	Nil
Impact on basic EPS (₹)	Nil	Nil	Nil

Impact on diluted EPS (₹)	Nil	Nil	Nil

Note 1

Sr. no.	Name of Key Management Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of options exercised	Total number of vested outstanding Options
1.	Rajiv Kaul	Executive Vice Chairman, Chief Executive Officer and Whole-time Director	9,866,667	Nil	9,866,667	Nil	Nil	Nil

(ii) **Management ESOP 2016**

To reward our senior employees for their association with us and to attract, retain, and motivate them to contribute towards our growth and profitability, our Company has instituted Management ESOP 2016 in October 2016. In terms of the Management ESOP 2016 our Company can grant options to inter alia, employees of Company, Subsidiaries and Promoter. Pursuant to the terms of the Management ESOP 2016, up to a maximum of 1,973,333 options may be granted, which with each option upon exercise grants the option holder a right to be allotted one Equity Share upon payment of the exercise price of ₹123 per Equity Share. As on the date of this Draft Red Herring Prospectus, our Company has not granted any stock options under the Management ESOP 2016. Our Company may grant stock options under Management ESOP 2016 after the expiry of 18 months from the date of approval of the Management ESOP 2016, i.e. October 20, 2016, prior to registration of the Red Herring Prospectus with the RoC. The quantum of options that can be granted and the applicable exercise price under the Management ESOP 2016 and the issue of Equity Shares upon its exercise are subject to corresponding fair and reasonable adjustments in the event of a corporate action by our Company including a rights issue, a bonus issue, merger and/or sale of division.

(iii) **Employees ESOP 2016**

To reward our employees for their association with us and to attract, retain, and motivate them to contribute towards our growth and profitability, our Company has instituted Employees ESOP 2016 in October 2016. In terms of the Employees ESOP 2016 our Company can grant options to inter alia, employees of Company, Subsidiaries and Promoter. Pursuant to the terms of the Employees ESOP 2016, up to a maximum of 4,604,444 options may be granted, which with each option upon exercise grants the option holder a right to be allotted one Equity Share upon payment of the exercise price as may be decided by the Nomination and Remuneration Committee. The number of options that may be granted to any specific eligible employee under the Employees ESOP 2016 in one or more tranches cannot exceed one million options. Further, the quantum of options granted, the applicable exercise price under the Employees ESOP 2016 and the issue of Equity Shares upon exercise of such options are subject to corresponding fair and reasonable adjustments in the event of a corporate action by our Company including a rights issue, a bonus issue, merger and sale of division, etc. As on the date of this Draft Red Herring Prospectus our Company has granted 4,050,000 stock options under Employees ESOP 2016 of which none of the options have vested, lapsed, forfeited or been cancelled. The following table sets forth further details in relation to Employees ESOP 2016:

Particulars	**Details for the Fiscal**			**During the period April 1, 2017 to September 25, 2017**
	2015	**2016**	**2017**	
Options granted	N.A.	N.A.	3,700,000	350,000
	No options were granted prior to the Fiscal 2015 under the Employee ESOP 2016. Total options granted as on September 25, 2017: 4,050,000 (Net of options forfeited / cancelled)			
Pricing formula for the options	Fair Market Value as approved by the NRC in concurrence with our Board as on the date of the grant of options			
Exercise price of options (in ₹)	N.A.	N.A.	123.00	143.00
Vesting period	**Vesting Proportion**	**Vesting period from date of grant**	**Basis of Vesting**	
	25% Time Based	12 months		

Particulars	Details for the Fiscal			During the period April 1, 2017 to September 25, 2017
	2015	**2016**	**2017**	
	8.33% Time Based and 16.67% Performance based	21 months		21st month and onwards vesting will be time based and on Company/ business unit performance.
	8.33% Time Based and 16.67% Performance based	33 months		
	8.33% Time Based and 16.67% Performance based	45 months		
Options vested	N.A.	N.A.	Nil	Nil
	Total options vested as on September 25, 2017: Nil			
Options exercised	N.A.	N.A.	Nil	Nil
	Total options exercised as on September 25, 2017: Nil			
Total number of Equity Shares arising as a result of exercise of options	N.A.	N.A.	Nil	Nil
	Total number of Equity Shares arising as a result of exercise of options as on September 25, 2017: Nil			
Options forfeited/ lapsed/ cancelled	N.A.	N.A.	Nil	Nil
	Total number of options forfeited/ lapsed/ cancelled as on September 25, 2017: Nil			
Variation of terms of options	There has been no variation of terms of options as on September 25, 2017			
Money realised by exercise of options (in ₹)	N.A.	N.A.	Nil	Nil
	Total money realised by exercise of options as on September 25, 2017: Nil			
Total number of options in force	N.A.	N.A.	3,700,000	4,050,000
	As on September 25, 2017, there are no vested options in force. Total number of granted but unvested options in force as on September 25, 2017 is 4,050,000.			
Employee-wise details of options granted to:				
(i) Senior managerial personnel (i.e. Directors and Key Management Personnel)	Please refer to Note 2 below			
(ii) Any other employee who receives a grant in any one year of options amounting to 5% or more of options granted during that year	No employee received 5% or more grants of the total grants made in Fiscal 2017. As on September 25, 2017, there were nine employees who received 5% or more grants of the total 3,50,000 grants made in Fiscal 2018. The names and the grants made to the nine employees are as follows: Ramkumar Sundaram (82,000), Ashish Shrivastava (60,000), Uma Mandavgane (36,000), Nehal Shah (28,000), Jaya Guliani (27,000), Tarun Mohlah (25,000), Padinjare Kuttikode Govindan (20,000), Harsh Kala (20,000), Surya Nath Singh (20,000)			
(iii) Identified employees who were granted options during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	Nil			
Fully diluted EPS on pre-Offer, standalone basis, pursuant to the issue of Equity Shares upon exercise of options in accordance with Ind AS 33 'Earnings Per Share' (in ₹)	N.A.	N.A.	5.04	N.A.
Fully diluted EPS on pre-Offer, consolidated basis, pursuant to the issue of Equity Shares upon exercise of options in accordance with Ind AS 33 'Earnings Per Share' (in ₹)	N.A.	N.A.	5.31	N.A.

<table>
<tr><th rowspan="2">Particulars</th><th colspan="3">Details for the Fiscal</th><th rowspan="2">During the period April 1, 2017 to September 25, 2017</th></tr>
<tr><th>2015</th><th>2016</th><th>2017</th></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies as specified in the Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended had been followed in respect of options granted in the last three Fiscal Years.</td><td>N.A.</td><td>N.A.</td><td>Nil</td><td>N.A.</td></tr>
<tr><td>Where the Company has calculated the employee compensation cost using the intrinsic value of stock options, difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options and the impact of this difference on profits and EPS of the Company</td><td colspan="4">N.A.

Our Company follows the Fair Market Value (based on Black Scholes valuation model) of the stock options as on the date of grant for calculating employee compensation cost</td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td colspan="4"><table>
<tr><th></th><th>Fiscal 2015</th><th>Fiscal 2016</th><th>Fiscal 2017</th><th>During the period April 1, 2017 to September 25, 2017</th></tr>
<tr><td>Weighted average exercise price</td><td>N.A.</td><td>N.A.</td><td>123.00</td><td>143.00</td></tr>
<tr><td>Weighted average fair value of option</td><td>N. A</td><td>N.A.</td><td>28.33</td><td>25.08</td></tr>
</table></td></tr>
<tr><td>Intention of the holders of equity shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Offer.</td><td colspan="4">The employees may sell the Equity Shares received on exercise of options within three months of listing of the Equity Shares on the Stock Exchanges.</td></tr>
<tr><td>Intention to sell equity shares arising out of the exercise of shares granted under Employees ESOP 2016 within three months after the listing of equity shares by directors, senior managerial personnel and employees amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions)</td><td colspan="4">N.A.</td></tr>
</table>

A description of the method and significant assumptions used during the following years to estimate the fair values of options, including weighted average information, namely:

Grant Date	**October 20, 2016**			**August 28, 2017**
Particulars	**Fiscal 2015**	**Fiscal 2016**	**Fiscal 2017**	**Fiscal 2018**
Risk-free interest rate (in %)	N.A.	N.A.	7%	7%
Expected life of options granted (in years)	N.A.	N.A.	2 – 3.7 years	1.25 – 3.7 years
Expected volatility (in %)	N.A.	N.A.	25%	25%
Expected dividends yield (in %)	N.A.	N.A.	0%	0%
Price of underlying share in the market at the time of grant of option (₹)	N.A.	N.A.	N.A.	N.A.
Exercise price (₹)	N.A.	N.A.	123.00	143.00

The details of the impact for the previous three years on profits and earnings per share on account of accounting policies specified in the SEBI (Share Based Employee Benefits) Regulations, 2014 are as follows:

	For Fiscal		
	2015	2016	2017
Impact on profits of the Company (₹)	Nil	Nil	Nil
Impact on basic EPS (₹)	Nil	Nil	Nil
Impact on diluted EPS (₹)	Nil	Nil	Nil

Note 2

Sr. no	Name of Director/ Key Management Personnel	Designation	Total number of granted options	Total number of vested options	Total number of unvested options	Total number of lapsed/ forfeited/ cancelled options	Total number of options exercised	Total number of vested outstanding Options
1.	Pankaj Khandelwal	President and Chief Financial Officer	5,00,000	N.A.	5,00,000	N.A.	N.A.	N.A.
2	Praveen Soni	Company Secretary and Compliance Officer	40,000	N.A.	40,000	N.A.	N.A.	N.A.
3	Anup Neogi	President and Chief Operating Officer	4,50,000	N.A.	4,50,000	N.A.	N.A.	N.A.
4	Manjunath Rao Pare Parmeshwar	Senior Vice President and Head Sales	3,25,000	N.A.	3,25,000	N.A.	N.A.	N.A.
5	Sheen Sunny Akkara	Chief Human Resources Officer	2,00,000	N.A.	2,00,000	N.A.	N.A.	N.A.
6	Anush Raghavan	Vice President and Head SIPL	4,50,000	N.A.	4,50,000	N.A.	N.A.	N.A.

[*]Pursuant to the vesting schedules under the CEO ESOP 2016 and the Employees ESOP 2016, out of 13,916,667 stock options granted to eligible employees, as on the date of this Draft Red Herring Prospectus, 10,791,667 stock options shall vest on October 19, 2017 and shall be eligible to be exercised by the eligible employees, subject to conditions specified in the respective stock option plan (assuming no such options are forfeited, lapsed or cancelled).

Under the Employees ESOP 2016, prior to IPO, the vested options can be exercised by the employees only upon consummation of the liquidity event as envisaged in the scheme. Whereas, if the liquidity event is listing, the vested options can be exercised within 1 (one) year from the date of such vesting. In other cases of liquidity event, the vested options can be exercised within such period as may be prescribed by the board of directors of the Company in this regard.

Pursuant to the terms of the CEO ESOP 2016, the vested options can be exercised within 5 (five) years from the date of such vesting or 2 (two) years from the date of listing, whichever is earlier.

The cost of employee stock options is determined by the fair value at the date when the grant is made using Black Scholes option pricing model. That cost of employee stock options is recognised, together with a corresponding increase in share based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and our Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

For Fiscal 2017, our Company incurred ₹136.13 million as expenses on share based payments to employees. For the employee stock options granted in Fiscal 2017, Fiscal 2018 and options to be granted in future, there will be additional expenses that will be recognised as employee benefits expense based on the exercise price, remaining contractual life, volatility and dividend yield.

7. **History of build-up, contribution and lock-in of Promoter's shareholding**

(a) Build-up of Promoter's shareholding in our Company

As on the date of this Draft Red Herring Prospectus, our Promoter holds, in aggregate together with its nominees, 148,000,000 Equity Shares, which constitutes 100% of the issued, subscribed and paid-up equity share capital of our Company. Of such Equity Shares, our Promoter is offering to sell an aggregate of 44,400,000 Equity Shares as part of the Offer for Sale, after which our Promoter shall continue to hold [●]% our post-Offer paid up equity share capital (assuming transfer of all the Offered Shares pursuant to the Offer).

Set forth below is the build-up of the equity shareholding of our Promoter in our Company.

Date of acquisition of Equity Shares	Number of Equity Shares	Face value per Equity Share (₹)	Transfer price per Equity Share (₹)	Nature of consideration	Nature of transaction	Percentage of pre-Offer equity share capital (%)	Percentage of post-Offer equity share capital (%)
August 27, 2015	27,393,677	10	114.74	Cash	Transfer from Universal Trustees Private Limited (in its capacity as the executor of the estate of late Ramesh D Grover).	18.51	18.51
	70,161	10	114.74	Cash	Transfer from Raju Grover	0.05	0.05
	4,787,327	10	114.74	Cash	Transfer from Vishal Grover	3.23	3.23
	3,155,687*	10	114.74	Cash	Transfer from Aarti Grover	2.13	2.13
	2,666,667	10	114.74	Cash	Transfer from R. D. Grover (HUF)	1.80	1.80
	1,192,738	10	114.74	Cash	Transfer from Srinivasan Ramadorai	0.81	0.81
	83,167,132	10	126.69#	Cash	Transfer from Blackstone FP Capital Partners (Mauritius) V Limited	56.19	56.19
	9,885,191	10	114.74	Cash	Transfer from CMS Computers Limited	6.68	6.68
	8,156,610	10	114.74	Cash	Transfer from Universal Trustees Private Limited (in its capacity as the trustee of the 2015 Grover Family Trust).	5.51	5.51
	7,524,810	10	126.12	Cash	Transfer from Rajiv Kaul	5.08	5.08
Total	**148,000,000**					**100%**	**100%**

 # Based on a consideration of US$ 159,502,496 converted at RBI reference rate (as of August 27, 2015) of 66.06.

** Includes transfer of one Equity Share each to Alex Augustine, Dinesh C. Salian, Manjunath Rao Pare Parmeshwar, Neeta Khandelwal, Pankaj Khandelwal and Sanjay Kumar B. Panchal in their capacity as registered owner of Equity Shares for which the beneficial ownership has been declared in favour of our Promoter.*

(b) Shareholding of our Promoter, directors of our Promoter and Promoter Group

Set forth below is the shareholding of our Promoter in our Company as on the date of this Draft Red Herring Prospectus:

Name of shareholder	Pre-Offer		Post-Offer	
	Number of Equity Shares	Percentage of equity share capital (%)	Number of Equity Shares	Percentage of equity share capital (%)
Promoter				
Sion Investment Holdings Pte. Limited	148,000,000*	100.00	[●]	[●]
Total	**148,000,000***	**100.00**	[●]	[●]

* *Includes six Equity Shares, of which one Equity Share each held by Alex Augustine, Dinesh C. Salian, Manjunath Rao Pare Parmeshwar, Neeta Khandelwal, Pankaj Khandelwal and Sanjay Kumar B. Panchal, in relation to which Sion Investment Holdings Pte. Limited is the beneficial owner.*

All Equity Shares held by our Promoter are in dematerialised form as on the date of this Draft Red Herring Prospectus. Further, none of the directors of our Promoter or members of the Promoter Group hold any Equity Shares as on the date of this Draft Red Herring Prospectus.

(c) Details of Promoter's contribution and lock-in for three years

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer equity share capital of our Company held by our Promoter shall be provided towards minimum promoter's contribution and locked-in for a period of three years from the date of Allotment ("**Minimum Promoter's Contribution**"). The Equity Shares forming a part of the Minimum Promoter's Contribution are eligible in terms of Regulation 33 of the SEBI ICDR Regulations.

Set forth below are the details of the Equity Shares that will be locked up as Minimum Promoter's Contribution for a period of three years from the date of Allotment of Equity Shares in the Offer.

Name of the Promoter	No. of Equity Shares to be locked-in	Date of acquisition and when made fully paid-up	Acquisition price	Nature of transaction	Face value per Equity Share (₹)	% of pre-Offer equity share capital	% of the fully diluted post- Offer equity share capital
Sion Investment Holdings Pte. Limited	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Total	**[●]**					[●]	[●]

For details on the build-up of the equity share capital held by our Promoter, see "*- Build-up of our Promoter's shareholding in our Company*" on page 93.

Our Promoter, by its letter dated September 27, 2017, has consented to include such number of Equity Shares held by it as may constitute 20% of the fully diluted post-Offer equity share capital of our Company (assuming exercise of all vested employee stock options, if any) as Minimum Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner the Minimum Promoter's Contribution from the date of filing this Draft Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.

Our Promoter has confirmed to our Company and the BRLMs that the acquisition of the Equity Shares forming part of the Promoter's Contribution have been financed from its own funds and no loans or financial assistance from any banks or financial institution has been availed for this purpose. All the Equity Shares held by our Promoter were fully paid-up on the respective date of acquisition of such Equity Shares.

The Minimum Promoter's Contribution has been brought in to the extent of not less than the specified minimum lot and from the person identified as 'promoter' under the SEBI ICDR Regulations.

The Equity Shares that are being locked-in are not, and will not be, ineligible for computation of Minimum Promoter's Contribution under Regulation 33 of the SEBI ICDR Regulations. In this regard, our Company confirms that:

(i) the Equity Shares offered as part of the Minimum Promoter's Contribution do not comprise Equity Shares acquired during the three years preceding the date of this Draft Red Herring Prospectus for consideration other than cash and where revaluation of assets or capitalisation of intangible assets was involved or bonus issue out of revaluations reserves or unrealised profits or against Equity Shares that are otherwise ineligible for computation of Minimum Promoter's Contribution;

(ii) the Minimum Promoter's Contribution does not include Equity Shares acquired during the one year preceding the date of this Draft Red Herring Prospectus at a price lower than the price at which the Equity Shares are being offered to the public in the Offer; and

(iii) our Company has not been formed by conversion of a partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Draft Red Herring Prospectus pursuant to conversion from a partnership firm.

In this regard, our Promoter specifically confirms that the Equity Shares held by our Promoter that are offered as part of the Minimum Promoter's Contribution are not subject to any pledge or any other encumbrance.

8. **Details of Equity Shares locked-in for one year**

In terms of Regulation 37 of the SEBI ICDR Regulations, the entire pre-Offer equity share capital shall be locked-in for a period of one year from the date of Allotment, except (a) the Minimum Promoter's Contribution which shall be locked in as above; (b) Offered Shares which are successfully transferred as part of the Offer for Sale; and (c) Equity Shares held by the employees of our Company (who continue to be employees of our Company as on the date of Allotment) which may be allotted to them under the CEO ESOP 2016, Management ESOP 2016 or Employees ESOP 2016.

The aforesaid lock-in arrangement shall be subject to any subsequent amendments to the lock-in requirements under applicable provisions of the SEBI ICDR Regulations. Any unsubscribed portion of the Offered Shares would also be locked in as required under the SEBI ICDR Regulations.

9. **Lock-in of Equity Shares Allotted to Anchor Investors**

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

10. **Other requirements in respect of lock-in**

Pursuant to Regulation 39 of the SEBI ICDR Regulations, Equity Shares held by our Promoter, which are locked-in for a period of one year from the date of Allotment, may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that the pledge of such Equity Shares is one of the terms of the sanction of the loan. Equity Shares locked-in as Minimum Promoter's Contribution for three years can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or public financial institutions for the purpose of financing one or more of the objects of the Offer, which is not applicable in the context of this Offer.

In terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by our Promoter may be transferred to a member of the Promoter Group or a new promoter or persons in control of our Company, subject to continuation of lock-in applicable to the transferee for the remaining period and compliance with provisions of the Takeover Regulations as applicable and such transferee shall not be eligible to transfer them till the lock-in period stipulated in SEBI ICDR Regulations has expired.

Further, in terms of Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuance of the lock-in at the hands of the transferee and compliance with the provisions of the Takeover Regulations.

11. **Equity Shares held by our major Shareholder**

As on the date of this Draft Red Herring Prospectus, ten days prior to the date of this Draft Red Herring Prospectus and two years prior to the date of this Draft Red Herring Prospectus, our Company had and has seven equity shareholders and the number of Equity Shares held by them are as set forth below.

Sr. No.	Shareholder	Number of Equity Shares held	Percentage of equity share capital (%)
1.	Sion Investment Holdings Pte. Limited	148,000,000#	100.00
Total		**148,000,000#**	**100.00**

Includes six Equity Shares, of which one Equity Share each held by Alex Augustine, Dinesh C. Salian, Manjunath Rao Pare Parmeshwar, Neeta Khandelwal, Pankaj Khandelwal and Sanjay Kumar B. Panchal, in relation to which Sion Investment Holdings Pte. Limited is the beneficial owner.

For details relating to the cost of acquisition of Equity Shares by our Promoter, see the "*Risk Factors – Prominent Notes*" on page 45.

12. **Our shareholding pattern**

Set forth below is the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus.

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	No. of fully paid up Equity Shares held (IV)	No. of partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total nos. shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of voting rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		Number of Equity Shares held in dematerialised form (XIV)
								No of voting rights									
								Class - Equity	Total	Total as a % of (A+B+C)			No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
(A)	**Promoter and Promoter Group**	7*	148,000,000	0	0	148,000,000	100.00	148,000,000	148,000,000	100.00	0	100.00	0		0		148,000,000
(B)	**Public**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C)	**Non-Promoter Non-Public**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C) (1)	**Shares underlying DRs**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
(C) (2)	**Shares held by Employee Trusts**	0	0	0	0	0	0	0	0	0	0	0	0		0		0
	Total (A)+(B)+(C)	7	148,000,000	0	0	148,000,000	100.00	148,000,000	148,000,000	100.00	0	100.00	0		0		148,000,000

[*] *Includes six Equity Shares, of which one Equity Share each held by Alex Augustine, Dinesh C. Salian, Manjunath Rao Pare Parmeshwar, Neeta Khandelwal, Pankaj Khandelwal and Sanjay Kumar B. Panchal, in relation to which Sion Investment Holdings Pte. Limited is the beneficial owner.*

13. The BRLMs and their respective associates (determined as per the definition of 'associate company' under the Companies Act, 2013, and as per definition of the term 'associate' under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992) do not hold any Equity Shares as on the date of this Draft Red Herring Prospectus. The BRLMs and their respective affiliates may engage in transactions with and perform services for our Company and the Selling Shareholder, in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company, our Subsidiaries and/or the Selling Shareholder, for which they may in the future receive customary compensation.

14. As on the date of this Draft Red Herring Prospectus, none of the Directors hold any Equity Share and except for Pankaj Khandelwal, our President and Chief Financial Officer and Manjunath Rao Pare Parmeshwar, our Senior Vice President and Head Sales, who each individually hold one Equity Share in the capacity of a registered owner of Equity Share for which the beneficial ownership has been declared in favour of the Promoter, none of the Key Management Personnel hold any Equity Shares.

15. As on the date of this Draft Red Herring Prospectus, our Company has seven Shareholders of whom six Shareholders are registered owners of Equity Shares for which the beneficial ownership has been declared in favour of the Promoter.

16. Our Company, our Directors and the BRLMs have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares.

17. No person connected with the Offer, including, but not limited to, our Company, the Selling Shareholder, the members of the Syndicate, our Directors or the members of our Promoter Group, shall offer in any manner whatsoever any incentive, whether direct or indirect, in cash, in kind or in services or otherwise to any Bidder for making a Bid. Further, no payment, direct or indirect benefit in the nature of discount, commission (except underwriting commission that may be paid to the underwriters) and allowance or otherwise shall be offered or paid either by our Company or our Promoter to any person in connection with making an application for or receiving any Equity Shares pursuant to this Offer.

18. None of the Equity Shares are pledged or otherwise encumbered.

19. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Category, would be allowed to be met with spill-over from any other category or a combination of categories at the discretion of our Company in consultation with the BRLMs and the Designated Stock Exchange. Such inter-se spill-over, if any, would be affected in accordance with applicable laws, rules, regulations and guidelines. Under-subscription, if any, in the QIB Category will not be allowed to be met with spill-over from any category or combination thereof.

20. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

21. Our Company has not issued any Equity Shares out of revaluation reserves since incorporation. Our Company has not revalued its assets since incorporation.

22. There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Draft Red Herring Prospectus. However, our Company has instituted CEO ESOP 2016, the Management ESOP 2016 and the Employees ESOP 2016, pursuant to which, stock options granted to employees may vest or be exercised in accordance with the respective terms of the employee stock option plans, from time to time. For details, see "*– Employee Stock Option Plan*" on page 86.

23. Except as stated in "*Notes to Capital Structure – Share Capital History*" on page 84 and "*History and Certain Corporate Matters"* on page 160, as on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956. Further, as on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 230 to 233 of the Companies Act, 2013.

24. Except for any Equity Shares issued pursuant to exercise of options granted pursuant to the CEO ESOP 2016 and/or the Employees ESOP 2016, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Draft Red Herring Prospectus with SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be.

25. Our Company presently does not intend or propose to nor has it entered into any negotiations or consideration to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or further issue of Equity Shares (including issue of securities convertible into or exchangeable for, directly or indirectly into Equity Shares) except for allotment of Equity Shares pursuant to exercise of employee stock options, whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if our Company enters into arrangements for acquisitions, joint ventures or other arrangements, our Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.

26. Except for participation by our Promoter in the Offer for Sale as the Selling Shareholder, our Promoter or the member of our Promoter Group will not submit Bids or participate in the Offer.

27. Pursuant to Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer to public is being made for at least 10% of the post-Offer paid up share capital of our Company.

The Offer is being made through the Book-Building process, in accordance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be available for allocation on a proportionate basis to QIBs. Our Company and Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the QIB Category (excluding for allocation to Anchor Investors). Such number of Equity Shares representing 5% of the QIB Category (excluding for allocation to Anchor Investors) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the QIB Category shall be available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 5% of the QIB Category, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the remaining QIB Category for proportionate allocation to QIBs. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received from them at or above the Offer Price. Subject to availability of Equity Shares, each Retail Individual Bidder shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be allotted to all Retail Individual Bidders on a proportionate basis.

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

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

30. The members of our Promoter Group, or the directors of our Promoter, or our Directors and their immediate relatives have not sold or purchased any Equity Shares during the six months immediately preceding the date of this Draft Red Herring Prospectus.

31. There has been no financing arrangement whereby the members of our Promoter Group, or the directors of our Promoter, or our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in normal course of the business of the financing entity during the period of six months immediately preceding the date of this Draft Red Herring Prospectus.

32. Except for Mutual Funds sponsored by entities related to the BRLMs, Syndicate Members and any persons related to the BRLMs or Syndicate Members cannot apply in the Offer under the Anchor Investor Portion. No person related to our Promoter or other members of the Promoter Group shall apply under the Anchor Investor Portion.

33. Our Company shall ensure that any transactions in the Equity Shares by our Promoter and the Promoter Group during the period between the date of registering the Red Herring Prospectus with the RoC and the date of closure of the Offer shall be reported to the Stock Exchanges within 24 hours of the transactions.

34. A Bidder cannot make a Bid exceeding the number of Equity Shares offered through this Offer and subject to the investment limits or maximum number of Equity Shares that can be held by them under applicable law. For more information see "*Offer Procedure*" on page 263.

OBJECTS OF THE OFFER

The objects of the Offer are to achieve the benefits of listing the Equity Shares on the Stock Exchanges and for the sale of 44,400,000 Equity Shares by the Selling Shareholder. Further, our Company expects that listing of the Equity Shares will enhance our visibility and brand image and provide liquidity to Shareholders. The listing will also provide a public market for the Equity Shares in India. Our Company will not receive any proceeds from the Offer and all the proceeds from the Offer, less Offer related expenses, will go to the Selling Shareholder.

Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, fees payable to the Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing Bid cum Application Forms, brokerage and selling commission payable to Registered Brokers, CRTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges. The estimated Offer expenses are as follows:

Sr. No.	Activity	Estimated amount* (₹ in million)	As a % of total estimated Offer expenses*	As a % of Offer size*
1.	Fees payable to the BRLMs (including brokerage, underwriting commission and selling commission)	[●]	[●]	[●]
2.	Selling commission and processing fees for SCSBs (1)(3)	[●]	[●]	[●]
3.	Brokerage, selling commission and bidding charges for the members of the Syndicate, Registered Brokers, CRTAs and CDPs (2) (3)	[●]	[●]	[●]
4.	Fees payable to the Registrar to the Offer	[●]	[●]	[●]
5.	Printing and stationery expenses	[●]	[●]	[●]
6.	Advertising and marketing expenses	[●]	[●]	[●]
7.	Listing fees, SEBI filing fees, book building software fees and other regulatory expenses for the Offer and fees payable to the legal counsels	[●]	[●]	[●]
8.	Miscellaneous			
	Total estimated Offer expenses	[●]	[●]	[●]

* *To be incorporated in the Prospectus after finalisation of the Offer Price.*

(1) *SCSBs will be entitled to a processing fee of ₹[●] (plus applicable rate of GST) per valid Bid cum Application Form, for processing the Bid cum Application Form procured by the members of the Syndicate, the Registered Brokers, CRTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for blocking.*

(2) *Registered Brokers will be entitled to a commission of ₹[●] (plus applicable rate of GST) per valid ASBA Form directly procured by the Registered Brokers from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for processing.*

(3) *Selling commission payable to members of the Syndicate, SCSBs, CRTAs and CDPs on Bids directly procured from Retail Individual Bidders and Non-Institutional Bidders, would be as follows: [●]*

Further, the Members of Syndicate, CRTAs and CDPs will be entitled to bidding charges of ₹[●] (plus applicable rate of GST) per valid ASBA Form. The terminal from which the Bid has been uploaded will be taken into account in order to determine the total bidding charges payable to the relevant CRTA/CDP and members of the Syndicate.

Other than listing fees, which will be borne by our Company, all costs, fees and expenses with respect to the Offer will be borne by the Selling Shareholder, upon successful completion of the Offer. The Selling Shareholder agrees that it shall reimburse our Company, for any expenses (other than listing fees) incurred by our Company on behalf of the Selling Shareholder.

Monitoring of Utilisation of Funds

As the Offer is an offer for sale and our Company will not receive any proceeds from the Offer, therefore our Company has not appointed a monitoring agency for the Offer.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also see "*Our Business*", "*Risk Factors*" and "*Financial Statements*" on pages 137, 13 and 199, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

1. Leading player in growth market with strong fundamentals;
2. Pan-India footprint with deep penetration in growing markets;
3. Longstanding customer relationships leading to increased business opportunities;
4. Systems and processes to manage and scale an operationally complex business;
5. Track record of strong productivity and operational excellence; and
6. Experienced and highly qualified management team that have successfully grown our business.

For details, see "*Our Business – Our Strengths*" on page 138.

Quantitative Factors

The information presented below relating to our Company, wherever applicable, is based on the Restated Financial Statements for Fiscals 2015, 2016 and 2017 prepared basis Ind AS and the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations. For details, see "*Financial Statements*" on page 199.

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

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

Based on Restated Unconsolidated Financial Statements:

Fiscal Year ended	**Basic**		**Diluted**	
	EPS (in ₹)	**Weight**	**EPS (in ₹)**	**Weight**
March 31, 2015	4.13	1	3.91	1
March 31, 2016	4.03	2	4.03	2
March 31, 2017	5.04	3	5.04	3
Weighted Average	**4.55**		**4.51**	

Note:
1. *Earnings per share calculations are in accordance with Ind-AS 33 - Earnings per share*
2. *The ratios have been computed as below:*
   a. *Basic earnings per share = Restated net profit available to equity shareholders/ weighted average number of shares outstanding during the year*
   b. *Diluted earnings per share = Restated net profit available to equity shareholders / weighted average number of diluted shares outstanding during the year. Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Optionally convertible cumulative redeemable preference.*

Bases on Restated Consolidated Financial Statements:

Fiscal Year ended	**Basic**		**Diluted**	
	EPS (in ₹)	**Weight**	**EPS (in ₹)**	**Weight**
March 31, 2015	5.13	1	4.83	1
March 31, 2016	3.72	2	3.72	2
March 31, 2017	5.31	3	5.31	3
Weighted Average	**4.75**		**4.70**	

Note:
1. *Earnings per share calculations are in accordance with Ind-AS 33 - Earnings per share*

2. *The ratios have been computed as below:*
   a.) Basic earnings per share = Restated net profit available to equity shareholders/ weighted average number of shares outstanding during the year
   b.) Diluted earnings per share = Restated net profit available to equity shareholders / weighted average number of diluted shares outstanding during the year. Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Optionally convertible cumulative redeemable preference.

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

1) P/E based on basic and diluted EPS for the Fiscal ended March 31, 2017 at the lower end of the Price Band are [●] and [●] respectively.

2) P/E based on basic and diluted EPS for the Fiscal ended March 31, 2017 at the higher end of the Price Band are [●] and [●] respectively.

Industry Peer Group P/E ratio

	Industry P/E*
Highest	58.17
Lowest	58.17
Industry Composite	58.17

** Source: For Industry P/E, P/E figures for the peers are computed based on closing market price as on September 5, 2017 at BSE, divided by Basic EPS (on consolidated basis) for the Fiscal Year 2017.*

C. Return on Net Worth ("RoNW")

As per Restated Unconsolidated Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2015	13.73	1
March 31, 2016	12.24	2
March 31, 2017	12.97	3
Weighted Average	**12.85**	

As per Restated Consolidated Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2015	17.03	1
March 31, 2016	11.38	2
March 31, 2017	13.72	3
Weighted Average	**13.49**	

Note:
Return on net worth (%) = Restated profit after tax/ Restated net worth at the end of the year

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

There will be no change in the Net Worth post-Offer, as the Offer is by way of Offer for Sale by the Selling Shareholder.

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

Fiscal year ended/ Period ended	Unconsolidated (₹)	Consolidated (₹)
As on March 31, 2017	38.82	38.74

Note:
Net asset value per share = Restated net worth at the end of the year/ Total number of equity shares outstanding at the end of the year

- **Offer price: [●]**

- **After the Offer: [●]**

F. Comparison with Listed Industry Peers

Our Company is in cash logistics services. We believe none of the listed companies in India are exclusively engaged in the portfolio of business similar to ours, there is, however, only one other listed Company in India, also provides cash logistics services, among other services, through its joint ventures.

Name of the company	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	Profit After Tax (₹ in million)	EPS (Basic) (₹)	Net Worth (₹ in million)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
CMS Info Systems Limited*	10,074.49	10	-	786.61	5.31	5,733.80	13.72	38.74
				Peers				
Security and Intelligence Services (India) Limited**	45,670.87	10	58.17	912.79	13.29	5,430.93	16.81	79.05

** Based on Restated Consolidated Financial Statements as per Ind-AS on and for Fiscal ended March 31, 2017.*
*** Based on Restated Consolidated Financial Statements as on and for Fiscal ended March 31, 2017 as per the prospectus dated August 4, 2017.*

Note:

1. *Revenue indicates Revenue from Operations*
2. *P/E ratio is calculated as closing share price as on September 5, 2017 BSE / Basic EPS for Fiscal ended March 31, 2017*
3. *Net Worth includes Equity Share Capital and Reserves & Surplus (excluding revaluation reserves)*
4. *Return on net worth (%) = Profit after tax/ Restated net worth at the end of the year*
5. *Net asset value per share = Net worth at the end of the year/ Total number of equity shares outstanding at the end of the year*

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

The Offer Price of ₹[●] has been determined by our Company and the Selling Shareholder, in consultation with the BRLMs, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with "*Risk Factors*", "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and "*Financial Statements*" on pages 13, 137, 200 and 199, respectively, to have a more informed view.

The trading price of the Equity Shares could decline due to the factors mentioned in the "*Risk Factors*" on page 13 and you may lose all or part of your investment.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO CMS INFO SYSTEMS LIMITED AND ITS SHAREHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The Board of Directors
CMS Info Systems Limited
Silver Metropolis, 11^{th} Floor
Western Express Highway
Goregaon East, Mumbai 400 063.

Dear Sirs,

1. We hereby confirm that the enclosed Annexure, prepared by CMS Info Systems Limited (the "**Company**"), provides the possible special tax benefits available to the Company and to the shareholders of the Company under the Income-tax Act, 1961 (the "**Act**") as amended by the Finance Act 2017, i.e. applicable for the Financial Year 2017-18 relevant to the assessment year 2018-19, presently in force in India as of the date hereof. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Company and / or its shareholders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Company faces in the future, the Company or its shareholders may or may not choose to fulfil.

2. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this annexure is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the proposed initial public offering of the Company.

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

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

4. The contents of the enclosed annexure are based on information, explanations and representations obtained from the Company and on the basis of their understanding of the business activities and operations of the Company.

For **S.R. Batliboi & Associates LLP**
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Kalpesh Jain
Partner
Membership Number: 106406
Place: Mumbai
Date: September 04, 2017
Enclosed Annexure: Statement of Possible Special tax benefits

STATEMENT OF POSSIBLE SPECIALTAX BENEFITS

The information provided below sets out the possible special tax benefits available to CMS Info Systems Limited ("CMS" or the "Company") and its equity shareholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares, under the tax laws currently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the equity shares particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail.

YOU SHOULD CONSULT YOUR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF EQUITY SHARES IN YOUR PARTICULAR SITUATION AS WELL AS IN RESPECT OF THE POSSIBLE BENEFITS AVAILABLE TO THE COMPANY.

As per the taxation laws in force, the tax benefits / consequences, as applicable, to the Company and its equity shareholders investing in the equity shares are summarized below. Several of these benefits are dependent on the Company or its equity shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions.

The following special key tax benefits are available to the Company and the prospective shareholders under the current direct tax laws in India for the financial year 2017-18.

I. Under the Income-tax Act, 1961 ("the Act / IT Act")

A. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

1. <u>Key special tax benefits available to the Company under the IT Act</u>

There are no special tax benefits available to the Company.

B. POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS

1. <u>Key special tax benefits provisions relating to certain income of Non-resident Indians ('NRI')</u>

- NRI means a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.

- In addition to some of the general benefits available to non-resident shareholders (refer paragraph I.B(2) above to the extent applicable NRIs), where equity shares of the Company have been subscribed by NRI in convertible foreign exchange, they have the option of being governed by the provisions of Chapter XIIA of the Act, which inter alia entitles them to certain benefits as detailed below:

    - In accordance with Section 115E of the Act, income from investment (other than dividend income exempt under Section 10(34)) of the Act or income from long- term capital gains arising on transfer of specified asset i.e. shares of an Indian company which are acquired/ purchased/subscribed in convertible foreign exchange shall be taxable at the rate of 10% in the hands of a Non-Resident Indian. However, income from other than specified assets and long term capital gain arising on transfer of other than specified asset shall be taxable at the rate of 20%.

    - Under provisions of Section 115F of the Act, any long term capital gains arising from the transfer of a foreign exchange asset arising to a NRI shall be exempt from tax if the whole or any part of the net consideration is reinvested in any specified assets within six months of the date of the transfer. If only a part of the net consideration is reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax as 'capital gains' subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition. The taxability shall arise in the year in which the transfer or conversion, as the case may be, takes place.

- As per the provisions of Section 115G of the Act, NRIs are not required to file a return of income under Section 139(1) of the Act, if the income chargeable under the Act consists of only investment income or capital gains arising from the transfer of specified long term capital asset or both; arising out of assets acquired, purchased or subscribed in convertible foreign exchange and provided tax deductible at source has been deducted there from as per the provisions of Chapter XVII-B of the Act.

- As per the provision of Section 115H of the Act, where a person who is NRI in any previous year, becomes assessable as resident in India in respect of total income of any subsequent year, the provisions of Chapter XII-A shall continue to apply to him in relation to the investment income derived from any foreign exchange asset being an assets specified under sub clause (ii), (iii), (iv) or (v) of Section 115(C)(f) of the Act for that assessment year and for every subsequent assessment year until there is transfer or conversion of such asset into money. For this provision to apply, NRI is required to file a declaration along with his return of income for the assessment year in which he becomes assessable as resident in India.

- In accordance with Section 115-I of the Act, where a Non-Resident Indian opts not to be governed by the provisions of Chapter XII-A for any assessment year, his total income for that assessment year (including income arising from investment in the company) will be computed and tax will be charged according to the other provisions of the Act.

2. Key special tax benefits available to a Foreign Institutional Investor ("FII")

2.1 Dividends exempt under Section 10(34) of the Act

- Under Section 10(34) of the Act, any income by way of dividends received from a domestic company is exempt in the hands of the shareholders, if such dividends are subject to DDT under Section 115-O of the Act.

2.2 Capital Gains

- As per the provisions of Section 2(14) of the Act, any securities held by FII which have invested in such securities in accordance with the Securities Exchange Board of India ('SEBI') regulations, will be treated as capital asset and accordingly any income from transfer of such capital asset will be chargeable under the head "Capital Gains"

- Under Section 10(38) of the Act, long term capital gains arising to a shareholder on transfer of equity shares in the Company are exempt from tax, where the sale transaction has been entered into on a recognized stock exchange of India and STT has been paid on the same. However, such LTCG will not be exempt if the transaction of acquisition, of such equity share is entered on or after 1st day of October 2004 and such transaction is not chargeable to STT unless covered by the notification issued by the Central Government.

- Under Section 115AD(1)(ii) of the Act, short term capital gains on transfer of equity shares shall be chargeable at 30%. In case where such transaction of sale is entered on a recognized stock exchange in India and STT has been paid on the same, tax is levied at 15%.

- Under Section 115AD(1)(iii) of the Act, long term capital gains arising from the transfer of Equity Shares (in cases not covered under Section 10(38) of the Act) of a Company shall be taxable at 10%. It is to be noted that the benefit of indexation and foreign currency fluctuation are not available to FIIs.

- Further, capital gains arising to foreign companies (including FIIs who are registered as Companies) have been specifically excluded from the applicability of MAT, subject to conditions.

- Generally, in case of non-residents, tax, (including surcharge and cess) on the capital gains, if any, is withheld at source by the buyer in accordance with the relevant provisions of the Act. However, as per the provisions of Section 196D(2) of the Act, no deduction of tax is required to be made from any income by way of capital gains arising from the transfer of securities (referred to in Section 115AD of the Act) payable to FIIs.

- The benefit of exemption under Section 54EC of the Act mentioned above in case of Company is also available to FIIs.

2.3 <u>Taxability as per DTAA</u>

- Benefits outlined in sub-para 2.4 of paragraph I.B(2) above are also applicable to Foreign Institutional Investor.

3. <u>Key special tax benefits available to mutual funds</u>

As per the provisions of Section 10(23D) of the Act, any income of Mutual Fund registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under, Mutual Fund set up by public sector banks or public financial institutions and Mutual Fund authorised by the Reserve Bank of India is exempt from income-tax, subject to the conditions as the Central Government may by notification in the Official Gazette specify in this behalf. However, the Mutual Funds shall be liable to pay tax on distributed income to unit holders under Section 115R of the Act.

4. <u>Key special tax benefits available to venture capital companies/ funds and its unit holders</u>

- Under Section 10(23FB) of the Act, any income of Venture Capital Companies/Funds (set up to raise funds for investment in 'venture capital undertaking') registered with the Securities and Exchange Board of India is exempt from income tax, subject to conditions specified therein.

- Venture capital companies / funds are defined to include only those companies / funds which have been granted a certificate of registration, before the 21st day of May 2012 as a Venture Capital Fund or have been granted a certificate of registration as Venture Capital Fund as a sub-category of Category I Alternative Investment Fund.

  'Venture capital undertaking' means a venture capital undertaking as defined in clause (n) of regulation 2 of the Venture Capital Funds Regulations or as defined in clause (aa) of sub-regulation (1) of regulation 2 of the Alternative Investment Funds Regulations.

- As per Section 115U of the Act, any income accruing/ arising/ received by a person from his investment in Venture Capital Company/Venture Capital Fund would be taxable in the hands of the person making an investment in the same manner as if it were the income accruing/arising/received by such person had the investments been made directly in the venture capital undertaking.

- Further, as per section 115U(5) of the Act, the income accruing or arising to or received by the venture capital company/funds from investments made in a venture capital undertaking if not paid or credited to a person (who has investments in a Venture Capital Company /Fund) shall be deemed to have been credited to the account of the said person on the last day of the tax year in the same proportion in which such person would have been entitled to receive the income had it been paid in the tax year.

- As per section 10(23FBA) of the Act (newly inserted section) any income of an 'investment fund' other than the income chargeable under the head "Profits and gains of business & profession" would be exempt from income tax.

  Investment fund as per explanation 1(a) of section 115UB means any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or a Category II Alternative Investment

Fund and is regulated under the Securities Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities Exchange Board of India Act, 1992 (15 of 1992).

Further, section 10(23FBB) also has been introduced wherein any income arising to a unit holder of an 'investment fund', which is of the same nature as income by way of profits and gain of business at investment fund level shall be exempt in the hands of the unit holder.

- As per section 115UB of the Act (newly inserted section) any income accruing or arising to, or received by, a person, being a unit holder of an investment fund, out of investments made in the investment fund, shall be chargeable to income-tax in the same manner as if it were the income accruing or arising to, or received by, such person had the investments made by the investment fund been made directly by him.

  Where in any previous year, the net result of computation of total income of the investment fund [without giving effect to the provisions of clause (23FBA) of section 10] is a loss under any head of income and such loss cannot be or is not wholly set-off against income under any other head of income of the said previous year, then

  - Such loss shall be allowed to be carried forward and it shall be set off by the investment fund in accordance with the provisions of chapter VI; and
  - Such loss shall not be passed on to the unit holders.

  The income paid or credited by the investment fund shall be deemed to be of the same nature and in the same proportion in the hands of the person being a unit holder of an investment fund, as it had been received by, or had accrued or arisen to, the investment fund during the previous year (subject to the provisions in case of losses mentioned above).

- Further, as per section 115UB(6), the income accruing or arising to, or received by, the investment fund, during a previous year, if not paid or credited to the person being a unit holder of an investment fund, shall (subject to the provisions in case of losses mentioned above), be deemed to have been credited to the account of the said person on the last day of the previous year in the same proportion in which such person would have been entitled to receive the income had it been paid in the previous year.

- The existing pass through regime will continue to apply to VCF/VCC which had been registered under SEBI (VCF) Regulations, 1996. Remaining VCFs, being part of Category-I AIFs, shall be subject to the new pass through regime

- *The above Statement of Tax Benefits sets out the provisions of law (i.e. the Act as amended by the Finance Act 2017 "FA") presently in force in India i.e. as at September 04, 2017, in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares;*

- *The above Statement of Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws (i.e. the Act as amended by the Finance Act 2017) presently in force in India i.e. as at* September 04, 2017. *Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws;*

- *As per the FA, surcharge is to be levied on individuals, HUF, AOP, body of individuals, artificial juridical person, co-operative society and local authorities at the rate of 10% if the total income is between Rs. 50 lakhs to Rs. 1 crore and 15% if the total income exceeds Rs 1 crore.*

- *As per the FA, surcharge is to be levied on domestic companies at the rate of 7% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 12% where the income exceeds Rs. 10 crores.*

- *As per the FA, surcharge is to be levied on every company other than domestic company at the rate of 2% where the income exceeds Rs 1 crore but does not exceed Rs 10 crores and at the rate of 5% where the* *income exceeds Rs. 10 crores.*

- *A 2% education cess and 1% secondary and higher education cess on the total income is payable by all categories of taxpayers.*

- *This statement does not cover our opinion on applicability of provisions of Section 93 of the Act dealing with avoidance of income-tax by transactions resulting in transfer of income to non-residents and Chapter X-A of the Act dealing with General Anti-Avoidance Rules.*

- *The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefits under any other law;*

- *This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her/ its own tax consultant with respect to the specific tax implications arising out of their participation in the issue;*

- *In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the DTAA, if any, between India and the country in which the non-resident has fiscal domicile;*

- *The stated benefits will be available only to the sole/first named holder in case the shares are held by joint shareholders;*

- *The tax rates (including rates for tax deduction at source) mentioned in this Statement are as applicable for AY 2018-19.*

SECTION IV: ABOUT THE COMPANY

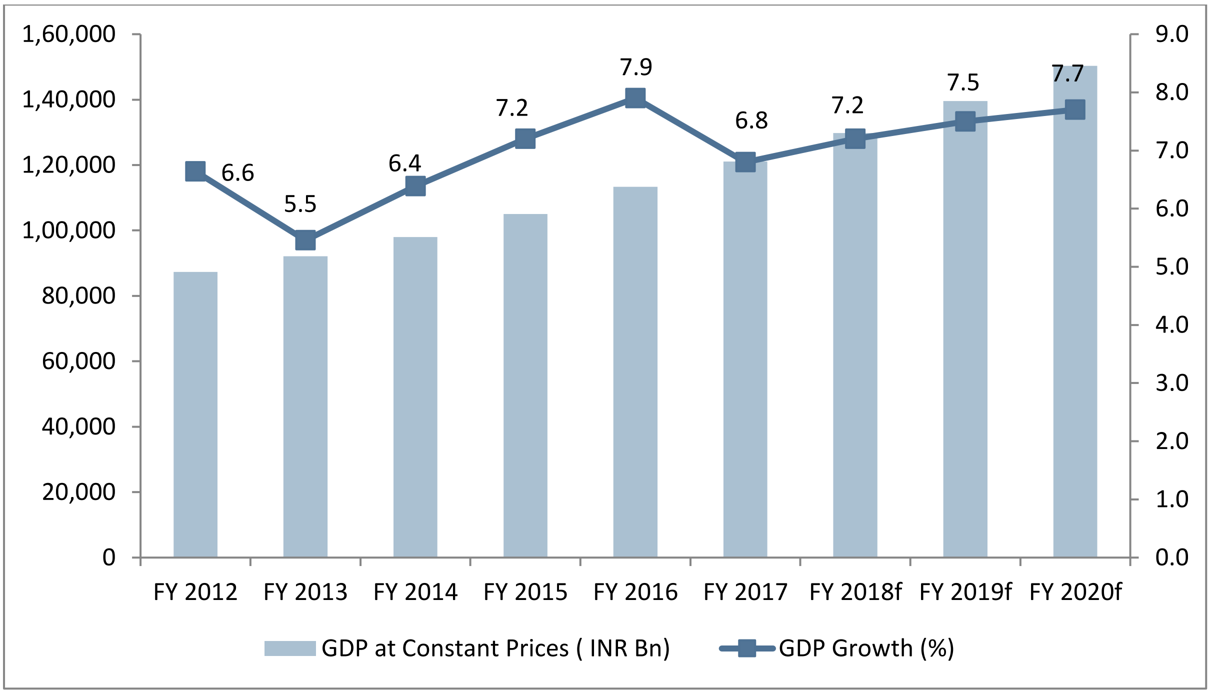
INDUSTRY OVERVIEW

The information in this section is derived from industry sources including an industry report entitled "Assessment of Cash Management Services Market in India" dated September 2017 that we have commissioned from Frost & Sullivan. Neither we nor any other person connected with the offering has verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Macroeconomic overview

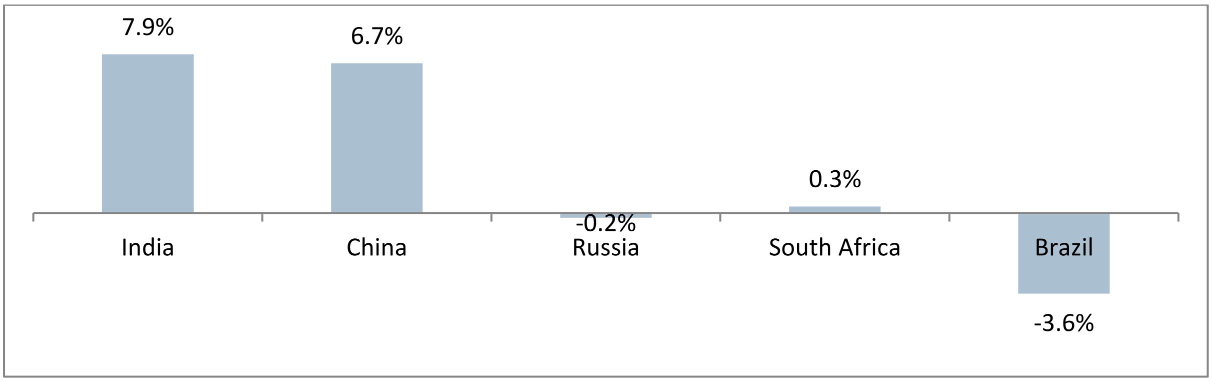
India's real gross domestic product ("**GDP**") grew at a five-year high rate of 7.9% in Fiscal Year 2016, making it the fastest growing economy amongst the world's largest countries. Economic growth was primarily driven by a strong pick up in the manufacturing sector which expanded by an estimated 10.8% in Fiscal Year 2016, up from 8.3% in Fiscal Year 2015. The manufacturing sector benefited from the collapse of global commodity prices and lower input costs. However, in Fiscal Year 2017, GDP growth slowed down to a three-year low of 6.8%, on account of the demonetisation drive implemented by the Indian government in November 2016. Furthermore, the Indian economy is expected to grow at a compound annual growth rate ("**CAGR**") of 7.6% between 2018 and 2020. This growth is expected to be driven by the implementation of policy measures and key reforms, such as the goods and services tax ("**GST**"), loosening of supply-side bottlenecks and appropriate fiscal and monetary policies aimed at boosting investments and growth of the economy, such as Smart Cities, Digital India and the 'Make in India' initiative.

Despite the slowdown in GDP growth in Fiscal Year 2017, India's GDP growth, at approximately 6.8%, remained the highest of the BRICS nations, which includes Brazil, Russia, India, China and South Africa, and higher than the United States and the UK. Inflation dropped from 9.4% in Fiscal Year 2013 to 4.8% in Fiscal Year 2017, which saw a drop in nominal GDP from 13.8% in Fiscal Year 2013 to 11.0% in Fiscal Year 2017.



Source: World Bank

The following table sets out the GDP growth across the BRICS nations between 2015 and 2016:



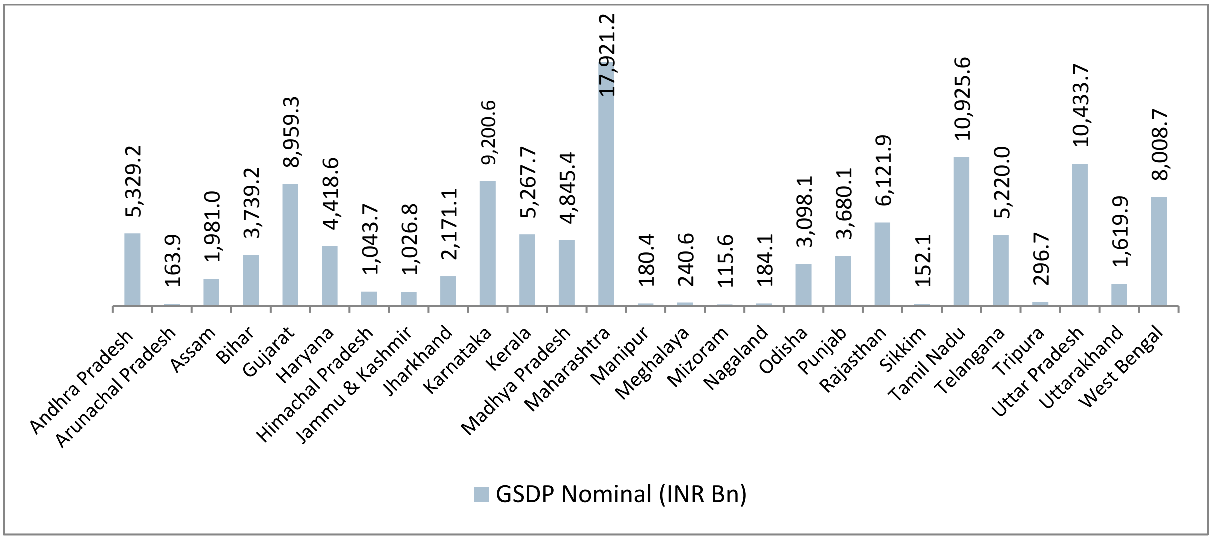
Source: World Bank
Notes: India's figures are according to fiscal year (Fiscal Year 2015 and Fiscal Year 2016) and the other nations are calendar year (2015 and 2016)

Rural contribution to GDP growth and financial access

The growth in urban population and in the urban contribution to India's GDP has been a significant driver of growth, but the Indian government has also promoted several initiatives to encourage development in rural areas. Of particular note are schemes enacted with the goal of ensuring access to financial services by all of the Indian population, such as the *Pradhan Mantri Jan Dhan Yojana* ("**PMJDY**").

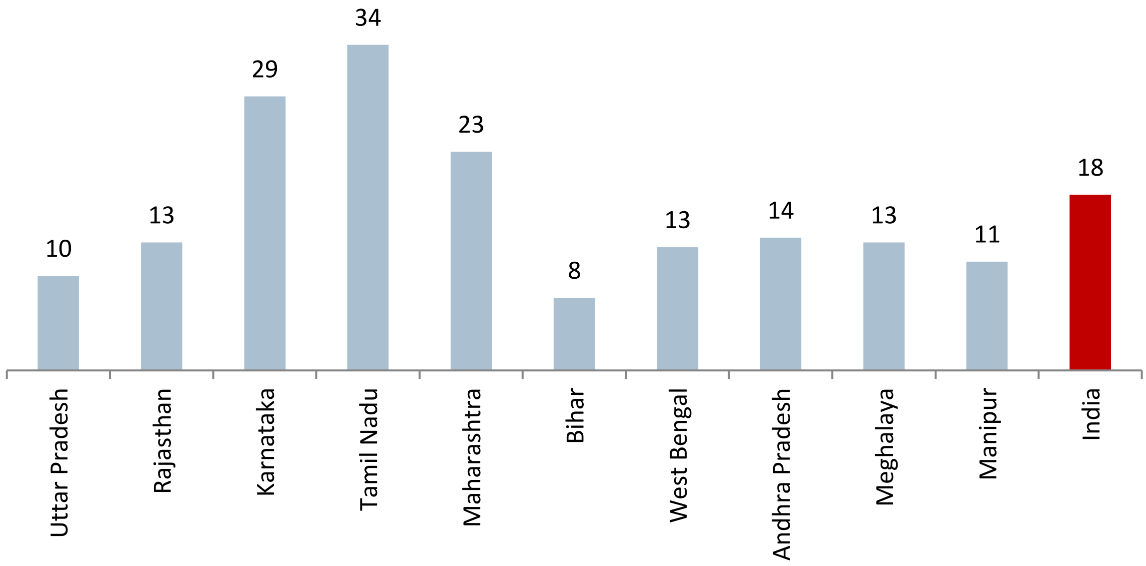
In Fiscal Year 2015, Maharashtra, Tamil Nadu, Uttar Pradesh, Karnataka and Gujarat were the five states with the highest Gross State Domestic Product ("**GSDP**") in India. However, there can be a wide gap between a state's GDP contribution and its access to financial services such as ATMs. Uttar Pradesh, though it had the third highest GSDP and is the most populous state in India, has one of the lowest ATM penetration rates, at 10 ATMs per 100,000 persons. Similarly, states such as West Bengal have high GDP contribution and population but have relatively low ATM penetration rates. Hence, these states offer greater scope for ATM deployments in support of the Indian government's push for greater financial inclusion in rural areas through extension of the banking network.

The following tables set out the nominal GDP by state (as of Fiscal Year 2015) and the ATM penetration by state (per 100,000 people), respectively:



Source: Central Statistics Office

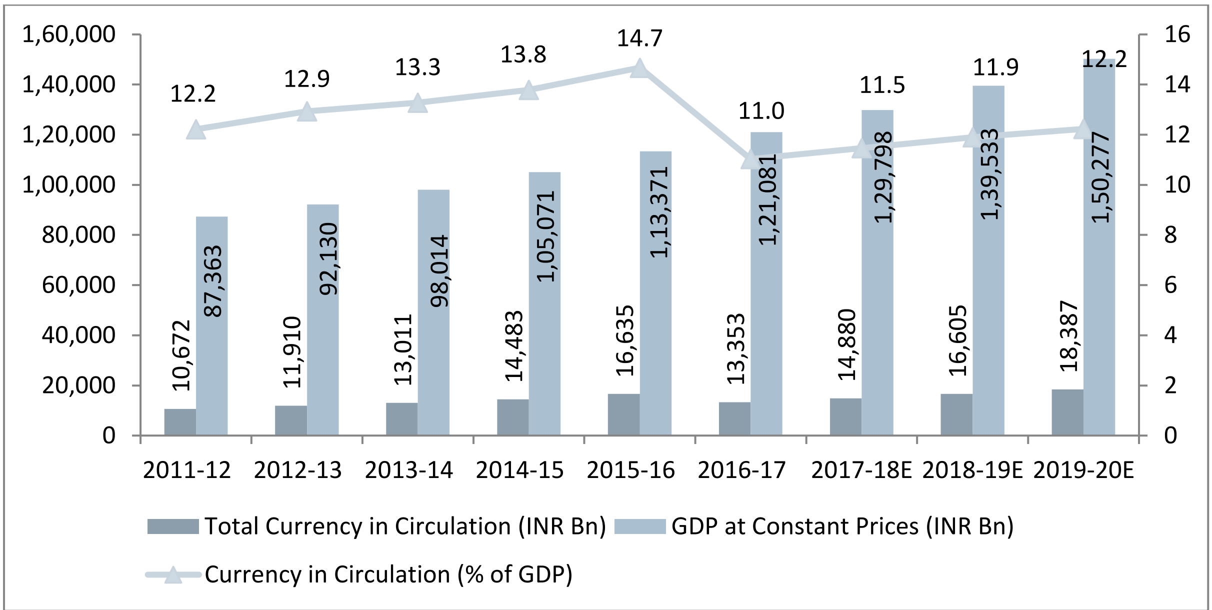
ATM Penetration by state



Source: RBI (ATMs as of June 30, 2017 per 100,000 adults) and CSO (Census – 2011)

Cash in circulation

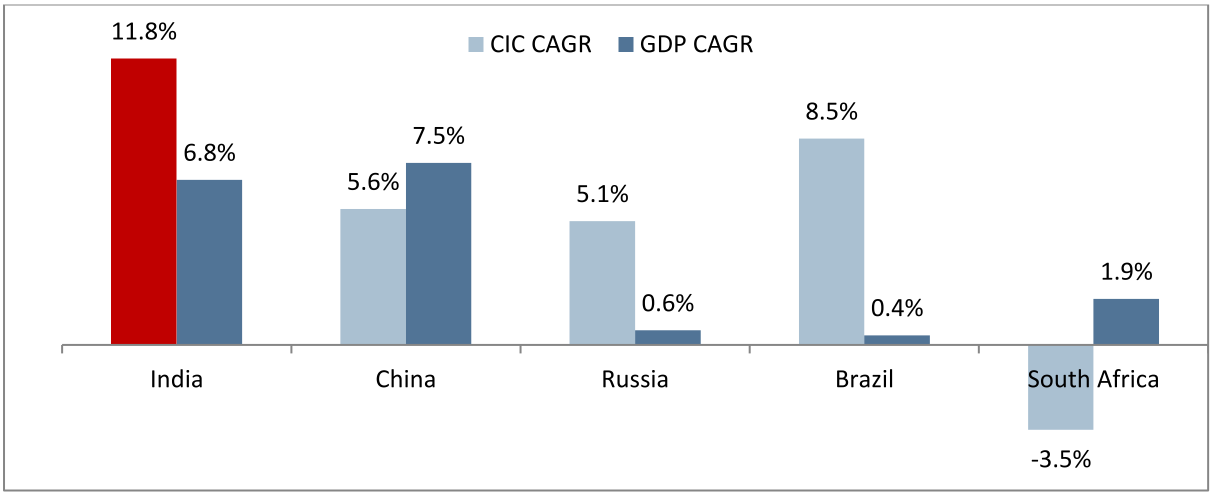
The cash in circulation ("**CIC**") is the total of cash with banks and currency with the public. Cash in circulation in India has risen along with GDP. Non-cash payment transactions continue to steadily increase, though cash still remains the major mode of payment in India and cash transactions far outnumber the total number of electronic transactions done on a daily basis. India's cash-to-GDP ratio was approximately 11.0% as of March 31, 2017.



Source: RBI, World Bank, Frost & Sullivan

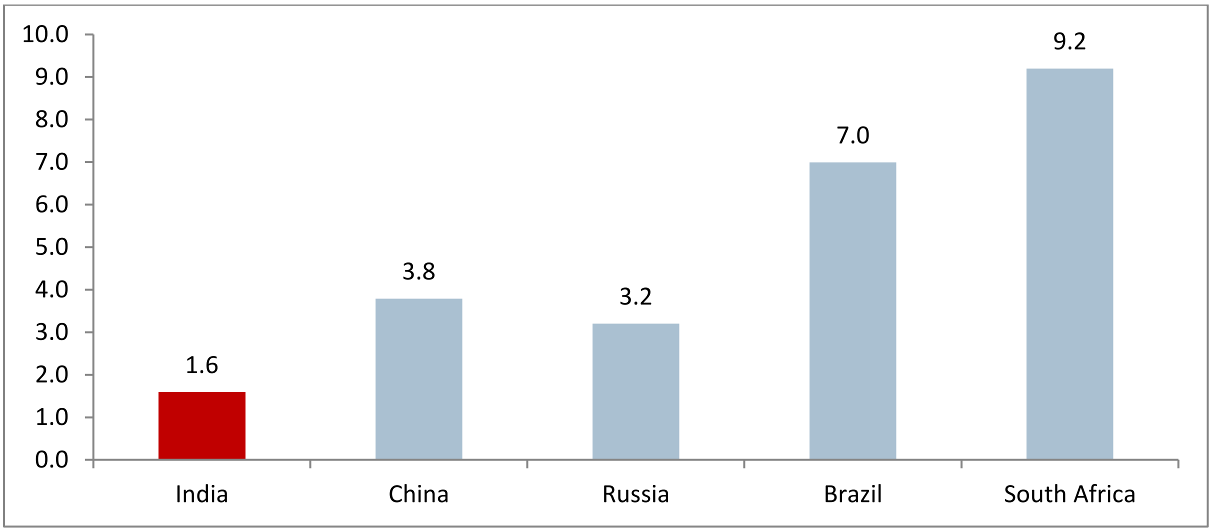
Note: CIC data through Fiscal Year 2016-17 (as of March 31, 2017) is sourced from the RBI; CIC estimates for the subsequent forecast period are by Frost & Sullivan. GDP data is sourced from the World Bank.

India's economy is cash-intensive, with the CAGR of CIC at approximately 11.8% between 2011 and 2015, approximately 1.7 times the CAGR of GDP during the same period. Over the next two to three years, India is expected to continue to have a high CIC growth rate relative to the other BRICS nations. The following table sets out a comparison of CIC and GDP by CAGR in the BRICS nations between 2011 and 2015:



Source: Bank of International Settlements

In 2015, India had the lowest ratio of ATM withdrawals to CIC among the BRICS nations. This is attributed to the relatively lower penetration of debit cards in India. However, with the growth of debit cards in India, this ratio is also expected to grow. The following table sets out ATM withdrawals to CIC ratios in 2015:

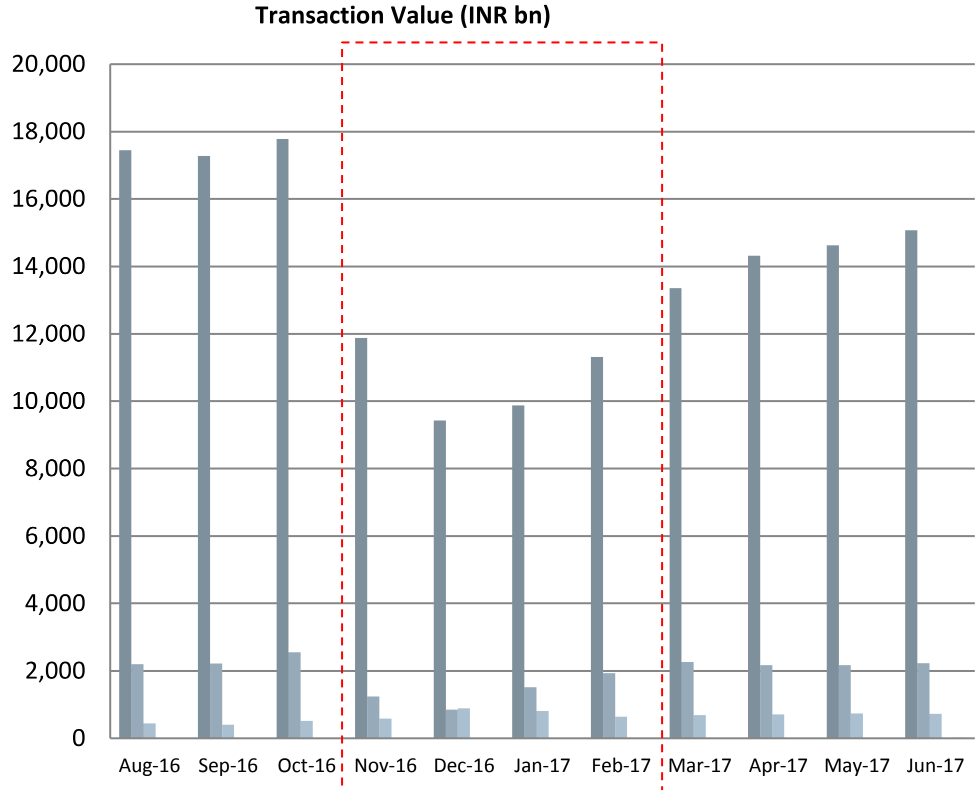


Source: Bank of International Settlements

Increase in cash in circulation post-demonetisation

In November 2016, the Indian government implemented a policy of demonetisation as a method of combating its shadow economy and the use of illicit and counterfeit cash to fund illegal activity and terrorism. The Indian government demonetised all ₹500 and ₹1,000 bank notes, which at the time constituted approximately 86% of the cash in the economy. The immediate impact of this policy was a significant reduction in the cash in circulation, with CIC growth falling 33% and 21% (month-on-month) as of November 30, 2016 and December 31, 2016, respectively, and a corresponding decrease in ATM transactions to 52% and 31%, respectively. It also led to an increase in the use of non-cash transactions through the increased use of credit and debit cards, mobile wallets, mobile banking and the Unified Payments Interface (“**UPI**”), a mobile platform payment system operated by the National Payments Corporation of India (“**NPCI**”). Point of sale (“**POS**”) transactions increased by 13% and 52% (month-on-month) as of November 30, 2016 and December 31, 2016, respectively, and mobile wallet and UPI transactions registered a record increase of 61% and 674% (month-on-month), respectively, as of December 31, 2016.

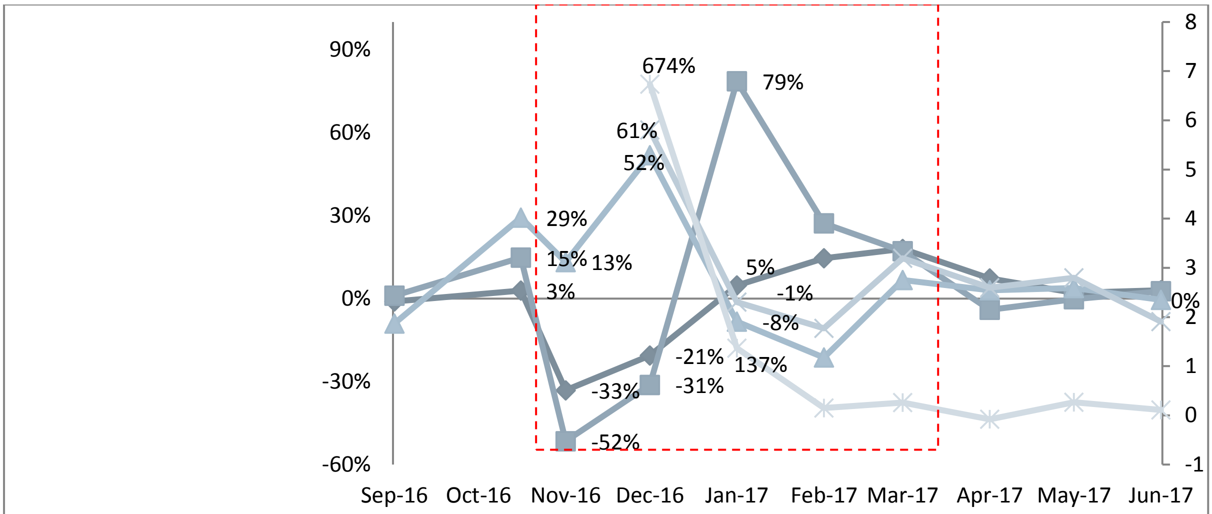
Following the government’s demonetisation drive, the cash-to-GDP ratio dipped to 11.0% for Fiscal Year 2017 down from 14.7% in Fiscal Year 2016. However, by January 31, 2017, CIC was rising and ATM transactions had increased by 79% while POS and mobile wallet transactions decreased by 8% and 1%, respectively. By June 30, 2017, nearly 82% of the currency was remonetized.



	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Cash in Circulation (INR Bn)	17,449	17,279	17,775	11,884	9,432	9,877	11,317	13,353	14,320	14,628	15,074
ATM Transactions (INR Bn)	2,200	2,223	2,551	1,236	850	1,518	1,930	2,262	2,171	2,167	2,224
POS Transactions (INR Bn)	441	401	519	587	892	817	643	686	706	733	730
Wallet Transactions (INR Bn)				13	21	21	19	21	22	24	22
UPI Transactions (INR Bn)				1	7	17	19	24	22	28	31

Source: RBI
Note: Wallet and UPI transactions data not available prior to November 2016

As the initial impact of demonetisation began to fade, cash in circulation increased by 5% and 15% in January and February 2017, respectively, and the number of ATM transactions increased by 79% and 27% in the same respective periods. Concurrently, POS transactions fell by 8% and 21% in January and February 2017, respectively, while mobile wallet transactions fell by 1% and 11% and the growth in UPI transactions fell (from a record peak during demonetisation of 674% in December 2016) to 137% and 15% in the same respective periods.



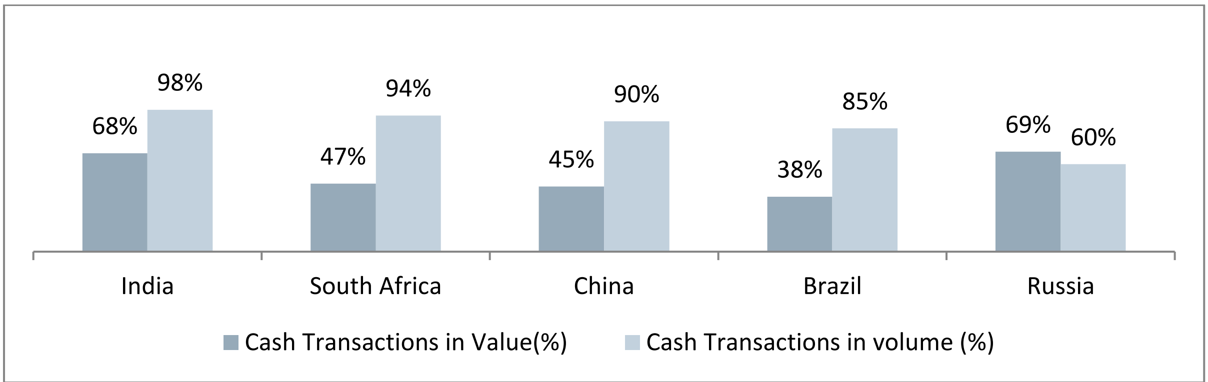
	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17
Cash in Cirulation (m-o-m %)	-1%	3%	-33%	-21%	5%	15%	18%	7%	2%	3%
ATM Transactions (m-o-m %)	1%	15%	-52%	-31%	79%	27%	17%	-4%	0%	3%
POS Transactions (m-o-m %)	-9%	29%	13%	52%	-8%	-21%	7%	3%	4%	0%
Wallet Transactions (m-o-m %)				61%	-1%	-11%	15%	4%	7%	-8%
UPI Transactions (m-o-m %)				674%	137%	15%	26%	-8%	27%	11%

Source: RBI

Cash intensity in India

India continues to have a high rate of circulation of liquid currency in the economy. Despite the increase in non-cash payment transactions, cash remains the major mode of payment in India. As of March 31, 2016, India's CIC-to-GDP ratio was 14.7%, the highest among the BRICS nations.

Indian consumers continue to prefer using cash transactions for a variety of reasons, including convenience and ease of use. The cash-intense nature of the Indian economy is reflected in India having the highest value and volume of cash transactions compared to the rest of the BRICS nations. The following table sets out the value and volume of cash transactions in the BRICS nations as of 2016:

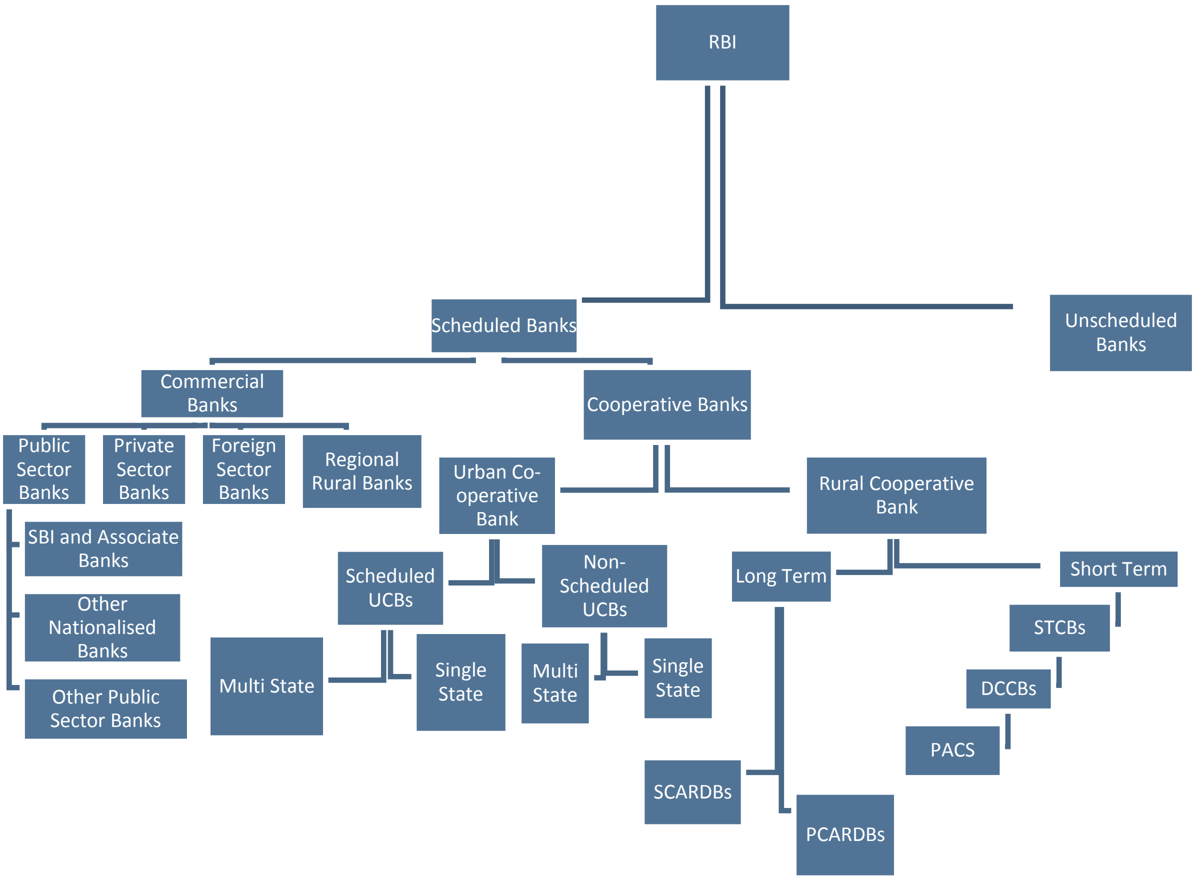


Source: Bank of International Settlements

India's banking structure

India's banking structure includes Scheduled Commercial Banks ("**SCBs**"), Local Area Banks ("**LABs**"), Urban Cooperative Banks ("**UCBs**"), Rural Cooperative Credit Institutions, differentiated banks, i.e., Small Finance Banks and Payment Banks, and Non-Banking Financial Companies ("**NBFC**").

SCBs provide various banking products and services, across India and abroad, to retail, corporate and government sectors. Based on their ownership structure, SCBs in India are categorized as public sector banks, private sector banks or regional rural banks. Regional rural banks were created with a view to serve primarily the rural areas of India with basic banking and financial services. LABs are non-scheduled commercial banks which were established as local banks in the private sector with jurisdiction over two to five contiguous districts to enable the mobilization of rural savings by local institutions and make them available for loans and investments in the local areas.

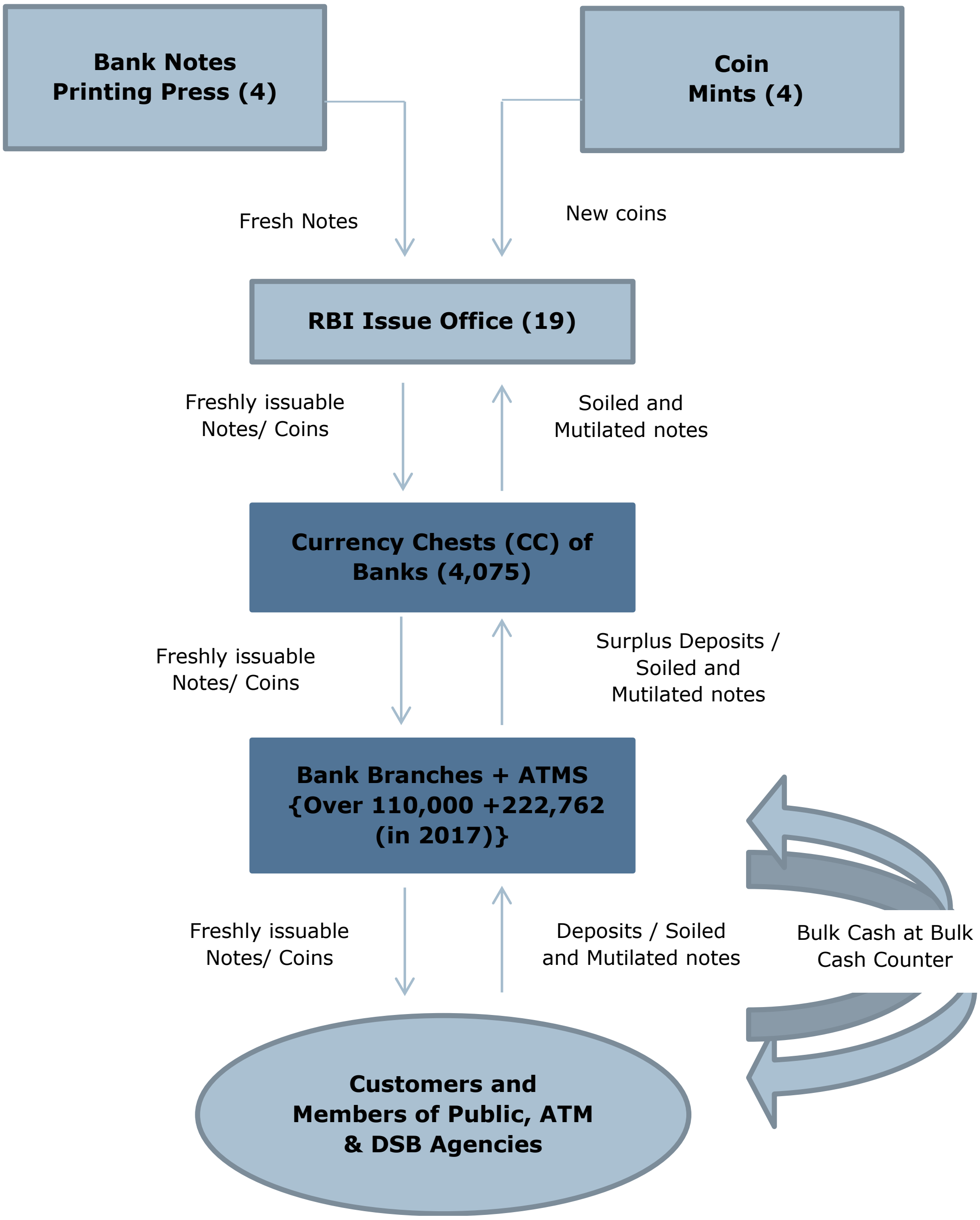


Source: RBI

Notes: "STCBs": State Central Co-operative Banks; "DCCBs": District Central Co-operative Banks; "PACS": Primary Agricultural Credit Societies; "PCARDBs": Primary Co-operative Agriculture and Rural Development Banks; "SCARDBs": State Co-operative Agriculture and Rural Development Banks

The currency cycle in India

The RBI is responsible for issuing, managing, and distributing currency notes and coins in India under the Reserve Bank of India Act, 1934. The Government of India ("**GoI**"), in collaboration with the RBI, decides on the denominations, design and security features of notes and coins. The RBI estimates the quantity of notes needed by denomination and places the indent with the various presses. The RBI then estimates demand based on forecasts by the Indian Statistical Institute in order to finalize and order printing of notes at designated presses across the country. The notes are issued and reserved by the RBI offices, then distributed through authorized currency chests and coin deposits managed by commercial, cooperative and regional rural banks across India. Notes and coins are deposited in and withdrawn from currency chests and coin deposits on a daily basis to meet the requirements of the relevant bank branch.



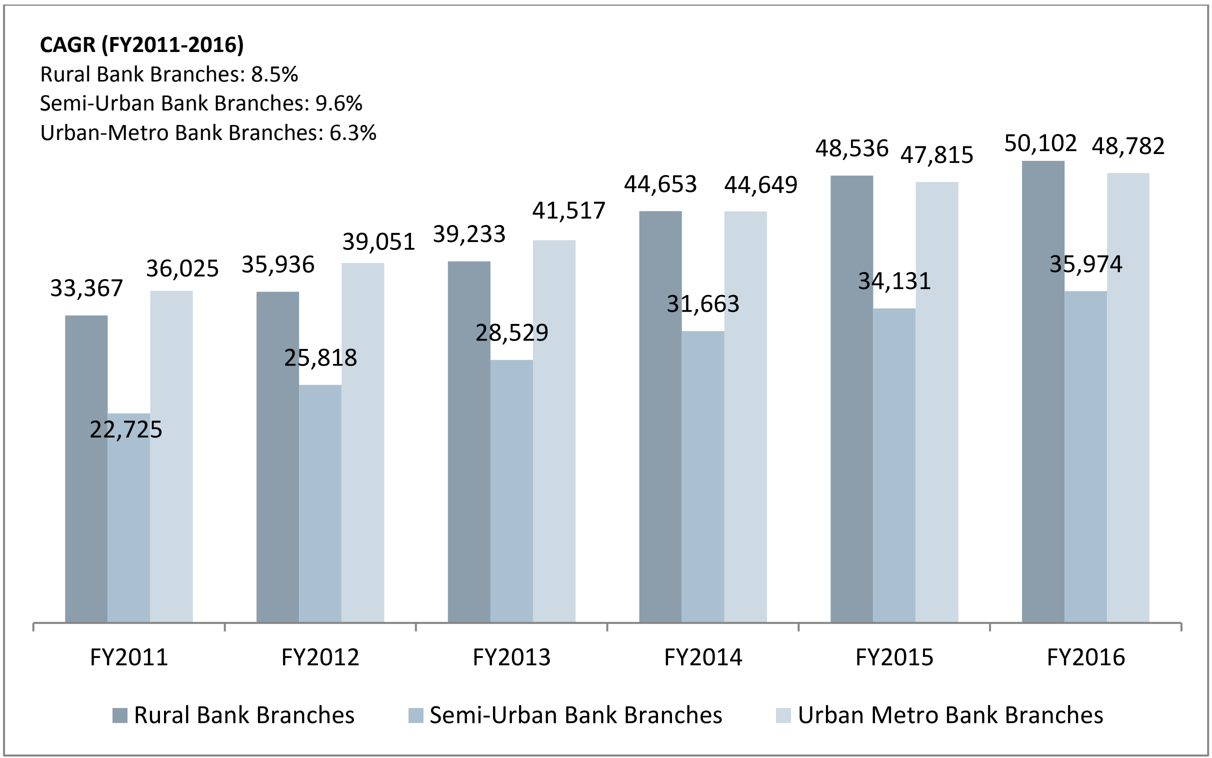
Source: RBI

Currency chests in India

Selected branches of commercial banks are authorized by the RBI to establish currency chests, a receptacle in a commercial bank to store notes and coins on behalf of the RBI, to facilitate the distribution of notes and coins. As of March 31, 2016, there are over 4,075 currency chests and 3,746 small coin depots spread throughout India.

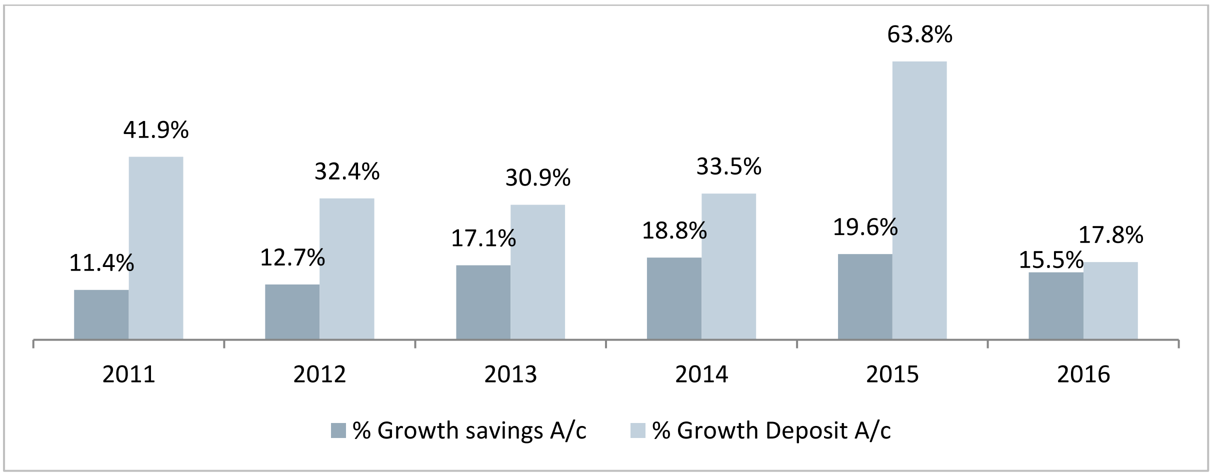
Growth in number of bank branches

As a result of the RBI promoting financial inclusion and extension of the banking network to the remote areas of the country, there has been a steady rise in the number of rural banks in India. Beginning in April 2011, the RBI mandated that at least 25% of the total new branches opened during a year by any domestic SCB must be in "un-banked" rural areas. In June 2017, the Odisha government advised Small Finance Banks and Payment Banks to service un-banked areas. The RBI is expected to provide a list of 700 un-banked *gram panchayats* for which the banking entities would submit their proposal for opening new banking points. Such government guidelines and initiatives are anticipated to boost the growth of the banking sector and increase the number of bank branches, thereby also boosting the growth of the cash management services sector, including ATM deployment, in India. The following table sets out the number of bank branches in rural, semi-urban and urban areas, along with the relevant CAGR, between Fiscal Year 2011 and Fiscal Year 2016:



Source: RBI

Under the PMJDY, which was launched in August 2014, new bank savings and deposit account openings increased significantly: 288 million new bank accounts were opened under the PMJDY scheme as of May 31, 2017. The following table sets out the growth in bank savings and deposit accounts by Fiscal Year:



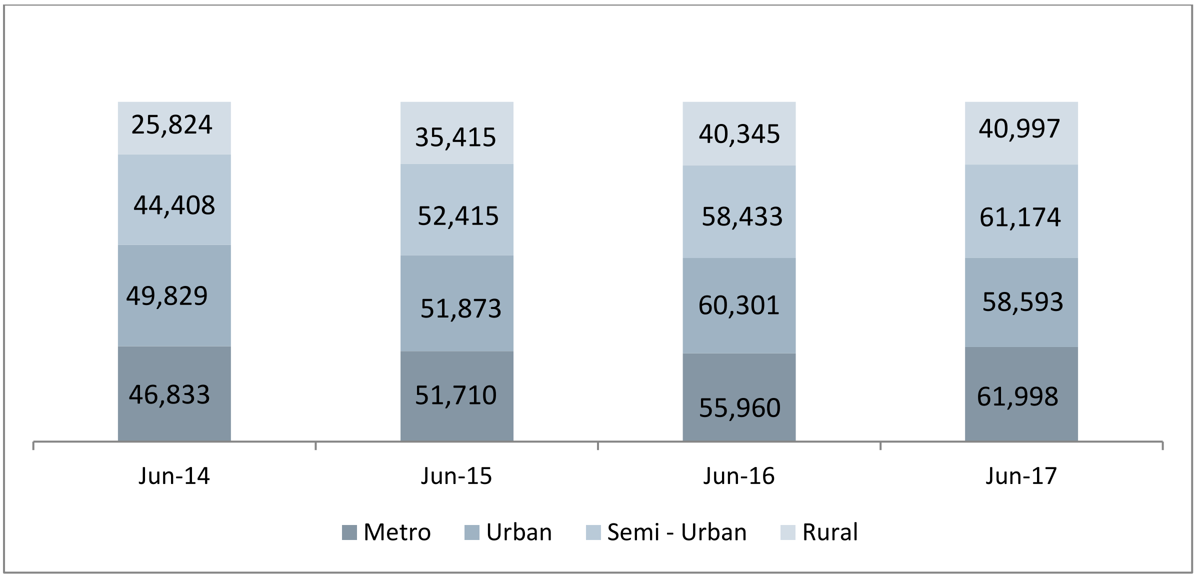
Source: RBI

Private sector banks have also increased their expansion into rural and semi-urban areas. However, although the government has made several efforts to promote financial inclusion, as of March 31, 2016, 19% of the population remained un-banked.

ATM penetration

As of June 30, 2017, 18.4% (40,997 ATMs) of the total ATMs in India were located in rural areas. The number of ATMs in rural areas is significantly below that of urban areas: in 2016, ATM density in non-rural areas (which includes metro, urban and semi-urban areas) was 8.4 times greater than the ATM density in rural areas, with an estimated 0.046 ATMs per 1,000 people in rural areas, compared to 0.388 ATMs per 1000 people in non-rural areas.

The following table sets out the ATM distribution in India:

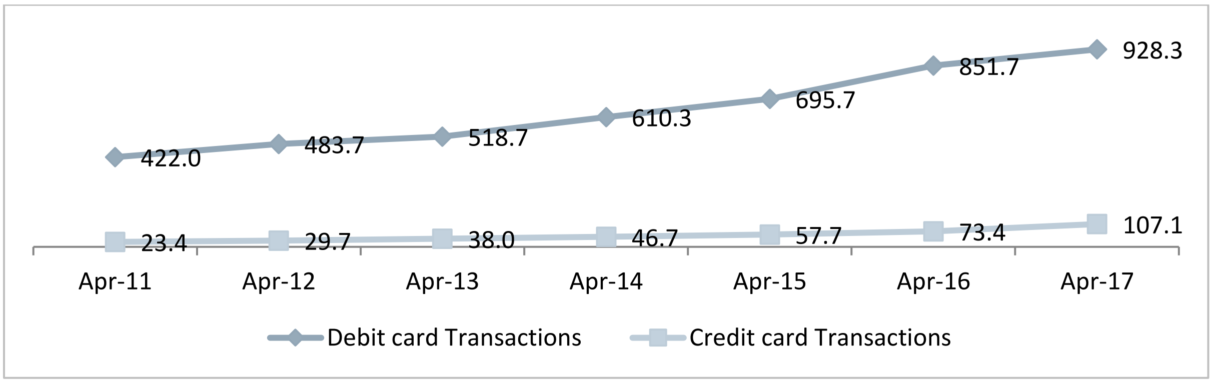


Source: RBI

The RBI has been trying to increase the number of ATMs though an initiative that granted licenses to non-bank entities to set up white label ATMs. The main objective of this initiative is to expand the reach of ATMs into semi-urban and rural areas where banks have not put up ATMs. Under the relevant RBI guidelines, once a license is granted, a certain minimum number of white label ATMs must be installed in Tier III and Tier IV areas.

Debit and credit card penetration

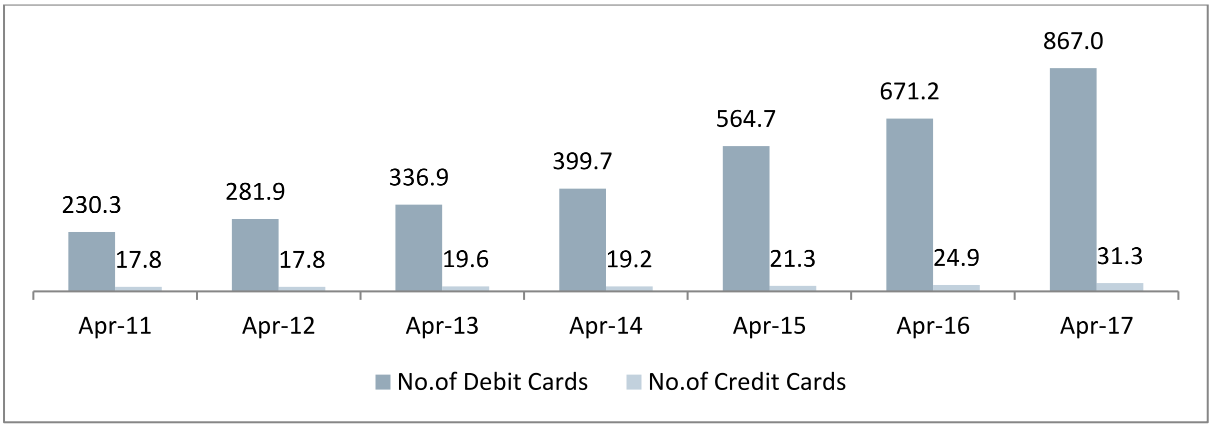
In April 2017, there were 107.1 million credit card transactions in India and 928.3 million debit card transactions. There has been a steady increase in credit card use in India, but debit cards remain the more popular payment method. The following table set out the number of debit and credit card transactions (in millions) from 2011 to 2017:



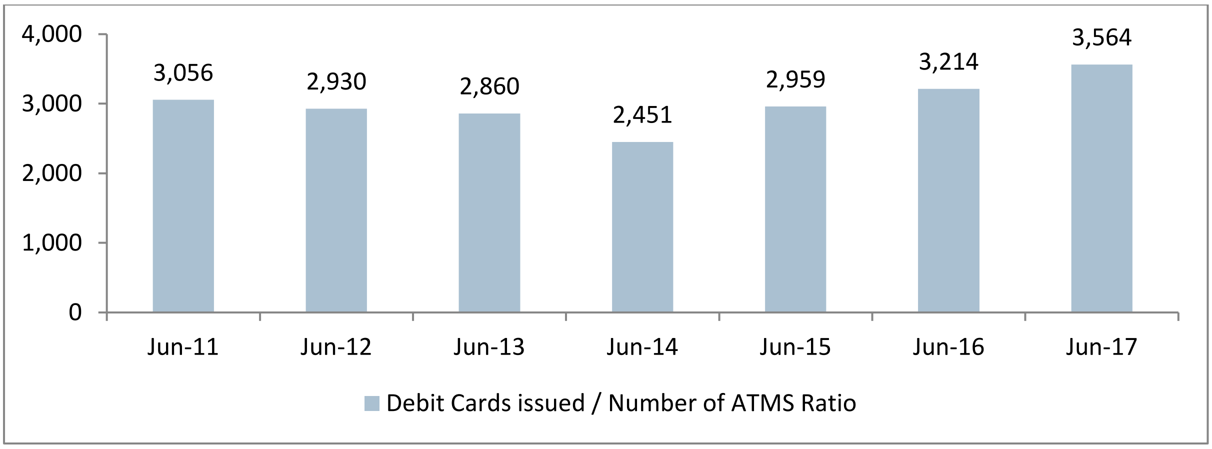
Source: RBI

As of Fiscal Year 2015 non-cash transactions accounted for only 2% of total transactions in the Indian economy, low compared even to other developing economies. In Brazil, for example, non-cash transactions accounted for 15% of total transactions during the same period.

As of April 30, 2017, there were 867 million debit cards and 31.3 million credit cards operational in India. The growth for debit cards from 2011 to 2017 was at a CAGR of 24.7%, while credit cards grew at a CAGR of 9.9% during the same period. The following tables set out the number of debit and credit cards issued (in millions) and the ratio of debit cards issued to ATMs from 2011 to 2017:



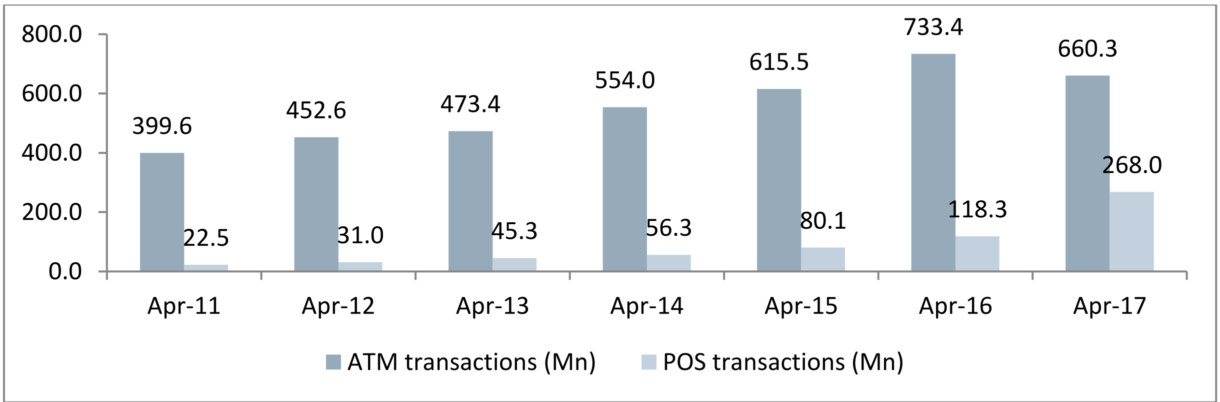
Source: RBI



Source: RBI

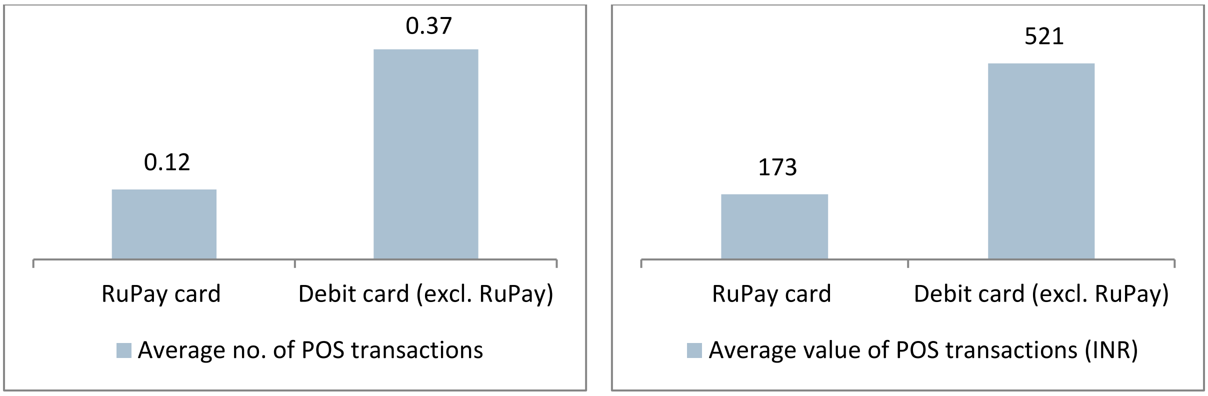
Debit card usage at ATMs vs. POS

Although the number of non-cash transactions in India is increasing, debit cards continue to be predominately used at ATMs rather than for transactions at POS terminals. Industry experts indicate that the majority of first-time bank account holders are still withdrawing cash from ATMs to spend for their daily needs, likely in part due to the lack of infrastructure to allow installation of POS systems in rural areas where network-related challenges persist. As of April 30, 2016, debit card use at ATMs accounted for approximately 86% of the total volume of debit card transactions and 94% of the total value of debit card transactions in India, though there was a dip in debit card use at ATMs and a rise in use at POS for Fiscal Year 2017 in response to the November 2016 demonetisation.



Source: RBI

A significant portion of the increase in new bank savings and deposit accounts opened and RuPay cards issued under PMJDY were in rural areas, where POS terminal penetration remains low. The following table sets out the average number of POS transactions and average value of POS transactions made with debit and Rupay cards in the month of April 2017:



Source: PMJDY, RBI

Card personalization services

Growing penetration of credit and debit card use connects financial institutions with new customers and also provides banks with new ways to connect with existing customers. Banks and other card issuers are beginning to use card personalization as a method of differentiating themselves from competitors and attracting, retaining and engaging with card holders. They now offer cardholders the option of providing personal photographs or artwork to create card backgrounds. A survey conducted by Entrust Datacard concluded that highly personalized cards increase cardholder acquisition by an average rate of 15% and drive a 50% or greater increase in card activation rates and a 3% increase in cardholder retention.

Overview of the Indian retail market

India's retail industry has been a significant contributor to growth and, in 2017, India surpassed China to reach the top of the global retail index of 30 developing countries for ease of doing business.

The retail industry in India is split into two categories, organized and unorganized. As of Fiscal Year 2016, organized retail penetration remained low, at 9%, while unorganized retail held 90% of the market and e-commerce held 1%. Organized retail is expected to reach 13% by 2019.

Cash payments in retail

India's retail transactions are cash intensive. According to a report by USAID, in Fiscal Year 2015, cash transactions accounted for 97% of the volume of total retail transactions. Cash-on-delivery is the most commonly used method of payment among e-commerce retailers in India, accounting for 45% of all e-commerce transactions as of Fiscal Year 2017. The following table sets out the share of retail transactions by method of payment in 2015:

Retail transactions in cash	97.0%
Consumer using debit cards for payment	11.0%
Merchant's Accepting e-payments	6.0%

Source: United States Agency for International Development ("**USAID**")

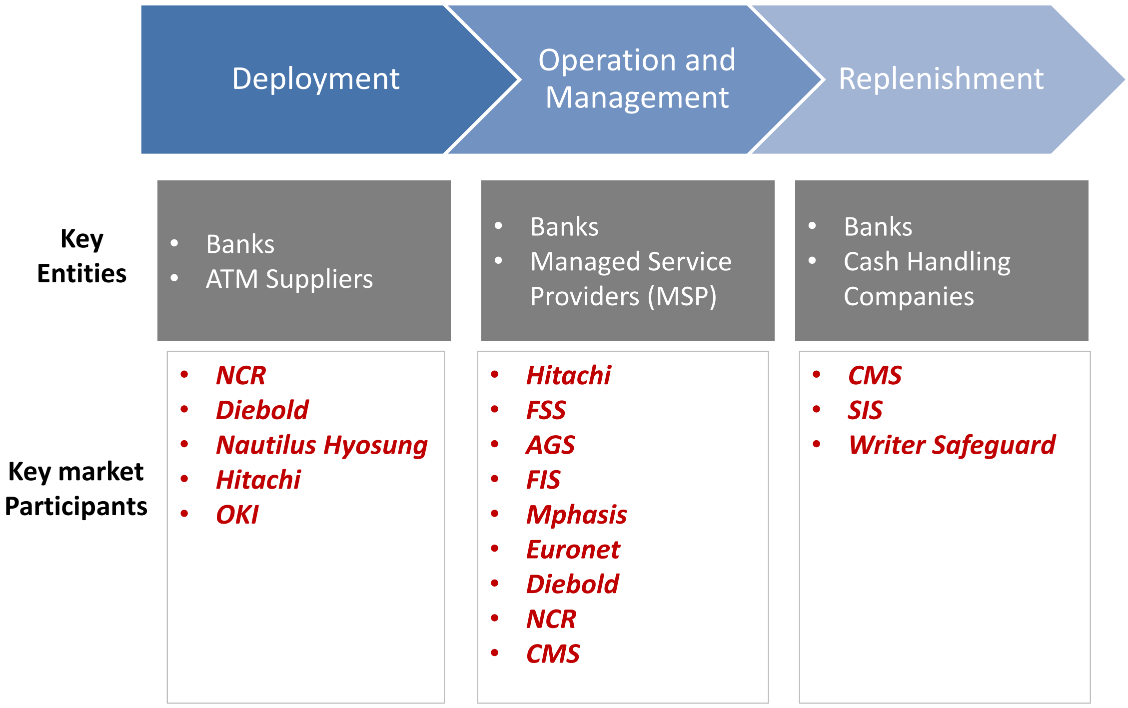
Despite the demonetisation in November 2016, cash payments continue to dominate the Indian retail sector.

Impact of GST

The Indian retail sector is comprised of the organized and unorganized sectors, with the unorganized sector mostly made up of local *kirana* shops, owner-operated stores, and small mobile convenience stores. After the implementation of GST, every tax payer in the retail sector must employ proper accounting and book-keeping. As it is anticipated that the unorganized retail sector will also participate in the mainstream tax system due to measures such as the low-tax composition scheme and the availability of tax credit on all transactions, this will result in unorganized retail becoming organized retail. In addition, the government is discouraging the purchase of goods from unregistered dealers, as tax on such purchases would be required to be paid by way of reverse charge.

Overview of the Indian ATM services market

The ATM services market includes services associated with deployment, management (managed services) and replenishment (cash management services) of ATMs. The following table shows the ATM services value chain in India:



Source: Frost & Sullivan

The ATM deployment sector

ATM deployment is the supply and installation of cash dispensers and cash recyclers, including both new and replacement demand and both brown and white label ATMs.

ATMs are either brown label or white label. Brown label ATMs are owned by the sponsoring banks, but the overall ATM management, service and lease agreements are managed by service providers, while cash and connectivity are managed by the sponsoring bank. Brown label ATMs are classified as either operational expense ("**OPEX**") or capital expenditure ("**CAPEX**") models, with the CAPEX model currently most common. With CAPEX models, the Managed Service Provider ("**MSP**") receives a monthly fee for managing ATM services. With an OPEX model, the sponsoring bank makes a variable payment based on the number of ATM transactions, at different prices for cash and non-cash transactions. White label ATMs, on the other hand, are owned and operated by non-bank service providers, which banks pay on a per transaction basis.

Market overview

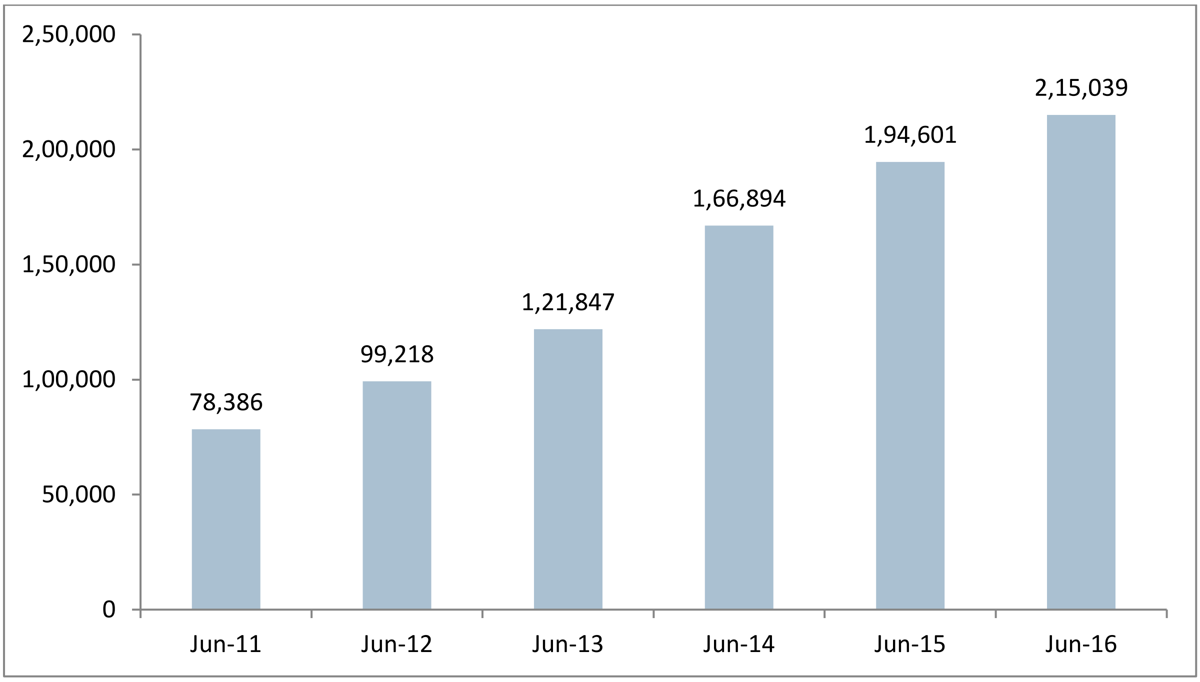
ATMs are no longer simply machines from which to withdraw cash. They are now used as a multi-utility service provider offering a wide range of services. India is currently one of the largest markets for ATMs in Asia, with its ATM deployment market dominated by global original equipment manufacturers ("**OEMs**"). Globally, NCR and Diebold are the market leaders, with Nautilus Hyosung the third largest OEM of cash dispensers and recyclers. India did not have any domestic manufacturing capability until Hitachi set up its ATM manufacturing plant in India, and commenced production in June 2016, as a part of the Make in India initiative.

Demonetisation slowed the growth of ATM deployment, and it also exposed India's skewed ratio of ATMs compared to the population. As of June 30, 2017, the ATMs in the states of Tamil Nadu and Maharashtra accounted for more than 20% of the total cash machines installed in the country. The National Capital Region has more ATMs than several states, including Bihar, Rajasthan and Orissa. There is a significant gap between the urban and rural populations with regard to access to ATMs: in June 2017, 69% of the country's rural population has access to about 45% of ATMs in the country while 31% of the population in urban areas has access to about 55% of ATMs. It is expected that this uneven spread will be partially mitigated by increased white label ATM deployment, which is also expected to increase the demand for cash machines in India.

Following the November 2016 demonetisation, there was a slowdown in ATM deployment, though most leading ATM suppliers are expecting large orders in 2017. ATM deployment is expected to gain momentum mainly due to low current penetration and new demand from rural areas into which banking operations are expanding, as well as replacement demand, where old and inefficient systems are replaced with more advanced, secure and efficient machines. The average life span of an ATM is approximately seven to eight years.

Cash recyclers have been gaining popularity and acceptance in India since they entered the Indian market in Fiscal Year 2009. Most cash recyclers were imported from China, Korea and Japan until Fiscal Year 2015, when Hitachi Terminal entered into the market to manufacture cash recyclers domestically. It has since started manufacturing cash recyclers in its Bengaluru facility. Of the current base of over 220,000 ATMs in India as of June 30, 2017, nearly 21,000 units are cash recyclers and the rest are cash dispensers.

The following table shows the number and growth of ATMs across India:



Source: RBI

Market drivers

ATM deployment is expected to gain momentum in India mainly due to low current penetration, one of the lowest in the world. ATMs are currently concentrated in cities and urban areas, with very low penetration in rural areas of the country and skewed toward the most developed states: Tamil Nadu, Karnataka and Maharashtra have high ATM penetration, while large but less developed states like Rajasthan, Uttar Pradesh and Bihar are well below the national average in terms of ATM penetration. The government, through various schemes, is looking to bridge these gaps and provide broader access to money. Efforts to increase ATM penetration and to increase the efficiency of existing ATM machines make India one of the largest markets for ATM deployment in Asia.

ATMs are considered the best alternative banking channel to operating a bank branch and also enjoys the highest level of acceptance among customers. Banking statistics indicate that the cost of serving a customer is highest at a branch location, followed by ATMs, online and mobile phones. Industry experts point out that a single transaction at the bank costs ₹28 to 32, while the same transaction performed through an ATM managed by a bank would cost ₹22 to 24 and, if the ATM is outsourced to an MSP, that transaction would cost approximately ₹12.

With these costs in mind, banks are aiming to limit branch-based transactions by offering alternative channels like ATMs.

Many ATMs in India are outdated in terms of software and hardware. Industry reports point out that as of May 31, 2017, more than 70% of the ATMs in India were running on outdated operating systems, making them vulnerable to cyber-attacks. Increasing security threats to the cash in ATMs, and the need to improve efficiency in cash handling through improved hardware, both contribute to the replacement demand for ATMs in India. Many cash dispensers are now being replaced with cash recyclers to improve the efficiency in cash replenishment in India.

The average cost of an ATM is approximately ₹280,000, with the cost determined by the price of the materials, processor, software and operating system, which requires upgrading every four years. The cost of servicing an ATM is generally 12% to 15% of the total CAPEX. The average cost of an ATM has fallen 10% to 15% over the last five years.

The average cost of cash recyclers, on the other hand, ranges between ₹800,000 to 1,200,000. The cost varies depending on factors such as the cassette size, software, security features and the volume of machines ordered. However, the Indian government is providing subsidies for the deployment of cash recyclers. The subsidy is approximately ₹200,000 per machine deployed in urban areas and approximately ₹250,000 per machine deployed in rural areas. Additionally, industry participants point out that the cost of cash recyclers has fallen by 15% to 20% over the last three years.

Government initiatives for financial inclusion, such as the PMJDY scheme, which led to the opening of millions of new bank savings and deposit accounts, are driving the need for wider ATM penetration. As of May 31, 2017, 288 million accounts were opened under the PMJDY scheme. Industry experts indicate that the majority of first-time bank account holders are still withdrawing cash from ATMs to spend for their daily needs, likely in part due to the lack of infrastructure to allow installation of POS systems in rural areas where network-related challenges persist. In addition, the Direct Benefit Transfer program further increased the need for ATMs in the rural areas, prompting the RBI to roll out white label ATMs in rural India.

Market restraints

Increased penetration of mobile banking and other forms of digital payments have reduced the growth of ATM deployment. Banks are considering digital platforms to curtail the costs of cash operations and to connect with a larger base of customers while providing services at low cost. However, this is affecting the growth of ATM deployment predominately in urban areas, where the population has access to digital platforms; new ATM deployment in Tier II and III areas will continue unchallenged.

India currently has more than two million POS terminals installed at various retail outlets. High applicability of POS terminals coupled with demonetisation, and the subsequent cash deficit, fuelled the demand for POS terminals in India. The penetration of POS is driven by factors such as easy accessibility, low installation cost and availability on monthly rental basis, along with a drop in prices. This will negatively affect the growth of ATM deployment in the long-term.

India is one of the fastest growing e-commerce markets in Asia and is becoming one of the major e-commerce markets in the world. Although India is a relatively late adopter of e-commerce, it has been successful in reaching a large portion of the population. However, the e-commerce market still has yet to mature in terms of payment mechanisms, and 45% of all online shopping in India is still paid by cash-on-delivery. According to the Associated Chambers of Commerce and Industry of India, the e-commerce market is expected to grow by approximately 27% between Fiscal Year 2016 and Fiscal Year 2020.

Market forecast

Despite encroachment by digital payments, increased penetration of POS terminals and e-commerce, ATM deployment is still expected to grow, at least partially in response to increased demand in rural (Tier II and III) areas and ATM replacement demand. The ATM market is expected to grow at the rate of 15.76% between June 2017 and June 2021. By June 30, 2021, India is expected to have about 400,000 ATMs, of which 30% is expected to be cash recyclers.

The managed services sector

As of December 31, 2016, the ATM managed services market in India was estimated to be approximately ₹60 billion in size. ATM managed services include ATM monitoring; set up and maintenance of a 24-hour help desk to ensure availability of ATMs; automatic generation of trouble tickets; event and incident management; provision of first-level maintenance; coordinating with the OEMs for second-level maintenance, including preventative maintenance and on-call break-and-fix services, cash monitoring, forecast and replenishment; regular reporting of ATM uptime; and site maintenance.

Key market drivers

Outsourcing ATM operations and management to third-party service providers is growing in India, and is further encouraged by the directive from the Ministry of Finance for all public sector banks to deploy OPEX model ATMs, where the MSP installs and manages ATMs and is paid for each transaction. As banks expand their branch locations and ATM network, and the government continues to push for increased financial inclusion in rural areas, outsourcing ATM deployment and management reduces the costs incurred by banks.

Additional drivers include banks' efforts to reduce internal costs and related decrease in dependence on capital infusion by the government; use of capital on technology to improve customer service; improvement in efficiency and reduction of human resources through reduction in manual work required; and joint infrastructure for back-end operations. The typical cost of running each ATM is approximately ₹35,000 to 40,000 per month. Management costs are also the main area of concern behind banks' converting from brown label ATMs to white label ATMs managed by MSPs in their own names.

Key success factors

For MSPs, key success factors include: offering a complete array of services, including site identification, ATM procurement, deployment, connectivity, incident management, dashboards, reports and more; establishing partnerships with OEMs; the ability to manage ATMs from various vendors and of varying types, from cash dispensers to cash recyclers; the ability to offer support, 24 hours a day and seven days a week, through centres equipped with cutting-edge infrastructure and a round-the-clock helpdesk to support more than 1000 ATMs; strong finances and healthy turnover for the past two to three years; and experience in managing at least 5000 ATMs with accurate electronic journal pulling and high ATM uptime.

Market restraints and forecast

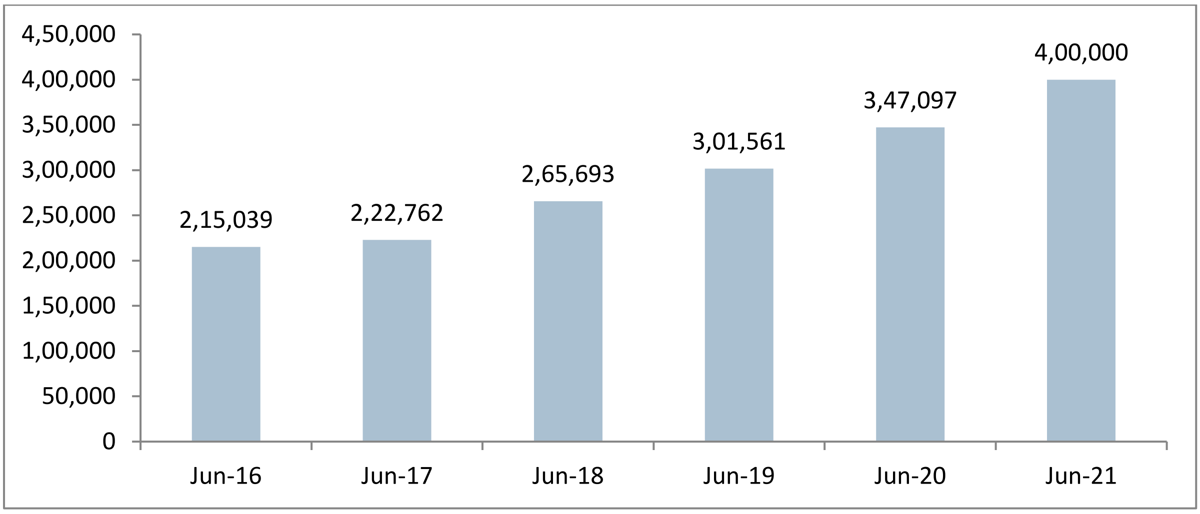
Banks' non-performing assets ("**NPAs**"), which total ₹5,000 to ₹6,000 billion, has put immense pressure on banks to curtail spending. Such measures are expected to negatively impact the managed services market in the short-term, but is expected to be temporary. Considering that the cost of cash handling for banks are fixed, irrespective of economic cycles, the use of outsourcing is expected to grow in the banking sector.

Recent developments related to consolidation of public sector banks is expected to restrain the market until the public sector banks reorganize their branch and ATM networks and reprioritize their growth plans in the wake of merger. However, the impact is set of taper off in the long-term.

Due to high NPAs, lower interchange fee and long term trends such as growth in mobile wallets and digital banking, banks are investing more conservatively in ATM deployment in the near term, which directly influences the growth in ATM management services. Banks are expected to evaluate the viability of ATMs and move unviable ATMs to more profitable locations, in addition to adding new ATMs in order to reduce their operational cost by reducing in-branch transactions and as part of the general push to promote financial inclusion. However, the key drivers for growth of ATM deployment and managed services remain intact.

Consolidation in the MSP market is likely, as few MSPs with strong information technology and communications backgrounds would consider the managed services sector to be non-core and opportunistic. Such consolidation in the market is expected to ease the pressure on pricing of services, and the remaining MSPs would have the opportunity to gain higher margins and improve pricing arrangements as customers buying power decreases. In light of the anticipated market consolidation, combined with the focus on the OPEX model of ATMs and the expectation that the number of ATMs in India will reach 400,000 by June 30, 2021, the ATM managed services sector is expected to grow at an average of 10% to 15% between 2016 and 2021.

The following chart sets out the forecast for the total number of ATMs in India by 2021:



Source: Frost & Sullivan

Competitive landscape

The landscape of ATM managed services in India is dominated by 11 to 14 companies ranging from software conglomerates to financial technologies solutions providers to ATM manufacturers. The following table sets out a few of the key companies operating in this market as of December 31, 2016:

Company Name	Details of ATM deployment and management
Tata Communications Payment Solutions	18,887 ATMs under its operations and management. Out of which, about 8,000 are its own white label ATMs and the remaining belong to banks.
Mphasis Payment Managed Services	It has deployed 8,000 ATMs across the six states of Gujarat, Dadra & Nagar Haveli, Daman & Diu, Karnataka, Goa, Rajasthan, Orissa and Chhattisgarh
Financial Software and Systems (FSS)	It manages over 40,000 ATMs for more than 30 public and private banks across India. It also has about 10,000 own ATMs which were deployed for various banks.
Hitachi	It manages and maintains about 53,000 ATMs across India
AGS Transact	It has about 8,000 – 9,000 ATMs under its managed services business. It has deployed about 218 white label ATMs.
FIS	FIS owns and manages over 12,000 ATMs in India
Electronic Payment and Services	About 7,000 ATMs were deployed and managed for 26 banks in India
CMS	Manages 680 ATMs under brown label and pure managed services

Source: Frost & Sullivan

The cash management services sector

Global overview

In the United States and Western European markets, much of cash handling is outsourced by banks and financial institutions. Competition in the cash management services market is largely restricted to two or three main providers in each market. For example, Brink's, Loomis and Garda dominate the cash management services market in the United States, with a combined market share of over 65%. In Canada, Brink's and Garda together control more than 90% of the market share. It is expected that the cash management services markets in developing economies, as they mature, will also head toward market consolidation, restricting competition to no more than four main providers.

In mature markets, cash management service companies, in efforts to increase their revenue share, move toward offering higher-value services. For example, as of April 30, 2016, Brink's generated approximately 53% of its revenues from core services, such as cash-in-transit ("**CIT**") for banks and ATM services, and 40% from higher-value services such as the transport of high value commodities and providing advanced cash management services, such as for CompuSafe machines, which offer a closed-loop system that can be used in retail stores, petrol stations, restaurants and entertainment venues where cash usage is high. Similarly, Loomis generated 62% of its revenues from CIT and ATM services and 31% from advanced cash management services, including sales of SafePoint smart safe units, which accounted for approximately 11% of Loomis' revenues in its United States market segment and, in 2016, Loomis' revenue from SafePoint sales had grown by 23% compared to 2015.

In developing economies, such as in India, the cash management services sector is in its growth stages, with significant potential to be tapped in areas such as cash logistics & handling and in other value-added areas such as cash management and automation solutions. In mature markets, CIT was the first service outsourced by banks, followed by other services such as cash management services, secure transport of highly-valued commodities and automation of cash handling functions in banks and large retail stores using technology like cash dispensers, cash recyclers, and smart-safes. This same progression is expected in India, where the majority of revenues garnered by cash management services companies are in the areas of ATM replenishment and cash transportation.

Due to steep barriers to entry, regulatory oversight, and advancements in technology, the global industry is dominated by large multinational companies such as Brink's (USA), Loomis (Sweden), Prosegur (Spain), G4S (UK), GardaWorld (Canada) and ALSOK (Japan). The following table sets out their respective financial metrics as of December 31, 2016:

Company Name	ATMs Served	Cash Vans	Operating margin	Gross Revenues	Cash Safe Systems
Loomis	114,500	6,700	11.2%	SEK 16,800 Million / USD 2,031 Million	19,000 safePoint systems sold in the USA in 2016
Prosegur	74,000	5,200	11.3%	Euro 3,902 Million / USD 4,550 Million	
Brinks	94,600	11,900	7.1%	USD 3000 Million	15,600 CompuSafe Units sold in the USA in 2016
Garda	49,000	3,500	-	CA$2,800 Million (2015) / USD 2,200 Million	-
Alsok	60,300	-	7.6%	JPY 381 Billion / USD 3,400 Million	18,000 ALSOK cash deposit and dispenser machines were in operation across Japan as of 2016.

Source: Frost & Sullivan

In developed economies, including the United States and Western Europe, cash is still a dominant method of payment. In the United States, cash accounts for nearly one-third of all consumer transactions and is more popular among consumers aged 18 to 25 years. Notes in circulation doubled to 40 billion notes between Fiscal Year 1996 and Fiscal Year 2016. In Western Europe, the circulation of Euro notes grew at a rate of 6% between 2012 and 2016.

Indian overview

The Indian economy continues to have high volumes of cash transactions, and cash management companies carry approximately ₹150.0 billion every day in more than 8,000 cash vans as of June 30, 2017. According to the Federation of Indian Chambers of Commerce and Industry, cash management companies in India also hold, at any point in time, more than ₹40.0 billion in their vaults on behalf of banks and other financial institutions. Currently, there are eight cash management companies operating in the Indian cash management services industry, which includes small regional companies that offer services in very few cities. The largest three to four companies dominate 80% of the market share.

Cash management services consists of three main services, namely: ATM replenishment, CIT and Retail Cash Management ("**RCM**") or Cash Pickup and Delivery ("**CPD**"). Cash management companies also provide other services, such as transportation of jewels, artwork, bullion and other valuables, cash processing and cash vaulting services. Cash management companies are engaged by MSPs for ATM replenishment services and are engaged by banks and retailers to provide CIT, CPD, RCM and other services. Cash management services has grown from a ₹12.0 billion industry in 2010 to an estimated ₹30.3 billion in 2016.

Competitive landscape of the Indian cash management services sector

There are eight main companies, a mix of both international and domestic, operating in India's cash management services market. Key market participants include CMS Info Systems, SIS Prosegur, Writer Safeguard, Brink's and Securevalue.

As of March 31, 2017, CMS Info Systems is the largest market participant and is the market leader in ATM cash replenishment and RCM / CPD cash management services on the basis of number of ATMs and retail touch-points handled. As of December 31, 2016, CMS is the fifth largest cash management company globally, in terms of the number of ATMs replenished. SIS Prosegur is the second largest cash management company in India following CMS. The other key market participants, Writer Safeguard, Brink's Arya and Securevalue, together hold a significant share of the market. The remaining market share is split between regional companies such as Logicash, Checkmate, SSMS, Bliss Management Services and Radiant Cash Management Services. In 2014, SIS Prosegur acquired the cash management services from ISS SDB.

The following table sets out key metrics for main cash management service providers in India as of Fiscal Year 2016:

Company Name	Number of ATMs	Retail Touch Points	Number of Branch offices	Workforce	Cash Vans	Market Share in terms of ATMs serviced (%)
CMS Info Systems	50,987	34,786	240+	23,500	4,200+	34.2%
SIS Prosegur	18,000	10,000	119	10,000	2,500	12.1%
Brink's Arya	13,000	NA	44	7500	NA	8.7%
Writer Safeguard	20,000	15,000	80	5,000	900	13.4%
Securevalue India	24,000	NA	75	7,000	470	16.1%

Source: Frost & Sullivan
Note: Market share is based on the number of ATMs serviced (replenished) out of the total ATMs outsourced for replenishment in India.

As of June 30, 2017, CMS had 57,098 ATMs, which accounts for a 38.3% share of the total ATMs outsourced for replenishment in India and a 25.6% share of the total ATM base in India.

The following table sets out the services provided by the main cash management service providers in the overall cash value chain:

Company Name	ATMs Equipment Supply	Maintenance of ATMs (FLM and CLM)	ATM Managed Services	ATM Replenishment & CIT	RCM/CPD	Smart Safe Systems
CMS	✓	✓	✓	✓	✓	✓
Loomis				✓	✓	✓
Prosegur				✓	✓	✓
Brinks				✓	✓	✓
SIS		✓		✓	✓	
Writers Corporation		✓		✓	✓	
Hitachi-Omron	✓	✓	✓			✓
NCR	✓	✓	✓			✓
Diebold	✓	✓	✓			

Source: Frost & Sullivan

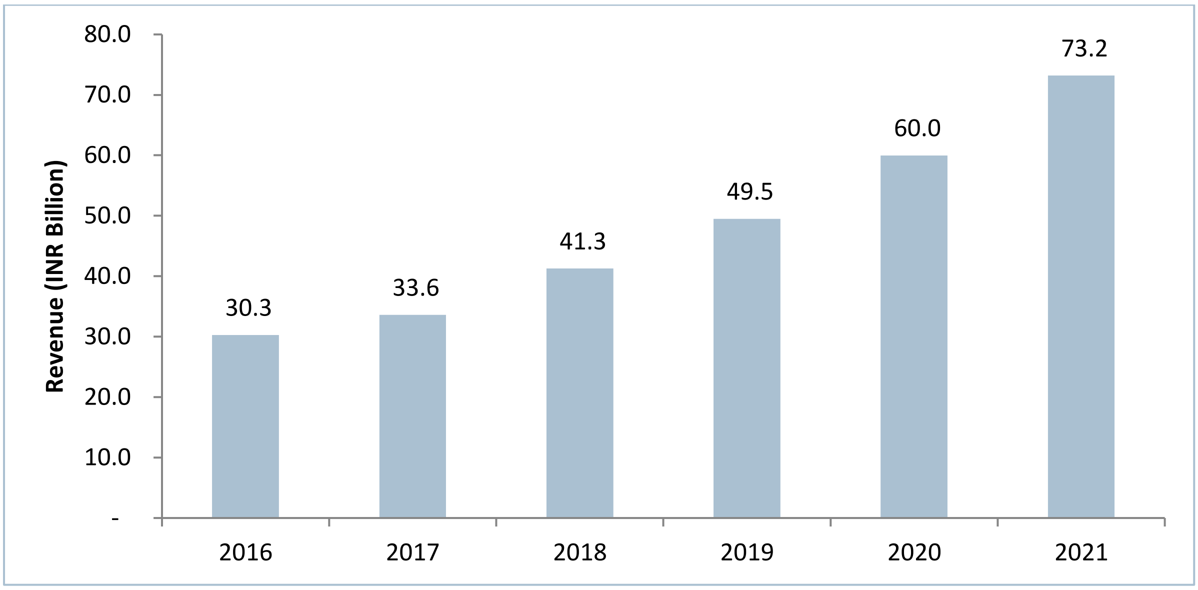
Key competitive factors include good compliance with statutory requirements, such as wages and insurance; service efficiency, such as timely response and turnaround times to ensure ATM and cash availability and optimized fleet management, and service security; service and management expertise and availability; and delivery of excellent core services. A robust business continuity or contingency plan in times of credit crunch is also a key determinant of success in the industry.

Consolidation of the Indian cash management services sector

The cash management services sector has, in the past five years, experienced a process of consolidation. In 2012, CMS Info Systems acquired Securitrans India from APS Group in a deal valued between ₹2,000 to 2,500 million. In 2014, SIS Prosegur acquired ISS SDB’s cash management services. In 2016, Electronic Payment and Services (P) Ltd. (EPS) acquired CISB ATM Services Pvt. Ltd., from CIS Bureaus Facility Services Pvt. Ltd. Also in 2016, TSI India and Mphasis have reached an agreement in which the former will manage and operate about 11,000 ATMs. Finally, in 2016, SIS Prosegur acquired part of SSMS’ cash management business (4800 ATMs) for ₹180 million.

Market forecast

The cash management services market in India is expected to grow at an estimated CAGR of 19.3% between 2016 and 2021.



Source: Frost & Sullivan

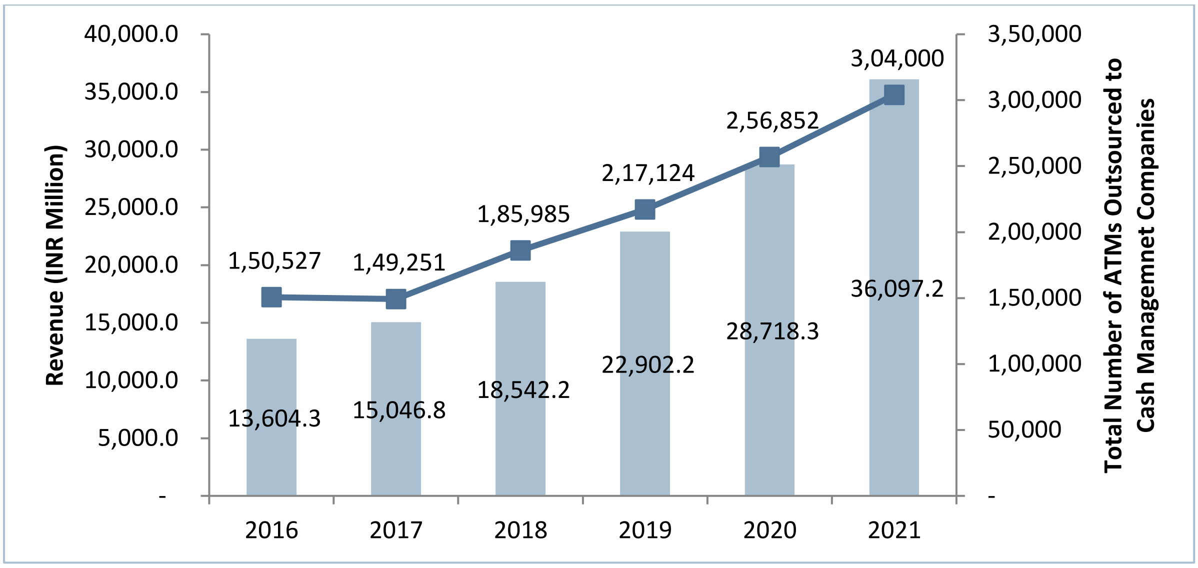
The majority of growth will be driven by growth in the banking and organized retail sectors. As the government continues to pursue its financial inclusion initiatives, competition in the cash management services industry is expected to increase and lead to further consolidation of the market, in line with mature markets, with industry participants expecting the market to shrink to three to four companies with the ability to provide services across India and mobilize cash cost-effectively, which would also have the effect of improving the cash management services price environment by easing the pressure on pricing. Following consolidation of the market, the remaining cash management service providers would have the opportunity to gain higher margins and improve pricing arrangements as customers buying power decreases.

The cash management services market is expected to face competitive pressures from the anticipated long-term decline in cash intensity in response to government initiatives and the growth of credit cards and POS penetration in the retail sector and the use of mobile wallets and other forms of digital payments in urban areas. In response, many regional cash management companies are expected to succumb to market pressures and exit the business or merge with market leaders. Increasing need for implementation of strict market standards will further challenge the presence of small and regional companies in the cash management services sector. In the future, international companies that do not currently have a presence in India could potentially enter the market by taking over regional companies, introducing new, strong competition in the market. Cash management companies are also expected to expand their service portfolio into other value chain segments, as has been the case for cash management companies in matured markets.

ATM replenishment

ATM replenishment is the largest segment of the three main cash management services, holding approximately 45% of the market share by revenue. RCM / CPD holds 21% and CIT holds 18% of the market revenue, while the remaining 16% can be attributed to other services offered by cash management services companies.

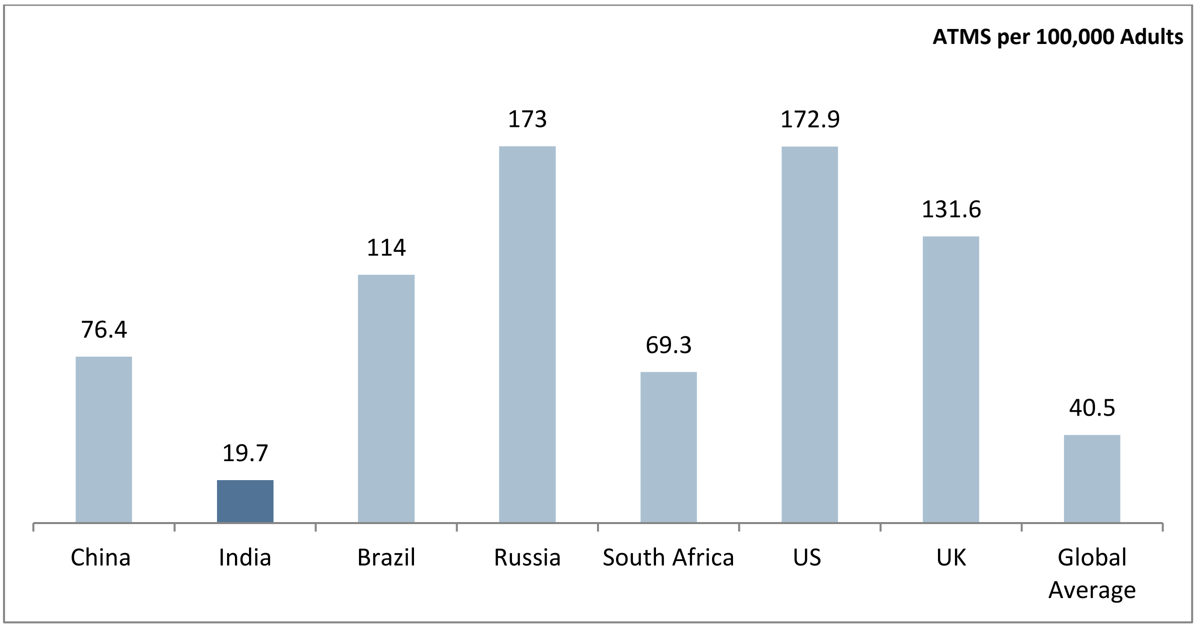
Cash replenishment for onsite ATMs, i.e., ATMs located on bank premises, is sometimes undertaken by the bank itself, while offsite ATM servicing is outsourced to cash management services companies. As of June 30, 2017, close to 65% to 70% of the ATMs in India were outsourced to cash management service companies. Revenues for ATM replenishment services, which includes first line maintenance ("**FLM**") services, is generally linked to the number of replenishments on a monthly basis. Costs incurred by cash management services companies include leasing or purchasing vehicles to transport the cash to and from ATMs, employee salaries and costs for security systems to mitigate the risks of theft. The ATM replenishment market is estimated to grow at a rate of 24.45% between 2017 and 2021.



Source: Frost & Sullivan

Key market drivers

As of December 31, 2015, India had one of the lowest average number of ATMs per capita (in 2015, India had 19.7 ATMs per 100,000 adults; among the BRICS countries, Brazil had 114, Russia 173, China 76 and South Africa a density of 69 ATMs per 100,000 adults) and one of the lowest ATM densities in the world with only 25.4 ATMs per 1000 sq. km. The RBI has initiated several initiatives to increase the ATM density in India, and the ATM replenishment services market is expected to continue to grow. The following table sets out ATM density by nation in 2015:



Source: World Bank

Although there has been high growth in the number of ATMs in India, their deployment has been predominantly in Tier I and in a few Tier II areas. The RBI's initiative to set up more white label ATMs is set to boost the ATM penetration into rural areas, which is in turn expected to drive the growth of ATM deployment. Of the new ATMs under this initiative, 50% to 65% will be deployed in rural areas. The PMJDY initiative to provide bank accounts for all has also led to banks increasing the number of ATMs in the India, especially in rural centres, which then prompt the increased need for services by cash management companies to the rural regions.

In spite of the growth of e-commerce, mobile wallets and digital banking, the number of ATM transactions has continued to grow at an average annual rate of 12.9% between April 30, 2011 and April 30, 2016. However, this growth was impacted significantly during the November 2016 demonetisation drive. ATM transactions had declined in value by nearly 3.7% and in volume by nearly 10% as of April 30, 2017, compared to April 30, 2016 due to the cash crunch that resulted from the demonetisation. The average amount withdrawn from ATMs has increased by 12% following demonetisation, and the number of digital transactions have been declining since March 2017. While the value of non-cash payments in India has been increasing steadily since 2007, the market is still dominated by cash transactions.

Market restraints

In addition to launching its PMJDY initiative in 2014, India joined the United Nations-based Better Than Cash Alliance in 2015, as part of the GoI's general push to increase financial inclusion and with the intention of transitioning the economy away from cash transactions to electronic payments. There is increasing penetration of credit cards in the retail sector and the deployment of POS terminals or devices is growing. POS penetration grew at a CAGR of 18.3% between Fiscal Year 2011 and Fiscal Year 2016. Increasing use of mobile wallets and other forms of digital payments in urban areas are also expected to reduce the volume of cash transactions in the long-term.

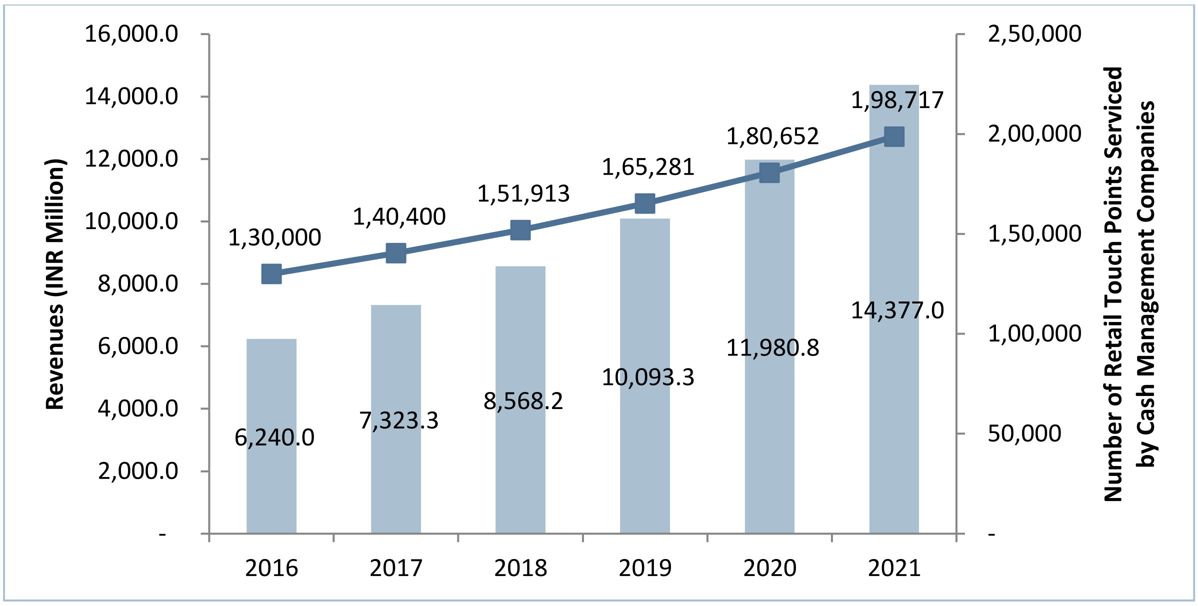
RCM / CPD

RCM / CPD is the transport of cash and valuables to and from retail or other private establishments that deal in large volumes of cash and valuables. RCM / CPD services include cash pickup and cheque collection services, demand draft, and travellers' cheque doorstep delivery and other similar services, and may also involve processing picked-up cash and overnight vaulting. Cash and valuables are transported on behalf of the retailers or private establishments either to be deposited in a bank, or at the retailer's corporate headquarters or various branch locations.

Cash payments dominate the Indian retail sector. With most non-cash payment options not available to much of the Indian population in rural areas, according to a report by USAID, an estimated 97% of all retail transactions were in cash as of Fiscal Year 2015 and, according to a 2013 Euromonitor report, 86.6% of overall consumer payments value in India were cash transactions. As of Fiscal Year 2017, cash-on-delivery still accounts for 45% of e-commerce transactions in India.

Historically, banks have been the main client base for RCM / CPD service providers. Banks will invite a retailer to open an account with the bank and, as part of their other banking services, the bank will offer doorstep banking to the retailer. The bank then retains cash management companies to perform such services. In most cases, cash management companies make one visit or one pick-up per day for each touch point. As cash volumes increase, some retailers request two pick-ups per day. Metros, malls, apparel stores, food and beverage stores, telecom stores and hospitals are the key segments for RCM / CPD services. More recently, cash management companies have also been approaching and acquiring smaller retail clients directly rather than through banks, a practice that is expected to increase RCM / CPD market penetration in the long-term.

As of December 31, 2016, the RCM / CPD market was ₹6.24 billion in size and constituted approximately 21% of the overall cash management market in India. With increased market penetration by doorstep banking services, the RCM / CPD market is expected to grow at an estimated rate of 18.2% between 2016 and 2021.



Source: Frost & Sullivan

Key market drivers

As of Fiscal Year 2016, organized retail penetration remained low, at 9%, while unorganized retail held 90% of the market and e-commerce held 1%. However, the organized retail sector is growing at an annual rate of 20%, and is expected to reach 13% of the market by 2019. The growth of e-commerce has not slowed RCM / CPD market growth, as 45% of e-commerce transactions are cash-on-delivery transactions.

The increasing customer base of retail jewellers, gold loan companies and hospital chains, all three of which handle large volumes of cash and engage the services of private cash management companies, are driving growth in the Indian cash management services market, and particularly in the RCM / CPD sector.

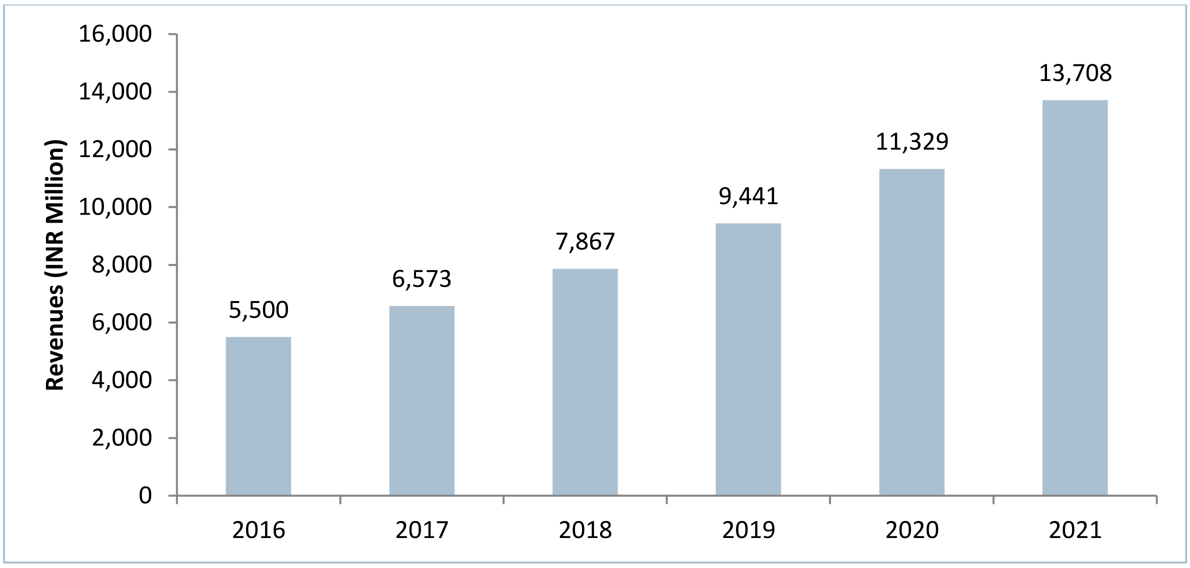
Market restraints

As with all cash management service sectors, the GoI's general push to increase financial inclusion by transitioning the economy away from cash transactions to electronic payments has resulted in increasing penetration of credit cards in the retail sector and the use of mobile wallets and other forms of digital payments in urban areas, all of which are expected to reduce the volume of cash transactions in the long-term.

CIT

CIT services involve the physical transfer of bank notes, coins and items of value from the currency chests of banks to its various branches or branch-to-branch. CIT services also include bulk inter-city and inter-branch transportation of currency. Cash management companies typically provide banks with vehicles dedicated to a particular bank branch, currency chest or head office for a specified time period each day for transportation of cash between different cash points.

The growth of the CIT services sector is directly tied to the expansion of bank branches. Although technology-driven transactions continue to grow, banks are continuing to expand their branch networks. The CIT services market, as of December 31, 2016, was estimated to be ₹5.5 billion, with new bank licenses increasing the market potential. Since April 2014, the RBI has granted 23 new banking licenses, of which two were universal banking licenses and 11 were payments banks licenses. Both types of banks outsource a significant portion of CIT services to cash management companies. This is expected is drive the growth of the CIT services market, which is estimated to grow at a CAGR of 20.0% between 2016 and 2021.



Source: Frost & Sullivan

Key market drivers

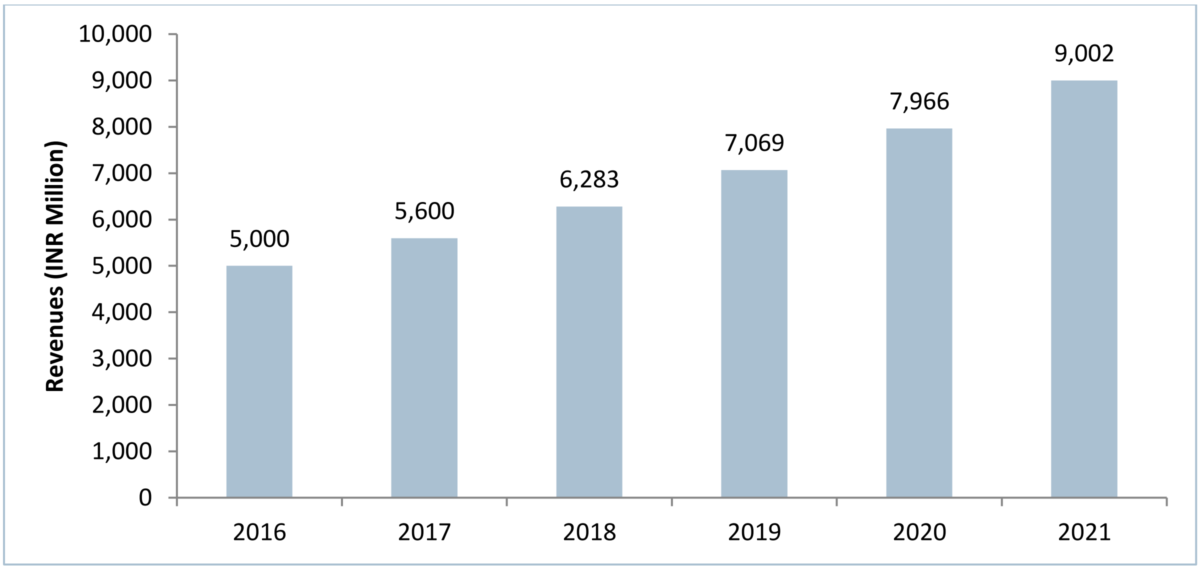
Public and private sector banks have opened a total of 24,374 new bank branches in India since 2013, with banks expected to continue to expand their branch networks, increasing the market potential for the CIT services sector. Despite government initiatives, approximately 68% of the total payments in India were cash transactions in Fiscal Year 2016 and India remains cash intensive.

Market restraints

As with all cash management service sectors, the GoI's general push to increase financial inclusion by transitioning the economy away from cash transactions to electronic payments has resulted in increasing penetration of credit cards in the retail sector and the use of mobile wallets and other forms of digital payments in urban areas, all of which are expected to reduce the volume of cash transactions in the long-term.

Other cash services

Cash management companies may offer other services such as bullion management, vaulting services and cash processing. As of December 31, 2016, the market for other cash services was ₹5 billion, with an estimated growth of 12.5% expected between 2016 and 2021.



Source: Frost & Sullivan

India is one of the largest importers of gold in the world and holds the largest gold stock in the world. Bullion management includes activities related to customs clearance, vaulting and local deliveries. Vaulting services must be in compliance with RBI guidelines, according to which they are classified as Class A, B or C. With the continued growth of and increased organization within the gold and bullion market, the market for bullion management services is growing and expected to continue to grow.

Cash processing services involves the outsourcing of currency chests to cash management companies providing CIT services. Cash processing services is currently a very small portion of the cash management services sector, with only 0.02% of the total 4,075 currency chests in India outsourced as of March 31, 2016. However, the cash processing services sector is expected to grow as more customers look to outsource. Banks have been running pilot studies to understand the costs and benefits of outsourcing currency chests, with industry experts estimating that banks can save 35% to 50% on costs by outsourcing currency chests to cash management companies.

OUR BUSINESS

The following information should be read together with the information contained in the sections titled "Risk Factors", "Industry Overview", "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Financial Statements" on pages 13, 111, 200 and 199, respectively. Unless otherwise stated or required by context, the financial information used in this section is derived from the Restated Financial Statements. Unless otherwise stated, all references to the "Company" refer to CMS Info Systems Limited and all references to the "we", "us" and "our" refer to CMS Info Systems Limited and, as the context requires, its Subsidiaries at the relevant point of time.

OVERVIEW

We are India's largest cash management company based on number of ATM points and number of retail pick-up points as of March 31, 2017. (Source: Frost & Sullivan) We are also the fifth largest ATM cash management company worldwide based on number of ATM points as of December 31, 2016. (Source: Frost & Sullivan) For Fiscal Year 2017, our total currency throughput, or the total value of the currency passing through all of our ATM and retail cash management businesses, amounted to ₹7,290 billion.

We provide a wide range of services across each stage of the cash cycle in India, from when the RBI initially deposits cash in branches of selected banks, called currency chests, that are authorised by the RBI to hold and distribute rupee notes and coins for circulation to banks, to when cash is deposited back in banks after going through the various stages of the cash cycle. We operate our business in three segments:

- *Cash management services*, which include ATM services, cash delivery and pick-up and network cash management services (together known as "retail cash management services");

- *Managed services*, which include sale of ATMs and ATM sites and related products and maintenance services; and

- *Others*, which include trading in card and card personalization services.

We believe our services help increase the velocity of cash through the cash cycle by assisting customers to meet their outsourcing needs and increase the speed with which they handle cash by automating and decreasing duplication in the processing and turnaround of cash, which we believe also allows customers to improve their productivity and reduce their cash processing costs.

As the amount of cash in circulation increases, so does the need for cash and cash-related services. Cash in circulation in India increased at a CAGR of 11.74% from Fiscal Year 2012 to Fiscal Year 2016, driven primarily by GDP growth during the same period, reaching a peak of ₹17,775 billion as of October 2016 prior to the banknote demonetization in India in November 2016. Demonetization caused cash in circulation to decrease to ₹9,432 billion as of December 2016, but it has since recovered significantly, increasing to ₹15,074 billion as of June 2017. Cash in circulation is currently expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020, with GDP expected to grow at a CAGR of 7.6% during the same period. (Source: RBI; World Bank; Frost & Sullivan)

As the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017. (Source: Frost & Sullivan) They are also increasingly outsourcing their ATM operations and management in order to process and distribute cash to consumers more quickly and efficiently. For example, of the cash replenishment services provided to the 222,762 total ATMs in India as of June 30, 2017, approximately 65% to 70% were outsourced to third-party cash management companies. The cash management market grew from approximately ₹12.0 billion in 2010 to approximately ₹30.3 billion in 2016, a CAGR of more than 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan)

In addition, India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults, compared to a global average of 40.5 ATMs per 100,000 adults as of December 31, 2015, and the GoI has undertaken initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs, in particular in rural regions where ATM penetration is very low at 4.6 ATMs per 100,000 adults as of December

31, 2016. (Source: RBI; Frost & Sullivan) We believe our pan-India fleet of over 3,603 cash vans and our network of 282 branches and offices, which as of March 31, 2017 cover all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult to reach and remote rural and semi-urban areas, position us well to take advantage of future opportunities arising from this growth and these initiatives.

We are also supported by our Promoter, Sion Investment Holdings Pte. Limited, which acquired the Company in 2015 and is an affiliate of Baring Private Equity Asia, a private equity firm that has over US$10 billion in total committed capital and investments in over 40 portfolio companies across Asia as of March 31, 2017.

For Fiscal Years 2015, 2016 and 2017, we generated revenue from operations of ₹13,391.55 million, ₹11,400.91 million and ₹10,074.49 million, respectively, and restated profit before tax of ₹1,107.64 million, ₹802.42 million and ₹1,201.73 million, respectively. For Fiscal Years 2015, 2016 and 2017, restated profit before tax as a percentage of our total income was 8.24%, 7.01% and 11.88%, respectively.

OUR STRENGTHS

We believe our key strengths are as follows:

Leading player in growth market with strong fundamentals

In our industry, there is a positive correlation between market share, network size and profitability. As of March 31, 2017, we are India's largest cash management company based on number of ATM points and number of retail pick-up points, and as of June 30, 2017, we had a market share of 25.6%, based on the total number of ATMs in India. (Source: Frost & Sullivan) In terms of revenue, we were over three times the size of our nearest competitor in the growing cash management market in India in Fiscal Year 2016. (Source: Frost & Sullivan) For Fiscal Year 2017, our total currency throughput, or the total value of the currency passing through all of our ATM and retail cash management businesses, amounted to ₹7,290 billion. We provide a wide range of services across each stage of the cash cycle in India and believe our services help increase the velocity of cash through the cash cycle by assisting customers to meet their outsourcing needs and increase the speed with which they handle cash. In addition, the size and wide reach of our network enables us to realize further economies of scale, allowing us to increase the productivity of our operations and our profit margins.

In Fiscal Years 2015, 2016 and 2017, our cash management services segment accounted for 59.61%, 69.73% and 81.70%, respectively, of our total revenue from operations. The cash management market grew from ₹12.0 billion in 2010 to ₹30.3 billion in 2016, a CAGR of more than 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan) This growth is expected to continue to be driven primarily by:

- Strong economic growth in India, where GDP grew at 7.2%, 7.9%, and 6.8% in Fiscal Years 2015, 2016 and 2017, respectively, and is expected to continue growing at a CAGR of 7.6% from Fiscal Year 2018 to Fiscal Year 2020 (Source: World Bank; Frost & Sullivan);

- Increasing cash in circulation, which is expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020 as GDP continues to grow (Source: RBI; Frost & Sullivan);

- Government initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs in regions of India where penetration is relatively low, including semi-urban and rural regions, together with the impact of demonetization, which has resulted in an increase in the amount of cash that is utilized through banking and ATM channels;

- Increasing automation of banking services and the outsourcing of the cash management needs of banks and other financial institutions, in particular public sector banks, as they focus on their core business and operations and seek to increase their productivity and reduce costs; and

- Growing access to banking services in India, such as debit cards, which has increased the total number of debit card transactions in India from 518.7 million in April 2013 to 928.3 million in April 2017, a CAGR of 15.66% (Source: Frost & Sullivan).

In addition, as the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017 (Source: Frost & Sullivan), and issuing more debit cards, which have increased from 336.9 million as of April 2013 to 867 million as of April 2017, a CAGR of 26.66%. (Source: RBI – ATM & Card Statistics).

Pan-India footprint with deep penetration in growing markets

Our pan-India fleet of over 3,603 cash vans and our network of 282 branches and offices as of March 31, 2017 cover all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult-to-reach and remote rural and semi-urban areas, such as the India-Pakistan and India-China border regions, villages in remote regions in the Himalayas, such as Dras in Kargil, the Andaman and Nicobar islands, border towns in Kutch, such as Vayor, and remote towns in North East India, such as Roing in Arunachal Pradesh, and few locations which are only accessible by boat. India has one of the lowest ATM penetration rates in the world, with only 19.70 ATMs per 100,000 adults, compared to a global average of 40.5 ATMs per 100,000 adults as of December 31, 2015, and the GoI has undertaken initiatives aimed at increasing financial inclusion, such as the launch of *Pradhan Mantri Jan Dhan Yojana*, a national programme aimed at providing universal access to banking facilities, including basic bank accounts and 'RuPay' debit cards, through bank branches and ATMs, in particular in rural regions where ATM penetration is very low at 4.6 ATMs per 100,000 adults as of December 31, 2016. (Source: Frost & Sullivan) In addition, the RBI requires that at least 25% of any new branches that Indian banks open in a given year be in rural areas that do not have access to banking services, and private sector banks have been independently expanding their bank branches in the rural and semi-urban areas as a result of the opportunities created by rural economic growth being created by government initiatives in those areas. (Source: Frost & Sullivan) We believe these initiatives have increased and will continue to increase the number of cash transactions in these regions, as well as demand for cash management services and ATM sales and maintenance services.

We believe we were among the first cash management companies to invest in the growth of our business in rural and semi-urban areas in India, and our pan-India footprint enables us to offer our services to our customers in these areas as they grow their businesses and take advantage of opportunities created by these government initiatives and the expansion of the banking network in India. Our platform offers our customers a single point of reference across India for their operations, and we believe our knowledge of the markets in which they operate and their regional requirements enables us to provide our customers with better quality services that are customized to their needs. As of March 31, 2017, of the total number of ATM points our cash management business serviced, 31% were metro, 27% were urban, 20% were semi-urban and 22% were rural, based on RBI's classification of ATMs, and in terms of geographic location, 30% were in the North of India, 25% were in the South, 22% were in the East and 23% were in the West. In addition, as of March 31, 2017, of the total number of retail pick-up points our cash management business serviced, 55% were metro, 35% were urban, 9% were semi-urban and 1% were rural, and in terms of geographic location, 34% were in the North of India, 28% were in the South, 26% were in the West and 12% were in the East.

Longstanding customer relationships leading to increased business opportunities

The cash management services, managed services and other services that we provide to MSPs, banks and our other customers form a critical function in the businesses that they serve. Accordingly, we believe trust and reliability in our services are of utmost importance to our customers. We believe we have built up that trust through our track record of providing efficient, cost-effective and quality-oriented services, while using risk management systems and processes. Our platform of services aims to provide our customers with the same level of quality, efficiency and consistency across India, regardless of location, while enabling them to benefit from the economies of scale of our network. This is an advantage not only when we are providing a new service in a different location to an existing customer but also when we are taking on a new customer that requires a broad range of services across a number of different locations. We believe this is also reflected in our customer retention and our low rate of customer turnover. In Fiscal Years 2015, 2016 and 2017, we generated at least ₹200 million in revenues from 15, 14 and 15 customers, respectively. In addition:

- in our ATM cash management business, we have enjoyed relationships with seven of our ten largest MSP customers for more than eight years and two additional customers for more than four years. Our contracts with these customers typically range from one to three years;
- in our retail cash management business, we have enjoyed relationships with our six largest customers for more than 10 years and four additional customers for more than five years. Our contracts with these customers typically range from one to three years;

- in our managed services business, our relationship with the largest managed services customer, which accounted for over 69.46% of our total revenue from our managed services business in Fiscal Year 2017, spans over four years. Our contracts with this customer typically range from five to eight years and relate to the maintenance of deployed ATM machines; and
- in our Financial Card Management business, our relationships with three of the top five customers span over 10 years. Our contracts with these customers typically range up to three years.

We believe that the strength of our relationships with our customers also puts us in an advantageous position to win new mandates for other key aspects of their businesses, opens cross-selling opportunities and enhances our market reputation as our customers expand their businesses geographically and increase the outsourcing and automation of their banking services.

Systems and processes to manage and scale an operationally complex business

In our industry, as market share and sales volumes increase, operating resources can often be deployed more efficiently and margins can be improved. We are India's largest cash management company based on number of ATM points and number of retail pick-up points as of March 31, 2017. As of March 31, 2015, 2016 and 2017 and as of June 30, 2017, we serviced 46,045, 50,987, 53,006 and 57,098 ATM points, respectively, through our ATM cash management services, and as of March 31, 2015, 2016 and 2017, we serviced 33,668, 34,786 and 34,499 retail pick-up points, respectively, through our pan-India fleet of over 3,603 cash vans, 282 branches and offices. In Fiscal Year 2017, we completed 6.31 million ATM cash replenishments and 8.50 million RCM cash pick-ups. Managing and coordinating movements of large volumes of cash and the various other services involves complex planning and logistics that can have a significant impact on performance and profitability. In order to maximize the scalability of our operations, we leverage customised systems and processes that are designed around internally developed applications tailored to cater to the specific requirements of the Indian banking sector and our other customers. These systems monitor and track the allocation of resources across our business, enabling us to minimize the duplication of efforts and resources and drive operational efficiencies. They also allow us to automate certain processes within our operations, helping us to reduce human error and optimize costs associated with our employees and the third-party service providers and third-party security service providers from whom we procure services.

Our systems and processes are present at all levels of our business, including through:

- enabling the field mobility of our workforce through mobile applications;
- geo-tagging of more than 90% of the business points we serve;
- facilitating real-time reporting and security monitoring by our branches through web enabled applications;
- identifying available capacities in our network and synergies across our businesses to continue to increase our productivity through route optimization for over 3,000 routes, which we planned and structured daily in Fiscal Year 2017; and
- facilitating coordination of disaster recovery and data centres by corporate management.

We believe these systems and processes and the manner in which we have integrated them into our operations give us a competitive advantage relative to our competitors.

Track record of strong productivity and operational excellence

As our business has grown, we have actively sought to increase our profitability and the efficiency with which we deploy our resources by: (i) increasing the density of stops in the routes of our cash vans; (ii) leveraging the fixed costs of our cash processing infrastructure; and (iii) introducing other efficiencies, such as by standardizing and automating processes. We have done this in conjunction with independent international consultants, with whom we undertake studies to identify improvement areas in our operations. Between 2011 and 2017, we have undertaken four such studies to continually enhance our operational capabilities. For example, in 2011 we undertook an in-depth study down to each individual branch, route and vehicle, with the aim of implementing industry best practice initiatives and increasing our market leadership, and then in 2016 we undertook a study with an international expert in cash management to evaluate productivity and cost optimisation initiatives.

As a result of these efforts, we have realized important gains in critical metrics, including:

- *Productivity*: We have increased our productivity by leveraging our network to realize economies of scale, improving our processes and planning and increasing the density of stops in the routes of our cash vans, such as by using route optimization technologies to identify low density routes and available capacities to optimize the routes of our cash vans. In Fiscal Years 2015, 2016 and 2017, we had 19.1, 20.1 and 24.3 business points per cash van, respectively.

- *ATM uptime*: The efficiencies and controls we introduced helped us to further reduce ATM downtime or "cash-outs", when cash is not available at an ATM, and improve ATM uptime. For example, in June 2017 we received over 323,000 ATM first line maintenance calls. We were able to adhere to a turn-around-time of less than four hours in more than 85.29% of those calls, providing additional uptime for our customers. Improving ATM uptime and turn-around-time for customers not only results in increased customer satisfaction but also decreases aggregate penalty charges that we are required to incur when we do not meet the agreed scheduled response times, hence improving our margins and profitability on any given contract.

- *Reporting and settlement*: We have been able to make improvements in our reconciliation of ATM and retail cash balances and end-of-day reporting to bank branches. For example, in Fiscal Year 2017, we received over 20,000 reconciliation-related queries per month and in June 2017, we had success rates of 84.11% for daily reporting of operations performance to clients for our ATM cash management business and 98.07% of our customer accounts in our retail cash management business were settled on a same-day basis.

We have also implemented a range of risk management systems, including (i) cash reconciliation processes, whereby we facilitate cash reconciliation with MSPs and banks at various stages, with any discrepancies reported and a detailed analysis undertaken (and appropriate actions taken, where necessary); (ii) comprehensive auditing procedures, conducted by attending ATMs and routes, and process audits at branches and other relevant locations; and (iii) comprehensive and appropriate insurance policies with reputable institutions to distribute risks. As of March 31, 2017, we had an audit team of approximately 120 internal auditors that performed internal audits of all of our ATMs, vaults and branches in Fiscal Year 2017.

Experienced and highly qualified management team that have successfully grown our business

Our senior management team comprises a diverse group of highly experienced and qualified professionals, who have in-depth industry knowledge and expertise, as well as several years of experience at the Company. Many of our senior management team have also held senior positions at leading multinational companies in our industry and other reputable institutions. We are also supported by Baring Private Equity Asia (Sion Investment Holdings Pte. Limited, the Company's current Promoter, is an affiliate of Baring Private Equity Asia), which has expertise and business know-how that it has drawn on to support the Company and grow the Company's business and improve its operations. Our senior management team is led by our Executive Vice Chairman, Chief Executive Officer and Whole Time Director, Rajiv Kaul, who is the former general manager and managing director, India at Microsoft Corporation (India) Private Limited and a former partner at Actis Capital LLP, London. Since 2009, we believe Rajiv and our senior management team have built up our Company's structure and operations and identified growth opportunities for our business to transform our Company into India's largest ATM cash management services and retail cash management services company as of March 31, 2016. For example, we believe we were among the first cash management companies to invest in the growth of our business in rural and semi-urban areas in India.

Rajiv and our senior management team are supported by a strong group of middle management leaders across all our business functions and geographies, who have been key to the growth and performance of our Company. Many of the members of our management teams have worked in their assigned regions for many years and come from diverse backgrounds, such as from the financial services or the IT industry, enabling them to contribute direct and relevant experience to their jobs. We believe in investing in our employees and enhancing their leadership capabilities. As an example of our commitment to continuously developing our workforce, we launched the CMS Learning Academy, where our senior and middle management teams invest their time and expertise to train other members of our workforce in areas relevant to their business. We have also implemented a reward and recognition framework, known as the Simply Excellent, across all functions under which we reward the contributions of our workforce to our business.

OUR STRATEGIES

The key elements of our business strategy are as follows:

Leverage our scale and reach to grow our business

India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults as of December 31, 2015. This has led to the GoI to take initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs, particularly in rural regions where ATM penetration is the very low at 4.6 ATMs per 100,000 adults as of December 31, 2016. (Source: RBI; Frost & Sullivan) For example, the RBI currently requires Indian banks to open at least 25% of their new branches each year in rural areas that do not have access to banking services. We believe initiatives such as these have increased and will continue to increase the number of cash transactions in these regions, as well as increase demand for cash management services and ATM sales and maintenance services. For example, as the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017, a CAGR of 16.28%. (Source: Frost & Sullivan) We believe our pan-India footprint, which as of March 31, 2017 covers all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult-to-reach and remote rural and semi-urban areas, positions us well to take advantage of future opportunities arising from this growth and these initiatives, and we plan to continue to grow our business organically to meet this demand. As of March 31, 2017, of the total number of ATM points our cash management business serviced, 31% were metro, 27% were urban, 20% were semi-urban and 22% were rural, based on RBI's classification of ATMs, and in terms of geographic location, 30% were in the North of India, 25% were in the South, 22% were in the East and 23% were in the West. Our platform offers our customers a single point of reference across India for their operations, and we believe our knowledge of the markets and regional requirements in which they operate enables us to provide customers with better quality services that are customized to their needs. This is an advantage not only when we are providing a new service in a different location to an existing customer but also when we are taking on a new customer that requires a broad range of services across a number of different locations, and we plan to capitalize on this advantage.

Grow through selective value accretive strategic acquisitions

Globally, the cash management industry is a highly consolidated industry, with a small number of large competitors in each market, in part since market participants are often required to leverage their scale and geographic footprint in order to drive productivity and must also make significant investments in technologies and risk management. The cash management industry in India has also been subject to consolidation in recent years, with a number of large and medium scale mergers and acquisitions in the industry. We have benefited from this trend and have grown and plan to continue to grow our business through value accretive strategic acquisitions, where we can realize synergies across our business. We believe we have a track record of successfully completing business acquisitions and optimizing acquired businesses. For example, in 2011 we acquired SIPL, consolidating our position as the leading cash management services company in India. Since that acquisition, we have successfully improved the SIPL business through aggressive cost controls, including by restructuring operations and route reductions. In 2017, we also took over the business of a mid-sized cash management company, which helped increase the number of ATMs that we provide cash management services for, as well as parts of the business of a small Brown Label ATM services company (including its ATM outsourcing business contracts), which increased our capacity to provide Brown Label ATM services to mid-sized banks and other customers and we believe assisted us to win other contracts from similar customers. We currently intend to consider opportunities that consolidate our market position in existing business lines, achieve operating leverage in key markets and potentially new geographic markets by unlocking potential efficiency and synergy benefits to increase productivity, strengthen and expand our service and product portfolio and enhance our economies of scale and depth of experience, knowledge-base and know-how. Recently, we have signed a non-binding term sheet for the purchase of a business, that is similar to a few of the businesses that we undertake, from an Indian company (the "**Transaction**"). Entering into definitive agreements for the Transaction is subject to completion of satisfactory due-diligence, satisfaction of number of condition precedents and receipt of necessary approvals. In addition, we are continually exploring opportunities in the markets that we service and ways in which we can leverage our existing network, expertise and management experience to expand our business through potential new acquisitions.

Capitalize on the growing cash cycle to expand our operations

As the amount of cash in circulation increases, so does the need for cash and cash-related services, and although demonetization in India in November 2016 caused cash in circulation to decrease, cash in circulation is currently expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020, with GDP expected to grow at a CAGR of 7.6% during the same period. (Source: RBI; World Bank; Frost & Sullivan) This increase in demand for cash and cash-related services in India is expected to cause banks and other participants in India to deploy more ATMs. According to Frost & Sullivan, the number of ATMs in India is expected to increase from 222,762 as of June 30, 2017 to 400,000 as of June 30, 2021, a CAGR of 15.76%. We also believe that these trends have caused and will continue to cause banks and other market participants in the cash management market and across the cash cycle in India to increase the automation of their banking services and their outsourcing of cash management and other banking services. For example, of the cash replenishment services provided to the 222,762 total ATMs in India as of June 30, 2017, approximately 65% to 70% were outsourced to third-party cash management companies. The cash management market grew from ₹12 billion in 2010 to ₹30.3 billion in 2016, a CAGR of 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan)

We currently provide a wide range of services across each stage of the cash cycle in India and assist customers to meet their outsourcing needs and increase the speed with which they handle cash by automating and decreasing duplication in the processing and turnaround of cash, including in areas of the cash cycle, such as currency chest automation, that have only recently started being outsourced to third-party companies such as us. We believe this allows them to improve their productivity and reduce their cash processing costs. We plan to utilize the strength of our relationships with our customers, as well as our network and our expertise in providing cash management and managed services to cross sell our services and capitalize on opportunities across the growing cash cycle in India.

Drive operational efficiencies and increase productivity

As our business has grown, we have actively sought to increase our profitability and the efficiency with which we deploy our resources by: (i) increasing the density of stops in the routes of our cash vans; (ii) leveraging the fixed costs of the cash processing infrastructure; and (iii) introducing other efficiencies, such as by standardizing and automating processes. We have done this in conjunction with independent international consultants, with whom we undertake studies to identify improvement areas in our operations. Between 2011 and 2017, we have undertaken four such studies to continually enhance our operational capabilities. For example, in 2011 we undertook an in-depth study down to each individual branch, route and vehicle, with the aim of implementing industry best practice initiatives and increasing our market leadership, and then in 2016 we undertook a study with an international expert in cash management to evaluate productivity and cost optimisation initiatives. We plan to strive to continue to improve ATM uptime and turn-around-time for our customers and focus on improving the efficiency of our reconciliation of ATM and retail cash balances and end-of-day reporting to bank branches. These operational efficiencies result not only in increased customer satisfaction but also in decreased aggregate penalty charges that we incur if we do not meet the agreed scheduled response times, which improves our margins and profitability on any given contract. Further, we plan to increase our productivity by leveraging our network to realize economies of scale, improving our processes and planning and increasing the density of stops in the routes of our cash vans, such as by using route optimization technologies to identify low density routes and available capacities to optimize the routes of our cash vans. We also plan to continue to focus on cost management, as well as optimizing the ratio of our back office employees to our field staff, while making targeted investments, such as in technology to improve connectivity and communication across our branches and operations and with our customers, to further increase efficiencies and productivity. In addition, a key aspect of our ability to optimize our business and reduce operational costs is to manage our risk cost through reconciliation processes and comprehensive auditing procedures, which reduce discrepancies and additional costs associated with our operations. We also intend to continue to invest in systems and processes in order to reduce and mitigate risk cost.

Expand into business areas that create synergies with our current business

We believe we have a strong track record of scaling up our business in business areas where we identify opportunities for potential growth, whether in a new business area or in areas where we have existing operations. For example, in 2012, we identified our ATM deployments business as a key growth driver. The following year, in 2013, we won one of the largest order of ATMs in India from a large public sector bank to deploy more than 7,850 ATMs. (Source: Frost & Sullivan) Subsequent to our deployment for that bank, we identified ATM maintenance (including the sale of spares) as an upcoming opportunity and successfully grew that business. We have also identified and are in the process of expanding three new business areas, currency chest automation, Brown Label ATM deployments and retail cash automation:

- *Currency chest automation* – we have expanded our service offering even further within the cash cycle by offering currency chest automation services. Historically, the operations of currency chests have been managed internally by state-owned banks; however, the operations of currency chests and their cash management needs are expanding and currency chests are finding themselves in need of further automation and cash management services in order to process cash at lower costs. Although as of March 31, 2016, only 0.02% of the currency chests were outsourced in India, there is an increasing trend in the industry for these services to be outsourced by the banks to private third-party companies, such as us. (Source: Frost & Sullivan) We recently secured a contract for currency chest automation from a large public sector bank that was our customer at the time to execute and operate 20 currency chests across India that it has outsourced as of March 31, 2017, demonstrating our ability to leverage our relationships with our current clients to win new opportunities such as this.

- *Brown Label ATM deployments* – we began to grow our managed services business by acquiring the ATM outsourcing business of a small Brown Label ATM services company in January 2017. In Fiscal 2018, our Company received an order for 250 Brown Label ATM deployments, from one of the large private sector banks under the ATM outsourcing model. Our aim is to continue to grow this business by being selective about the profitability of contracts we choose to service. In addition, as the largest cash management company in India, we believe we are well placed to identify the appropriate geographic locations for ATM deployments. We further believe that this business will also increase our vertical integration, which will allow for more efficient execution.

- *Retail cash automation* – we recently launched our retail cash vault offering targeted towards retail outlets that require automated solutions to handle their cash collection across multiple stores. Our retail cash vault business utilizes smart safes, capable of note counting and verification, sourced from our OEM suppliers and offered to retail outlets through banks who are our customers. This equipment enables the retail customers to count and verify currency bills while providing a real-time notification to our back-end monitoring system for cash deposited, while the cash in the smart safe remains at the retailers' stores. Additionally, this equipment notifies us when specific cash thresholds have been met, allowing us to optimize our cash pickup logistics. The retail cash deposit vault is primarily targeted at all cash convergent locations such as retailer's cash collection hubs, organized retailers, petrol stations, gold loan companies, jewellery stores, hospitals and educational institutions. Retail cash vaults benefit banks and their customers by providing real-time cash verification, counting and back-office management at their centres.

In addition to these opportunities, we are continually exploring opportunities in the markets that we service and ways in which we can leverage our existing network, expertise and management experience to expand our business organically.

Enhancing our organizational capabilities

We aim to be an employer of choice in India by providing to our employees a compelling place to work and striving to attract the best talent in the industry by focusing on our employees' development, retention and contribution to our success. We believe that this, together with providing our employees and personnel from our third-party services providers and third-party security service providers with comprehensive training and development resources on ongoing and as-needed basis, benefits our employees and our third-party service providers and creates efficiencies within our business by improving the ability of our employees and our third-party service providers to perform their jobs. For example, we launched the CMS Learning Academy, which focuses on enhancing the skills and knowledge of our workforce in areas relevant to our business. We also plan to continue to focus on diversity in hiring, health programs for our employees and personnel provided by our third-party service providers and third-party security service providers and offering specialized safety programs to our workforce to ensure they conduct their jobs safely and efficiently.

We are also committed to continuing to develop processes and systems that support our workforce and our current scale of operations, but which are also sufficiently powerful, flexible and scalable to continue to support our business and operations as they grow. Where we can realize further efficiencies within our business, we plan to continue to develop additional bespoke, internally developed, applications that improve our service response levels and accuracy of information reporting, such as our bespoke Customer Relationship Management portal, developed in conjunction with an IT vendor, which allows us to "ticket" and monitor, through to resolution, issues that arise on a "by customer" basis in connection with maintenance service calls.

DESCRIPTION OF OUR BUSINESS

Overview

We provide a wide range of services across each stage of the cash cycle in India, from when the RBI initially deposits cash in currency chests for circulation to banks, to when cash is deposited back in banks after going through the various stages of the cash cycle. As demonstrated in the diagram below, this includes, among other things, providing:

(1) cash-in-transit services to the banks that run currency chests to enable them to distribute the cash to bank branches;

(2) ATM cash management services to banks (on behalf of MSPs) to enable them to distribute cash and replenish their ATMs with cash;

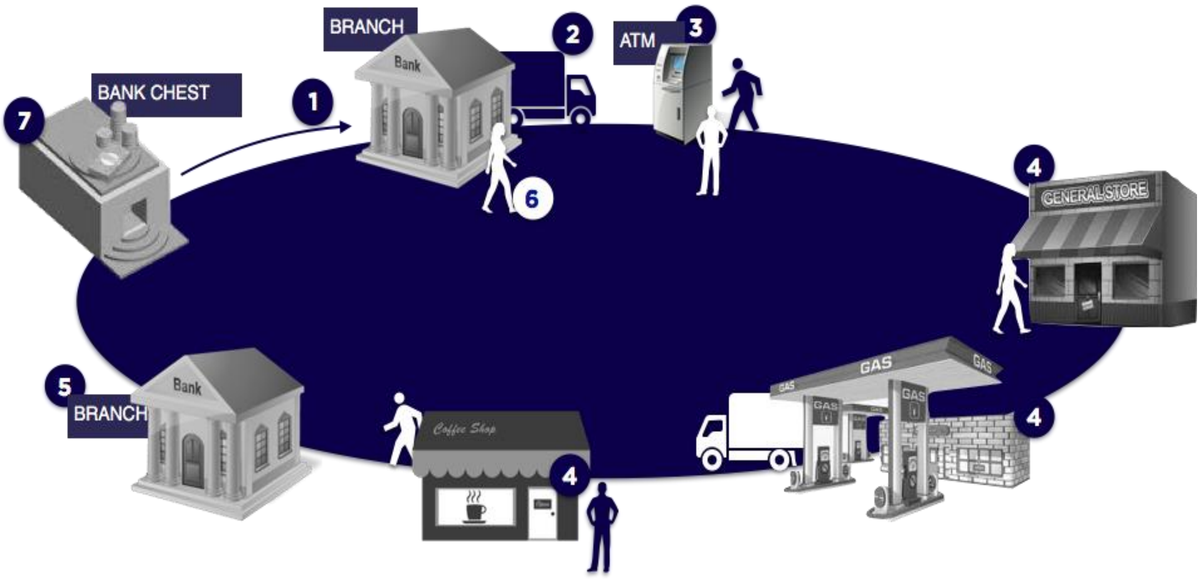
(3) ATM deployment and maintenance services to banks to enable them to expand and manage their ATM networks so that cash is readily available to consumers;

(4) retail cash management services to retailers and other corporates that require the cash that they have accumulated from consumers purchasing their products to be picked up, reconciled and deposited with their banks;

(5) reconciliation of ATM and retail cash balances and end-of-day reporting;

(6) credit and debit card personalization services to banks wishing to distribute credit and debit cards to give their customers access to cash; and

(7) currency chest automation, which in addition to dedicated cash-in-transit service, also includes automated cash processing (authenticating, sorting, packeting, bundling and shrink-wrapping currency) and reconciliation and reporting of the movements.



Our Businesses

We operate our business in three segments:

- ***Cash Management Services***, which include ATM services, cash delivery and pick-up and network cash management services (together known as, "retail cash management services");

- ***Managed Services***, which include sale of ATMs and ATM sites and related products and maintenance services; and

- ***Others***, which comprises trading in card and card personalization services.

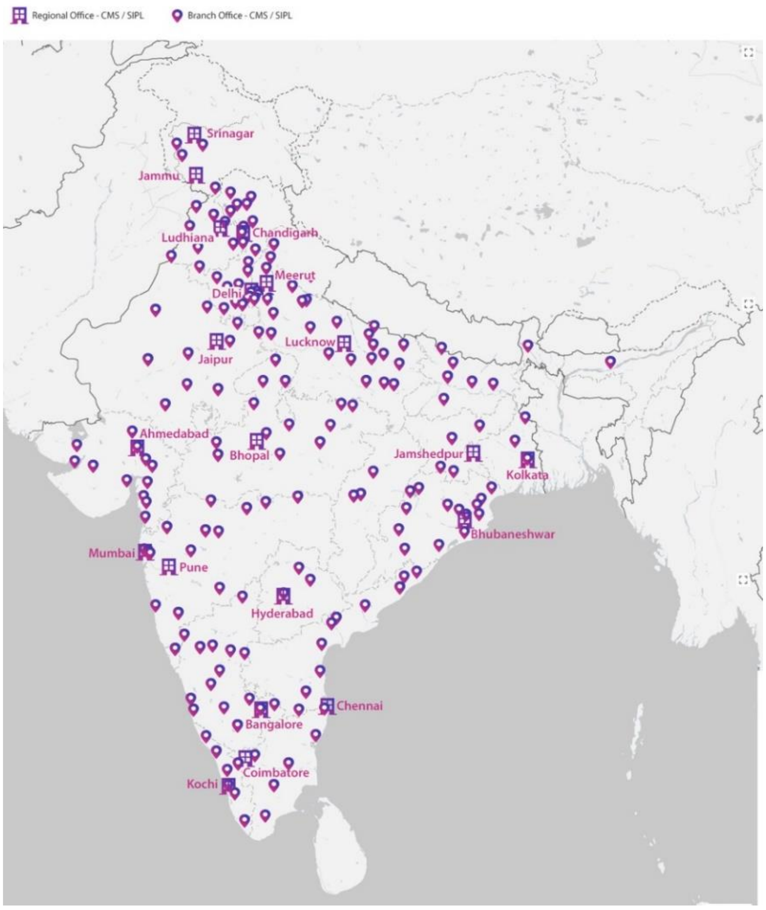
In addition, our revenue from operations in Fiscal Year 2015 includes revenue from discontinued operations, comprising Trading, IT Enabled services and Network training Services, which included trading in desktops, laptops, servers, networking products, printers and storage devices, providing annual maintenance services, facility management services and printing services. These operations were demerged from our Company on January 1, 2015.

The table below sets forth details in relation to contribution of each of our business segments to our total revenue from operations for Fiscal Years 2017, 2016 and 2015.

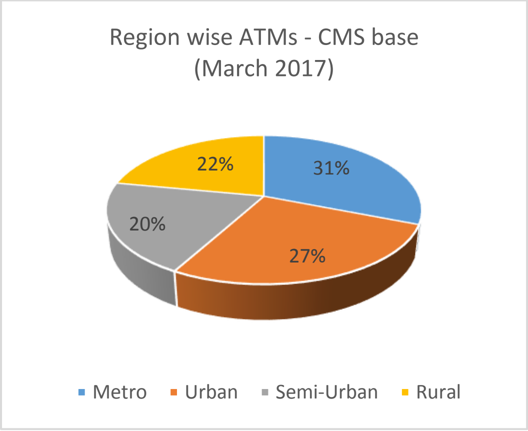
	Fiscal Year ended March 31,					
	2017 (*in ₹ millions*)	***Percentage of total revenue from operations (%)***	**2016 (*in ₹ millions*)**	***Percentage of total revenue from operations (%)***	**2015 (*in ₹ millions*)**	***Percentage of total revenue from operations (%)***
Revenue from Operations						
Cash management services	8,230.37	81.70	7,949.39	69.73	7,982.09	59.61
Managed services	1,397.26	13.87	3,188.99	27.97	3,014.30	22.51
Others	446.86	4.44	262.53	2.30	267.29	1.99
Discontinued operations*					2,127.87	15.90
Total revenue from operations	**10,074.49**	**100.00**	**11,400.91**	**100.00**	**13,391.55**	**100.00**

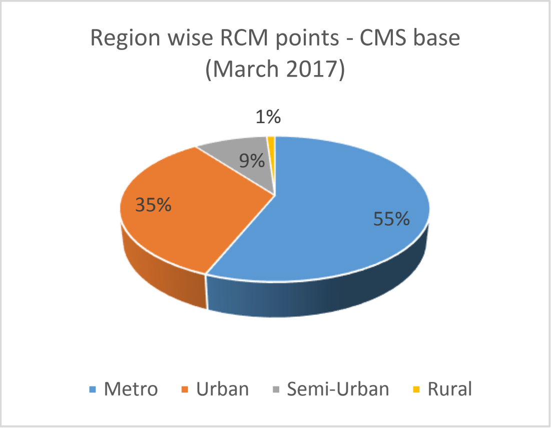
* Our revenue from operations from discontinued operations in Fiscal Year 2015 comprised Trading, IT Enabled services and Network training Services, which included trading in desktops, laptops, servers, networking products, printers and storage devices, providing annual maintenance services, facility management services and printing services. These operations were demerged from our Company on January 1, 2015.

We provide our services to our customers though our pan-India fleet of over 3,603 cash vans, 282 branches and offices and we serviced 105,732 business points as of March 31, 2017. The following map sets forth our branch network through which we service all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes.



The charts below set forth the breakdown of the number of ATM points our cash management business services, and the number of retail pick-up points our retail cash management business serviced, in metro, urban, semi-urban and rural regions as a percentage of the total number of ATMs points and retail pick-up points, respectively, as of March 31, 2017:





Cash Management

Our cash management business comprises ATM cash management, retail cash management and other cash management services, which we carry out through two distinct brand names, CMS and Securitrans.

ATM cash management services

Our ATM cash management services primarily include the following services:

- *ATM cash management:* Our ATM cash management services include cash evacuation, ATM cash replenishment and end-of-day reporting. We deploy route optimization tools that enable us to provide ATM cash replenishment to our cash management customers more efficiently.

- *24-hour first line maintenance:* First line maintenance involves services that are necessary to return the ATM machine or its infrastructure to proper operating condition, such as removing jams or refilling paper rolls. This allows us to provide our cash management customers with complete line maintenance of ATMs to minimize ATM downtime. We also offer our customers first line maintenance services through a 24-hour toll-free telephone number.

As of March 31, 2017, our customers for these services included over 13 MSPs in India, which are third-parties on behalf of which we provide ATM cash management services to more than 50 public and private Indian banks, as well as White Label ATM deployers. As of March 31, 2015, 2016 and 2017 and as of June 30, 2017, we serviced 46,045, 50,987, 53,006 and 57,098 ATM points, respectively, through our ATM cash management business.

Our key revenue drivers for our ATM cash management business are the number of ATM cash replenishments and the number of resolutions of first line maintenance calls during any given month. Our contracts for ATM cash management services are typically for one to three years and generally call for a "slab-based" pricing structure for ATM cash replenishments. In addition, most contracts have an incremental pricing structure, where we are paid a base amount per month, plus incremental additional revenue based on the number of replenishments that occur during the month. There is also usually an incremental charge for ATM replenishments on holidays and any second replenishment on the same day. For first line maintenance, our contracts typically provide for a certain number of free first line maintenance calls, with any additional calls above that amount being charged on a per call basis.

Retail cash management services

Our retail cash management services include outsourced retail cash pick-up and delivery services for customers, as well as, cash processing and vaulting services. We are able to offer our retail cash management customers real-time updates on cash collections, as well as same-day and next-day settlement. Our customers for these services are primarily banks that offer banking services to insurance providers, NBFCs, restaurants, utilities, e-commerce companies, logistics providers, government establishments, fuel stations, consumer goods companies and hospital chains. For Fiscal Years 2015, 2016 and 2017, we serviced 33,668, 34,786 and 34,499 retail cash management pick-up points, respectively.

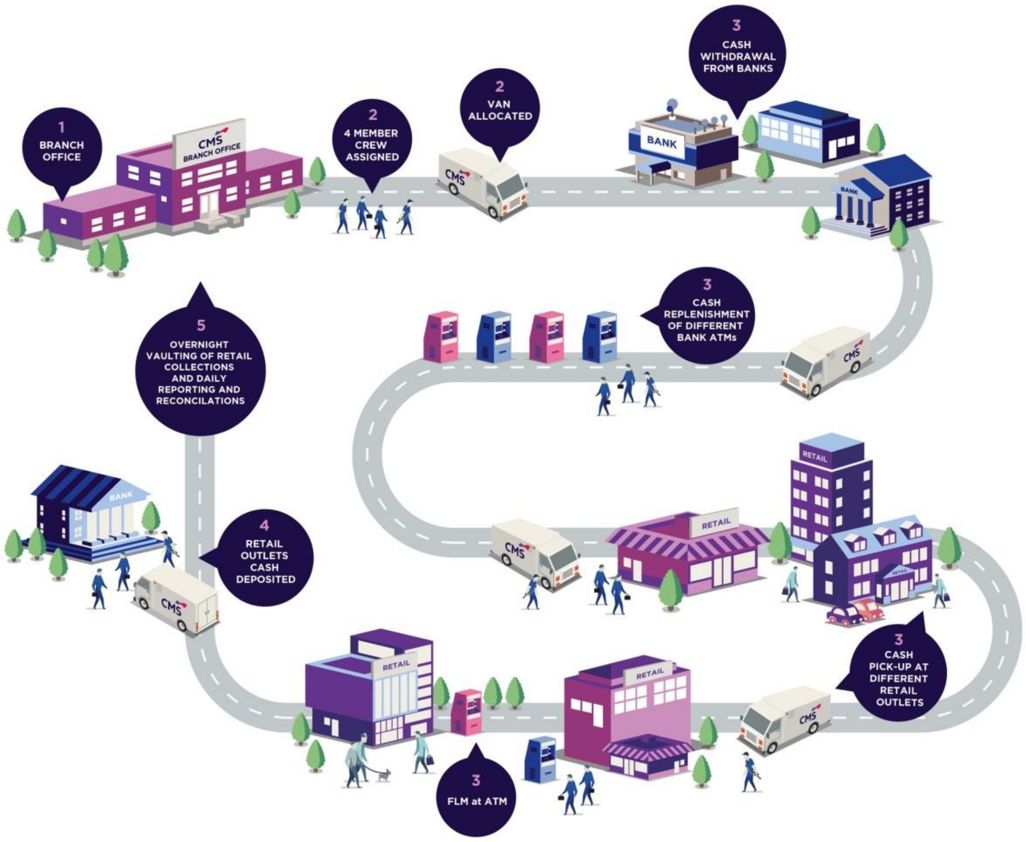
Our contracts for retail cash management services are typically for one to three years and generally call for an annual price review. The pricing of these contracts can vary, based on either a fixed fee arrangement for the service or a variable fee arrangement, or linked to the value of the cash that is picked up and deposited. Due to the lengths of the contracts, we typically find that we are able to maintain these contracts with our customers and that the size of our contracts increase as our retail customer's business grows.

Other cash management services

Our other cash management services include primarily cash-in-transit services, such as intra and inter-branch cash movement for banks. As part of our transit services, we provide for the transport of cash for our customers. In Fiscal Year 2017, we provided cash in transit services for more than 15 banks in India through our fleet of cash vans.

Synergies realized among our cash management businesses

Managing and coordinating movements of large volumes of cash and the various other cash management services we provide to our customers, involves complex planning and logistics that can have a significant impact on the performance of our customers' businesses. In particular, route productivity and profitability is fundamental to many of our business activities and requires intensive planning and precise execution by our team. We have continuously invested in and implemented systems and processes in order to maximize route productivity and profitability and optimize our business. Set out in the diagram below is a high-level overview of our cash management operations and the process by which we coordinate our ATM cash management services with our retail cash management services, enabling us to leverage synergies between these businesses and increase our productivity:



(1) *Cash indent and pick-up instructions*. Our daily operations start early in the morning when an MSP (our customer) sends us an order for cash replenishments of specific ATMs. This order, along with information on cash pick-up from retail points, is automatically routed to the relevant CMS location as well as to the local bank branch where the money will be picked up;

(2) *CMS Route Mapper.* At our branch, all indents for ATM replenishment from MSPs along with cash pick-up instructions for the day from the banks are input into our in-house proprietary Route Mapper. The system then allocates the teams, vans and routes to include the best combination of replenishments and cash pick-ups, ensuring that the maximum number of points are covered in the most efficient manner in terms of distance and timing (For example, we take into account how much time is to be spent at each ATM, and our planning applications search for the route that can visit the greatest number of ATMs, retail pick-up locations, bank branches and other customers within the maximum permitted time between departing the branch and returning). The system also integrates first line maintenance calls on ATMs into our routes while adhering to our ATM uptime service agreements. Our local teams further check to confirm the assigned routes ensuring that local exigencies are planned for, which may not be a systematic calculation.

(3) *On the Road.* Once the route is determined, the vehicle with its allocated crew then initiates the route and

go to the bank branch for withdrawal of the cash required for replenishing the particular ATMs, and proceeding along the optimized route, which in this case includes retail cash pick-ups and deposits and first line maintenance of other ATMs; and

(4) Crew deposits the cash collected from retail & corporate clients, in most cases banking it the same day or vaulting it overnight for certain clients as per their instructions.

(5) *Real-time and day-end reporting.* Our crew are also equipped with hand-held devices at all times to provide real-time cash pickup information, which gets relayed to our customers. Once the route is completed, daily reporting and reconciliation of the various services provided takes place.

Managed Services

We are one of the few companies in India that can offer end-to-end management of an ATM network, from both an operational and a management perspective, through a single point of accountability. Our managed services business services include:

- *ATM sales*, where we offer customers ATM products through cooperation with various OEMs;

- *Maintenance services*, where we provide second line maintenance services for ATMs, such as where remedial hardware repairs, replacement parts, preventive maintenance, monitoring and other technical services are required; and

- *Brown Label ATM services*, where we act as an independent ATM deployer and provide ATM infrastructure to bank customers who pay on an ongoing, day-to-day operational basis.

We operate our managed services on an 'asset-light' basis and usually with a back-to-back sourcing arrangement with our OEM suppliers. We have the capability to maintain multiple types of OEM ATMs and in Fiscal Years 2015, 2016 and 2017, we serviced 9,351, 13,709 and 18,227 ATMs for second line maintenance services.

ATM sales

Through our continued relationship with Nautilus Hyosung ("**Nautilus Hyosung**") and other suppliers, we are able to offer our customers sales services for a full range of ATMs and bank automation products, including self-service ATMs, cash dispensers and Bunch Note Acceptors ("**BNAs**"), as well as branch teller productivity enhancers, such as teller cash recyclers. During Fiscal Years 2015, 2016 and 2017, we deployed an aggregate of 10,653 ATMs for our customers. Additionally, we can provide site implementation services in connection with deployments, which involves us overseeing the implementation of an ATM site from start to finish.

Set out below is a summary of each of our product offerings for which we can provide deployment services:

- *Cash dispensers*, or ATMs, are machines which enable withdrawal of cash through debit and credit cards. A cash dispenser also has a chest holding currency (typically in various denominations) and a dispensing module which picks up, moves and dispenses specific combinations of currency upon instruction by the user.

- *BNAs*, are typically used for large volume currency deposits and have the capacity to hold large volumes of currency and utilize high-speed processing functions.

- *Cash recyclers* and teller cash recyclers, these are self-service machines which can accept and dispense cash and, in the case of teller cash recyclers provide a video interface, to customers who wish to interact with bank executives.

Our key contractual arrangements in respect of ATM deployments include fixed price per ATM arrangements, which include the machine cost, logistics, taxes & duties, site implementation (including cost of air conditioning, power supply, network connectivity and UPS, as applicable). In our contracts we generally act as the primary vendor to our customer and enter into back-to-back warranty arrangements with the OEMs for the machine supply and the contractors for the ATM site development. Deployment services for public sector banks are usually undertaken following a tender process that has strict qualification criteria.

Maintenance services

We also provide comprehensive second line maintenance services for ATMs and BNAs, such as remedial hardware repair, replacement parts and preventive maintenance, monitoring services and other housekeeping services. Our ATM maintenance services are complementary to our ATM deployment services, and we often secure ATM maintenance work from the same customer following an ATM deployment. Our contracts with customers of our ATM maintenance services typically range from five to eight years.

We currently provide second line maintenance services for multiple OEMs, including Nautilus Hyosung, and have grown to become one of the leading multi-vendor ATM Maintenance service providers in India. As of March 31, 2017, we have a network of over 370 engineers across India to provide maintenance services to our customers.

Other Managed Services

In January 2017, we entered into an agreement to expand our managed services offering by acquiring parts of the business of a small Brown Label ATM services company (including its ATM outsourcing business contracts) that services select bank customers. With the increase in our expertise in the area, we were able to secure contracts from larger customers in the area. Our aim is to continue to grow this business by being selective about the contracts we choose to service, focusing on profitable contracts. In addition to an additional revenue stream, we believe this business will also increase our vertical integration, which will allow for more efficient execution, and increase our ability to offer end-to-end services to our customers.

Others

Our Others business includes financial card solutions for our card customers, which are primarily banks. Our financial card services primarily involve sourcing plastics cards and chips (when the cards include EMV) and personalizing the cards with embossing and printing, uploading variable data on the chip or magnetic stripe (including the packing and dispatching of sealed envelopes with the cards and printed stationary). Our financial card customer solutions also include data generation for card personalization, card and chip personalization programs, cryptographic key management solution, consultancy for migration and instant card issuance capabilities. We have also developed proprietary card personalization management software called “CPMS Gnxt Software”, which was developed in-house and is used by banks issuing credit and debit cards.

Customers

For Fiscal Years 2015, 2016 and 2017, our top three customers in terms of revenue contributed 33.16%, 39.49% and 29.15%, respectively, our top five customers in terms of revenue contributed 42.89%, 51.63% and 43.07%, respectively, and our top 10 customers in terms of revenue contributed 57.61%, 69.43% and 66.96%, respectively, in each case of our total revenue from our operations. A large public sector bank contributed 19.89%, 24.25% and 8.66% in Fiscal Years 2015, 2016 and 2017, respectively.

Our customers for our ATM cash management business include over 13 MSPs, on behalf of which we service more than 50 public and private Indian banks, as well as White Label ATM deployers.

Our customers in our retail cash management business are primarily banks, including Axis Bank, ICICI Bank, Kotak Mahindra Bank and IndusInd Bank among others, which offer banking services to facilitate settlement by their customers, which include insurance providers, NBFCs, restaurants, utilities, logistics providers, government establishments, fuel stations, FMGC companies, Indian retail chains and hospital chains.

Our customers for our managed services business include a large public sector bank, with which we have a seven year recurring services contract, four banks with which we have smaller deployments, and two banks with which we have Brown Label ATM deployment contracts.

Our customers for financial card management business currently services a number of leading banks, including Kotak Mahindra Bank and IndusInd Bank.

Suppliers

We have over the years identified and partnered with leading global and domestic suppliers to deliver high quality services and products to our customers at different points in the cash cycle. Among our key supplier relationships are: Nautilus Hyosung, for products such as ATMs, cash dispensers and BNAs and Teller Cash Recyclers.

In 2013, we entered into a three-year non-exclusive International Distributor Agreement with Nautilus Hyosung. Under this arrangement, we obtained the right to buy certain equipment, including ATMs, cash dispensers and cash recyclers from NHI on an as-needs basis, and to resell such equipment in India. Upon expiry in 2016, the International Distributor Agreement was automatically renewed and will continue to do so for a term of one year each subject to a maximum of five years, unless terminated.

Information Technology and Process Controls

Our integrated enterprise resource planning (ERP) information management system comprises multiple applications, including proprietary applications, that monitor, track and evaluate service levels and model, analyse and optimize the allocation of resources and daily routes. These applications and systems support our internal and external communications and interactions with our customers, support strategic planning and sales and marketing functions, record financial transactions and support our internal and external reporting processes, which enables coordination and quick decision making across our business. Our ERP information management system utilizes Microsoft Dynamics NAV software, which has been adapted to our ERP system to help us automate and integrate various parts of our business functions, such as sales, purchasing, operations and accounting. We also use multiple applications, some of which we have developed in-house, including: Daily Route Dispatch, which helps optimise the daily route of drivers; Vehicle Management System, which tracks the services of various cash van; Route Mapper, which provides a static view of all routes and driver details; and Risk Management System, which assists us in reconciling cash levels at various points in the process.

Sales and Marketing

As of March 31, 2017, our sales, marketing and customer relations teams comprised 83 personnel who are primarily based in large cities in India, including Mumbai, New Delhi Chennai, Kolkata, Hyderabad, Bangalore, Pune, Ahmedabad, Lucknow, Bhopal, Chandigarh, Bhubaneshwar, Jaipur and Cochin.

Our sales and marketing teams are structured based on customer segment and nature of engagement:

- Our Corporate Sales and Business Development team focuses on creating new revenue opportunities by promoting new business offerings (e.g., retail cash vault and currency chests) or identification of new customers. Once these new opportunities have achieved steady and sustainable scale, these accounts are transitioned to the relevant business unit teams.

- Our business unit sales teams focus on increasing the depth and breadth across existing relationships and are organised as follows:

  - ATM cash management sales team, which handles our relationships with existing MSPs and pitches for new additional business from existing MSPs as well as new MSPs;

  - Retail cash management sales team, which works with banks as well as with retail outlets to understand their retail cash management requirements and to pitch for new business;

  - ATM product sales team, which focuses on competitive bids for ATM deployment contracts; and

  - Card sales team, which works with banks to procure new orders and manage existing relationships.

We also have regional sales resources present in most of the main cities in India to develop and maintain relationships with retailers and banking partners.

Our sales and marketing strategy is focused on directing our resources to seek the best opportunities and increase sales by leveraging our established relationships and our competitive advantages, such as our large network, size and broad range of services. This includes leveraging our existing customer base and the banks to whom we provide services to market and cross-sell our various services. We also work very closely with the marketing teams of the OEMs whose products we sell, utilising their international sales and communication resources to promote their products and our services. In addition, we conduct customer satisfaction surveys to monitor customer satisfaction, so they can they can better market our services.

Risk Management

By virtue of the nature of our industry, we often define our work as that of handling other people's risk. Given the large volumes of cash we handle and our exposure to various security risks, including theft by third parties, end-customer or third-party fraud, theft or embezzlement by employees or personnel of third-party services providers or third-party security service providers and reporting errors (both deliberate and inadvertent), among others, risk management is of paramount importance to our business. We continuously seek to expand our understanding of risks at a national and local level and have created a code of conduct policy, which applies across all business functions. We have developed comprehensive internal structures, processes, policies and guidelines to manage security and operational risks, and to minimise losses to our customers and us. These include:

- Continuous review and development of processes for managing both operational and financial risks, with the aim of, to the extent possible, taking only controlled risks and seeking to prevent financial losses and minimize the risks we choose to accept;
- Reconciliation related processes, whereby we facilitate reconciliation between the Bank, the MSP and us. Any discrepancies in the results of the reconciliation process are reported to MSPs by us, which are then further distributed by MSPs to banks, and a detailed analysis is undertaken;
- Operational process controls, such as cash carrying guidelines for cash vans, our dual custodian model (where a first person initiates an activity and a second person must approve or verify it separately), lock and chain mechanisms for cash trunks and similar operational controls;
- Comprehensive auditing procedures, conducted by attending ATMs and routes, and process audits at branches and other relevant locations. Audits are conducted with and without notice;
- Continuous internal communication with respect to risk at all levels of management;
- Monitoring risk areas and assessment of any investment needs, as well as cost-benefit analyses to ensure that investments will result in the desired reduction in risk; and
- Comprehensive and suitable insurance policies with reputable institutions, which are underwritten to ensure that the risk is appropriately distributed.

As of March 31, 2017, our internal audit team comprised approximately 120 personnel that is responsible for auditing all relevant parts of our cash management and managed services businesses. Each month, we carry out internal audits across our branches, routes and ATMs under our service, which includes accounting audits of cash as well as process audits.

To reduce the operational risk posed by our employees or personnel provided to us by third-party services providers and third-party security service providers, we systematically perform comprehensive background checks (including police verifications and reference checks), and compulsory Aadhar number verifications. We have developed a whistle-blower policy for field staff, and seek to take prompt and appropriate disciplinary actions in respect of any discrepancies in cash balances (which disciplinary actions include, where appropriate, engagement of enforcement agencies and police, deduction from the offending employee's salary and other appropriate disciplinary actions, including termination of employment and contractual undertakings with the relevant member of our workforce).

Our other key governance and risk management-related policies include a Code of Conduct, a Whistle Blower Policy and a Workplace Sexual Harassment Policy.

Human Resources

We aim to be an employer of choice by providing a compelling employee value proposition, and strive to attract the best talent in the industry and ensure its workforces' development, retention and contribution to our success. Our personnel have diverse backgrounds, such as from the financial services and IT services, who bring important skills and values into our Company. We focus on training our employees and personnel provided by third-party service providers and third-party security service providers on an ongoing basis, conducting regular training programs and workshops for our employees and personnel provided by third-party service providers and third-party security service providers. In addition to on-the-job training, we also provide our employees and personnel provided by our third-party service providers and third-party security service providers with training in specific areas or specialized operations on an as-needed basis. As an example of our commitment to continuously develop our workforce, we launched the CMS Learning Academy, focusing on enhancing the skills and knowledge of our workforce in areas relevant to our business. We have implemented a robust reward and recognition framework, known as the Simply Excellent, across all functions under which the workforces' contributions to the business are rewarded.

Our workforce comprises our employees and personnel provided by third-party service providers, which include drivers, custodians, back-office executives and cleaning personnel. To protect our operations and employees, we also procure security services from registered third-party security service providers. As of March 31, 2015, 2016 and 2017, we had 11,650, 9,357 and 8,442 employees, respectively, and 12,441, 14,143 and 13,135 personnel, respectively, provided by third-party service providers and third-party security service providers (including consultants). The decrease in our workforce headcount from 2015 to 2017 is consistent with our strategy of increasing the level of automation in our processes, maximizing productivity efficiencies from our platform and reducing costs where possible, while maintaining high quality service levels and customer satisfaction.

Set out below are brief details of our employees and personnel provided by our third-party service providers and third-party security service providers as of March 31, 2017.

Category	**As of March 31, 2017**
Company Employees	
Leadership	7
Senior Management	16
Middle Management	617
Non-managerial staff	7,802
Total employees	**8,442**
Personnel of third-party service providers	
Service and security personnel	13,087
Consultants	48
Total	**21,577**

As of March 31, 2017, we employed 8,442 employees. We also engaged 13,135 personnel provided to us by our third-party service providers and third-party security service providers (including consultants). Of our 282 branches and offices, 57 branches and offices have unionized employees and personnel provided to us by our third-party service providers and third-party security service providers, who are covered by collective bargaining agreements.

As of March 31, 2017, we had a total of 16 unions representing approximately 20% of our employees and personnel provided to us by our third-party service providers and third-party security service providers. We typically negotiate wages and benefits through our negotiations with trade unions under long-term collective bargaining agreements, which typically include agreed wage increases over a three-year period. When our relationships with our workforce or unions deteriorate, or the relationships of our third-party security service providers and their personnel or unions deteriorate, we may experience labour unrest, strikes, lockouts or other labour action and work stoppages that may prevent us from providing our services to our customers. In addition, these disputes and unrest can also adversely affect our reputation with our customers and in some cases, may give rise to liability to our customers if we fail to perform our contractual obligations to them. In addition, any initiatives we undertake to prevent unrest in our employees, or that our third-party service providers and our third-party security service providers may take in respect of their personnel provided to us, may be ineffective, and there can be no assurance that we will not experience any labour unrest, strikes, lockouts or other labour action and work stoppages from the workforce in future. In Fiscal Year 2015, 2016 and 2017, we experienced strikes and work stoppages during the course of our business operations in relation to union disputes. In particular, due to union unrest involving labour strikes, unfair and unethical demands and other employee driven disruptions of our business involving disruptive behaviour, including vandalism and violence, a number of cash deliveries to ATM points and retail pick-up points were affected and we were ultimately required to close down four of our branches in Mumbai on June 6, 2016. As a result of these closures, a total of 879 employees and personnel provided to us by our third-party service providers and third-party security service providers were affected and of whom 810 of them were compensated in accordance with Indian law. See "*Risk Factors—Our relationships with our workforce and the trade unions, as well as changes in the laws and regulations that regulate those relationships, could adversely affect our business, results of operations and financial condition*" on page 23 for more details.

Insurance

Our operations are subject to certain risks such as the risk of embezzlement by our employees and personnel provided by third-party service providers and third-party security service providers (including consultants), risk of equipment failure, work accidents, theft, burglary, vandalism, fire, earthquakes, flood and other force majeure events, acts of terrorism and explosions, including hazards that may cause injury and loss of life, severe damage to and the destruction of property, equipment or cash that is in our possession and environmental damage. We have comprehensive and appropriates insurance policies with reputable institutions to cover the risks that we and our customers face and these policies are underwritten to ensure the risk is appropriately distributed. Our principal types of insurance coverage include money in transit insurance, terrorism insurance, ATM site insurance, vehicle insurance, comprehensive commercial general liability products insurance, directors and officer's liability insurance, office package policy, group medical claim and accident policy and erection all risk policy, which includes a cash insurance policy. Our policies may expire in the normal course of our operations and we typically renew our insurance policies periodically.

Health, Safety and Environmental

We aim to comply with all applicable health and safety regulations and other requirements in our operations and have adopted a health and safety policy that is aimed at ensuring the safety of our employees, the personnel provided to us by third-party service providers and third-party security service providers and the people working in in and around our business or under our management. We believe that accidents and occupational health hazards can be significantly reduced through a systematic analysis and control of risks and by providing appropriate training to our management and workforce. We have in place various work safety measures to ensure a safe working environment for our workforce and for the public. Such measures include general guidelines for road safety and health and safety in our operations, such as accident reporting and reporting hazardous situations or faulty property or vehicles to supervisors as part of accident prevention. Our greatest environmental impact is from the emissions of the cash vans that we use in our operations. We are continually evaluating possible technical and logistical solutions to reduce these emissions.

Intellectual Property

We conduct our operations under the "*CMS*" and "*Securitrans*" brand names. The trademark "*CMS*" and tagline '*Connecting Commerce*' are owned by and registered in favour of us. We have made applications for trademarks which includes "*CMS*" (under different classes), "*ALGO*" and the tagline "*CMS Connecting Commerce*" (under different classes). The superseded trademark CMS has been assigned to us pursuant to a deed of assignment of trademarks and copyrights dated August 19, 2015 by CMS IT Services Private Limited. Further, we are yet to apply for the registration of our trademark "*Securitrans*".

Competition

The cash management industry in India has a number of industry participants and is undergoing a maturing process, resulting in consolidation among existing industry participants as well as among customers. This trend towards consolidation in the industry is expected to continue for the foreseeable future and as one of the largest industry participants we may consider opportunities for mergers or acquisitions that may arise which are commercially appropriate for our shareholders and us.

We believe that competition in our industry is based on a number of factors, including quality of service, price, ATM uptime, scale of distribution and service networks, scope of services, geographic locations, reliability, customer reporting and relationships and contract length. Our main competitors within the cash management industry are SiS Prosegur, Writer Safeguard, Brink's Arya, Radiant Cash Management Services and SecureValue. (Source: Frost & Sullivan)

Legal Proceedings

For details relating to any tax or other legal proceedings involving us, our Directors, Promoter or Subsidiaries, see "*Outstanding Litigation and Material Developments*" on page 229.

Corporate Social Responsibility

Under Indian law, we are required to form a corporate social responsibility ("**CSR**") committee and spend, in each financial year, at least 2% of our average net profits generated during the three preceding financial years towards specified CSR activities. In Fiscal Year 2018, we plan to spend on CSR activities which included activities in the areas of (i) financial inclusion; (ii) skill development; and (iii) capacity building initiatives. Please see "*Our Management—Corporate Social Responsibility Committee*" on page 188 for more details.

Property

Our Company's Registered and Corporate Office is located at Goregaon, Mumbai. As of March 31, 2017, our operations were spread across India through our 282 branches and offices, including our administrative offices in Mumbai, Delhi and Chennai, from where we carry out key management operations. Each of our branches and offices, including our Registered and Corporate Office, are operated from leased premises. We do not hold any freehold interests in the properties from which we carry out our operations. Typically, our lease arrangements for our branches are for a period ranging between one year to five years, except one of our branches in Mumbai, which is leased under a long-term lease, and for our administrative offices for a period of up to nine years. Our Company's Registered and Corporate Office is on premises leased for a period of five years ending on January 31, 2022.

REGULATIONS AND POLICIES

The following is an overview of the relevant sector specific regulations and policies which are applicable to our business and operations in India. The information detailed below has been obtained from publications available in the public domain. The regulations set out below are not exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

Information Technology Act, 2000 ("IT Act")

The IT Act was enacted with the purpose of providing legal recognition to electronic transactions and facilitating electronic filing of documents. The IT Act further provides for civil and criminal liability including fines and imprisonment for various cybercrimes, including unauthorised access to computer systems, unauthorised modification to the contents of computer systems, damaging computer systems, the unauthorised disclosure of confidential information and computer fraud. The IT Act regulates information technology i.e. it governs information storage, processing and communication. The IT Act provides legal recognition of electronic records and electronic signatures, their use, retention, attribution and security. Penalties are provided for cybercrimes which include tampering with computer source document and electronic publishing of obscene information, in addition to provision of compensation in certain cases. The IT Act creates liability on a body corporate which is negligent in implementing and maintaining reasonable security practices and procedures, and thereby causing wrongful loss or wrongful gain to any person, while possessing, dealing or handling any sensitive personal data or information in a computer resource owned, controlled or operated by it but affords protection to intermediaries with respect to third-party information liability.

In April 2011, the Department of Information Technology under the Ministry of Communications and Information Technology notified the Information Technology (Reasonable Security Practices and Procedures and Sensitive Personal Data or Information) Rules, 2011 under Section 43A of the IT Act (the "**IT Personal Data Protection Rules**") and the Information Technology (Intermediaries Guidelines) Rules, 2011 under Section 79(2) of the IT Act (the "**IT Intermediaries Rules**"). The IT Personal Data Protection Rules prescribe directions for the collection, disclosure, transfer and protection of sensitive personal data. The IT Intermediaries Rules require persons receiving, storing, transmitting or providing any service with respect to electronic messages to not knowingly host, publish, transmit, select or modify any information prohibited under the Intermediaries Rules and to disable such information after obtaining knowledge of it.

Motor Vehicles Act, 1988 ("Motor Vehicles Act")

The Motor Vehicles Act and the rules prescribed thereunder regulate all aspects of motor vehicles in India, including licensing of drivers, registration of motor vehicles, control of motor vehicles through permits, special provisions relating to state transport undertakings, insurance, liabilities, offences and penalties. Accordingly, the Motor Vehicles Act places a liability on every owner of, or person responsible for, a motor vehicle to ensure that every person who drives a motor vehicle holds an effective driving license. Further, the Motor Vehicles Act requires that an owner of a motor vehicle bears the responsibility of ensuring that the vehicle is registered in accordance with the provisions of the Motor Vehicles Act and that the certificate of registration of the vehicle has not been suspended or cancelled. Further, the Motor Vehicles Act prohibits a motor vehicle from being used as a transport vehicle unless the owner of the vehicle has obtained the required permits authorising him to use the vehicle for transportation purposes.

The Central Motor Vehicles Rules, 1989, a rule prescribed under the Motor Vehicles Act, sets out the procedures for licensing of drivers, driving schools, registration of motor vehicles and control of transport vehicles through issue of tourist and national permits. It also lays down rules concerning the construction, equipment and maintenance of motor vehicles and insurance of motor vehicles against third-party risks.

Motor Vehicles (Amendment) Bill, 2016 (the "**Motor Vehicles Bill**") was passed by the Lok Sabha on April 10, 2017, pending President's assent. The Motor Vehicles Bill aims to provide for a national database of vehicles and driving licences, aimed at aiding safety and security and avoid malpractices. The Motor Vehicles Bill shall amend the Motor Vehicles Act to address issues such as third-party insurance, regulation of taxi aggregators and road safety.

Regulations regarding foreign investment

Foreign investment in Indian securities is governed by the provisions of the Foreign Exchange Management Act, 1999 ("**FEMA**") read with the applicable FEMA. FEMA replaced the erstwhile Foreign Exchange Regulation Act, 1973. Foreign investment is permitted (except in the prohibited sectors) in Indian companies, either through the automatic route or the government approval route, depending upon the sector in which foreign investment is sought to be made. The Department of Industrial Policy and Promotion ("**DIPP**"), Ministry of Commerce & Industry, Government of India makes policy pronouncements on FDI through press notes and press releases which are notified by the RBI as amendments to FEMA. In case of any conflict, FEMA shall prevail. Therefore, the regulatory framework, over a period consists of acts, regulations, press notes, press releases, clarifications among other amendments. The DIPP issued the consolidated FDI policy circular of 2017, dated August 28, 2017 (the "**FDI Circular**") which consolidates the policy framework on FDI issued by DIPP, in force on August 27, 2017 and reflects the Consolidated FDI Policy as on August 28, 2017. The FDI Circular consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP.

Capital instruments are required be issued within a period of 180 days from the date of receipt of the inward remittance received from non-resident investor. In the event that, the capital instruments are not issued within a period of 180 days from the date of receipt of the inward remittance, the amount of consideration so received is required to be refunded immediately to the non-resident investor by outward remittance. Non-compliance with the aforementioned provision shall be considered as a contravention under FEMA and would attract penal provisions.

Labour laws

We are subject to various labour laws for the safety, protection, condition of working, employment terms and welfare of labourers and/or employees of our Company.

The provisions of shops and establishments legislations, as may be applicable in a state in which establishments are set up, regulate the conditions of work and employment and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

The Industrial Disputes Act, 1947, as amended, provides for statutory mechanism of settlement of all industrial disputes, a term which primarily refers to a dispute or difference between employers and workmen concerning employment or the terms of employment or with the conditions of labour of any person.

Contract Labour (Regulation and Abolition) Act, 1970

The CLRA was enacted to regulate the employment of contract labour in certain establishments and provide for its abolition in certain circumstances. It aims to prevent any exploitation of the persons engaged as contract labour, who are generally neither borne on pay roll or muster roll nor is paid wages directly. The CLRA applies to every establishment in which 20 (twenty) or more workmen are employed or were employed on any day of the preceding 12 (twelve) months as contract labour. It is the responsibility of the principal employer of an establishment to make an application to the registered officer in the prescribed manner for registration of the establishment. Likewise, every contractor to whom the CLRA applies is required to obtain a license and to not undertake or execute any work through contract labour except under and in accordance with the license issued. To ensure the welfare and health of the contract labour, the CLRA imposes certain obligations on the contractor in relation to establishment of canteens, rest rooms, drinking water, washing facilities, first aid, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period.

Further, various states in India, by way of notifications, amended the applicability of the CLRA and such state legislated amendments are also applicable to our Company's operations. For example, the State of Maharashtra vide a notification dated January 5, 2017 notified that the CLRA shall apply to (i) every establishment in the State of Maharashtra in which 50 (fifty) or more workmen are employed or were employed on any day in the preceding 12 (twelve) months; (ii) every contractor in the State of Maharashtra who employs or who employed on any day in the preceding 12 (twelve) months 50 (fifty) or more workmen.

Our Company is subject to other laws concerning condition of working, benefit and welfare of our labourers and employees such as, the Industrial Employment (Standing Orders) Act, 1946, the Employees State Insurance Act

1948, the Employees (Provident Fund and Miscellaneous Provisions) Act, 1952, the Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965, the Minimum Wages Act, 1948 (the state legislated amendments applicable to certain locations where we operate), the Workmen's Compensation Act, 1923, the Payment of Wages Act, 1936, the Equal Remuneration Act, 1976, the Child Labour (Protection Regulation) Act, 1986, the Maternity Benefit Act, 1961, Apprentices Act, 1961 and the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Laws relating to intellectual property

Trade Marks Act, 1999 as amended ("**Trademark Act**")

In India, trademarks enjoy protection under both statutory and common law. Indian trademark law permits registration of trademarks for goods and services. The Trademark Act statutorily protects trademarks and prevents use of fraudulent marks in India. Certification marks and collective marks can also be registered under the Trademark Act. An application for trademark registration can be made by individual or joint applicants and can be made on the basis of either use or intention to use a trademark in the future.

Applications for a trademark registration can be made for in one or more international classes. Once granted, trademark registration is valid for ten years unless cancelled. The mark lapses in ten years unless renewed. The Trademark (Amendment) Act, 2010 allows Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other countries. The Trademark (Amendment) Act, 2010 has been enacted to amend the Trademark Act, which enables Indian nationals as well as foreign nationals to secure simultaneous protection of trademark in other jurisdictions. The amendment also seeks to simplify the law relating to transfer of ownership of trademarks by assignment or transmission and to align the law with international practice.

Copyright Act, 1957 ("Copyright Act")

The Copyright Act governs the law protecting copyrights in India and defines infringement and provides remedies for the same. Copyright refers to the exclusive right to do or authorise others to do certain acts in relation to original (1) literary, dramatic or musical works, not being a computer programme; (2) computer programme; (3) artistic work; (4) cinematograph film; and (5) sound recording. The object of the Copyright Act is to protect the author of a copyrighted work from any unlawful reproduction or exploitation. Copyrights subsist during the life of the author/creator of the work and 60 years thereafter in case the author is a natural person. Registration of copyrights can be done by submitting a registration form to the Copyright office. While copyright registration is not a pre-requisite for acquiring or enforcing a copyright, registration constitutes prima-facie evidence of the particulars entered therein and may expedite infringement proceedings.

Other laws

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. As per notice dated June 28, 2017 by the Ministry of Finance with effect from July 1, 2017, GST laws (including CGST, SGST, UGST and IGST) are applicable to our Company. Our Company is also amenable to various central and state tax laws such as the Income Tax Act, 1961, the Customs Act, 1962 and various rules and notification issued by taxation authorities.

Further, the RBI vide circulars dated November 3, 2006 and March 11, 2015 has issued 'Guidelines on Managing Risks and Code of Conduct in Outsourcing of Financial Services by Banks' ("**Guidelines**"), which directs the banks to ensure that the sub-contracting arrangements with entities to which financial and other ancillary services are outsourced by the banks, are compliant with the Guidelines. Such requirements include timely reconciliation of transactions, due diligence of employees, security and internal controls, audit coverages, etc., to be implemented by entities involved in undertaking outsourced activities such as cash management.

In terms of the Guidelines, the outsourcing agreements between banks and service providers require inter alia a clear identification of activities that are intended to be outsourced and the appropriate performance standards to be applicable. Further, the outsourcing agreements require the service providers to (i) enable the banks to conduct audits, (ii) confer the right upon the RBI to inspect the books of the service provider, and (iii) maintain confidentiality with respect to customer data.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was originally incorporated as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated March 26, 2008 issued by the RoC, in the name 'Subhiksha Realty Private Limited'. The name of our Company was subsequently changed to 'CMS Info Systems Private Limited' pursuant to a fresh certificate of incorporation granted by the RoC on December 10, 2008. Thereafter, our Company was converted into a public limited company, pursuant to a special resolution passed in the extra ordinary general meeting of our Shareholders, dated December 24, 2014 and the name of our Company was changed to its present name 'CMS Info Systems Limited', pursuant to a fresh certificate of incorporation granted by the RoC on January 27, 2015.

Business and management

For a description of our business activities, services offered, technology used, market and geographical segments, the growth of our business, the standing of our Company with reference to prominent competitors in connection with our services and managerial competence, major suppliers and customers, environmental issues, if any, etc., see "*Our Business*", "*Management's Discussion and Analysis of Financial Condition and Results of Operations*", "*Risk Factors*" and "*Management*" on pages 137, 200, 13 and 176, respectively.

As on the date of this Draft Red Herring Prospectus, our Company has seven Shareholders of whom six Shareholders holding one Equity Share each, have declared the beneficial ownership over such Equity Shares held by them in the favour of our Promoter. For more details on the shareholding pattern of our Company, see "*Capital Structure – Our shareholding pattern*" on page 97.

Changes in the name of our Company

Effective date	Details of change	Reason for change
December 10, 2008	The name of our Company was changed from 'Subhiksha Realty Private Limited' to 'CMS Info Systems Private Limited'.	Aligning the name of our Company with the alteration in the main objects of our Company.
January 27, 2015	The name of our Company was changed from 'CMS Info Systems Private Limited' to 'CMS Info Systems Limited'.	Upon conversion of our Company from a private limited company to a public limited company.

Change in the registered office

The details of prior changes in the registered office of our Company are as follows:

Effective date	Details of change
October 15, 2008	The registered office of our Company was shifted from 14, Chandreshwar Hall Building, 2nd Floor, J.S.S Road, Opera House, Mumbai – 400 004 to CMS House, Plot No. 91, Street No. 7, Marol, MIDC, Mumbai – 400 093.
September 20, 2017	The registered office of our Company was shifted from CMS House, Plot No. 91, Street No. 7, Marol, MIDC, Mumbai – 400 093 to Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon (East), Mumbai – 400 063.

The aforesaid changes in our registered office were made for operational efficiencies.

Main objects of our Company

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

1. To carry on the business at any place in India and abroad as proprietors, agents, hirers, licensers, operators, dealers and representatives for providing services to individuals, firms, banks, financial institutions, bodies corporate, industrial concerns, factories, warehouses, shops and establishments, of cash management and allied services including but not limited to transportation, processing, bulk movement, storage and management of cash, bullion, and other high value products and documents like jewellery, precious metals, stones, negotiable and non-negotiable instruments, securities, stocks, bonds,

etc. and to provide vault management services by setting up, operating and offering storage centres, warehouses, vaults, chests, strong rooms, etc. for all type of goods, cash, automated teller machine ("ATM") kiosks and other cards, cassettes and valuables, documents and valuable products and providing vaults on rent and selling of vaults, to build and operate currency chests and to carry on the business of ATM management, including but not limited to drop box clearance services, sale, purchase and supply of ATMs, cash movement, transport and replenishment services, first line and second line maintenance services for offsite and onsite ATM, ATM monitoring and housekeeping services along with consumables for ATMs and to carry on the business in India and abroad for providing services to individuals, firms, company, banks, financial institutions, bodies corporate and other commercial establishments of picking up, collecting, transporting and delivering cash/ cheques/ pin mailers/ demand drafts/ cheque books, bullion, high value metals, stones, valuable documents, all types of cards having a monetary value including debit and credit cards from various persons, providing services of counting, sorting and processing of currency notes and coins, providing network cash management services in respect to cash, bullion and other valuables and to carry on the business of providing facility management services by providing, inter alia, trained professionals, equipment, machinery and other necessary infrastructure to customers for services including but not limited to providing transaction processing, administration service management, utility payment services and support services in office and infrastructure setup. To carry on the business of developing technology involved in movement of cash and valuables, including design expertise, technological devices adaptation and integration in the vehicles, and integration of every tool/ device to enhance reliability and to purchase, sell, export, import, or otherwise deal in all kinds of equipment, infrastructure, tools, appliances, systems, devices, aids, literature and publications dealing with cash management and cash logistics.

2. To carry on the business at any place in India and elsewhere as manufacturers, importers, exporters, dealers, agents, representatives to provide for installation, supply, commissioning of hardware and software including system integration, to undertake installation, maintenance, servicing, hiring out of all kinds of computers, computer spare parts, all kinds of electronics equipment, all kinds of printers, card manufacturing and personalisation, hardware and software including electronic data processing equipment (together the "Hardware and Software") and to engage in computer hardware and software systems and such other activities connected with computers and electronic equipment, to engage in field engineering by providing, amongst other things, annual maintenance and facilities support services and to render advisory and consultancy services in respect of know-how, design, manufacture, installation, maintenance and servicing of all kinds of Computers. Computer spare parts, all kinds of Electronics equipments, all kinds of Printers, Card Manufacturing and Personalization hardware, software and all kinds of Electronic equipments including Electronic Data Processing equipment and other Hardware and Software.

3. To carry on the business at any place in India and elsewhere as proprietors, agents, hirers, licensers, operators, dealers, representatives for printing and personalization of cards and to provide software support for card personalization including personalization of financial cards and loyalty cards (operating VISA Master personalization centres), for national identification projects and software support for financial cards personalization or other government projects and transaction printing, to undertake trading of printing equipment (card and machinery) and to engage in research and development for Card Solution Group, Kiosk.

4. To develop, import, export and deal in computer software and to set up in India and elsewhere, training institutes for schools and colleges or educational institutions or set up own computer training centres for the customers of the company and to undertake data processing and provide other related services and to establish and run data processing and computer training centres and to offer consultancy and data processing and other services that are normally offered by data processing and computer centres to individuals, business organisations and other types of consumers and to set up computer training institutes in India and elsewhere and provide training on electronic data processing, computer software and hardware to the students of all faculties including customer and others.

5. To carry on the business in India and abroad of providing Currency Management Services to all Banks such as nationalized, multi nationalized, foreign, scheduled, co-operative etc., Individuals, Commercial, Government Establishments and Undertakings, and retail and corporate entities and also Cash/ Cheques/ DD's Pickup and Delivery Services, Cash Processing such as sorting for good and soiled currencies, notes and coins of various denominations and development of intellectual property in the area of currency management. Intercity and Intra city Transportation of cash, gold, silver, diamond and other valuables

via Roadways, Airways and Water transport. Handling of Pin mailers/ drafts/ cheque book delivery, providing strong Room installed as per RBI guidelines and to carry on the business of providing Network Currency Management (Cash Burial & Cash Disposal) services to Banks and companies who have regulator such as Insurance Companies which are regulated by IRDA and Banks regulated by RBI through pooling of funds of customers from all India and issuing a centralized credit through single RTGS/Cheques (local or central) / EFTS to Customer accounts.

The main objects as contained in the Memorandum of Association enable our Company to carry on the business it carries on at present. No new activities are proposed to be undertaken with the Offer proceeds, as the Offer comprises entirely of the Offer for Sale and our Company shall not receive any proceeds from the Offer.

Amendments to our Memorandum of Association

Since the incorporation of our Company the following amendments have been made to our Memorandum of Association:

Date of change/Shareholders' resolution	**Nature of amendment**
December 5, 2008	The main object, clause III A of our Memorandum of Association was altered to include the following: *(i) To carry on the business at any place in India or elsewhere as Proprietors, agents, hirers, Licensers, operators, dealers, representatives for providing escorts services to individual firms, Banks, financial institutions, bodies corporate, industrial concerns, factories, warehouses, shops and establishments and to provide Security guards, gunmen, armed guards, to provide cash van services, cash transportation, cash management, money processing, money handling, sorting and counting of currency, etc. and to act as proprietors, agents, hirers, operations, dealers, traders, licensers of all kinds of safety and security equipments and machines. Automated Teller Machines, sorting and counting machines and to render advisory, training and consultancy services in respect of know-how, designing, installation, development maintenance and servicing of safety and security equipment Automated Teller Machines, sorting and counting machines and other equipment for providing the safety and security of valuables.* *(ii) To carry on the business as manufacturers, Importers, exporters, dealers, agents representatives and to undertake installations, maintenance, servicing, hiring out, of all kinds of Computers, computer spare parts, all kinds of Electronics equipment, all kinds of Printers, Card Manufacturing and Personalisation including electronic data processing equipment and to engage in Computer Hardware, software systems and such other activity connected with Computers and Electronic equipment and to render advisory ad consultancy services in respect of know-how, design, manufacture, installation, maintenance and servicing of all kinds of Computers. Computer spare parts, all kinds of Electronic equipments, all kinds of Printers, Card Manufacturing and Personalization hardware, software and all kinds of Electronic equipment including Electronic Data Processing equipments.*
	The name clause of our Memorandum of Association was amended to reflect the change in our Company's name from 'Subhiksha Realty Private Limited' to 'CMS Info Systems Private Limited'.
January 5, 2009	The capital clause of our Memorandum of Association was substituted to reflect the increase in the authorized share capital of our Company from ₹100,000 divided into 10,000 Equity Shares to ₹500,000 divided into 50,000 Equity Shares.
July 1, 2009	The main object clause III A of our Memorandum of Association was altered to include the following: *(i) To carry on the business at any place in India or elsewhere as Proprietors, agents, hirers, Licensers, operators, dealers, representatives for providing escort services to individual firms, Banks, financial institutions, bodies corporate, industrial concerns, factories, warehouses, shops and establishments and to provide Security guards, gunmen, armed guards, to provide cash van services, cash transportation, cash management, money processing, money handling, sorting and counting of currency, etc. and to act as proprietor, agent, hirers, operations, dealers, traders, licensers of all kinds of safety and security*

Date of change/Shareholders' resolution	Nature of amendment
	equipments and machine and to sell or undertake maintenance and management of kiosks and automated teller machines, sorting and counting machines, to provide for cash management, cash logistics, replenishment of automated teller machines and to render advisory, training and consultancy services in respect of know-how, designing, installation, development maintenance and servicing of safety and security equipments automated teller machines, sorting and counting machines and other equipments for providing the safety and security of valuables. *(ii) To carry on the business at any place in India and elsewhere as manufacturers, importers, exporters, dealers, agents representatives to provide for installation, supply, commissioning of hardware and software including system integration, to undertake installation, maintenance, servicing, hiring out, of all kinds of Computers, computer spare parts, all kinds of Electronics equipments, all kinds of printers, card manufacturing and personalization, hardware and software including electronic data processing equipments (together the "Hardware and Software") and to engage in computer hardware and software systems and such other activities connected with computers and electronic equipments, to engage in field engineering by providing, amongst other things, annual maintenance and facilities support services and to render advisory and consultancy services in respect of know-how, design, manufacture, installation, maintenance and servicing of all kinds of Computers. Computer spare parts, all kinds of Electronic equipments, all kinds of Printers, Card Manufacturing and Personalization hardware, software and all kinds of Electronic equipments including Electronic Data Processing equipments and other Hardware and Software.* *(iii) To carry on the business at any place in India and elsewhere as proprietors, agents, hirers, licensers, operators, dealers, representatives for printing and personalisation of cards and to provide software support for card personalisation including personalisation of financial cards and loyalty cards (operating VISA Master personalized centres) for national identification projects and software support for financial cards personalization or other government projects and transaction printing, to undertake trading of printing equipment (card and machinery) and to engage in research and development for Card Solution Group Kiosk.* (iv) *To develop, import, export and deal in computer software and to set up in India and elsewhere, training institutes for schools and colleges or educational institutions or set up own computer training centres for the customers of the company and to undertake data processing and provide other related services and to establish and run data processing and computer training centres and to offer consultancy and data processing and other services that are normally offered by data processing and computer centres to individuals, business organisations and other types of consumers and to set up computer training institutes in India and elsewhere and provide training on electronic data processing, computer software and hardware to the students of all faculties including customer and others.*
	The other objects clause III C of our Memorandum of Association was amended to include new object clauses beginning from sub-clause 94 to sub-clause 110 after existing clause no. 93. *94.To carry on the business at any places in India or abroad as Proprietors, agents, hirers, licensers, operators, dealers, representatives for providing escort services to individuals, firms, Banks, financial institutions, corporate bodies, industrial concerns, factories, warehouse, shops and establishments and to provide Security guards, gunmen, armed guards to provide Cash Van services, intercity and intra city cash transportation, cash management, cash processing, handling bulk cash, sorting and counting of currency, etc., providing necessary infrastructure like armoured / armed cash vans as per banking norms for safe and secure cash, bullion movements and corporate employee's salaries disbursal.* *95.To carry on the business in India of providing Currency Management Services to all Banks such as nationalized, multi nationalized, foreign, scheduled, co-operative etc., Individuals, Commercial, Government Establishments and Undertakings, and retail and corporate entities and also Cash/ Cheques/ DD's Pickup and Delivery Services, Cash Processing such as sorting for good and soiled currencies, notes, coins of various denominations and development of intellectual property in the area of currency management. Intercity and Intra city Transportation of cash, gold, silver, diamond and other valuables via Roadways, Airways and Water transport. Handling of Pin mailers/ drafts/ cheque book delivery, providing strong Room installed as per RBI guidelines.*

Date of change/Shareholders' resolution	Nature of amendment
	96.To carry on the business of providing Network Currency Management (Cash Burial & Cash Disposal) services to Banks and companies who have regulator such as Insurance Companies which are regulated by IRDA and Banks regulated by RBI through pooling of funds of customers from all India and issuing a centralized credit through single RTGS / Cheques (local or central) / EFTS to Customer A/c's. *97.To carry on the business and act as a Proprietors, agents, hirers, licensers, operators, dealers, traders of all kinds of safety and security equipments and machines, Automated Teller Machines, sorting and counting machines and to render advisory, training and consultancy services in respect of know-how, designing, installation, development maintenance and servicing of safety and security equipments, Automated Teller Machines, sorting and counting machines and other equipments for providing the safety and security of valuables. Cash Replenishment and allied Services at offsite & onsite ATM locations. Overnight vaulting services for bulk cash and ATM cards, cassettes & important documents. Providing drop box clearance services to the Kiosk machines provided on rent, First and Second Line Maintenance services and all related ATM services.* *98.To engage in the business of personnel and manpower suppliers, placement and recruitment agency, to identify and supply to domestic and international organisations, qualified and semi-qualified professionals, skilled/semi-skilled/unskilled industrial/domestic and health workers and staff specially literate and illiterate labour, contract workers, to compile database of manpower, to set up, establish, run, maintain and develop offices, branches, exchanges, bureaus, centres, website and portals or by any other means for undertaking all or any of the above activities, to provide industrial and commercial information, imparting training and generally providing assistance and services by setting up training institutes of all types and natures or by tying-up with schools, colleges, institutions, organisations, hospitals and to enrol, empanel and register with national and international organizations, bodies, associations engaged in providing of such types of services and also to setup and run all types of call centres and helpline facilities.* *99. To carry on the business of providing contract cleaning, housekeeping, landscaping, waste disposal, drainage service, street cleaning, plant cleaning, waste collection, washroom services including feminine hygiene services and cleaning technology solutions, improving, refurbishing, decorating, fitting, furnishing, disinfecting, repairing, planting and plant care, manpower supply, guarding of premises, reception and switchboard services, laundering and linen supply, canteen and catering, mechanical and electrical services, care services, gardening and paving of residential, commercial and industrial buildings, complexes and colonies, residential apartments, healthcare institutions, hospitals, nursing homes, airport terminals, rail stations, bus stations, gardens, parks, amusement parks, hotels, resorts and other movable and immovable properties by whatever name called and generally to carry on the business of a facility service company to all categories of customers including industrial, institutional and hospitality industries and to offer service management and consultancy solutions and to provide technical and other support service in connection with the business and operations of the company.* *100. To carry on the business of providing various services such as Security Services, office administration work and utility payment services. Infra developments services, Chinta Mukt services, such as providing vaults on rent and selling of vaults, to build and assist currency chest, providing scanner for imaging services.* *101. To carry on business of providing Management Consultancy services in the area of Conceptualizing of new projects, selection of products, location, size of the project, arranging of the need based term finance and all services required during the implementation of the project in India/or abroad. To provide management consultancy services to running business or industrial enterprises for effectively operating in the area of Purchase, Production, staffing, marketing and financial management in India and abroad. To provide office area on rent/lease for warehousing, storage etc. to help various business or industrial enterprises in disaster management. To provide management consultancy services to various Weak, Sick or operationally closed units for their revival, to provide ideal CRISIS MANAGEMENT services to all such business enterprises for their rehabilitation.* *102. To carry on business of providing Management Consultancy services to educate entrepreneurs for various Rules and Regulations, Promotional Schemes Subsidies and other Announcements made by Government to promote Industrial Development in India to provide Management Consultancy in the areas like organizing and deciding Marketing Strategy-*

Date of change/Shareholders' resolution	Nature of amendment
	Marketing, Distributorship, Arranging, Technical know- how from India or abroad advising on HR Management and in other areas of Management for effective Operational Management. *103. To carry on the business of manufacturing, assembling, processing, importing, exporting, servicing, trading and otherwise dealing in all kinds of hardware and software products, memory products, electronic systems for keeping, storing, maintaining, managing physical and electronic data and records and to provide consultancy, maintenance, training, repairs, after sales and other related services in these areas and to design, produce, write, test, debug, compile, record, print, document, software systems such as operations systems programme, or otherwise to meet individual business and industrial requirements or general purpose requirements or as may be required by the machines dealt with by the company or to buy, sell, let on hire, lease, import, export, use, operate convert, alter and in any manner considered expedient to deal in such software systems in connection with any of the above trade, business, articles.* *104. To carry on business to install hardware and software and to provide services thereon such as programming systems, design, analysis, documentation, data processing, data preparation, programme planning, computerisation services. project planning, scheduling, production and commercial systems, and such other services to the above hardware and software whether such services be on closed or open shop basis, block time shares, time basis, self-service or operator assisted basis or on a turnkey contract basis or otherwise. Providing projects for destroying confidential data, tapes, etc. to the customer.* *105. To carry on business as travel agents, within and/or outside India; with or without foreign collaboration and of booking and reserving accommodations, seats, berths, Compartments, coupes of complete bogies of railways, motor, ships and boats, aeroplanes, steam ships, motorbus and minibus and other means of travel and to issue tickets for the same and to run, manage, or let or take on hire aeroplane, ships, boats, vessel, bogies on railways, motor cars, taxis, buses, rickshaws, tongas and of public vehicles and transports and to charter planes, launches and boats.* *106. To carry on the business of tour promoters both in India and abroad and to facilitate travelling and to provide for tourists and travellers and to promote their provision of convenience through tickets, sleeping cars or berths, reserve places, hotels, motels, guest house and lodging accommodation guides, safe deposits, enquiry bureaus, libraries, reading room baggage, transport and otherwise.* *107. To carry on business to establish a bureau for providing security and safety equipment and renting time to user on a block of time and casual basis.* *108. To carry on business of conducting research in the manufacture of safety, security and related equipment and to set up factory or workshop, laboratories for such purposes and to educate and train personnel in the related skill of design, operations and maintenance and to publish and procure related educational material.* *109. To carry on business to solicit, market, develop, sell, research and usage of safety and security equipment and equipment to carry out the main objectives of the company and export from India and to advise on obtaining import licenses and other governmental clearances for setting up the said equipment in India and providing the services of procuring the said equipment tools, accessories and spare parts from abroad.* *110. To carry on business to own setup, construct or otherwise acquire premises for installation of safe deposit lockers and to carry on the business of extending the use of the safe deposit lockers on rent or for other consideration to customers of the company or to the public at large.*
	The capital clause of the Memorandum of Association was substituted to reflect the increase in the authorised capital of our Company from ₹500,000 divided into 50,000 Equity Shares to ₹1,130,000,000 divided into 113,000,000 Equity Shares.
March 18, 2010	The existing sub-clause no. 100 under the other objects clause III C of our Memorandum of Association was deleted and replaced.
	The other objects clause III C of our Memorandum of Association was altered with insertion of new object clauses beginning from sub-clause 111 to sub-clause 118 after existing clause 110.
	The capital clause of the Memorandum of Association was substituted to reflect the increase in the authorized capital of our Company from ₹1,130,000,000 divided into 113,000,000 Equity Shares to ₹1,330,000,000 comprising of ₹1,180,000,000 divided into 118,000,000 Equity Shares and ₹150,000,000 divided into 1,500,000 OCCPS.

Date of change/Shareholders' resolution	Nature of amendment
May 31, 2010	The main object, clause III A of the Memorandum of Association was altered to delete the existing sub-clause no. 1(i) and 1(v) and to substitute it with: *(i) To carry on the business at any place in India and abroad as proprietors, agents, hirers, Licensers, operators, dealers, representatives for providing escort services to individual firms, Banks, financial institutions, bodies corporate, industrial concerns, factories, warehouses, shops and establishments and to provide Security guards, gunmen, armed guards, to provide cash van services intercity and intra city cash transportation, cash management, cash processing, handling bulk cash, sorting and counting of currency, etc. providing necessary infrastructure like armoured/ armed cash vans as per banking norms for safe and secure cash, bullion movement and corporate employees' salaries disbursal and to act as proprietors, agents, hirers, operators, dealers, traders, licensers of all kinds of safety and security equipments and machine automated teller machines, sorting and counting machines and to sell or undertake maintenance and management of kiosks and automated teller machines, sorting and counting machines, to provide for cash management, cash logistics, replenishment of automated teller machines and to render advisory, training and consultancy services in respect of know-how, designing, installation, development maintenance and servicing of safety and security equipments, automated teller machines, sorting and counting machines and other equipment for providing the safety and security of valuables, cash replenishment and allied services at offsite and onsite ATM locations overnight vaulting services for bulk cash and ATM cards, cassettes and important documents, providing drop box clearance service to the Kiosk machines provided on rent, first and second line maintenance services and all related ATM services.* *(v) To carry on the business in India and abroad of providing Currency Management Services to all Banks such as nationalized, multi nationalized, foreign, scheduled, co-operative etc., Individuals, Commercial, Government Establishments and Undertakings, and retail and corporate entities and also Cash/ Cheques/ DD's Pickup and Delivery Services. Cash Processing such as sorting for good and soiled currencies, notes and coins of various denominations and development of intellectual property in the area of currency management. Intercity and Intra city Transportation of cash, gold, silver, diamond and other valuables via Roadways, Airways and Water transport. Handling of Pin mailers/ drafts/ cheque book delivery, providing strong Room installed as per RBI guidelines and to carry on the business of providing Network Currency Management (Cash Burial & Cash Disposal) services to Banks and companies who have regulator such as Insurance Companies which are regulated by IRDA and Banks regulated by RBI through pooling of funds of customers from all India and issuing a centralized credit through single RTGS / Cheques (local or central) / EFTS to Customer accounts.* The existing sub-clauses nos.95 and 96 under Clause III C under the other objects of our Memorandum of Association were deleted.
November 18, 2011	The capital clause of the Memorandum of Association was substituted to reflect the increase in the authorized capital of our Company from ₹1,330,000,000 comprising of ₹1,180,000,000 divided into 118,000,000 Equity Shares and ₹150,000,000 divided into 1,500,000 OCCPS to ₹1,630,000,000 comprising of ₹1,480,000,000 divided into 148,000,000 Equity Shares and ₹150,000,000 divided into 1,500,000 OCCPS.
November 26, 2012	The main object, clause III A of the Memorandum of Association was altered to delete the existing sub-clause no. 1(i) to substitute it with: *To carry on the business at any place in India and abroad as proprietors, agents, hirers, licensers, operators, dealers and representatives for providing services to individuals, firms, banks, financial institutions, bodies corporate, industrial concerns, factories, warehouses, shops and establishments, of cash management and allied services including but not limited to transportation, processing, bulk movement, storage and management of cash, bullion, and other high value products and documents like jewellery, precious metals, stones, negotiable and non-negotiable instruments, securities, stocks, bonds, etc. and to provide vault management services by setting up, operating and offering storage centres, warehouses, vaults, chests, strong rooms, etc. for all type of goods, cash, automated teller machine ("ATM") kiosks and other cards, cassettes and valuables, documents and valuable products and providing vaults on rent and selling of vaults, to build and operate currency chests and to carry on the business of ATM management, including but not limited to drop box clearance services, sale, purchase and supply of ATMs, cash movement, transport and replenishment services, first line and second line maintenance services for offsite and onsite*

Date of change/Shareholders' resolution	Nature of amendment
	ATM, ATM monitoring and housekeeping services along with consumables for ATMs. To carry on the business in India and abroad for providing services to individuals, firms, company, banks, financial institutions, bodies corporate and other commercial establishments of picking up, collecting, transporting and delivering cash/ cheques/ pin mailers/ demand drafts/ cheque books, bullion, high value metals, stones, valuable documents, all types of cards having a monetary value including debit and credit cards from various persons, providing services of counting, sorting and processing of currency notes and coins, providing network cash management services in respect to cash, bullion and other valuables and to carry on the business of providing facility management services by providing, inter alia, trained professionals, equipment, machinery and other necessary infrastructure to customers for services including but not limited to providing transaction processing, administration service management, utility payment services and support services in office and infrastructure setup. To carry on the business of developing technology involved in movement of cash and valuables, including design expertise, technological devices adaptation and integration in the vehicles, and integration of every tool/ device to enhance reliability and to purchase, sell, export, import, or otherwise deal in all kinds of equipment, infrastructure, tools, appliances, systems, devices, aids, literature and publications dealing with cash management and cash logistics.
	The existing sub-clause no. 94 under the other objects Clause III C of our Memorandum of Association was deleted and existing sub-clause no. 95 was replaced and renumbered as sub-clause no. 94. *94. To carry on the business and act as a Proprietors, agents, hirers, licensers, operators, dealers, traders of all kinds of safety and security equipment and machines Automated Teller Machines, sorting and counting machines and to render advisory, training and consultancy services in respect of know-how, designing, installation, development maintenance and servicing of safety and security equipment Automated Teller Machines, sorting and counting machines and other equipment for cash management and cash logistics.*
	The Other Object Clause under Clause III(C) of the Memorandum of Association of the Company be and is hereby altered by deletion of words "*Security Services by providing Security Guard, Caretakers at ATM sites, etc***.**" in existing sub clause no. 98 and be renumbered as clause no. 97. The existing sub-clauses nos.105, 106 and 107 under the other objects Clause III C of our Memorandum of Association, were deleted; sub clauses nos. 95 to 104 were renumbered as sub-clauses nos. 94-103; and sub clauses nos. 108 to 1116 were renumbered as sub-clauses nos. 104-112.
October 10, 2014	In accordance with the provision of Companies Act, 2013, our Company altered the Headings of MOA of the company to "The Companies Act, 2013", the existing objects clause III of the Memorandum of Association to divide it into two parts, namely (i) clause III (A) - the main objects of the Company to be pursued by the company on its incorporation; and (ii) clause III (B) - matters which are necessary for furtherance of the objects specified in clause III(A). Clause III (C)- Other Objects of the Memorandum of Association has been deleted.
	The existing clause IV Liability Clause of the Memorandum of Association was altered and replaced by the following new clause and be numbered as Clause IV: "*The liability of the members is limited and this liability is limited to the amount unpaid, if any, on the shares held by them*."
	The existing capital clause V(a) of the Memorandum of Association was altered and replaced with a new clause and numbered as clause V of the Memorandum of Association. V. The share capital of the company is ₹163,00,00,000/- (Rupees one hundred and sixty-three crores) only divided in to 14,80,00,000 (fourteen crores eighty lakhs) equity shares of ₹10 (ten) each and 15,00,000 (fifteen lakhs) 0.01% Optionally convertible cumulative redeemable preference shares of ₹100/- (Rupees one hundred) each.
December 24, 2014	The name clause of our Memorandum of Association was amended upon conversion of our Company from a private limited company to a public limited company and the consequent change in name of our Company from 'CMS Info Systems Private Limited' to 'CMS Info Systems Limited'. A fresh certificate of incorporation pursuant to the change of name was granted by the RoC on January 27, 2015.

Date of change/Shareholders' resolution	Nature of amendment
August 19, 2017	The capital clause of the Memorandum of Association was substituted to reflect the increase in the authorised share capital of our Company from ₹1,630,000,000 comprising of ₹1,480,000,000 divided into 148,000,000 Equity Shares and ₹1,50,000,000 divided into 15,00,000 OCCPS to ₹1,880,000,000 comprising of ₹1,730,000,000 divided into 173,000,000 Equity Shares and ₹15,00,00,000 divided into 15,00,000 OCCPS.

Awards and accreditations

The table below sets forth some of the awards and accreditations received by our Company:

Calendar year	Awards and accreditations
2016	Our Company received ISO 9001:2008 accreditation for implementation and maintenance of a quality management system by DQS Inc.
2014	Our Company was awarded the 'Business Today – Yes Bank Emerging Companies Excellence Awards 2014', in the category for 'Large Companies'.
2013	Our Company was awarded the 'Award for Innovation in Human Resources' by World HRD Congress

Major events and milestones of our Company

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

Calendar year	Particulars
2008	Incorporation of our Company as a private limited company, with the name of 'Subhiksha Realty Private Limited'.
2009	The IT infrastructure management division of CMS Computers Limited was demerged and transferred to our Company, pursuant to a scheme of arrangement approved vide an order of the High Court of Bombay dated April 24, 2009.
2009	Pursuant to a share subscription and shareholders agreement dated November 26, 2008, amongst CMS Computers Limited, Blackstone FP Capital Partners (Mauritius) V Limited, Ramesh Grover and certain other individuals/entities, our Company allotted two Equity shares for every three equity or preference shares of CMS Computers Limited as consideration of the demerger which resulted in Blackstone FP Capital Partners (Mauritius) V Limited acquiring 56.67% shareholding of our Company.
2011	The ATM and cash management division of CMS Securitas Limited was demerged and transferred to our Company; pursuant to a scheme of arrangement approved vide orders of the High Court of Bombay and High Court of Delhi dated October 25, 2010 and January 17, 2011, respectively.
2011	Our Company acquired SIPL, through purchase of its entire shareholding pursuant to a share purchase agreement dated May 23, 2011 amongst SIPL, Anuj Puri, Anil Puri and our Company.
2013	Our Company won a large order for ATM deployment in India from a large public sector bank, to deploy more than 7,850 ATMs. (Source: Frost & Sullivan)
2015	The IT and print division of our Company was demerged and transferred to CMS IT Services Private Limited, pursuant to a scheme of arrangement approved vide an order of the High Court of Bombay dated January 23, 2015.
2015	Our Company was converted from a private limited company into a public limited company and consequently the name of our Company was changed to its present name 'CMS Info Systems Limited', pursuant to a fresh certificate of incorporation granted by the RoC on January 27, 2015.
2015	Sion Investment Holdings Pte. Limited, an affiliate of Baring Private Equity Asia, acquired the entire shareholding of our Company pursuant to a share purchase agreement with Blackstone FP Capital Partners (Mauritius) V Limited and other individuals/entities dated February 16, 2015, amended vide an amendment agreement dated August 19, 2015 and an amendment and waiver agreement dated August 20, 2015 ("**SPA**") *.
2017	Our Company acquired the business, assets and liabilities of Clover Transaction Systems Private Limited as a going concern, on an 'as is where is' basis and on slump sale basis, pursuant to a business transfer agreement.

* *Pursuant to a condition of the SPA, the transfer of the property situated at T-151, 6th Floor, Tower No. 10, CBD Belapur Railway Station Complex, Navi Mumbai 400 614 ("**Property**"), from CMS Securitas Limited to Systime Computers Limited, by way of a gift deed ("**Transfer**"), subject to receipt of the requisite approval from the City and Industrial Development Corporation of Maharashtra Limited ("**CIDCO**"), was to be facilitated to satisfy the requirement envisaged under the SPA. Since, CIDCO has since rejected the application for effectuating the Transfer, our Company is currently in discussion with the erstwhile promoters of our Company and is exploring options to discharge its pending obligation under the SPA. Our Company vide a letter dated August 21, 2017 has made*

an offer to remit an amount of ₹100 million to Systime Computers Limited (identified as the transferee under the SPA), as payment in lieu of transfer of the Property after deducting applicable tax. Alternatively, our Company has also offered for the Property to be sold and the proceeds from such sale (after deducting applicable tax) to be remitted to Systime Computers Limited as a full payment in lieu of transfer of the Property.

Our holding company

Sion Investment Holdings Pte. Limited, the Promoter of our Company, is our holding company as on the date of this Draft Red Herring Prospectus. For further details see "*Our Promoter and Promoter Group*" on page 193.

Our Subsidiaries

As of the date of this Draft Red Herring Prospectus, our Subsidiaries are (i) SIPL, (ii) CMS Securitas Limited, (iii) CMS Marshall Limited and (iv) Quality Logistics Services Private Limited. For details, see "*Subsidiaries*" on page 172.

Capital raising activities through equity or debt

For details regarding our Company's capital-raising activities through equity and debt, as applicable, see "*Capital Structure*", "*Financial Indebtedness*", and "*Financial Statements*" beginning on pages 84, 226 and 199, respectively.

Injunctions or restraining order against our Company

As on the date of this Draft Red Herring Prospectus, our Company is not operating under any injunction or restraining order.

Strike and lock-outs

Except as disclosed in "*Risk Factors - Our relationships with our workforce and the trade unions, as well as changes in the laws and regulations that regulate those relationships, could adversely affect our business, results of operations and financial condition*" on page 23, our Company has not experienced any strikes, lock-outs, or labour unrest in the past.

Changes in activities of our Company during the last five years

Except for the demerger and transfer of the IT and print division of our Company, to CMS IT Services Limited, pursuant to a scheme of arrangement with effect from April 1, 2015, there has been no change in the activities of our Company during last five years, which may have had a material effect on the profits or loss of our Company including discontinuation of our line of business, loss of agencies or market and similar factors.

Time/cost overrun

There have been no time/cost overruns pertaining to our business operations since incorporation.

Defaults or rescheduling of borrowings and conversions of loans into equity

(i) Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions;

(ii) The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled; and

(iii) No loan availed by our Company has been converted into Equity Shares.

Details of acquisitions by our Company

For details of acquisitions by our Company, see "*Our Business – Our Strategies - Grow through selective value accretive strategic acquisitions*" on page 142.

Share Purchase Agreement dated May 23, 2011 among our Company, SIPL, Anil Puri and Anuj Puri ("SIPL SPA")

Pursuant to the SIPL SPA, on June 18, 2011, our Company acquired 95,000 equity shares of ₹100 each of SIPL from Anil Puri and Anuj Puri.

Business Transfer Agreement dated August 2, 2016, between our Company and Clover Transactions Systems Private Limited ("Clover") and thereafter amended including Sienna Systems Resources Private Limited ("Sienna"), as a party to this agreement pursuant to amendment agreements dated September 15, 2016, November 22, 2016 and January 17, 2017 ("Clover Business Transfer Agreement").

Our Company entered into a business transfer agreement dated August 2, 2016 with Clover for the acquisition of the business, assets and liabilities of Clover, as a going concern on an 'as is where is' basis and on a slump sale basis. Subsequently, the agreement was amended on September 15, 2016 to include Sienna, the holding company of Clover, as a party to the business transfer agreement and to extend the long stop date. The agreement was further amended on November 22, 2016 and January 17, 2017, for amongst other things, extension of long stop date and amendment to the consideration.

Details of schemes involving our Company

Scheme of arrangement between CMS Computers Limited ("CMS Computers") and our Company operating under our earlier name, CMS Info Systems Private Limited and their respective shareholders ("Scheme")

With effect from July 1, 2009, the IT infrastructure management division of CMS Computers, was demerged and transferred to our Company pursuant to the Scheme. The Bombay High Court, vide its order dated April 24, 2009 approved the Scheme and the demerger was effectuated. Salient features of the Scheme are set forth below:

1. The IT infrastructure management division of CMS Computers, in its entirety, was transferred to and vested with our Company as a going concern.
2. All the staff, workmen and employees of the IT infrastructure management division of CMS Computers, became staff, workmen and employees of our Company, on similar terms and conditions as with CMS Computers, without any interruption in service.
3. As consideration for the transfer of the IT infrastructure management division of CMS Computers, pursuant to the Scheme, our Company allotted two Equity Shares for every three equity or preference shares of CMS Computers held by each of its members, as on July 1, 2009.
4. The difference between the net value of assets and the liabilities and the face value of the new equity shares credited, were to be transferred to the general reserve account. In case of a deficit, the same were to be debited to the goodwill account.

Scheme of arrangement between CMS Securitas Limited ("CMS Securitas") and our Company operating under our earlier name, CMS Info Systems Private Limited and their respective shareholders ("Scheme")

With effect from April 1, 2011, the ATM and cash management division of CMS Securitas was demerged and transferred to our Company pursuant to the Scheme. The Bombay High Court, vide its order dated October 25, 2010 and the Delhi High Court, vide its order dated January 17, 2011 approved the Scheme and the demerger was effectuated. Salient features of the Scheme are set forth below:

1. The ATM and cash management division of CMS Securitas, in its entirety, was transferred to and vested with our Company as a going concern.
2. All the staff, workmen and employees of the ATM and cash management division of CMS Securitas, as identified by its board of directors, became staff, workmen and employees of our Company, on similar terms and conditions as with CMS Securitas, without any interruption in service.
3. Since CMS Securitas was a wholly owned subsidiary of our Company, no Equity Shares were allotted in consideration of the demerger.

4. The difference between the value of assets and the liabilities of the ATM and cash management division were to be transferred to a general reserve account of our Company.

Scheme of arrangement between CMS IT Services Private Limited ('CMS IT') and our Company and their respective shareholders and creditors

With effect from April 1, 2015, the IT and print division of our Company, was demerged and transferred to CMS IT pursuant to the Scheme. The rationale of the Scheme was that restructuring would enable the two distinct businesses of our Company and CMS IT to unlock the value of both businesses for the benefit of all stakeholders. Further, the respective management teams of our Company and CMS IT would be able to focus better on the optimal use of resources and chart out a long-term growth plan. The Bombay High Court, vide its order dated January 23, 2015 approved the Scheme and the demerger was effectuated. Salient features of the Scheme are set forth below:

1. The IT and print division of our Company, in its entirety, was transferred to and vested with CMS IT as a going concern.
2. All the staff, workmen and employees of the IT and print division of our Company, became staff, workmen and employees of CMS IT, on similar terms and conditions as with our Company, without any interruption in service.
3. As consideration for the transfer of the IT and print division of our Company, pursuant to the Scheme, members of our Company, were allotted 10 fully paid-up equity shares of CMS IT of ₹10 each for every 140 Equity Shares held by them. Further, members of our Company were allotted ten fully paid up 0.01% optionally convertible cumulative redeemable preference shares of CMS IT of ₹100 each for every 140 OCCPS held by them.
4. The difference between the net assets would first be debited to the securities premium account, and any excess would be debited to the general reserve account of our Company. If negative, it would be credited to the capital reserve account of our Company.

Details of shareholders' agreements

As on the date of this Draft Red Herring Prospectus, there are no subsisting shareholder's agreements to which our Company is a party to. Further to the extent that our Company is aware there are no subsisting shareholder's agreements which have been entered *inter se* our Shareholders, as on the date of this Draft Red Herring Prospectus.

Other material agreements

Except the Clover Business Transfer Agreement, our Company has not entered into any material agreements in the last two years from the date of this Draft Red Herring Prospectus, which are not in the ordinary course of its business.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing this Draft Red Herring Prospectus.

Guarantees given by our Promoter

Our Promoter has not given any guarantees on behalf of our Company to third parties.

OUR SUBSIDIARIES

As of the date of this Draft Red Herring Prospectus, our Company has the following Subsidiaries:

1. Securitrans India Private Limited ("**SIPL**");

2. CMS Securitas Limited ("**CMS Securitas**");

3. Quality Logistics Services Private Limited ("**Quality Logistics**"); and

4. CMS Marshall Limited ("**CMS Marshall**").

As on date of this Draft Red Herring Prospectus, our Company has no associate companies.

The details of our Subsidiaries are as follows:

1. Securitrans India Private Limited

SIPL is our Company's material subsidiary, as defined under the SEBI Listing Regulations. For details of the common Independent Director appointed to the board of SIPL, see "*Our Management – Corporate Governance*" on page 183.

Corporate information

SIPL was incorporated as a private limited company under the Companies Act, 1956 pursuant to a certificate of incorporation dated July 16, 1998 granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Its CIN is U74999DL1998PTC095012 and its registered office is situated at 10, DDA Complex, Nangal Raya, New Delhi - 110 046.

Nature of business

The memorandum of association of SIPL enables it to carry on *inter alia* the business of providing services of cash management and allied services including but not limited to transportation, processing, bulk movement, storage and management of cash, bullion and other high valuable products and documents; vault management services for all types of goods, cash, ATMs, other cards, cassettes, valuables, documents, renting and selling vaults, building and operating currency chests; sale, purchase and management of ATMs, cash movement, replenishment services, maintenance, monitoring and housekeeping along with consumables for ATMs.

SIPL is currently engaged in the business of providing cash logistic services, first and second line maintenance of ATMs, cash sorting, ATM deposit clearance, vaulting, transportation and delivery of gold, silver, currency, coin, cheques, securities and other valuable properties.

Capital structure and shareholding

The authorised share capital of SIPL is ₹10,000,000 divided into 100,000 equity shares of ₹100 each. The issued, subscribed and paid-up capital of SIPL is ₹9,500,000 divided into 95,000 equity shares of ₹100 each.

Our Company holds 95,000 equity shares of ₹100 each of SIPL (including one equity share held by Anup Neogi, our President and Chief Operating Officer, as a registered owner of such equity shares for which the beneficial ownership has been declared in favour of our Company), which is 100% of its total issued, subscribed and paid up capital.

2. CMS Securitas Limited

Corporate information

CMS Securitas was incorporated as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 27, 1999 granted by the Registrar of Companies, National Capital Territory of Delhi and Haryana. Further, CMS Securitas started its operations pursuant to the certificate of commencement of business granted by the Registrar of Companies, National Capital Territory of Delhi and

Haryana on March 1, 1999. Its CIN is U67190DL1999PLC098107 and its registered office is situated at 253, Okhla Industrial Estate, Phase III, Delhi - 110 020.

Nature of business

The memorandum of association of CMS Securitas enables it to provide *inter alia* cash management services to banks, retail, and corporate entities; cash transportation; cash processing; bullion management; providing infrastructure such as cash vans; maintenance, management and allied services of ATMs, kiosks, sorting and counting machines; development of intellectual property in cash management. CMS Securitas is currently engaged in the business of providing facility management services (FMS) which includes providing of trained manpower, cashier, back office staff, custodian, drivers and other allied services.

Capital structure and shareholding

The authorised share capital of CMS Securitas is ₹10,000,000 divided into 1,000,000 equity shares of ₹10 each. The issued, subscribed, and paid-up capital of CMS Securitas is ₹9,500,000 divided into 950,000 equity shares of ₹10 each.

Our Company holds 950,000 equity shares of ₹10 each in CMS Securitas (including 60 equity shares each of which 10 equity shares are held by six registered owners of equity shares for which the beneficial ownership has been declared in the favour of our Company), which is 100% of its total issued, subscribed and paid-up capital.

3. Quality Logistics Services Private Limited

Corporate information

Quality Logistics was incorporated as a private limited company under the Companies Act, 2013 pursuant to a certificate of incorporation dated July 29, 2015 granted by the RoC. Its CIN is U60231MH2015PTC266933 and its registered office is situated at Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon (East), Mumbai - 400 063.

Nature of business

The memorandum of association of Quality Logistics enables it to act and carry on the business of, *inter alia*, fleet carriers, transporters, logistics services and solutions providers, clearing and forwarding agents, courier and cargo handlers, handling and haulage contractors, warehousemen and common carriers by land, air, water and rail for transporting goods and passengers, carry out tour and travel operations and act as customs agents, landing agents, stevedores, and longshoremen.

Capital structure and shareholding

The authorised, issued, subscribed and paid-up capital share capital of Quality Logistics is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Our Company holds 10,000 equity shares of ₹10 each of Quality Logistics (including one equity share held by Pankaj Khandelwal, our President and Chief Financial Officer, as a registered owner of such equity share for which the beneficial ownership has been declared in the favour of our Company), which is 100% of its total issued, subscribed and paid up capital.

4. CMS Marshall Limited

Corporate information

CMS Marshall is an indirect subsidiary of our Company. It was incorporated as a public limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated January 13, 2006 granted by the RoC. Further, CMS Marshall started its operations pursuant to a certificate of commencement granted by the RoC on March 9, 2006. Its CIN is U46711MH2006PLC158878 and its registered office is situated at Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon (East), Mumbai - 400 063.

Nature of Business

The memorandum of association of CMS Marshall enables it to, inter alia, start and carry on the business of transportation, processing, bulk movement, storage and management of cash, bullion and other valuable products and documents. CMS Marshall is currently engaged in the business of providing manpower services such as sorting of cash, back office staff, custodian, drivers and other allied services.

Capital structure and shareholding

The authorised, issued, subscribed and paid-up capital share capital of CMS Marshall is ₹500,000 divided into 50,000 equity shares of ₹10 each.

Our wholly owned subsidiary, CMS Securitas, holds 50,000 equity shares of ₹10 each in CMS Marshall, (including 60 equity shares of which 10 equity shares each are held by six registered owners who have declared the beneficial ownership in favour of CMS Securitas) which is 100% of CMS Marshall's total issued, subscribed and paid-up capital.

CMS Securitas Employee Welfare Trust, an entity controlled by our Company has been consolidated while preparing the consolidated financial statements under Ind AS for the Fiscal ended March 31, 2017, 2016 and 2015. However, CMS Securitas Employee Welfare Trust is not our "subsidiary", as defined under Section 2(87) of the Companies Act, 2013.

Significant sale or purchase between our Company and Subsidiaries

Except as may be disclosed in the "*Related Party Transactions*" on page 197, none of our Subsidiaries are involved in any sales or purchase transaction with our Company where such transaction in aggregate value exceeds 10% of the total sales or purchases of our Company, during Fiscal 2017.

Common pursuits

Certain of our Subsidiaries undertake the businesses that are similar to that undertaken by our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company. However, due to alignment of business strategies, there is no conflict of interest between our Company and our Subsidiaries. For details of related business transactions between our Company and Subsidiaries and their significance on financial performance, see "*Related Party Transactions*" on page 197.

Business interest between our Company and our Subsidiaries

Except in the ordinary course of business and as stated in "*Our Business*" and "*Related Party Transactions*" on pages 137 and 197, respectively, none of our Subsidiaries have any business interest in our Company.

Other confirmations

Listing

None of our Subsidiaries are listed on any stock exchange in India or abroad. None of our Subsidiaries have been refused listing of any securities at any time, by any of the recognised stock exchanges in India or abroad. None of our Subsidiaries have made any public or rights issue (including any rights issue to the public) in the three years preceding the date of this Draft Red Herring Prospectus.

Accumulated profits or losses

There are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company in its consolidated financial statements.

Sale or purchase of shares of our Subsidiaries during the last six months

No member of our Promoter Group, director of our Promoter and our Directors and/or their relatives have sold or purchased securities of our Subsidiaries during the six months immediately preceding the date of this Draft Red Herring Prospectus.

Sick Companies, Bankruptcy and Winding up.

None of our Subsidiaries have become sick companies under the meaning of the erstwhile Sick Industrial Companies (Special Provisions) Act, 1985, nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. Further, no winding up, insolvency or bankruptcy proceedings have been initiated against any of our Subsidiaries.

OUR MANAGEMENT

The Articles of Association require that our Board of Directors shall comprise not less than three Directors and not more than 15 Directors.

As on the date of filing this Draft Red Herring Prospectus, we have six Directors on our Board, of which two are Independent Directors and one is a woman Director. The Chairman of our Board of Directors is an Independent Director.

Board of Directors

The following table sets forth the details of our Board as of the date of filing of this Draft Red Herring Prospectus with SEBI:

Name, designation, address, occupation, nationality, date of appointment, term of appointment and DIN	**Age**	**Other directorships**
Krzysztof Wieslaw Jamroz *Designation:* Chairman and Independent Director *Address:* 1005, Bucida Road, Delray Beach, Florida - 33483 0000, United States of America *Occupation:* Service *Nationality:* Canadian *Date of appointment:* March 11, 2016 *Term of appointment:* Up to December 31, 2017 *DIN:* 07462321	43 years	*Domestic companies:* 1. Securitrans India Private Limited. *Foreign companies:* 1. St. George Logistics (USA).
Rajiv Kaul *Designation:* Executive Vice Chairman, Chief Executive Officer and Whole Time Director *Address:* B-40, SFS Sheikh Sarai- Phase I, New Delhi- 110 017, India *Occupation:* Service *Nationality:* Indian *Date of appointment:* July 1, 2009 *Term of appointment:* Up to October 15, 2019 as Chief Executive Officer and Whole Time Director and up to September 15, 2022 as Vice Chairman (as Executive Vice Chairman from September 16, 2017 up till October 15, 2019 and as Non-Executive Vice Chairman from October 16, 2019 up till September 15, 2022). *DIN:* 02581313	49 years	*Domestic companies:* 1. Artfirst Enterprises Private Limited; 2. Artfirst Publications Private Limited; 3. CMS Marshall Limited; 4. CMS Securitas Limited; 5. Confederation of ATM Industry; and 6. Securitrans India Private Limited. *Foreign companies:* Nil
Jimmy Lachmandas Mahtani* *Designation:* Non-Executive Director	40 years	*Domestic companies:* 1. Hexaware Technologies Limited; and 2. RSP Design Consultants (India) Private Limited.

Address: 1 Chatsworth Road, #20-23, Singapore – 249 745, Singapore *Occupation:* Service *Nationality:* Indonesian *Date of appointment:* August 27, 2015 *Term of appointment:* Liable to retire by rotation *DIN:* 00996110		*Foreign companies:* 1. PSB Academy Pte. Limited; and 2. Telus International (Cda) Inc.
Ashish Agrawal* *Designation:* Non-Executive Director *Address:* Flat No. 3403 D-Wing, Ashok Towers, Dr. SS Rao Road, Opp. Gandhi Hospital, Parel, Mumbai – 400 012, India *Occupation:* Service *Nationality:* Indian *Date of appointment:* August 27, 2015 *Term of appointment:* Liable to retire by rotation *DIN:* 00163344	44 years	*Domestic companies:* 1. Karvy Stock Broking Limited. *Foreign companies:* Nil
Lai Peng Wong *Designation:* Non-Executive Director *Address:* Flat B16/F, Tower 5, The Avenue, 33, Tai Yuen St. Hong Kong – 999 077, China *Occupation:* Service *Nationality:* Chinese *Date of appointment:* June 24, 2016 *Term of appointment:* Liable to retire by rotation *DIN:* 07551924	45 years	*Domestic companies:* Nil *Foreign companies:* Nil
Gopal Krishna Pillai *Designation:* Independent Director *Address:* D-241, Second Floor, Sarvodaya Enclave, New Delhi – 110 017, India *Occupation:* Retired government official *Nationality:* Indian *Date of appointment:* March 11, 2016 *Term of appointment:* Up to December 31, 2017 *DIN:* 02340756	67 years	*Domestic companies:* 1. Adani Ports and Special Economic Zone Limited; 2. Berger Paints India Limited; 3. Data Security Council of India; 4. IvyCap Ventures Advisors Private Limited; 5. Tata International Limited; and 6. Zuari Agro Chemicals Limited. *Foreign companies:* 1. Tata Asia Metals (International) Limited.

* *Nominated to our Board by our Promoter.*

Brief profiles of our Directors

Krzysztof Wieslaw Jamroz aged 43 years, is the Chairman of our Board and an Independent Director of our Company. He has been associated with our Company, as an Independent Director since March 11, 2016 and as the Chairman of our Board since August 19, 2017. He holds a bachelor's degree in business studies from Birmingham City University and a master's degree in business administration from Schulich School of Business, York University, Canada. He has over 15 years of experience in the logistics, cash management and investment banking. He presently serves in the capacity of a chief executive officer of STG Holdings, LLC and an executive chairman of St. George Logistics, U.S.A. Prior to that he was associated with GardaWorld Corporation as its cash services president and chief operating officer. Prior to his association with Garda World Corporation, he was head of JP Morgan's corporate finance practice in Canada.

Rajiv Kaul aged 49 years, is the Executive Vice Chairman, Chief Executive Officer and Whole Time Director of our Company. He has been associated with our Company since July 1, 2009. He holds a bachelor's degree in engineering specialising in computer science from Birla Institute of Technology, Mesra and a post-graduate diploma in business management specialising in marketing and finance, from XLRI - Xavier School of Management, Jamshedpur. He has over 20 years of experience across technology, private equity and cash management industry. Prior to his association with our Company, he was associated with Actis Capital LLP, London as a partner and with Microsoft Corporation (India) Private Limited in the capacity of general manager and managing director, India from where he moved to Redmond, USA as senior director of emerging markets including BRIC. He is currently a member of RBI's Committee on Currency Movement, which was constituted post demonetisation to review movement of fresh currency. In the past, he has been associated with National Association of Software and Service Companies as an elected member to the executive council and was also a member of the national council of CII from 2003 to 2005. He is also a member of the general council of Birla Institute of Technology, Mesra and a member of the management committee of Confederation of ATM Industry (CATMi).

Jimmy Lachmandas Mahtani aged 40 years, is a Non-Executive Director of our Company. He has been associated with our Company since August 27, 2015. He holds a bachelor's degree in science in business administration, triple major in finance, marketing and international business from Georgetown University. He has over 17 years of experience in private equity and investment banking. He has been associated with Baring Private Equity Asia (BPEA) since 2006 and currently serves as a managing director of private equity investment team in India. Prior to BPEA, he was associated with General Atlantic Partners (Mumbai) in the capacity of a vice president.

Ashish Agrawal, aged 44 years, is a Non-Executive Director of our Company. He has been associated with our Company since August 27, 2015. He holds a bachelor's degree in engineering, with specialisation in electronics from SGS Institute of Technology & Science, Indore and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad. He is also a qualified Chartered Financial Analyst (CFA) from the CFA Institute, USA. He has over 20 years of experience in private equity and investment banking. He currently serves as a principal with Baring Private Equity Asia, Mumbai. Prior to that, he was associated with Lehman Brothers in Mumbai as a senior vice president and with Bank of America in Chicago as a vice president.

Lai Peng Wong, aged 45 years, is a Non-Executive Director of our Company. She has been associated with our Company since June 24, 2016. She holds a bachelor's degree in science, specialising in bio-chemistry and psychology from University of Iowa along with a certificate of special studies for a graduate program in administration and management from Harvard University Extension School. She also holds a master's degree in science from Northwestern University, Illinois. She has over 20 years of experience in the across human resources and other sectors. She currently serves as the human capital director with Baring Private Equity Asia, Hong Kong. Prior to that she was associated with PWC Strategy & (Shanghai) Limited in the capacity of head of operations and people development, Greater China and with Spencer Stuart & Associates (HK) Limited in the capacity of director, Greater China.

Gopal Krishna Pillai, aged 67 years, is an Independent Director of our Company. He has been associated with our Company since March 11, 2016. He holds a bachelor's degree in science from Bangalore University and a master's degree in science specialising in chemistry from Indian Institute of Technology, Madras. He joined the Indian Administrative Service in 1972 and has held various positions in the Kerala State Government including as the District Collector (Quilon), Deputy Secretary (Labour), Special Secretary (Industries), Secretary (Health & Family Welfare) and Principal Secretary to the Chief Minister of Kerala. In the past, he has also served in various positions with the Government of India including in the capacity of the Deputy Secretary (Defence), Joint

Secretary (Transport), Secretary (Commerce) and Union Home Secretary. He currently serves as the chairman of the board of directors of Tata International Limited and IvyCap Ventures Advisors Private Limited.

Confirmations

None of our Directors is or was a director of any company listed on the Stock Exchanges, whose shares are or were suspended from being traded during the last five years prior to the date of this Draft Red Herring Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was, a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our Directors are related to one another.

None of our Directors have been identified as 'wilful defaulters' as defined under the SEBI ICDR Regulations.

None of our Directors have committed any violation of securities laws in the past and no such proceedings (initiated by SEBI or otherwise) are pending against any of our Directors.

None of our sundry debtors are related to our Directors in any manner.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help them qualify as a Director, or otherwise for services rendered by him or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Appointment of relatives of our Directors to any office or place of profit

As on the date of this Draft Red Herring Prospectus, no relatives of any of our Directors have been appointed to a place or office of profit in our Company.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Except for Ashish Agrawal and Jimmy Lachmandas Mahtani, each nominated by our Promoter, pursuant to the terms of our Articles, none of our Directors have been appointed pursuant to any arrangement or understanding with our major Shareholders, customers, suppliers or others.

Service contracts with Directors

1. **Employment Agreement dated September 16, 2017**

Our Company has entered into an employment agreement dated September 16, 2017 with Rajiv Kaul, Executive Vice Chairman, Chief Executive Officer and Whole Time Director of our Company ("**Employment Agreement**"), which provides for benefits upon termination of his employment. Pursuant to the terms of the service contract, upon termination, Rajiv Kaul is entitled to be paid an amount equivalent to six months compensation on CTC basis (in lieu of a six month advance written notice), if such termination has been effected without cause. Additionally, upon such termination and termination pursuant to good reason, as envisaged in the Employment Agreement, he is entitled to be paid an amount equivalent to two years on CTC basis. Upon termination, he is entitled to payment arising from accruing rights, if any.

2. **Agreement between Vault Co-Investment Vehicle L.P. and Rajiv Kaul, dated September 26, 2017**

As set out in the section "Our Promoter and Promoter Group", our Promoter is an investment vehicle which is an affiliate of the Baring Private Equity Asia, a private equity firm that has over US$10 billion of total committed capital and has investments in over 40 portfolio companies across Asia as of March 31, 2017.

Vault Co-Investment Vehicle L.P. ("**Vault L.P.**"), a limited liability partnership incorporated in the Cayman Islands and controlled by Baring Private Equity Asia GP VI Limited ("**BPEGPL**"), the ultimate promoter of Sion, has entered into an agreement dated September 26, 2017 with our Vice Chairman and CEO, Rajiv Kaul, pursuant to which our Vice Chairman and CEO is entitled to certain options under the stock option plan of Vault L.P. In terms of these options, Vault L.P., will issue certain units in Vault L.P. to Rajiv Kaul and upon redemption of such units, our Vice Chairman and CEO will receive from Vault L.P., all amounts received by Vault L.P. which will be equivalent to 0.61% of the value of our Company, subject to various adjustments. Vault L.P., has also agreed to pay certain amounts to the CEO at the time of sale of our Promoter's shareholding in our Company which amounts are linked to the value of our Company and the returns made by our Promoter on the sale of their shareholding in our Company.

As a consequence of the aforementioned arrangements, our Company will recognize employee expense in accordance with applicable accounting standards computed using appropriate valuation method.

The aforementioned arrangements do not involve payment of any compensation or profit sharing amount by our Company to the CEO or to Vault L.P.

Details of remuneration for our Directors

a) *Terms of appointment of our Executive Director*

Rajiv Kaul, Executive Vice Chairman, Chief Executive Officer and Whole Time Director

Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director has been associated with our Company since July 1, 2009. He was last re-appointed as the Vice Chairman for a period of five years up to September 15, 2022 (as an Executive Vice Chairman of the Company from September 16, 2017 up till October 15, 2019 and as a Non-Executive Vice Chairman from October 16, 2019 up till September 15, 2022), pursuant to a Board resolution dated September 16, 2017 and a resolution of our Shareholders in their general meeting held on September 16, 2017. Further, he was last re-appointed as the Chief Executive Officer and Whole Time Director of our Company (on non-rotational basis), up till October 15, 2019, pursuant to a Board resolution dated September 16, 2017 and a resolution of our Shareholders in their extraordinary general meeting held on September 16, 2017.

He receives remuneration from our Company in accordance with the terms of the Employment Agreement, as mentioned above. For Fiscal 2017, the remuneration paid or payable to him was ₹42.74 million. Additionally, our Company has recorded employee stock option compensation cost of ₹ 111.13 million in respect of options granted to him in Fiscal 2017. Further, per the terms of his appointment as a Vice Chairman (as an Executive Vice Chairman of the Company from September 16, 2017 up till October 15, 2019 and as a Non-Executive Vice Chairman from October 16, 2019 up till September 15, 2022), Rajiv Kaul is also entitled to receive sitting fees of ₹25,000 for attending each meeting of our Board, subject to sitting fees payable for a maximum of four such meetings in a calendar year.

Pursuant to a resolution of our Board in its meeting held on September 16, 2017 and a resolution of our Shareholders in their extraordinary general meeting held on September 16, 2017, Rajiv Kaul is entitled to the following remuneration with effect from April 1, 2017:

Particulars	Remuneration
Salary	₹33.10 million on a CTC basis from April 1, 2017 up till September 30, 2017 and ₹34.70 million on a CTC basis from October 1, 2017, with annual increments as determined by the NRC.
Perquisites and Benefits	• Paid leave as per Company policy and medical leave, in case of physical or mental illness or accident, on the basis of actuals, not exceeding 60 days in a calendar year. • Facilities such as office space, secretarial assistance, office supplies, office equipment, etc. • Company vehicle to be provided along with chauffer services including all costs, in relation thereto. • Club membership - corporate membership to be subscribed by the Company or reimbursement of expenses for membership availed in an individual capacity. • Housing and relocation - costs for movers and packers for household good, brokerage (up to one month of effective rent) for housing in Mumbai, lease preparation, registration fees, stamp duty for housing in Mumbai on actual basis once in three Fiscals. • Applicable taxes payable for housing and relocation, transportation and

	club membership to be borne by the Company. • Payment of premium for medical insurance covering including family (spouse, dependents, children, parents) and premium for death and disability insurance as per Company policy.
Bonus	• Annual bonus of up to 70% calculated on the basis of CTC as decided by the Board and the NRC, based on and subject to the satisfaction of certain targets with respect to the profit before tax (as per the last financial statement) of our Company. For further details, see "- *Payment of benefits to Directors*" on page 181.

Rajiv Kaul has been considered a Key Management Personnel under Ind AS 24.

b) *Terms of appointment of our Independent Directors*

Pursuant to a resolution of our Board in their meeting held on March 11, 2016, our Independent Directors are entitled to receive sitting fees of ₹0.1 million for attending each meeting of our Board, subject to sitting fees payable for a maximum of four such meetings in a calendar year. Our Independent Directors are not entitled to receive any sitting fees for attending the meetings of any of our Board level committees. In addition to the sitting fees, our Independent Directors are also eligible to receive a yearly commission of up to 0.5% on our PAT, subject to a maximum limit of ₹1.1 million in a calendar year. Following are the details of remuneration paid to our Independent Directors for Fiscal 2017.

(*in ₹ million*)

Name of Director	Designation	Total remuneration (including sitting fees) paid for Fiscal 2017
Krzysztof Wieslaw Jamroz	Chairman and Independent Director	1.50
Gopal Krishna Pillai	Independent Director	1.50

c) *Terms of appointment of our Non-Executive Directors other than Independent Directors*

Our Non-Executive Directors, other than our Independent Directors, do not receive any remuneration from our Company, except for reimbursement of expenses incurred for attending the meetings of our Board and its committees.

d) *Remuneration paid or payable by our Subsidiaries*

No remuneration has been paid or is payable to our Directors by any of our Subsidiaries.

Payment of benefits to Directors

Except as disclosed below, no amount or benefit has been paid or given within the two preceding years from the date of this Draft Red Herring Prospectus or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered in the capacity of being a Director.

Name of Director	Period for which amount is paid or payable	Payment of benefit
Rajiv Kaul, Executive Vice Chairman, Chief Executive Officer and Whole Time Director	April 1, 2014 to March 31, 2015	Executive bonus of ₹20 million (paid on March 5, 2016).
	April 1, 2015 to March 31, 2017	Executive bonus of ₹26.45 million (accrued and payable).
	April 1, 2017 to March 31, 2018	Per the terms of the Employment Agreement, the annual bonus shall be payable as a percentage of the CTC, determined on the basis

	April 1, 2018 to March 31, 2019	of annual targets with respect to the profit before tax (as per the last audited consolidated financial statement) of our Company. On achievement of the targets Rajiv Kaul shall be entitled to be paid 70% of the CTC as the annual bonus. In the event, 97% of the annual target is achieved, he shall be entitled to 50% of the CTC as the annual bonus and if less than 97% of the annual target is achieved, the annual bonus shall be determined by the Board and the NRC taking into consideration the general performance of the Company.
	April 1, 2019 to October 15, 2019*	

Pursuant to the terms of the Employment Agreement, the relevant period for computation of the bonus entitlement for Rajiv Kaul, in his capacity as the Executive Vice Chairman, Chief Executive Officer and Whole Time Director is on an annual basis i.e., April 1, 2019 to March 31, 2020, however, the said term expires on October 15, 2019.

Shareholding of our Directors in our Company and Subsidiaries

Our Articles do not require our Directors to hold any qualification shares. As on the date of this Draft Red Herring Prospectus, none of our Directors hold any Equity Shares. Further, none of our Directors hold any equity shares in any of our Subsidiaries.

Borrowing Powers

Pursuant to our Articles of Association, subject to the provisions of the Companies Act, 2013, and subject to a resolution passed by the Shareholders, in their general meeting held on October 21, 2014, our Board has been authorised to borrow a sum not exceeding ₹3,000 million for and on behalf of our Company, from time to time.

Loans to Directors

Our Company and Subsidiaries have not provided any loan to our Directors.

Bonus or profit sharing plan for our Directors

Except as disclosed above in respect of the remuneration payable to Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director under the "- *Terms of appointment of our Executive Director*" on page 180, "*Payment of benefit to Directors*" on page 181 and in "*Related Party Transactions*" on page 197, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

Interest of Directors

All the Directors, including Independent Directors, may be deemed to be interested to the extent of fees and commission, if any, payable to them for attending meetings of the Board or a committee thereof as well as to the extent of other remuneration, commission and reimbursement of expenses payable to them.

The Directors, including Independent Directors, may also be regarded as interested in the Equity Shares, if any, held by them and also to the extent of any dividend payable to them and other distributions in respect of the Equity Shares. The Directors, including Independent Directors, may also be regarded as interested in Equity Shares held by or that may be subscribed by and allotted to the companies, firms and trust, in which they are interested as directors, members, partners and trustees, pursuant to the Offer.

Our Directors may also be regarded as interested in relation to the stock options granted to them under the employee stock option plans instituted by our Company. As on the date of this Draft Red Herring Prospectus, Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director holds 9,866,667 options, granted pursuant to the CEO ESOP 2016. Upon exercise of such options, he shall be entitled for an allotment of 9,866,667 Equity Shares. For further details, see "*Capital Structure-Employee Stock Option Plans*" on page 86.

Certain of our Directors may be deemed to be interested in the contracts, transactions, agreements/arrangements entered into or to be entered into by our Company with any company in which they hold directorships or any partnership firm in which they are partners as declared in their respective capacity. There is no material existing or anticipated transaction whereby Directors will receive any portion of the proceeds from the Offer.

Interest of Directors in the promotion of our Company

As on the date of this Draft Red Herring Prospectus, none of our Directors are interested in the promotion of our Company. However, Ashish Agrawal and Jimmy Lachmandas Mahtani, our Non-Executive Directors are nominees of our Promoter.

Interest of Directors in the properties of our Company

Our Directors do not have any interest in any property acquired in the preceding two years or proposed to be acquired by our Company within the two years from the date of filing of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery.

Business interest

Except as stated in the section titled "*Related Party Transactions*" on page 197, our Directors do not have any other interest in our business or our Company.

Changes to the Board in the last three years

Name	Date of appointment/ change of designation/ cessation	Reason
Aarti Grover	August 27, 2015	Cessation
Amit Dalmia	August 27, 2015	Cessation
Amit Jain	August 27, 2015	Cessation
Mathew Cyriac	August 27, 2015	Cessation
Raju Grover	August 27, 2015	Cessation
Ashish Agrawal	August 27, 2015	Appointment
Jimmy Lachmandas Mahtani	August 27, 2015	Appointment
Gopal Krishna Pillai	March 11, 2016	Appointment
Krzysztof Wieslaw Jamroz	March 11, 2016	Appointment
Lai Peng Wong	June 24, 2016	Appointment
Jimmy Lachmandas Mahtani	August 19, 2017	Change in designation from Chairman and Non-Executive Director to Non-Executive Director
Krzysztof Wieslaw Jamroz	August 19, 2017	Change in designation from Independent Director to Chairman and Independent Director

Corporate Governance

In addition to the applicable provisions of the Companies Act, 2013, with respect to corporate governance, provisions of the SEBI Listing Regulations will also be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges.

The Chairman of our Board is an independent director. Our Company currently has six Directors of which one is an executive director, three are non-executive directors including a woman director and two are independent directors. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations and the Companies Act, 2013, pertaining to the composition of the Board and constitution of committees thereof.

The Board functions either as a full board or through various committees constituted to oversee specific operational areas.

Additionally, Krzysztof Wieslaw Jamroz, our Chairman and Independent Director, has been appointed as an independent director on the board of our Company's material subsidiary, SIPL.

Our Company undertakes to take all necessary steps to continue to comply with all the requirements of the SEBI Listing Regulations and the Companies Act, 2013.

Board-level committees

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

(a) Audit committee;
(b) Nomination and Remuneration committee;
(c) Stakeholders' Relationship committee; and
(d) Corporate Social Responsibility committee.

(a) Audit committee

The Audit committee was constituted by a resolution of our Board dated July 31, 2009 and was last re-constituted on June 28, 2017. The current constitution of the Audit committee is as follows:

Name of Director	Position in the Committee	Designation
Gopal Krishna Pillai	Chairman	Independent Director
Krzysztof Wieslaw Jamroz	Member	Chairman and Independent Director
Ashish Agrawal	Member	Non-Executive Director

Our Company Secretary and Compliance Officer is secretary of the Audit committee.

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

Scope and terms of reference of the Audit committee:

(i) The Audit Committee shall have powers, which should include the following:

(a) To investigate any activity within its terms of reference;
(b) To seek information from any employee of the Company;
(c) To obtain outside legal or other professional advice; and
(d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) The role of the Audit Committee shall include the following:

(a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

(b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors of the Company and the fixation of audit fee;

(c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Company;

(d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

(i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-Section 3 of Section 134 of the Companies Act;
(ii) Changes, if any, in accounting policies and practices and reasons for the same;
(iii) Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
(iv) Significant adjustments made in the financial statements arising out of audit findings;
(v) Compliance with listing and other legal requirements relating to financial statements
(vi) Disclosure of any related party transactions; and
(vii) Qualifications / modified opinion(s) in the draft audit report.

(e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the board for approval;

(f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

(g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;

(h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;

(i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed.

Explanation: The term 'related party transactions' shall have the same meaning as provided in Clause 2(zc) of the SEBI Listing Regulations and/or the applicable Accounting Standards and/or the Companies Act, 2013.

(j) Scrutiny of inter-corporate loans and investments;

(k) Valuation of undertakings or assets of the company, wherever it is necessary;

(l) Evaluation of internal financial controls and risk management systems;

(m) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

(n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(o) Discussion with internal auditors of any significant findings and follow up there on;

(p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;

(q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

(r) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;

(s) To review the functioning of the whistle blower mechanism;

(t) Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

(u) Overseeing the vigil mechanism including to whom directors and employee shall report in case of any concern;

(v) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee; and

(w) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Audit Committee.

(iii) The Audit Committee shall mandatorily review the following information:

(a) Management discussion and analysis of financial condition and results of operations;

(b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;

(c) Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;

(d) Internal audit reports relating to internal control weaknesses;

(e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;

(f) Statement of deviations:

(i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

(ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations;

(g) review the financial statements, in particular, the investments made by any unlisted subsidiary.

The Audit Committee is required to meet at least four times in a year under Regulation 18 (2)(a) of the SEBI Listing Regulations.

(b) Nomination and Remuneration Committee ("NRC")

The NRC was constituted by a resolution of our Board dated April 1, 2015 and was last reconstituted on August 19, 2017. The current constitution of the NRC is as follows:

Name of Director	Position in the Committee	Designation
Gopal Krishna Pillai	Chairman	Independent Director
Krzysztof Wieslaw Jamroz	Member	Chairman and Independent Director
Jimmy Lachmandas Mahtani	Member	Non-Executive Director
Ashish Agrawal	Member	Non-executive Director

The Company Secretary and Compliance Officer is the secretary of the NRC.

The scope and function of the NRC is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

Scope and terms of reference of the NRC:

(a) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of the directors, key management personnel and other employees. The NRC, while formulating the above policy, should ensure that —

i. the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;

ii. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

iii. remuneration to directors, key management personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

(b) Formulation of criteria for evaluation of performance of independent directors and the Board;

(c) Devising a policy on Board diversity;

(d) Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report of the Company;

(e) Analysing, monitoring and reviewing various human resource and compensation matters;

(f) Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors

(g) Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), usually consisting of a fixed and variable component;

(h) Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;

(i) Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(j) Perform such functions as are required to be performed by the Compensation Committee under the SEBI (Share Based Employee Benefits) Regulations, 2014;

(k) Administering the employee stock option plan, as envisaged by the Board from time to time;

(l) Determining the eligibility of employees to participate under the Plan;

(m) Granting options to eligible employees and determining the date of grant;

(n) Determining the number of options to be granted to an employee;

(o) Determining the exercise price under the Plan;

(p) Construing and interpreting the Plan and any agreements defining the rights and obligations of the Company and eligible employees under the Plan, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the Plan;

(q) Framing suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, including:

    i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended; and
    ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended,

    by the trust, the Company and its employees, as applicable;

(r) Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended to by the Nomination and Remuneration Committee.

(c) Corporate Social Responsibility Committee ("CSRC")

The CSRC was constituted by a resolution of our Board dated January 28, 2015 and was last reconstituted on June 24, 2016. The current constitution of the CSRC is as follows:

Name of Director	Position in the Committee	Designation
Rajiv Kaul	Chairman	Executive Vice Chairman, Chief Executive Officer and Whole Time Director
Krzysztof Wieslaw Jamroz	Member	Chairman and Independent Director
Ashish Agrawal	Member	Non-Executive Director

Our Company Secretary and Compliance Officer is the secretary of the CSRC.

The scope and functions of the CSRC is in accordance with Section 135 of the Companies Act, 2013.

Scope and terms of reference of the CSRC:

(a) To formulate and recommend to the board, a CSR Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and make any revisions therein as and when decided by the Board;

(b) To recommend the amount of expenditure to be incurred on the activities referred to in (a);

(c) To monitor the CSR Policy of the company from time to time;

(d) To do such other acts, deeds and things as may be directed by the board and required to comply with the applicable laws; and

(e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or statutorily prescribed under any other law or by any other regulatory authority.

(d) Stakeholders' Relationship Committee ("SRC")

The SRC was constituted by a resolution of our Board dated August 19, 2017. The current constitution of the SRC is as follows:

Name of Director	Position in the Committee	Designation
Jimmy Lachmandas Mahtani	Chairman	Non-Executive Director
Rajiv Kaul	Member	Executive Vice Chairman, Chief Executive Officer and Whole Time Director
Ashish Agrawal	Member	Non-Executive Director

Our Company Secretary and Compliance Officer is the secretary of the SRC.

The scope and function of the SRC is in accordance with Section 178(6) of the Companies Act, 2013, read with Regulation 20 of the SEBI Listing Regulations.

Scope and terms of reference of the SRC:

(a) Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non-receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non-receipt of annual reports, etc. and assisting with quarterly reporting of such complaints;

(b) Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;

(c) Giving effect to all transfer/ transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;

(d) Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services; and

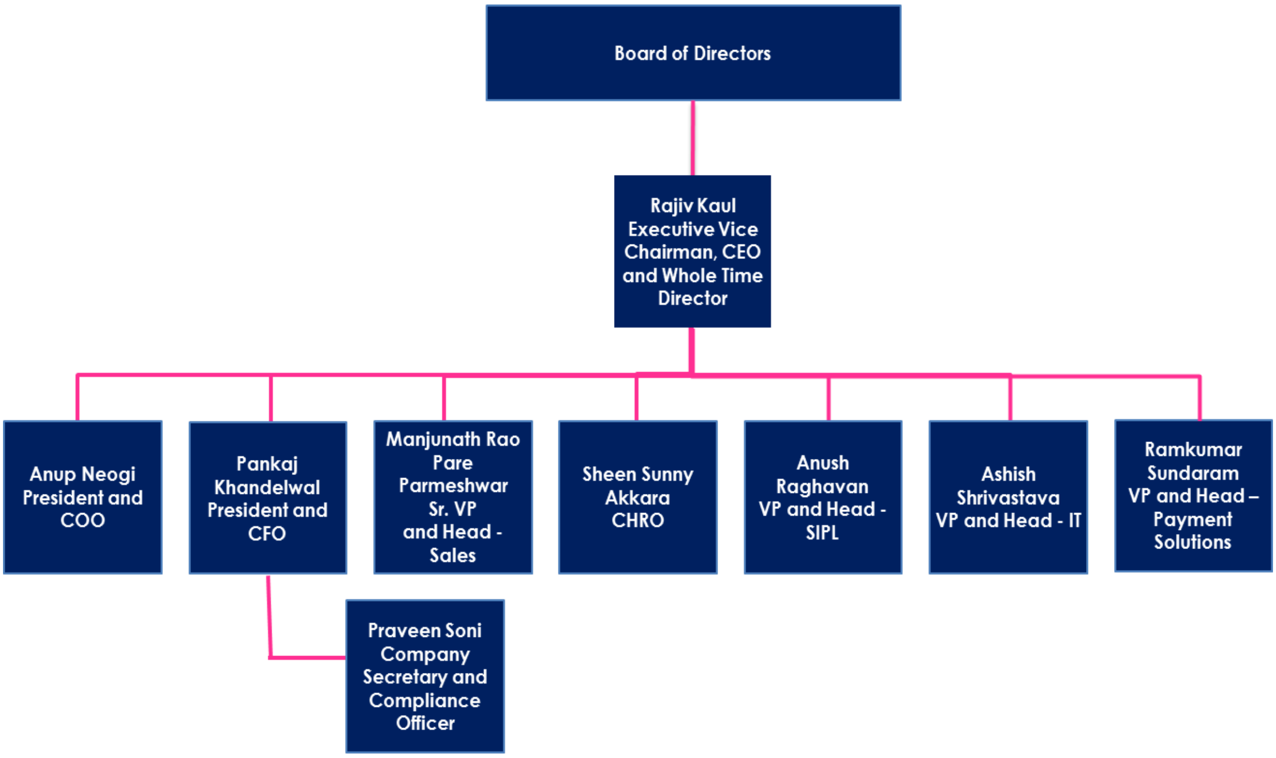
(e) To perform such other activities as may be delegated by the Board or specified/ provided under the Companies Act, 2013 or by the SEBI Listing Regulations or statutorily prescribed under any other law or by any other regulatory authority."

Other Committees

IPO Committee

In addition to above committees, our Board has also constituted an IPO Committee for the purpose of the Offer, pursuant to a resolution dated August 19, 2017, which currently comprises Ashish Agrawal, Jimmy Lachmandas Mahtani and Rajiv Kaul. The Board has authorised the IPO Committee to take all decisions and approve, negotiate, finalise and carry out all activities in relation to the Offer, in accordance with its terms of reference. Also, the IPO Committee is authorised to make any alteration, addition or make any variation in relation to the Offer, in consultation with the BRLMs or SEBI or such other authorities as may be required, and without prejudice to its terms of reference, deciding the exact Offer structure and the exact component of issue of Equity Shares.

Management organisation chart



Key Management Personnel

The following persons are the Key Management Personnel of our Company.

For a brief profile of Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director, see "*Brief Profiles of our Directors*" above on page 178.

The details of our other Key Management Personnel as on the date of this Draft Red Herring Prospectus are as follows:

Pankaj Khandelwal, aged 46 years, is the President and Chief Financial Officer of our Company. He has been associated with our Company since July 1, 2009 and prior to the demerger was associated with CMS Computers Limited as a chief financial officer since May 8, 2006. He holds a bachelor's degree in commerce from University of Rajasthan and is a qualified chartered accountant from ICAI with over 23 years of experience. In the past, he has been associated with Gajra Bevel Gears Limited in the capacity of deputy general manager (accounts) and with NRC Limited in the capacity of vice president (commercial). For Fiscal 2017, the gross remuneration paid or payable to him was ₹9.86 million. Additionally, our Company has recorded employee stock option compensation cost of ₹3.38 million in respect of options granted to him in Fiscal 2017. He has also been considered a Key Management Personnel under Ind AS 24.

Praveen Soni, aged 40 years, is the Company Secretary and Compliance Officer of our Company. He has been associated with our Company since July 1, 2009 and prior to the demerger was associated with CMS Computers Limited as a company secretary and legal manager since January 27, 2009. He holds bachelor's degrees in commerce and law from University of Rajasthan along with a master's degree in commerce from University of Rajasthan. He is a fellow member of the Institute of Company Secretaries of India ("**ICSI**"). He has over 12 years of experience in secretarial and legal practices. In the past, he has been associated with Trimax IT Infrastructure & Services Limited in the capacity of company secretary cum legal manager, Viraj Profiles Limited and Data Infosys Limited in the capacity of a company secretary. He was elected to the Western Indian Regional Council ("**WIRC**") of the ICSI in 2015, and was appointed as the secretary of the WIRC of the ICSI, in 2017. For Fiscal 2017, the gross remuneration paid or payable to him was ₹2.03 million. Additionally, our Company has recorded employee stock option compensation cost of ₹0.27 million in respect of options granted to him in Fiscal 2017.

Anup Neogi, aged 56 years, is the President and Chief Operating Officer of our Company. He has been associated with our Company since March 3, 2011. He holds a bachelor's degree in arts from University of Rajasthan and a post-graduate diploma in business management from Institute of Productivity and Management, Baroda. He has over 33 years of experience across various sectors. In the past, he has been associated with Brinks Arya India Private Limited in the capacity of chief executive officer and Skypak Service Specialist Limited in the capacity of assistant vice president corporate affairs. For Fiscal 2017, the gross remuneration paid or payable to him was ₹11.61 million. Additionally, our Company has recorded employee stock option compensation cost of ₹3.04 million in respect of options granted to him in Fiscal 2017.

Manjunath Rao Pare Parmeshwar, aged 53 years, is the Senior Vice President and Head Sales of our Company. He has been associated with our Company since July 6, 2012. He holds a bachelor's degree in science, with specialisation in statistics from Madras University. He has over 30 years of experience in sales and marketing across sectors. In the past, he has been associated with NCR Corporation India Private Limited in the capacity of interim managing director, CashLink Global Systems Private Limited in the capacity of chief operating officer and Diebold Systems Private Limited in the capacity of director sales and marketing. For Fiscal 2017, the gross remuneration paid or payable to him was ₹10.99 million. Additionally, our Company has recorded employee stock option compensation cost of ₹2.20 million in respect of options granted to him in Fiscal 2017.

Sheen Sunny Akkara, aged 48 years, is the Chief Human Resource Officer of our Company. He has been associated with our Company since July 20, 2016. He holds a bachelor's degree in science, with specialisation in chemistry from Loyola College, Madras and a postgraduate diploma in personnel management from Annamalai University, Tamil Nadu. He also holds a master's degree in social work from Madras Christian College, Tamil Nadu and a Ph.D. from University of Madras. He has over 25 years of experience across various sectors. In the past, he has been associated with Nielsen India Private Limited in the capacity of executive director (human resources), Deloitte Consulting India Private Limited in the capacity of vice president (talent) and Sutherland Global Services Private Limited in the capacity of general manager. For Fiscal 2017, the gross remuneration paid or payable to him was ₹5.97 million. Additionally, our Company has recorded employee stock option compensation cost of ₹1.35 million in respect of options granted to him in Fiscal 2017.

Anush Raghavan, aged 33 years, is the Vice President and Head of our Subsidiary, SIPL. He has been associated with our Company since October 1, 2009 He holds a bachelor's degree in law from University of Mysore and a post-graduate diploma in management from Indian Institute of Management, Ahmedabad. He has over 10 years of experience in business management and business development. He has in the past been associated with Hay Consultants India Private Limited in the capacity of an associate consultant. For Fiscal 2017, the gross remuneration paid or payable to him was ₹5.73 million. Additionally, our Company has recorded employee stock option compensation cost of ₹3.04 million in respect of options granted to him in Fiscal 2017.

All of our Key Management Personnel are permanent employees of our Company.

Relationship of Key Management Personnel

None of our Key Management Personnel are related to any of our Directors or to each other.

Arrangements and understanding with major shareholders, customers, suppliers or others

None of our Key Management Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

Shareholding of the Key Management Personnel

As on the date of this Draft Red Herring Prospectus, except for Pankaj Khandelwal, our President and Chief Financial Officer, and Manjunath Rao Pare Parmeshwar, our Senior Vice President and Head Sales, who hold one Equity Share each, as a registered owner of Equity Share for which the beneficial ownership has been declared in favour of the Promoter, none of our Key Management Personnel hold any Equity Shares.

Details of our Key Management Personnel who hold equity shares in our Subsidiaries as on the date of this Draft Red Herring Prospectus are as follows:

Name of Subsidiary	Name of the Key Management Personnel	No. of equity shares of held in the respective Subsidiary	% of issued capital of the respective Subsidiary
SIPL	Anup Neogi*	1	Negligible
CMS Securitas Limited	Anup Neogi*	10	Negligible
	Manjunath Rao Pare Parmeshwar*	10	Negligible
	Anush Raghavan*	10	Negligible
Quality Logistics Services Private Limited	Pankaj Khandelwal*	1	Negligible
CMS Marshall Limited	Anup Neogi**	10	0.02%
	Manjunath Rao Pare Parmeshwar**	10	0.02%
	Anush Raghavan**	10	0.02%

* *In the capacity of a registered owner of Equity Shares for which the beneficial ownership has been declared in favour of our Company.*
***In the capacity of a registered owner of Equity Shares for which the beneficial ownership has been declared in favour of our Subsidiary, CMS Securitas Limited.*

Service Contracts with Key Management Personnel

Except as disclosed in *"- Service contracts with Directors"* on page 179, our Company has not entered into any service contract with our Key Management Personnel.

Contingent and deferred compensation payable to Key Management Personnel

Other than performance linked incentive and bonus or profit sharing plans for our Directors, there is no contingent or deferred compensation payable to Key Management Personnel, which does not form part of their remuneration.

Bonus or profit sharing plan of the Key Management Personnel

Except as disclosed above in respect of the remuneration payable to Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director under the "- *Terms of appointment of our Executive Director*" on page 180, "*Payment of benefit to Directors*" on page 181 and in "*Related Party Transactions*" on page 197, our Company does not have any performance linked bonus or a profit-sharing plan for our Key Management Personnel.

Interest of Key Management Personnel

The Key Management Personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of Equity Shares held by them, if any. Further, our Key Management Personnel may be regarded as interested to the extent of any options granted by our Company under its employee stock option plans. For further details, see "*Capital Structure- Employee Stock Option Plan*" on page 86.

Changes in the Key Management Personnel in last three years

Name of Key Management Personnel	Designation	Date of appointment/ change of designation/ cessation	Reason
Alex Augustine	Senior Vice President and Head Human Resources	July 17, 2016	Cessation
Sheen Sunny Akkara	Chief Human Resources Officer	July 20, 2016	Appointment

Employee Stock Option Plan

For details of the employee stock options plans of our Company, see the sub-section titled "*Capital Structure – Employee Stock Option Plans*" on page 86.

Payment of non-salary related benefits to officers of our Company

Except as disclosed in this section and in the sub-section titled "*Capital Structure – Employee Stock Option Plan*" on page 86 in relation to the employee stock option plans, no amount or benefit has been paid or given to any Key Management Personnel within the two years preceding the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Loans to Key Management Personnel

Our Company and Subsidiaries have not provided loans to our Key Management Personnel.

OUR PROMOTER AND PROMOTER GROUP

Our Promoter

The Promoter of our Company is Sion Investment Holdings Pte. Limited.

Details of our Promoter

Sion Investment Holdings Pte. Limited ("Sion")

Corporate information and history

Sion was incorporated as a private company limited by shares under the laws of Singapore on January 29, 2015 with its office located at 1 Raffles Place #13-01, One Raffles Place, Singapore 048 616.

Sion acquired 100% equity share capital of the Company on 27 August 2015.

Sion is primarily engaged in the business of investments, including but not limited to venture capital and private equity investments whether directly or indirectly through any special purpose vehicles or otherwise. Sion is an affiliate of Baring Private Equity Asia, a private equity firm that has over US$10 billion of total committed capital and has investments in over 40 portfolio companies across Asia as of March 31, 2017

As on date of this Draft Red Herring Prospectus, Sion holds 148,000,000 Equity Shares, representing 100% of the issued, subscribed and paid-up equity share capital of our Company, including six Equity Shares held by certain individuals who have declared the beneficial ownership in the favour of Sion.

Board of directors

The board of directors of Sion comprise the following persons:

1. Giridhar Veera Raghavan;
2. Jimmy Lachmandas Mahtani; and
3. Kirti Ram Hariharan.

The shareholding pattern of Sion as on the date of this Draft Red Herring Prospectus is as follows:

Entity / Person	Number of shares	Percentage of share capital
Baring Private Equity Asia VI Holdings Pte. Limited	2,723,285 ordinary shares and 216,605,176 preference shares	100.00%

Details of the promoter of our Promoter

The ultimate promoter of Sion is Baring Private Equity Asia GP VI Limited ("**BPEAGPL**"). The details of BPEAGPL are as follows:

Corporate information and history

BPEAGPL is incorporated as a company limited by shares under the laws of Cayman Islands on May 22, 2014, with its office located at C/O Maples Corporate Services Limited, Po Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

BPEAGPL serves as the general partner of Baring Private Equity Asia GP VI, L.P., which in turn serves as the general partner of certain funds, including The Baring Asia Private Equity Fund VI L.P.1, The Baring Asia Private Equity Fund VI L.P.2, and The Baring Asia Private Equity Fund VI Co-Investment L.P. (collectively, "**Baring Asia Private Equity Fund VI Fund Entities**").

BPEAGPL does not hold any Equity Shares in our Company. However, BPEAGPL through its role as the ultimate general partner to the Baring Asia Private Equity Fund VI Fund Entities which indirectly own approximately

100% of Baring Private Equity Asia VI Holdings Pte. Limited, the holding company of Sion, indirectly controls 100% of voting rights of Sion as on the date of this Draft Red Herring Prospectus.

The board of directors of BPEAGPL comprises the following persons:

1. Yok Hua Tek; and
2. Ramesh Awatarsing.

Jean Eric Salata owns 100% (one hundred per cent) of BPEAGPL and disclaims beneficial ownership of interests indirectly owned by the Baring Asia Private Equity Fund VI Fund Entities, other than to the extent of his economic interest in such entities.

While Sion has been in control of our Company since August 27, 2015, due to the nature of its core business activities, the Promoter may not have adequate experience in the business activities undertaken by our Company. For details, see "*Risk Factors – Our Promoter does not have adequate experience and has not actively participated in the business activities we undertake*" on page 39.

Change in control or management in the last three years

There has not been any change in the control or management of our Promoter in the last three years. We confirm that the details of the PAN, bank account numbers, the company registration number and the addresses of the registrar of companies where the Promoter is registered, shall be submitted with the Stock Exchanges at the time of submission of this Draft Red Herring Prospectus.

Details of acquisition of control, date of acquisition, terms of acquisition and consideration paid for acquisition:

Our Promoter is not the original promoter of our Company. The control of our Company was acquired by our Promoter, within the last five years immediately preceding the date of this Draft Red Herring Prospectus. The details of such acquisition are as follows:

Date of acquisition	August 27, 2015
Acquired from	Blackstone FP Capital Partners (Mauritius) V Limited
Terms of acquisition	Acquired 83,167,132 Equity Shares representing 56.19% of the issued, subscribed and paid-up equity share capital of our Company
Consideration paid	₹10,536,814,644*

**Based on a consideration of US$ 159,502,496 converted at RBI Reference Rate as of August 27, 2015 of ₹66.06 for every one US$;*

Simultaneous with the abovementioned acquisition, our Promoter also acquired 64,832,868 Equity Shares representing 43.81% of the issued, subscribed and paid-up equity share capital of our Company from certain other selling shareholders at an aggregate consideration of ₹7,524,383,893.

As our Company was unlisted at the time of the acquisition, no compliance was required to be made by the Promoter with the provisions of the Takeover Regulations or the Listing Regulations.

Interests of our Promoter in our Company

Our Promoter is interested in our Company to the extent of its shareholding in and control over our Company, dividend payable on such shareholding and other distributions in respect of its Equity Shares, if any. For details of Equity Shares held by our Promoter, see "*Capital Structure*" on page 84. For details of nominee directors of our Promoter, appointed on our Board, see "*Our Management*" on page 176.

Except in the normal course of business and as stated in the *"Related Party Transactions"* on page 197, our Company has not entered into any contract, agreements or arrangements in which our Promoter is directly or indirectly interested and no payments have been made to our Promoter in respect of the contracts, agreements or arrangements which are proposed to be made with it.

Our Promoter has no interest, whether direct or indirect, in any property acquired by our Company in the two years preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery, etc.

No sum has been paid or agreed to be paid by our Company, to our Promoter or to such firm or company in cash or shares wherein our Promoter is interested as member, or promoter or otherwise as an inducement by any person for services rendered by the Promoter or by such firm or company in connection with the promotion or formation of our Company.

Our Promoter does not have any direct interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as disclosed in this Draft Red Herring Prospectus, our Promoter is not interested in any entity which holds any intellectual property rights that are used by our Company.

Payment or benefits to our Promoter or Promoter Group in the last two years

Except in the ordinary course of business, dividends received by our Promoter, and as stated in *"Related Party Transactions"* on page 197 there has been no payment or benefits by our Company to our Promoter and members of our Promoter Group during the two years preceding the date of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Draft Red Herring Prospectus.

Other confirmations

Our Promoter is not related to any sundry debtors of our Company.

Our Promoter has confirmed that it has not been identified as wilful defaulters as defined under the SEBI ICDR Regulations.

Neither our Promoter nor members of our Promoter Group have been prohibited from accessing or operating in capital markets, nor have they been restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory authority. Our Promoter is not, nor has it ever been a promoter, director or person in control of any company which is debarred from accessing capital markets under any order or directions made by SEBI.

Companies or firms with which our Promoter has disassociated in the last three years

Our Promoter has not disassociated itself from any company or firm in the last three years preceding the date of this Draft Red Herring Prospectus.

Promoter Group

Apart from our Promoter, the Promoter Group comprises of Baring Private Equity Asia VI Holdings Pte. Limited.

GROUP COMPANIES

In accordance with the SEBI ICDR Regulations, for the purpose of identification of Group Companies, our Company has considered companies covered under the applicable accounting standard, i.e., Indian Accounting Standard 24 notified under Companies Act, 2013 ("**Ind AS 24**") as per the Restated Consolidated Financial Statements, and other companies as per the Materiality Policy.

In terms of the Materiality Policy, for the purpose of disclosure in this Draft Red Herring Prospectus, a company is considered to be material to be a group company if it is a member of the Promoter Group and has entered into one or more transactions with our Company during Fiscal 2017, which cumulatively in value exceeds 10% of the consolidated revenue of our Company for Fiscal 2017, as per the Restated Consolidated Financial Statements.

Based on the foregoing as on the date of this Draft Red Herring Prospectus, there are no Group Companies of our Company. It is hereby clarified that companies which are consolidated as per applicable accounting standard, our Promoter, and companies which subsequent to March 31, 2017 have ceased to be related parties of our Company, solely on account of there being no significant influence or control over such company (as confirmed by the Board/ IPO Committee in a resolution), shall not be considered as Group Companies for the purpose of disclosure in this Draft Red Herring Prospectus.

RELATED PARTY TRANSACTIONS

For details of the related party transactions of our Company, as per the requirements under applicable Accounting Standards i.e., Ind AS 24 - 'Related Party Disclosures' and AS 18 - 'Related Party Disclosures' during last five Fiscals, please refer to Restated Ind AS Unconsolidated Summary Statements - Annexure XXVI; Restated Previous GAAP Unconsolidated Summary Statements - Annexure XXVI; Restated Ind AS Consolidated Summary Statements - Annexure XXVI; Restated Previous GAAP Consolidated Summary Statements - Annexure XXVII.

DIVIDEND POLICY

As on the date of this Draft Red Herring Prospectus, our Company does not have a formal dividend policy. The declaration and payment of dividend on our Equity Shares, if any, will be recommended by our Board and approved by our Shareholders, at their discretion, in accordance with provisions of our Articles of Association and applicable law, including the Companies Act (together with applicable rules issued thereunder) and will depend on a number of factors, including but not limited to our profits, capital requirements, contractual obligations and the overall financial condition of our Company.

During the last five Fiscals, our Company has not declared any dividend on the Equity Shares.

Except as disclosed below, our Company has not declared any dividends during the last five Fiscals on the OCCPS:

Fiscal	**Dividend per OCCPS* (₹)**	**Amount of dividend declared and paid excluding dividend distribution tax (₹ in million)**	**Rate of dividend (%)**
2017	-	-	-
2016	-	-	-
2015	0.02	0.01	0.01
2014	0.02	0.03	0.01
2013	0.02	0.03	0.01

The amount paid as dividends in the past is not necessarily indicative of our dividend trend or dividend amounts, if any, in the future. For details in relation to the risk involved, see "*Risk Factors*" on page 13.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Auditors' Report on the restated consolidated summary statements of Assets and Liabilities as at March 31, 2017, 2016 and 2015, Profits and Losses, Cash Flows and Changes in Equity for each of the year ended March 31, 2017, 2016 and 2015 of CMS Info Systems Limited (collectively, the "Restated Ind AS Consolidated Summary Statements")

To
The Board of Directors
CMS Info Systems Limited
Silver Metropolis, 11th Floor
Western Express Highway
Goregaon (East), Mumbai - 400063

Dear Sirs,

1. We have examined the attached Restated Ind AS Consolidated Summary Statements of CMS Info Systems Limited (the "Company") and its subsidiaries (together referred as the "Group") as at and for each of the years ended March 31, 2017, 2016 and 2015 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Ind AS Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a. Sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and

   b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

Management's Responsibility for the Restated Ind AS Consolidated Summary Statements

2. The preparation of the Restated Ind AS Consolidated Summary Statements, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Consolidated Summary Statements taking into consideration:

   a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 10, 2017, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;

   b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

   c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an initial public offer of its equity shares, having a face value of ` 10 each, at an issue price to be arrived at by the book building process (referred to as the “Offer”), as may be decided by the Company’s Board of Directors.

Restated Ind AS Consolidated Summary Statements as per audited Consolidated financial statements:

5. The Restated Ind AS Consolidated Summary Statements have been prepared under Indian Accounting Standards (“Ind AS”) notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act and have been compiled by the management of the Company from:

   a) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with Ind AS which have been approved by the Board of Directors at their meetings held on August 19, 2017;

   b) the audited consolidated financial statements of the Company as at and for the year ended March 31, 2016 and 2015 prepared in accordance with accounting principles generally accepted in India (“Previous GAAP” or “Indian GAAP”) at the relevant time which have been approved by the Board of Directors at their meetings held on July 27, 2016 and February 23, 2016, respectively; and

   c) the financial information in relation to the Company’s subsidiaries as listed below, which are audited by the other auditors and included in the consolidated financial statements:

Name of the entity	Name of the audit firm	Relationship	Period covered
CMS Securitas Limited	Basant Jain & Associates, Chartered Accountants	Subsidiary	As at and for the year ended March 31, 2017, 2016 and 2015
CMS Marshall Limited	Basant Jain & Associates, Chartered Accountants	Subsidiary	As at and for the year ended March 31, 2017, 2016 and 2015
Quality Logistics Services Private Limited	Basant Jain & Associates, Chartered Accountants	Subsidiary	As at and for the year ended March 31, 2017 and period ended 2016
CMS Securitas Employee Welfare Trust	Basant Jain & Associates, Chartered Accountants	Controlled Trust	As at and for the year ended March 31, 2017, 2016 and 2015

6. For the purpose of our examination, we have relied on:

   a) Auditors' Report issued by us dated August 19, 2017 on the Ind AS Consolidated financial statements of the Group as at and for the year ended March 31, 2017 as referred in Para 5(a) above; and

   b) Auditors' Report issued by us dated July 27, 2016 and February 23, 2016 on the Consolidated financial statements of the Group as at and for each of the year ended March 31, 2016 and 2015, respectively;

   c) As indicated in our audit reports referred to above, we did not audit the financial statements of certain subsidiaries as referred in Para 5(c) above, whose financial statements reflect total assets, total revenues, net cash inflows / (outflows) and net profit for the relevant year as tabulated below and included in the Restated Ind AS Consolidated Summary Statements:

(` in million)

As at and for the year ended	Total Assets of subsidiaries	Total revenues of subsidiaries	Total Net Cash Inflows / (Outflows) of subsidiaries	Total net profit of subsidiaries
March 31, 2017	281.84	704.80	(0.29)	14.81
March 31, 2016	301.34	745.21	0.69	36.76
March 31, 2015	472.53	651.53	2.04	5.60

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(c) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Ind AS Consolidated Summary Statements are based solely on the report of other auditors.

These other auditors, as mentioned in paragraph 5(c) of the subsidiaries, have confirmed that the Restated Ind AS financial information of such subsidiaries:

i) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2017 are materially consistent with the policies adopted for each of the year ended March 31, 2016 and 2015 as applicable to such subsidiaries. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate; and

iii) as per the requirements of Ind AS do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements and do not contain any qualification requiring adjustments.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Group contained in Restated Ind AS Consolidated Summary Statements, which as stated in the Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements, read with paragraph 7(e) below:

a) The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure I to this report;

b) The Restated Ind AS Consolidated Summary Statement of Profit and Losses of the Group for each of the year ended March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure II to this report;

c) The Restated Ind AS Consolidated Summary Statement of Cash Flows of the Group for each of the year ended March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure III to this report;

d) The Restated Ind AS Consolidated Summary Statement of Changes in Equity of the Group for year ended March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure IV to this report; and

e) Based on the above and according to the information and explanations given to us, we further report that the Restated Ind AS Consolidated Summary Statements of the Group, as attached to this report and as mentioned in paragraphs 7(a) to 7(d) above, read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 1 have been prepared in accordance with the Rules and the SEBI Regulations and these Restated Ind AS Consolidated Summary Statements:

   i) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2017 are materially consistent with the policies adopted as at and for the year ended March 31, 2016 and 2015. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

   ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

   iii) as per requirements of Ind AS, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Consolidated Summary Statements;

   iv) There are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at March 31, 2017, 2016 and 2015 and for each of the year ended March 31, 2017, 2016 and 2015 which require any adjustments to the Restated Ind AS Consolidated Summary Statements; and

   v) Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2015, as applicable, on the Consolidated financial statements for the year ended March 31, 2015 which do not require any corrective adjustment in the Restated Ind AS Consolidated Summary Statements, are as follows:

   Clause (vii) (a)

   Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except in case of Holding Company where there have been delays in large number of cases of works contracts tax and in case of one of the covered entities there have been delays in some cases of provident fund, value added tax and professional tax. However, such delays in deposit have not been serious.

Clause (vii) (c)

According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount in million (`)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Demand of Income Tax	26.33	Assessment year 2012-13	Commissioner of Income Tax (Appeals)

Clause (viii)

The accumulated losses of one of the Covered entities of the Group at the end of the financial year are more than fifty percent of its net worth. The Holding Company and remaining Covered entities of the Group have no accumulated losses at the end of the financial year and none of the Covered entities of the Group have incurred cash losses in the current and immediately preceding financial year.

Clause (xii)

In case of the Holding Company and one of the Covered entities of the Group, we have been informed by management of following frauds:

a) 25 instances of cash embezzlements done by employees of the Holding Company wherein the total amount involved was ` 36.77 million and 9 instances of cash embezzlements done by employees of one of the Covered entity wherein the total amount involved was ` 27.23 million. The Holding Company and the aforesaid Covered entity have terminated the services of their respective concerned employees. Further, the Holding Company and the aforesaid Covered entity have filed complaints with the Police and also filed insurance claims for the recovery of amounts involved. Till date, the Holding Company has recovered ` 6.46 million and the balance amount of claims ` 19.23 million being doubtful of recovery has been written off during the year. Till date, the Covered entity has recovered ` 5.19 million and balance amount of claims ` 11.84 million being doubtful of recovery have been written off during the year;

b) 9 instances of theft / loot by third parties on the Holding Company wherein the total amount involved was ` 8.04 million and 6 instances of theft / loot by third parties on one of the Covered entity wherein the total amount involved was ` 42.81 million. In such cases, the Holding Company and the aforesaid Covered entity have filed complaints with the Police and also filed insurance claims for the recovery of amounts involved. Till date, the Holding Company has recovered ` 0.61 million and balance amount of claims ` 4.94 million being doubtful of recovery has been written off during the year. Till date, the aforesaid Covered entity has recovered ` 30.77 million and balance amount of claims ` 7.25 million being doubtful of recovery have been written off during the year.

As per the information and explanations given by the management and reports of the other auditors who audited the financial statements of other covered entities of the group, which we have relied upon, we report that no fraud on or by the other Covered entities of the Group not audited by us have been noticed or reported during the year.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to March 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following restated Ind AS consolidated financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the year ended March 31, 2017, 2016 and 2015:

   (i) Restated Ind AS Consolidated Statement of Property, plant and equipment and Intangible assets, enclosed as Annexure VII;
   (ii) Restated Ind AS Consolidated Statement of Non-Current and Current Investments, enclosed as Annexure VIII;
   (iii) Restated Ind AS Consolidated Statement of Cash and Bank balances, enclosed as Annexure IX;
   (iv) Restated Ind AS Consolidated Statement of Other Assets, enclosed as Annexure X;
   (v) Restated Ind AS Consolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XI;
   (vi) Restated Ind AS Consolidated Statement of Inventories, enclosed as Annexure XII;
   (vii) Restated Ind AS Consolidated Statement of Trade Receivables, enclosed as Annexure XIII;
   (viii) Restated Ind AS Consolidated Statement of Share Capital, enclosed as Annexure XIV;
   (ix) Restated Ind AS Consolidated Statement of Non-current and Current Borrowings, enclosed as Annexure XV;
   (x) Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017, enclosed as Annexure XVI;
   (xi) Restated Ind AS Consolidated Statement of Provisions, enclosed as Annexure XVII;
   (xii) Restated Ind AS Consolidated Statement of Other financial and Other Liabilities, enclosed as Annexure XVIII;
   (xiii) Restated Ind AS Consolidated Statement of Revenue, enclosed as Annexure XIX;
   (xiv) Restated Ind AS Consolidated Statement of Other Income, enclosed as Annexure XX;
   (xv) Restated Ind AS Consolidated Statement of Decrease in Inventories, enclosed as Annexure XXI;
   (xvi) Restated Ind AS Consolidated Statement of Employee Benefit Expense, enclosed as Annexure XXII;
   (xvii) Restated Ind AS Consolidated Statement of Other Expenses, enclosed as Annexure XXIII;
   (xviii) Restated Ind AS Consolidated Statement of Finance Costs, enclosed as Annexure XXIV;
   (xix) Restated Ind AS Consolidated Summary of leases, enclosed as Annexure XXV;
   (xx) Restated Ind AS Consolidated Statement of Related Party Transactions, enclosed as Annexure XXVI;
   (xxi) Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital Commitments, enclosed as Annexure XXVII;
   (xxii) Restated Ind AS Consolidated Statement of Segment Information; enclosed as Annexure XXVIII;
   (xxiii) Consolidated Statement of Capitalisation, enclosed as Annexure XXIX;
   (xxiv) Consolidated Statement of Dividend Paid, enclosed as Annexure XXX;
   (xxv) Restated Ind AS Consolidated Statement of Accounting Ratios, enclosed as Annexure XXXI;
   (xxvi) Notes to the Restated Ind AS Consolidated Summary Statement, enclosed as Annexure XXXII.

10. According to the information and explanations given to us, in our opinion, the Restated Ind AS Consolidated Summary Statements and the abovementioned restated Ind AS financial information contained in Annexures I to XXXII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the management for inclusion in the offer document to be filed with SEBI, National Stock Exchange of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Kalpesh Jain
Partner
Membership No: 106406

Place: Mumbai
Date: August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure I
Restated Ind AS Consolidated Summary Statement of Assets and Liabilities

(Amount in million)

Sr. No.	Particulars	Annexures	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
			`	`	`
	ASSETS				
A	**Non-current assets**				
	Property, plant and equipment	VII	806.92	892.32	1,008.83
	Capital work-in-progress		21.35	29.80	27.22
	Goodwill	VII	1,847.68	1,841.78	1,841.78
	Other Intangible assets	VII	41.58	58.13	80.68
	Financial assets				
	Investments	VIII	0.08	0.08	0.08
	Other bank balances	IX	52.83	34.36	25.81
	Other financial assets	X	114.63	118.96	127.20
	Deferred tax assets (net)	XI	346.47	236.64	145.79
	Income tax assets (net)		126.05	150.78	26.08
	Other non-current assets	X	120.00	96.21	145.56
	Total of Non-current assets		**3,477.59**	**3,459.06**	**3,429.03**
B	**Current assets**				
	Inventories	XII	108.73	242.36	466.03
	Financial assets				
	Investments	VIII	190.11	-	1.33
	Trade receivables	XIII	1,867.83	2,469.63	3,293.22
	Cash and cash equivalents	IX	204.72	280.84	49.75
	Other bank balances	IX	55.40	69.42	76.58
	Other financial assets	X	1,698.81	1,938.81	1,529.43
	Income tax assets (net)		-	-	2.68
	Other current assets	X	233.12	312.62	228.35
	Total of Current assets		**4,358.72**	**5,313.68**	**5,647.37**
	Total (A + B)		**7,836.31**	**8,772.74**	**9,076.40**
	EQUITY AND LIABILITIES				
C	**Equity and liabilities**				
	Equity				
	Equity Share capital	XIV	1,480.00	1,480.00	1,467.75
	Other Equity				
	Securities premium	IV	42.87	42.87	-
	Treasury shares	IV	-	-	(195.30)
	Retained earnings	IV	3,924.30	3,149.17	2,798.61
	Other reserves	IV	286.63	150.50	157.43
	Total equity attributable to equity holders		**5,733.80**	**4,822.54**	**4,228.49**
D	**Non-current liabilities**				
	Financial liabilities				
	Borrowings	XV	15.31	62.72	95.53
	Provisions	XVII	57.45	69.88	45.63
	Total of Non-current liabilities		**72.76**	**132.60**	**141.16**
E	**Current liabilities**				
	Financial liabilities				
	Borrowings	XV	33.08	927.56	991.73
	Trade payables	XVIII	695.89	1,293.80	1,463.37
	Other	XVIII	1,064.95	1,345.26	2,016.77
	Liabilities for current tax (net)		31.68	-	50.10
	Provisions	XVII	148.72	133.19	115.71
	Other liabilities	XVIII	55.43	117.79	69.07
	Total of Current liabilities		**2,029.75**	**3,817.60**	**4,706.75**
	Total (C+D+E)		**7,836.31**	**8,772.74**	**9,076.40**

Note:
The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

For and on behalf of the Board of Directors of CMS Info Systems Limited

per Kalpesh Jain
Partner
Membership No.: 106406

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure II
Restated Ind AS Consolidated Summary Statement of Profits and Losses

(Amount in million)

Sr. No.	Particulars	Annexures	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
			`	`	`
F	**Income**				
	Revenue from operations	XIX	10,074.49	11,400.91	13,391.55
	Finance income	XX	20.07	21.21	12.79
	Other income	XX	21.83	17.99	45.69
	Total income		**10,116.39**	**11,440.11**	**13,450.03**
G	**Expenses**				
	Cost of materials consumed		-	-	1.12
	Purchase of traded goods		668.60	2,092.93	1,842.48
	Decrease in inventories	XXI	148.28	224.36	1,409.09
	Employee benefit expense	XXII	2,293.91	2,465.50	3,086.92
	Other expenses	XXIII	5,399.95	5,287.14	5,392.47
	Depreciation and amortisation	VII	317.56	344.79	412.64
	Finance costs	XXIV	79.14	178.41	196.36
	Foreign exchange loss (net)		7.22	44.56	1.31
	Total expenses		**8,914.66**	**10,637.69**	**12,342.39**
H	**Restated profit before tax**		**1,201.73**	**802.42**	**1,107.64**
	- from continuing operations		1,201.73	802.42	1,379.94
	- from discontinuing operations		-	-	(272.30)
	Tax expense				
	- from continuing operations				
	Current tax		536.84	393.21	463.23
	Adjustment of tax relating to earlier years		(14.64)	(47.52)	0.21
	Deferred tax (credit) / charge		(107.08)	(92.20)	17.90
	- from discontinuing operations		-	-	(93.70)
	Total tax expense		**415.12**	**253.49**	**387.64**
I	**Profit for the year attributable to equity shareholders of parent**		**786.61**	**548.93**	**720.00**
J	**Other comprehensive income ('OCI')**				
	OCI not to be reclassified to profit or loss in subsequent periods:				
	Remeasurement gains / (losses) on defined benefit plans		(16.52)	2.75	(17.22)
	Income tax effect		5.04	(1.35)	5.95
	OCI for the year, net of tax		**(11.48)**	**1.40**	**(11.27)**
K	**Total comprehensive income for the year attributable to equity shareholders of parent**		**775.13**	**550.33**	**708.73**

Note:
The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Ind AS Consolidated Summary Statement of Cash Flows

(Amount in million)

Sr. No.	Particulars	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
A	**Cash flow from operating activities:**			
	Profit before tax (as restated)	1,201.73	802.42	1,107.64
	Adjustments to reconcile profit before tax to net cash flow:			
	Depreciation and amortisation	317.56	344.79	412.64
	Unrealised foreign exchange (gain) / loss	(1.18)	1.95	(0.52)
	Impairment allowance for bad and doubtful receivables and unbilled revenue	271.12	109.24	173.81
	Impairment allowance for doubtful advances and insurance claims (net)	(2.49)	10.38	64.44
	Bad debts written off	1.63	0.31	41.15
	Loss / (profit) on disposal of property, plant and equipment (net)	2.41	(5.42)	(0.10)
	Sundry balances written back	(11.01)	(6.68)	(41.76)
	Finance income	(20.07)	(21.21)	(12.79)
	Gain on fair valuation of investment	(0.11)	-	-
	Employee stock option compensation cost	136.13	1.91	2.58
	Finance costs	79.14	178.41	196.36
	Operating profit before working capital changes	**1,974.86**	**1,416.10**	**1,943.45**
	Movement in working capital			
	Decrease in trade and other payables	(926.66)	(674.69)	(622.53)
	(Decrease) / increase in provision	(16.69)	43.96	8.94
	Decrease in inventories	133.87	223.68	1,307.86
	Decrease / (increase) in trade receivables	340.78	714.04	(1,033.16)
	Decrease / (increase) in other receivables, assets and prepayments	319.63	(435.77)	(584.58)
	Cash flow generated from operations	**1,825.79**	**1,287.32**	**1,019.98**
	Direct taxes paid (net of refunds)	(465.82)	(412.33)	(505.19)
	Net cash flow from operating activities (A)	**1,359.97**	**874.99**	**514.79**
B	**Cash flow from investing activities:**			
	Proceeds from sale of property, plant and equipment	2.58	6.67	3.43
	Purchase of property, plant and equipment (including CWIP and capital advances) and intangible assets	(142.06)	(234.19)	(280.35)
	Payment made on subscription of shares in CMS IT	-	-	(0.10)
	Purchase consideration paid on acquisition of business	(63.25)	-	-
	Investment in Mutual Funds	(190.00)	-	-
	Proceed from sale of Investment	-	1.33	-
	Fixed and margin money deposits placed	(42.18)	(31.89)	(58.36)
	Fixed and margin money deposits matured	34.71	27.84	17.87
	Restricted cash received	3.01	2.66	-
	Interest received	15.65	11.61	10.62
	Net cash flow used in investing activities (B)	**(381.54)**	**(215.97)**	**(306.89)**
C	**Cash flows from financing activities**			
	Proceeds from exercise of share options against treasury shares	-	250.42	-
	Proceeds from non-current borrowings	10.91	76.94	83.80
	Repayment of non-current borrowings	(99.74)	(215.35)	(365.40)
	Proceeds from / (repayment of) current borrowings	(777.20)	400.04	280.00
	Repurchase of vested stock options	-	(314.07)	-
	Finance costs	(77.12)	(177.68)	(195.40)
	Net cash flow from / (used in) financing activities (C)	**(943.15)**	**20.30**	**(197.00)**
	Net increase in cash and cash equivalents (A+B+C)	**35.28**	**679.32**	**10.90**
	Cash and cash equivalents at the beginning of the year	115.01	(564.31)	(574.23)
	Less : Transfer in accordance with scheme of Demerger	-	-	(0.98)
	Cash and cash equivalents at the end of the year	**150.29**	**115.01**	**(564.31)**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Ind AS Consolidated Summary Statement of Cash Flows (continued)

(Amount in million)

Sr. No.	Particulars	For the years ended		
		March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
		`	`	`
	Components of cash and cash equivalents:			
	Cash on hand	5.46	5.72	4.23
	Cheques in hand	100.02	20.00	-
	Balances with current accounts	92.12	250.23	45.45
	In deposits account with original maturity of less than three months	7.12	4.89	0.07
	Less: Cash credit facilities and bank overdraft	(30.24)	(147.52)	(611.73)
	Less: Book overdraft	(24.19)	(18.31)	(2.33)
	Total	**150.29**	**115.01**	**(564.31)**

Notes:
The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure IV
Restated Ind AS Consolidated Statement of Changes in Equity

(Amount in million)

Particular	Equity share capital	Treasury Shares	Reserve and surplus					Total equity
			Securities premium	General Reserve	Share based payment reserve	Capital redemption reserve	Retained earnings	
	`	`	`		`	`	`	`
As at April 1, 2014 (Proforma)	**1,467.75**	**(195.30)**	**1,136.21**	**272.53**	**4.85**	**-**	**2,175.90**	**4,861.94**
Profit for the year	-	-	-	-	-	-	720.00	720.00
Other comprehensive income	-	-	-	-	-	-	(11.27)	(11.27)
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**708.73**	**708.73**
Adjusted on account of scheme of demerger (Refer Annexure XXXII Note I)	-	-	(1,136.21)	(68.63)	-	-	(86.02)	(1,290.86)
Transferred from general reserve	-	-	-	(150.00)	-	150.00	-	-
Depreciation adjustment (net of tax) due to Schedule II	-	-	-	(53.90)	-	-	-	(53.90)
Fair value charge of unvested employee stock options (Refer Note 6 of Annexure V)	-	-	-	-	2.58	-	-	2.58
As at March 31, 2015 (Proforma)	**1,467.75**	**(195.30)**	**-**	**-**	**7.43**	**150.00**	**2,798.61**	**4,228.49**
Profit for the year	-	-	-	-	-	-	548.93	548.93
Other comprehensive income	-	-	-	-	-	-	1.40	1.40
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**550.33**	**550.33**
Equity shares issued to Trust for ESOP Scheme	12.25	(55.12)	42.87	-	-	-	-	-
Exercise of share options against treasury shares	-	250.42	-	-	-	-	-	250.42
Accelerated vesting on cancellation of unvested stock options (Refer Note 6 of Annexure V)	-	-	-	-	1.91	-	-	1.91
Repurchase of vested stock options (net of tax) (Refer Note 6 of Annexure V)	-	-	-	-	(9.34)	-	(199.27)	(208.61)
Transfer to capital redemption reserve	-	-	-	-	-	0.50	(0.50)	-
As at March 31, 2016	**1,480.00**	**-**	**42.87**	**-**	**-**	**150.50**	**3,149.17**	**4,822.54**
Profit for the year	-	-	-	-	-	-	786.61	786.61
Other comprehensive income	-	-	-	-	-	-	(11.48)	(11.48)
Total Comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**775.13**	**775.13**
Employee stock option compensation cost	-	-	-	-	136.13	-	-	136.13
As at March 31, 2017	**1,480.00**	**-**	**42.87**	**-**	**136.13**	**150.50**	**3,924.30**	**5,733.80**

Notes:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Notes to Restated Ind AS Consolidated Summary Statements-Accounting Policies
(Amount in million)

1. Company Overview

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited) (the "Company" or the "Holding Company" or the "Parent") is a Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company become subsidiary of Sion Investment Holdings Pte. Limited with effect from August 27, 2015 pursuant to acquisition of 100% shares from Blackstone FP Capital Partners V Limited, Mauritius, CMS Computers Limited, Mr. Ramesh Grover and others. (together known as "erstwhile shareholders"). The Ultimate Holding Company is Baring Private Equity Asia.

The Company and its subsidiaries (together known as the "Group") is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card trading and personalization services. The registered office of the Company is located at CMS House, Plot No 91, Street No 7, Marol, MIDC, Andheri East, Mumbai – 400093.

As per the approval received from Registrar of Companies, Maharashtra, Mumbai with effect from 27th January, 2015, the status of the Company has been changed from Private Limited to Public Limited and consequently name of the Company has been changed to CMS Info Systems Limited.

2. Summary of significant accounting policies:

a) Basis of Preparation

The Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2017; 2016 and 2015 and the related Restated Ind AS Consolidated Summary Statement of Profit and Loss, Restated Ind AS Consolidated Summary Statement of Changes in Equity and Restated Ind AS Consolidated Summary Statement of Cash Flows for the years ended March 31, 2017: 2016 and 2015 (hereinafter collectively referred to as "Restated Ind AS Consolidated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Parent Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares.

These Restated Ind AS Consolidated Financial Information have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. These Restated Ind AS Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Restated Ind AS Consolidated Summary Statements have been compiled from:

a) Audited consolidated financial statements of the Company as at and for the year ended March 31, 2017 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2016 prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Act and subsequent amendments thereof; and

b) Proforma Consolidated Ind AS financial statements ("Proforma CFS 2015") as at and for the year ended March 31, 2015. These CFS Proforma 2015 have been prepared by making Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the year ended March 31, 2015 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) ("Guidance Note")

The consolidated financial statements as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. The Company is covered under Phase 1 of Ind AS applicability based on it net worth on March 31, 2014, i.e. it shall comply with Ind AS for the accounting periods beginning April 01, 2016, with the comparatives for the periods ending on March 31, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP" or "Indian GAAP") to Ind AS for Shareholders' Fund as at March 31, 2016 and April 01, 2015 and of the profit for the year ended March 31, 2016. Further the Group has also presented a reconciliation of profoma adjustment from previous GAAP to Ind AS for shareholders fund as at April 01, 2014 and of profit for the year ended March 31, 2015.

These financial statements for the year ended March 31, 2017 are Group's first Ind AS financial statements. Refer note 5 'First time adoption of Ind AS' below for the details of first-time adoption exemptions availed by the Group.

For the purpose of Proforma CFS 2015 the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 01, 2015) while preparing Consolidated Proforma Financial Information for the year ended March 31, 2015 and accordingly suitable restatement adjustments in the accounting heads has been made in the Consolidated Proforma Financial Information. This Consolidated Proforma Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the year ended March 31, 2015.

The Consolidated Financial Information for the year ended 31 March 2017, 2016 and CFS Proforma 2015 have been prepared on a historical cost convention, except for certain financial assets and liabilities that have been measured at fair value (refer accounting policy regarding financial instruments).

The Restated Ind AS Consolidated Financial information were authorised for issue in accordance with a resolution of the directors on August 28, 2017.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle or expected to be realised within twelve months after the reporting period
- Held primarily for the purpose of trading
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle and is due to be settled within twelve months after the reporting period
- Held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

c) Basis of consolidation and consolidation procedures:

The CFS comprise the financial statements of the Company and its subsidiaries as at March 31, 2017.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(Amount in million)

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the CFS from the date the Group gains control until the date the Group ceases to control the subsidiary.

All the companies in the Group follow uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31.

List of entities consolidated

The list of entities, controlled by the group, which are included in the CFS are as under:

Sr. No	**Entities ***	**Percentage of ownership interest as at**		
		March 31, 2017	**March 31, 2016**	**March 31, 2015**
1	Securitrans India Private Limited (‘SIPL’)	100	100	100
2	CMS Securitas Limited (‘CSL’)	100	100	100
3	CMS Marshall Limited (‘CML’)	100	100	100
4	Quality Logistics Service Private Limited	100	100	NA
5	CMS Securitas Employee Welfare Trust (‘CMS Trust’)	100	100	100

* All entities are incorporated and have place of business in India

Consolidation procedures:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the CFS at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill / capital reserve.

(iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the CFS. Ind AS12 applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

d) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. While deriving cost, refundable taxes and discounts are excluded. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress is stated at cost.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is

recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Group provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful lives of the assets as estimated by the management which are equal to the corresponding rates prescribed in Schedule II to the Act for all property, plant and equipment except for Vehicles (used for ATM and Cash Management business) and plant and machinery.

The Group has used the following lives to provide depreciation:

Category	**Useful lives (in years)**
Plant and machinery	7*
Electric installations	5 to 7
Furniture, fixtures and fittings	7
Vehicles (used for ATM and Cash Management business)	6*
Other vehicles	8
Office equipment	5 to 7
Computers and peripherals	3 to 6

*The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment and vehicle (used for ATM and Cash Management business) over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

The residual values, useful lives and method of depreciation and amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets recognised in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible assets with a finite useful lives are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Computer software purchased are amortised over the period of 3 to 6 years on straight line basis.

Customer contracts arising on fair value of business combination is amortised over the period of contracts acquired i.e. over 5 years on straight line basis.

Non-Compete Fees paid to erstwhile owners of Securitrans India Private Limited has been recognized as an intangible asset and the same is amortized on a straight line basis over the period of Non-Compete Agreement i.e. 7 years.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill

Goodwill is tested for impairment annually at the cash-generating unit level. The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. For business combinations occurring before the transition date have not been restated and continued as per Indian GAAP.

f) Impairment of non- financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, wherever applicable, a long term growth rate is calculated and applied to projected future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

In case the Group determines arrangement at inception contains lease, the lease for accounting is classified into operating or finance lease. The consideration of the arrangement is separated at the inception of the arrangement, or upon a reassessment of the arrangement, into those for the lease and those for other elements on the basis of their relative fair values. If separation of consideration or future payments is impracticable, in case of operating lease the Company treats all payments under the arrangement as lease payments for the purposes of complying with the disclosure requirement.

Where the Group is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the increase is linked with the increase in general inflation index.

Where the Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

h) Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of trading goods, stores and spares is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of a payment being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax, value added tax ('VAT') and service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity / services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods*:*

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. Sale consideration is recognized at fair value and is net of returns and allowance and any discounts as per Ind AS 18.

Sale of services*:*

Revenue from ATM and cash management services and allied operations is recognised when the required services are rendered in accordance with the contracts / agreements entered into with the customer and is disclosed net off deductions for shortages, etc. charged by the customers as per the terms of the agreement.

Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract.

Revenue recognized, in excess of billing is classified as unbilled revenue; while billing in excess of revenue is classified as unearned revenue.

Sale of ATM Sites:

Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites as per the terms of agreement with the customers.

Interest income:

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

j) Foreign currencies

Transactions in foreign currencies are initially recorded by the respective entities of the Group at their respective functional currency spot rates, at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

k) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as expenses, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Group, except for SIPL, makes contributions to a trust administered and managed by an insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Group, although insurance company administers the scheme.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurements comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Group presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

l) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all tax deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.
Deferred tax relating to items not recognised in the Statement of Profit and Loss is recognised either in OCI or in equity (where the item on which deferred tax is arising is recognised). Deferred tax on differences arising in business combination is recognised in Goodwill.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

m) Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting the cost recognised in the current year in relation to employee stock options schemes) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

n) Provisions

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Others

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group’s cash management.

q) Share based payment

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity settled transaction

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. When an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

In case the Company makes payment to the employee on the cancellation of the grant or repurchases vested equity instruments, it is accounted as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense.

r) Fair value measurement

The Group measures financial instruments, such as, investment in mutual funds unit at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as such as impairment testing of goodwill, non-current assets and fair value of employee stock options schemes. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  (a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Financial liabilities

Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts
Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit or loss and equity instruments recognised in OCI. Loss allowance for trade receivables and insurance claim receivables is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head ‘other expenses’ in the statement of profit and loss.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

t) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Group has elected to apply Ind AS accounting for business combinations prospectively from April 1, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward (Refer note 5).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree’s identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.
Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

u) Treasury shares

The Group has created a CMS Securitas Employee Welfare Trust ('CMS Trust') for providing share-based payment to its employees. The group uses CMS Trust as a vehicle for distributing shares to employees under the employee remuneration schemes. The Group treats CMS Trust as its extension and shares held by CMS Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in capital reserve. Share options exercised during the reporting period are satisfied with treasury shares.

3. Significant accounting judgments, estimates and assumptions:

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant judgement:

Operating lease commitments – Group as lessee

The Group has entered into commercial property leases for its offices and premises. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets.

Impairment of Goodwill

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. The impairment indicators, the estimation of expected future cash flows and the determination of the fair value of CGU (including Goodwill) require the Management to make significant judgements, estimates and assumptions concerning the identification and validation of impairment indicators, fair value of assets, Revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc.

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

4. Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after April 01, 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 01, 2017. The Group is assessing the potential effect of the amendments on its financial statements.

The Group will adopt these amendments from their applicability date.

5. First time adoption of Ind AS

The financial statements, for the year ended March 31, 2017, are the first financial statements that the Group has prepared in accordance with Ind AS.

Accordingly, the Group has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016. In preparing these financial statements, the Group's opening balance sheet was prepared as at April 01, 2015, the Group's date of transition to Ind AS. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. This note explains the adjustments made by the Group in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

For the purpose of Proforma CFS 2015 the Group has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 01, 2015) while preparing Consolidated Proforma Financial Information for the year ended March 31, 2015 and accordingly suitable restatement adjustments in the accounting heads has been made in the Consolidated Proforma Financial Information. This Consolidated Proforma Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP consolidated financial statements as at and for the year ended March 31, 2015.

Following exemptions and / or election applied to the Group for the first Ind AS financial statements and Proforma financial statements:

(a) The Group elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. For business combination occurring before the transition date have not been restated and continued as per Indian GAAP. The Group did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Group has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 01, 2015.

(b) Ind AS 102 has not been applied to equity settled share-based payment transactions that vested before April 01, 2015.

(c) Convertible preference shares

The Group has issued convertible redeemable preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. However, in accordance with this exemptions under para D18 of Ind AS 101, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to Ind AS. As on transition date, redeemable preference shares are redeemed and liability component is no longer outstanding.

(d) The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

a) FVTOCI
b) FVTPL
c) FVTOCI
d) Impairment of financial assets based on expected credit loss model

The estimates used by the Group to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Ind AS Consolidated Statement of reconciliation of equity as per previous GAAP and Ind AS

Reconciliation of equity as per previous GAAP and Ind AS for year ended March 31, 2016 and March 31, 2015 and as at March 31, 2014 is as under:

(Amount in million)

Particulars	Notes	March 31, 2016	March 31, 2015	March 31, 2014 (Proforma)
		`	`	`
Restated Equity as per previous GAAP		**4,997.33**	**4,615.56**	**5,417.63**
Add / (Less):				
Expected credit loss	1	(89.24)	20.12	(20.26)
Finance income recognised on effective interest rate basis net of prepaid rent recognised (net)	2	3.02	(1.92)	(1.78)
Unwinding of discount and effect of changes in discount rate on provisions for warranty (net)	3	5.11	0.50	1.86
Consolidation of Trust	4	12.08	(61.76)	(211.80)
Accounting for equity shares in the Company held by CMS Trust	4	-	(195.30)	(195.30)
Liability for transfer of assets to Systime Computers Limited	5	(99.43)	(99.43)	(99.43)
Tax Impact on above adjustments (net)	8	(6.33)	(49.28)	(28.98)
Restated Equity as per Ind AS		**4,822.54**	**4,228.49**	**4,861.94**

Reconciliation of profit after tax as previously reported under IGAAP to Ind AS

(Amount in million)

Particulars	Notes	For the year ended	
		March 31, 2016	March 31, 2015 (Proforma)
		`	`
Restated Net profit as per previous GAAP		**418.86**	**692.82**
Add / (Less):			
Expected credit loss	1	(109.36)	40.37
Finance income recognised on effective interest rate basis net of prepaid rent recognised (net)	2	4.93	(0.14)
Unwinding of discount and effect of changes in discount rate on provisions for warranty (net)	3	4.61	(1.36)
Consolidation of trust	4	(1.15)	0.02
Repurchase of vested options deducted from equity	6	314.07	-
Charge in relation to fair value of unvested options and accelerated vesting	6	(1.91)	(2.58)
Tax impact on above adjustments (net)	8	(79.72)	(20.40)
Restated Total Comprehensive Income as per Ind AS		**550.33**	**708.73**

Notes:

1. Under the previous GAAP, the Group had recognised provision for impairment of receivables and insurance claims only in respect of specific amount for incurred losses based on ageing analysis. Under Ind AS 109, impairment allowance has been determined based on Expected Credit Loss model ('ECL').

2. Under the previous GAAP, interest free rent deposits (refundable on completion of the lease term) were recorded at transactional values. Under Ind AS, these security deposits are recognised initially at the fair value. The difference between the fair value and the transaction value of these security deposits has been recognised as prepaid rent on straight line basis. Subsequently, these lease security deposits are measured at amortised cost using the effective interest rate ('EIR') and the resultant interest is accounted as finance income.

3. Under previous GAAP, the Group had accounted for warranty provisions, including long-term provision on warranty, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditure expected to be incurred to settle the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

4. Under previous GAAP, the Group was not required to consolidate CMS Trust , while under Ind AS CMS Trust has consolidated the net assets including minority interest of 5% share of a subsidiary held by Trust, preference shares of the company and the profit or loss made by the Trust. Further CMS Trust held 6,300,000 equity shares in the Company, to be issued to CEO, under CEO Employee Stock Option Scheme of the Group, which have been disclosed as treasury shares.

5. In earlier years, the leasehold building owned by CMS Securitas Limited (a subsidiary of the CMS Info Systems Limited) was agreed to be transferred to Systime Computers Limited (a Company owned by one of the erstwhile shareholders of the CMS Info Systems Limited) at zero value. Accordingly, CMS Securitas has recorded liability of ` 99.43 millions being fair value of the assets to be transferred as payable to Systime Computers Limited by adjusting Retained earnings during the year ended March 31, 2015. The Group is in process of transferring the leasehold building and accordingly classified it as other non-current asset at the balance sheet date with carrying value of ` 20.87 million (March 31, 2016- ` 20.87 million and March 31, 2015 - ` 20.87 million).

Unlike previous GAAP, In Ind AS, this transaction has been recorded, at fair value, considering distribution of assets, to entity related to erstwhile shareholder.

6. Under Previous GAAP, stock option was accounted at intrinsic value while under Ind AS, on the transition date, unvested options have been accounted at fair value , accordingly, share based payment reserve was created as at April 01, 2015. In August 2015, the Group had repurchased the vested options from employees and cancelled the unvested options. The cancellation of unvested options resulted in acceleration of the vesting and the immediate recognition of remaining fair value of unvested options in the Statement of Profit and Loss - ` 1.91 million. For the year ended March 31, 2015 the charge on account of fair value of option is ` 2.58 million. The payment of ` 314.07 million made to employees for repurchase of vested options was accounted as expense under previous GAAP while under Ind AS this has been is accounted as deduction from the equity.

7. Under Ind AS, remeasurements comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Under previous GAAP the actuarial gains and losses, are charged to profit or loss.

8. Adjustments to deferred taxes and current taxes has been made in accordance, with the above mentioned adjustments including recognition deferred tax impact on consolidation adjustments.

9. Pursuant to the disclosure requirements as per Ind AS, the Group has re-classified certain assets and liabilities as at March 31, 2015 and March 31, 2016.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VI
Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements

A. The summary of results of restatement adjustments made in the audited Consolidated financials statements for the respective years and its impact on the profit of the Company is as follows:

(Amount in million)

Particulars	Notes	For the years ended		
		March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
		`	`	`
Net profit as per audited financial statements (A)		786.61	548.93	720.00
<u>Restatement adjustments:</u>				
a. Material items relating to previous years		-	-	-
Total impact of restatement adjustments (B)		**-**	**-**	**-**
Net profit as per restated financial statements (A)-(B)		**786.61**	**548.93**	**720.00**

B Non-adjusting items

Audit qualifications for the respective years, which do not require any adjustments in the restated Consolidated financial information are as follows:

I Annexure to auditor's report for the financial year ended March 31, 2015

1. **Clause (vii) (a)**
Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except in case of Holding Company where there have been delays in large number of cases of works contract tax and in case of one of the covered entities there have been delays in some cases of provident fund, value added tax and professional tax. However, such delays in deposit have not been serious.

2. **Clause (vii) (c)**
According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount in million	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Demand of Income Tax	26.33	Assessment year 2012-13	Commissioner of Income Tax (Appeals)

3. **Clause (viii)**
The accumulated losses of one of the Covered entities of the Group at the end of the financial year are more than fifty percent of its net worth. The Holding Company and remaining Covered entities of the Group have no accumulated losses at the end of the financial year and none of the Covered entities of the Group have incurred cash losses in the current and immediately preceding financial year.

4. **Clause (xii)**
In case of the Holding Company and one of the Covered entities of the Group, we have been informed by management of the following frauds on the Company:
(a) 25 instances of cash embezzlements done by employees of the Holding Company wherein the total amount involved was ` 36.77 million and nine instances of Cash embezzlements done by employees of one of the Covered entity wherein the total amount involved was ` 27.23 million. The Holding Company and the aforesaid covered entity have terminated the services of their respective concerned employees. Further, the Holding Company and the aforesaid covered entity have filed complaints with the Police and also filed the insurance claims for the recovery of amounts involved. Till date, the Holding Company has recovered ` 6.46 million and the balance amount of claims `19.23 million being doubtful of recovery has been written off during the year. Till date, the covered entity has recovered ` 5.19 million and the balance amount of claims ` 11.84 million being doubtful of recovery have been written off during the year.

(b) 9 instances of theft / loot by third parties on the Holding Company wherein the total amount involved was ` 8.04 million and six instances of theft/loot by third parties on one of the Covered entity wherein the total amount involved was ` 42.81 million. In such cases, the Holding Company and the aforesaid Covered entity have filed complaints with the Police and also filed insurance claims for the recovery of amounts involved. Till date, the Holding Company has recovered ` 0.61 million and balance amount of claims ` 4.94 million being doubtful of recovery has been written off during the year. Till date, the aforesaid covered entity has recovered ` 30.77 million and balance amount of claims ` 7.25 being doubtful of recovery have been written off during the year.
As per the information and explanations given by the management and reports of the other auditor who audited the financial statements of the other covered entities of the Group, which we have relied upon, we report that no fraud on or by the other Covered entities of the Group not audited by us have been noticed during the year.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VII
Restated Ind AS Consolidated Statement of Property, plant and equipment and Intangible assets

(Amount in million)

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold Improvements	Computers and peripherals	Total
	`	`	`	`	`	`	`	`
Gross block value as at April 01, 2014 (Proforma)	**202.99**	**103.61**	**190.48**	**1,310.69**	**79.06**	**68.85**	**542.45**	**2,498.13**
Additions during the year	32.07	5.88	8.65	186.41	10.34	12.26	37.90	293.51
Deletions during the year	4.92	0.32	0.33	15.58	0.91	-	3.70	25.76
Transferred during the year (Refer Annexure XXXII - Note (H))	43.68	57.59	63.60	1.84	19.01	30.41	322.28	538.41
Gross block value as at March 31, 2015 (Proforma)	**186.46**	**51.58**	**135.20**	**1,479.68**	**69.48**	**50.70**	**254.37**	**2,227.47**
Additions during the year	46.44	2.76	8.67	122.84	6.77	0.74	12.50	200.72
Deletions during the year	-	-	0.01	31.16	-	-	-	31.17
Gross block value as at March 31, 2016	**232.90**	**54.34**	**143.86**	**1,571.36**	**76.25**	**51.44**	**266.87**	**2,397.02**
Additions during the year	22.09	1.93	8.79	72.95	7.56	8.17	18.29	139.78
Assets acquired on business combination (Refer Annexure XXXII - Note (C))	52.22	-	16.77	-	-	-	0.08	69.07
Deletions during the year	28.20	0.37	3.40	24.09	0.53	1.27	1.83	59.69
Gross block value as at March 31, 2017	**279.01**	**55.90**	**166.02**	**1,620.22**	**83.28**	**58.34**	**283.41**	**2,546.18**
Accumulated depreciation as at April 01, 2014 (Proforma)	**60.22**	**40.01**	**80.21**	**521.65**	**41.86**	**28.63**	**397.33**	**1,169.91**
Depreciation for the year	51.03	33.33	39.83	208.24	22.50	9.75	93.87	458.55
Accumulated depreciation on disposals	2.88	0.16	0.27	15.07	0.65	-	3.40	22.43
Transferred during the year (Refer Annexure XXXII - Note (H))	19.15	29.95	37.71	0.73	15.50	15.38	268.97	387.39
Accumulated depreciation as at March 31, 2015 (Proforma)	**89.22**	**43.23**	**82.06**	**714.09**	**48.21**	**23.00**	**218.83**	**1,218.64**
Depreciation for the year	32.88	3.82	22.31	217.42	8.53	8.13	22.89	315.98
Accumulated depreciation on disposals	-	-	0.01	29.91	-	-	-	29.92
Accumulated depreciation as at March 31, 2016	**122.10**	**47.05**	**104.36**	**901.60**	**56.74**	**31.13**	**241.72**	**1,504.70**
Depreciation for the year	34.20	2.93	17.58	202.71	6.25	7.65	17.95	289.27
Accumulated depreciation on disposals	26.35	0.35	2.70	22.33	0.38	0.96	1.64	54.71
Accumulated depreciation as at March 31, 2017	**129.95**	**49.63**	**119.24**	**1,081.98**	**62.61**	**37.82**	**258.03**	**1,739.26**
Net block as at March 31, 2015 (Proforma)	**97.24**	**8.35**	**53.14**	**765.59**	**21.27**	**27.70**	**35.54**	**1,008.83**
Net block as at March 31, 2016	**110.80**	**7.29**	**39.50**	**669.76**	**19.51**	**20.31**	**25.15**	**892.32**
Net block as at March 31, 2017	**149.06**	**6.27**	**46.78**	**538.24**	**20.67**	**20.52**	**25.38**	**806.92**

Intangible assets

(Amount in million)

Particulars	Computer software	Non-compete fees	Customer Contracts	Total Other Intangible assets	Goodwill
	`	`	`	`	`
Gross block value as at April 01, 2014 (Proforma)	**41.98**	**150.10**	**-**	**192.08**	**1,841.78**
Additions during the year	6.21	-	-	6.21	-
Transferred during the year (Refer Annexure XXXII - Note (H))	3.51	-	-	3.51	-
Gross block value as at March 31, 2015 (Proforma)	**44.68**	**150.10**	**-**	**194.78**	**1,841.78**
Additions during the year	6.26	-	-	6.26	-
Gross block value as at March 31, 2016	**50.94**	**150.10**	**-**	**201.04**	**1,841.78**
Additions during the year	5.11	-	-	5.11	-
Assets acquired on business combination (Refer Annexure XXXII - Note (C))	-	-	6.63	6.63	5.90
Gross block value as at March 31, 2017	**56.05**	**150.10**	**6.63**	**212.78**	**1,847.68**
Accumulated amortisation as at April 01, 2014 (Proforma)	**22.00**	**59.92**	**-**	**81.92**	**-**
Amortisation for the year	13.87	21.45	-	35.32	-
Transferred during the year (Refer Annexure XXXII - Note (H))	3.14	-	-	3.14	-
Accumulated amortisation as at March 31, 2015 (Proforma)	**32.73**	**81.37**	**-**	**114.10**	**-**
Amortisation for the year	7.37	21.44	-	28.81	-
Accumulated amortisation as at March 31, 2016	**40.10**	**102.81**	**-**	**142.91**	**-**
Amortisation for the year	6.29	21.44	0.56	28.29	-
Accumulated amortisation as at March 31, 2017	**46.39**	**124.25**	**0.56**	**171.20**	**-**
Net block as at March 31, 2015 (Proforma)	**11.95**	**68.73**	**-**	**80.68**	**1,841.78**
Net block as at March 31, 2016	**10.84**	**47.29**	**-**	**58.13**	**1,841.78**
Net block as at March 31, 2017	**9.66**	**25.85**	**6.07**	**41.58**	**1,847.68**

Depreciation and amortisation expense

Particulars	2017	2016	2015 (Proforma)
	`	`	`
Depreciation	289.27	315.98	458.55
Amortization	28.29	28.81	35.32
Less: Adjustment in General Reserve on depreciation adjustment due to Schedule II	-	-	(81.23)
Recognised in Statement of Profit & Loss	**317.56**	**344.79**	**412.64**

Note:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VIII
Restated Ind AS Consolidated Statement of Non-Current and Current Investments

Non-Current Investments:

Particulars	As at					
	No. of shares (Actual)			` in million		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
Investments in equity shares of other companies (unquoted, fully paid up, at fair value through profit and loss)						
Equity shares of ` 10 each, fully paid up, in Belapur Railway Station Complex Limited	7,500	7,500	7,500	0.08	0.08	0.08
Total	**7,500**	**7,500**	**7,500**	**0.08**	**0.08**	**0.08**

Current Investments:

Particulars	As at					
	No. of instruments			` in million		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
Investments in units of unquoted mutual fund (at fair value through profit and loss)						
ICICI Prudential Liquid Plan- Direct Daily Dividend	1,899,842	-	-	190.11	-	-
Investment in bonds (at amortised cost)						
Shri Ram City Union Finance Limited	-	-	30	-	-	1.33
Total	**1,899,842**	**-**	**30**	**190.11**	**-**	**1.33**

Aggregate amount of unquoted investments	**190.19**	**0.08**	**1.41**

Notes:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure IX
Restated Ind AS Consolidated Statement of Cash and Bank balances

(Amount in million)

Particulars	As at					
	Non current			Current		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`	`	`	`
Cash and cash equivalents						
Balances with banks						
On current accounts	-	-	-	92.12	250.23	45.45
In deposits account with original maturity of less than three months	-	-	-	7.12	4.89	0.07
Cheques in hand	-	-	-	100.02	20.00	-
Cash on hand	-	-	-	5.46	5.72	4.23
	-	**-**	**-**	**204.72**	**280.84**	**49.75**
Other bank balances						
In deposits account with original maturity for more than 12 months	12.22	-	-	-	-	10.00
In deposits account with original maturity for more than 3 months but less than 12 months	-	-	-	-	-	0.16
Margin money deposits (Refer Note 1 below)	40.61	31.34	20.14	55.40	69.42	66.42
Restricted Cash (Refer Note 2 below)	-	3.02	5.67	-	-	-
	52.83	**34.36**	**25.81**	**55.40**	**69.42**	**76.58**

Note:

1. Margin money deposits with carrying amount of ` 61.22 million (March 31, 2016 - ` 51.27 million; March 31, 2015 - ` 43.61 million) are subject to first charge to secure the Bank Guarantees/Fixed Deposits given by banks on behalf of the Company for pending court cases and deposits of ` 34.79 million (March 31, 2016 - ` 49.49 million; March 31, 2015 - ` 42.95 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

2. Restricted cash represents partial / full cash recovered by the Group in relation to cases of thefts, loots, etc. This cash cannot be used by the Group due to pending Court cases.

3. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

4. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure X
Restated Ind AS Consolidated Statement of Other Assets

Other non-current assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Unsecured, considered good			
Advances recoverable in kind or for value to be received	31.69	17.55	33.86
Capital advances	11.03	3.47	2.37
Receivable from Government Authorities	44.78	44.78	78.05
Prepaid expenses	11.63	9.54	10.41
Others (Refer Note 5 in Annexure V)	20.87	20.87	20.87
	120.00	**96.21**	**145.56**
Unsecured, considered doubtful			
Advances recoverable in kind or for value to be received	3.48	3.48	3.48
	3.48	**3.48**	**3.48**
Less: Impairment allowance for doubtful assets	(3.48)	(3.48)	(3.48)
Total Other non-current assets	**120.00**	**96.21**	**145.56**

Other current assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Unsecured, considered good			
Advances recoverable in kind or for value to be received	73.93	53.75	82.80
Receivable from Government Authorities	114.40	211.10	106.85
Prepaid expenses	44.79	47.77	38.70
Total Other current assets	**233.12**	**312.62**	**228.35**

Other non-current financial assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Unsecured, considered good			
Insurance claims receivable	5.32	19.78	29.13
Advances to employees	0.53	0.17	0.29
Sundry deposits	108.78	99.01	97.78
	114.63	**118.96**	**127.20**
Unsecured, considered doubtful			
Insurance claims receivable	55.76	58.25	47.87
Advances to employees	0.45	0.45	0.45
Sundry deposits	0.06	0.06	0.06
	56.27	**58.76**	**48.38**
Less: Impairment allowance for doubtful financial asset	**(56.27)**	**(58.76)**	**(48.38)**
Total other non-current financial assets	**114.63**	**118.96**	**127.20**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure X
Restated Ind AS Consolidated Statement of Other Assets (Continued)

Other current financial assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Unsecured, considered good			
Insurance claims receivable	90.50	78.63	67.56
Unbilled revenue	1,417.28	1,584.34	1,243.91
Funds held relating to cash management activity (Refer note 1 below)	172.19	257.32	206.37
Advances to employees	15.51	13.24	8.38
Sundry deposits	2.75	3.26	2.86
Accrued Interest	0.58	2.02	0.35
	1,698.81	**1,938.81**	**1,529.43**
Unsecured, considered doubtful			
Unbilled revenue	24.07	24.18	20.24
	24.07	**24.18**	**20.24**
Less: Impairment allowance for doubtful unbilled revenue	**(24.07)**	**(24.18)**	**(20.24)**
Total Other current financial assets	**1,698.81**	**1,938.81**	**1,529.43**

Notes:

1. Funds held relating to cash management activity represents the net funds invested by the Company in one of the services of Cash Management. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customers.

2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

4. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
CMS IT Services Private Limited	-	-	28.20
CMS Traffic Systems Limited	-	-	1.34
CMS Computers Limited	-	-	5.23

The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XI
Restated Ind AS Consolidated Statement of Deferred Tax Assets (Net)

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Deferred tax assets			
Impairment allowance for bad and doubtful receivables and unbilled revenue	152.84	104.30	82.13
Impairment allowance for doubtful advances	20.68	24.70	17.94
Provision for employee benefits	103.41	91.54	72.72
Employee stock option compensation cost	47.11	-	-
Unabsorbed tax losses	-	5.00	-
Others	31.11	35.74	14.63
Deferred tax liabilities			
Difference between depreciation and amortisation as per books of account and tax depreciation	(8.68)	(24.64)	(41.63)
Deferred tax assets (net)	**346.47**	**236.64**	**145.79**

Deferred tax movement

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Opening balance	**236.64**	**145.79**	**134.49**
Tax credit / (charge) during the year recognised in Statement of Profit and Loss	107.08	92.20	(17.90)
Tax credit / (charge) during the year recognised in other comprehensive income	5.04	(1.35)	5.95
Deferred tax acquired in business combination	(2.29)	-	-
Tax on amount considered in general reserve on depreciation adjustment due to Schedule II	-	-	27.76
Tax transferred on demerger of CMS IT	-	-	(4.51)
Closing balance	**346.47**	**236.64**	**145.79**

Tax reconciliation **(Amount in million)**

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Accounting profit before income tax	**1,201.75**	**802.42**	**1,107.63**
At statutory income tax rate of 34.608% (March 31, 2016: 34.608%, March 31, 2015: 33.99%)	415.90	277.70	376.48
Difference in tax rates between subsidiaries and Holding Company	(0.79)	0.30	-
Effect of change in tax rate	(2.45)	0.91	-
Effect of non-deductible items under tax laws	17.10	4.91	10.95
Tax on buy back of shares by subsidiary	-	17.19	-
Adjustments in respect of current income tax of previous years	(14.64)	(47.52)	0.21
At the effective income tax rate of 34.54% (March 31, 2016: 31.59%; March 31, 2015: 35.00%)	**415.12**	**253.49**	**387.64**
Income tax expense reported in the statement of profit and loss	**415.12**	**253.49**	**387.64**

Note:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XII
Restated Ind AS Consolidated Statement of Inventories

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Valued at lower of cost and net realisable value			
Work-in-progress	-	-	67.37
Traded goods (refer note 1 below)	62.03	210.31	367.30
Stores and spares	46.70	32.05	31.36
	108.73	**242.36**	**466.03**

Note:

1. Trading stock includes stock at ATM sites which are not installed as at March 31, 2017 amounting to ` 36.16 million (March 31, 2016 - ` 59.34 million ; March 31, 2015 - ` 257.22 million).

2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIII
Restated Ind AS Consolidated Statement of Trade Receivables

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Unsecured			
Outstanding for a period exceeding six months from the date they are due for payment	691.69	587.85	1,058.55
Outstanding for a period less than six months from the date they are due for payment	1,593.69	2,159.73	2,453.54
	2,285.38	2,747.58	3,512.09
Less : Impairment allowance (Allowance for bad and doubtful receivables)	417.55	277.95	218.87
Total Trade Receivable, considered Good	**1,867.83**	**2,469.63**	**3,293.22**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies -

Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

3. No amounts are due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

4. The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIV
Restated Ind AS Consolidated Statement of Share Capital

(Amount in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
	`	`	`
Authorised share capital			
148,000,000 (March 31, 2016 - 148,000,000 ; March 31, 2015 - 148,000,000) equity shares of ` 10 each	1,480.00	1,480.00	1,480.00
1,500,000 (March 31, 2016 - 1,500,000 ; March 31, 2015 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ` 100 each	150.00	150.00	150.00
Total Authorised share capital	**1,630.00**	**1,630.00**	**1,630.00**
Issued, subscribed and fully paid up shares:			
148,000,000 (March 31, 2016- 148,000,000 ; March 31, 2015 - 146,775,190) equity shares of ` 10 each	**1,480.00**	**1,480.00**	**1,467.75**

(a) Reconciliation of the number of shares outstanding at the beginning and end of the year

Equity shares	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015 (Proforma)	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	148,000,000	1,480.00	146,775,190	1,467.75	146,775,190	1,467.75
Add : Equity shares issued to Trust for ESOP Scheme	-	-	1,224,810	12.25	-	-
Outstanding at the end of the year	**148,000,000**	**1,480.00**	**148,000,000**	**1,480.00**	**146,775,190**	**1,467.75**

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Details of shares held by the holding Company and other shareholders in the Company including details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015 (Proforma)	
	No of Shares	% Shareholding	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ` 10 each fully paid up						
Sion Investment Holdings Pte. Limited (holding company)	147,999,994	99.99%	147,999,994	99.99%	-	-
Blackstone FP Capital Partners V Limited, Mauritius	-	-	-	-	83,167,132	56.66%
Mr. Ramesh Grover	-	-	-	-	35,550,287	24.22%
CMS Computers Limited	-	-	-	-	9,885,191	6.73%

As per records of the Company, including its register of share holders / members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

Note:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XV
Restated Ind AS Consolidated Statement of Non-current and Current Borrowings

Non-current borrowings

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Term loans from banks - secured			
Vehicle loans (Refer Annexure XVI)	67.59	156.43	257.47
	67.59	**156.43**	**257.47**
Term loans from banks - unsecured			
Working capital term loans	-	-	37.37
	-	**-**	**37.37**
Current maturities of long-term borrowings*	(52.28)	(93.71)	(199.31)
Total	**15.31**	**62.72**	**95.53**

* Current maturities of non-current borrowings are grouped under "Other financial liabilities" in Annexure XVIII of the Restated Ind AS Consolidated Statement of Assets and Liabilities.

Current borrowings

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Secured			
Vehicle loans (Refer Annexure XVI)	2.84	-	-
Cash credit and bank overdraft facilities with banks (Refer Annexure XVI)	30.24	147.52	611.73
Working capital demand loans from banks	-	300.00	100.00
Unsecured			
Buyers Credit from bank	-	80.04	-
Working capital demand loans from banks	-	400.00	280.00
Total	**33.08**	**927.56**	**991.73**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies -

Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

3. Vehicle loans: Repayable in 12 to 36 equated monthly instalments, secured by exclusive charge on vehicles procured from such loans. The loans carry interest @ 8.99% to 10.67% p.a. (March 31, 2016 - Interest @ 8.86% to 10.62% p.a ; March 31, 2015 - Interest @ 9.37 % to 11.75% p.a)

4. Working capital term loans (unsecured): Original loan of ` 224.20 million repayable in 6 equal quarterly instalments. The loans carried interest ranging between 10.00% to 10.50% p.a

5. Cash credit facilities with various banks are secured by hypothecation of current assets and second charge on movable fixed assets of the Company. These are repayable on demand and carry rate of interest @ 8.80% to 12.00% p.a. (March 31, 2016 - 10.50% to 13.25% p.a ; March 31, 2015 - 10.90% to 13.25% p.a)

6. During financial year 2015-2016, buyers' credit facility was unsecured and carried interest rate of 1.65% p.a. They were repayable within 90 to 180 days.

7. Working capital demand loan (unsecured) availed from bank is repayable on demand and carried interest @ 8.00% to 10.10% p.a. (March 31, 2016 - 9.20% to 10.10% p.a ; March 31, 2015 - 9.60% to 10.35% p.a .)

8. Working capital demand loan (secured) are repayable on demand and are secured by First pari pasu charge on all present and future fixed and current assets, excluding the assets exclusively charged to the other lenders. During the current year the interest rate ranged from 8.50% to 9.70% p.a. (March 31, 2016 - 9.70% to 10.30% p.a.; March 31, 2015 - 9.60% to 10.35% p.a.)

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVI
Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017

a) Non-Current Borrowings

(Amount in million)

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at March 31, 2017 (`)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	Kotak Mahindra Bank	Vehicle loans	INR	11.22	10.38%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
2	Kotak Mahindra Bank	Vehicle loans	INR	9.64	10.16%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
3	Kotak Mahindra Bank	Vehicle loans	INR	6.37	10.67%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
4	Axis Bank	Vehicle loans	INR	5.88	9.60%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
5	Kotak Mahindra Bank	Vehicle loans	INR	5.41	9.67%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
6	ICICI Bank	Vehicle loans	INR	3.91	9.60%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
7	Kotak Mahindra Bank	Vehicle loans	INR	3.55	10.34%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
8	Kotak Mahindra Bank	Vehicle loans	INR	3.50	10.24%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
9	Axis Bank	Vehicle loans	INR	3.13	9.60%	3 year	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
10	Kotak Prime	Vehicle loans	INR	2.29	9.11%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
11	Kotak Mahindra Bank	Vehicle loans	INR	1.77	10.26%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
12	ICICI Bank	Vehicle loans	INR	1.90	9.97%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
13	Kotak Mahindra Bank	Vehicle loans	INR	1.73	10.36%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
14	Daimler Financial Services	Vehicle loans	INR	1.56	8.99%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
15	ICICI Bank	Vehicle loans	INR	1.51	9.60%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
16	Kotak Mahindra Bank	Vehicle loans	INR	1.00	10.50%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
17	Kotak Mahindra Bank	Vehicle loans	INR	0.89	9.97%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
18	Kotak Mahindra Bank	Vehicle loans	INR	0.80	10.07%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
19	ICICI Bank	Vehicle loans	INR	0.77	9.97%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
20	Kotak Mahindra Bank	Vehicle loans	INR	0.50	10.50%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
21	Tata Finance Limited	Vehicle loans	INR	0.19	10.02%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
22	Tata Finance Limited	Vehicle loans	INR	0.07	10.02%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
	Total			**67.59**			

Notes:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

3. The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

4. The above includes non-current borrowings disclosed under Annexure XV and the current maturities of non-current borrowings included in other current liabilities under Annexure VIII.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVI
Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017

b) Current Borrowings

(Amount in million)

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at March 31, 2017 (`)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	IDBI Bank	Cash Credit Facilities	INR	9.90	Marginal Cost of funds based Lending Rate + 1.45%	On Demand	1) First pari passu charge on the CMS Info Systems Limited's entire stocks, receivables and current assets, both present and future 2) Second pari passu charge on the CMS Info Systems Limited's movable fixed assets, both present and future. 3) Margin is 25% on stocks and on book debts upto 120 days.
2	Kotak Mahindra Bank	Cash Credit Facilities	INR	20.34	Marginal Cost of funds based Lending Rate + 1%	On Demand	1) First Pari-passu charge on all current assets of CMS Info Systems Limited along with working capital limits of other Banks 2) Second pari-passu charge on unencumbered movable fixed assets of CMS Info Systems Limited. 3) 25% Margin on : Book Debts (less than 120 days) and Stock
3	Kotak Mahindra Bank	Vehicle loans	INR	2.84	9.44%	1 year	Loan is repayable in 12 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
	Total			**33.08**			

Notes:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements-Accounting Policies as appearing in Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements appearing in Annexure VI.

3. The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVII
Restated Ind AS Consolidated Statement of Provisions

(Amount in million)

Particulars	As at					
	Non-Current			Current		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`	`	`	`
Provision for employee benefits						
For gratuity	54.68	46.39	45.63	73.41	67.07	68.23
For compensated absences	-	-	-	45.64	43.87	40.07
Other provisions						
Provision for warranty	2.77	23.49	-	29.67	22.25	7.41
Total	**57.45**	**69.88**	**45.63**	**148.72**	**133.19**	**115.71**

Note:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVIII
Restated Ind AS Consolidated Statement of Other financial and Other liabilities

A. Trade Payable and Other Financial Liabilities (Current) :

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Trade Payables	**695.89**	**1,293.80**	**1,463.37**
Other Financial Liabilities (Current)			
Current maturities of non-current borrowing (Refer Annexure XV)	52.28	93.71	199.31
Capital creditors	6.80	4.86	28.40
Payable to CMS IT Services Private Limited	-	-	641.95
Interest accrued but not due on borrowings	0.32	1.60	1.37
Payable to employees	388.27	386.95	278.41
Accrued expenses	482.16	740.40	764.53
Advance from customers	11.50	-	1.04
Payable to Systime Computers Limited (Refer Note 5 of Annexure V)	99.43	99.43	99.43
Book overdraft	24.19	18.31	2.33
Total	**1,064.95**	**1,345.26**	**2,016.77**

B. Other Liabilities (Current) :

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Statutory liabilities	55.43	112.93	62.40
Unearned revenue	-	4.86	6.67
Total	**55.43**	**117.79**	**69.07**

Note:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIX
Restated Ind AS Consolidated Statement of Revenue from Operations

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Revenue from operations:			
Sale of ATM and ATM Sites	899.72	2,876.54	2,874.54
Sale of products	261.84	141.60	1,013.17
Sale of services	8,912.93	8,382.77	9,501.30
Other operating revenues	-	-	2.54
Revenue from operations	**10,074.49**	**11,400.91**	**13,391.55**

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Details of products sold			
ATM Spares	138.10	81.50	26.70
Cards	118.90	55.37	42.38
Others	4.84	4.73	944.09
Total	**261.84**	**141.60**	**1,013.17**

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Details of services rendered			
ATM and Cash management services	8,118.10	7,822.76	7,909.95
FMS and AMC services	466.88	352.86	1,191.91
Card Personalisation	327.95	207.15	224.91
Others	-	-	174.53
Total	**8,912.93**	**8,382.77**	**9,501.30**

Notes:

1. Revenue for the year ended March 31, 2015 includes revenue from discontinued operation, sale of product of ` 944.09 million , sale of services of ` 1,181.24 million and other operation revenue of ` 2.54 million.

2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XX
Restated Ind AS Consolidated Statement of Other Income

(Amount in million)

Particulars	Nature (Recurring / Non-recurring)	Related / Not related to business activity	For the years ended		
			March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
			`	`	`
I. Finance Income					
Interest income on					
Bank deposits	Recurring	Not related	13.71	9.21	8.28
Finance lease	Non-recurring	Not related	-	-	1.86
Others	Non-recurring	Not related	0.50	4.07	0.48
Financial assets measured at amortised cost using 'EIR' basis	Recurring	Related	5.86	7.93	2.17
Sub-Total (A)			**20.07**	**21.21**	**12.79**
II. Other Income					
Sundry credit balances written back	Non-recurring	Related	11.01	6.68	41.76
Miscellaneous income	Non-recurring	Not related	10.82	11.31	3.93
Sub-Total (B)			**21.83**	**17.99**	**45.69**
Total (A) + (B)			**41.90**	**39.20**	**58.48**

Notes:

1. The classification of other income as recurring / non-recurring, related / not-related to business activity is based on the current operations and business activity of the Group as determined by the management.

2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXI
Restated Ind AS Consolidated Statement of Decrease in Inventories

(Amount in million)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Inventories at the beginning of the year			
Work-in-progress	-	67.37	72.67
Finished goods	-	-	1.44
Trading goods	210.31	367.30	1,769.65
	210.31	**434.67**	**1,843.76**
Inventories at the end of the year			
Work-in-progress	-	-	67.37
Trading goods	62.03	210.31	367.30
	62.03	**210.31**	**434.67**
Decrease in Inventories	**148.28**	**224.36**	**1,409.09**

Note:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXII
Restated Ind AS Consolidated Statements of Employee Benefit Expense

(Amount in million)

Particulars	For the Year Ended		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Salaries, wages and bonus (refer notes below)	1,964.89	2,248.80	2,800.46
Contribution to provident and other funds	148.98	153.93	210.55
Share based payments to employees	136.13	1.91	2.58
Staff welfare expenses	43.91	60.86	73.33
Total	**2,293.91**	**2,465.50**	**3,086.92**

Notes:
1. Salaries, wages and bonus for the year ended March 31, 2016 includes bonus of ` 172.02 million paid to certain employees at the time of stake sale to Sion Investment Holdings Pte. Limited by erstwhile shareholders in August 2015.

2. Salaries, wages and bonus expenses for the year ended March 31, 2017 includes ` 25.02 million (March 31, 2016 : ` Nil, March 31, 2015 : ` Nil) paid as retrenchment cost on account of closure of Cash management division operations of CMS Info Systems Limited in Mumbai.

3. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

4. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIII
Restated Ind AS Consolidated Statements of Other Expenses

The major heads forming part of other expenses are as under:

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Service and security charges	2,355.43	2,244.15	1,879.80
Vehicle maintenance, hire and fuel cost	1,059.92	1,040.57	1,021.40
Conveyance and traveling expenses	660.20	746.07	802.27
Consumption of stores and spares	272.47	164.00	289.79
Lease rentals	180.00	190.51	231.22
Legal, professional and consultancy fees (Refer note below)	70.54	105.04	148.05
Others	801.39	796.80	1,019.94
Total	**5,399.95**	**5,287.14**	**5,392.47**

Note:

1. Legal, professional and consultancy fees for the year ended March 31, 2016 include ` 41.33 million incurred by the Company at the time of stake sale by erstwhile shareholders.

2. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIV
Restated Ind AS Consolidated Statement of Finance Costs

(Amount in million)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Interest on borrowings	74.46	176.31	187.26
Interest others	1.39	1.60	1.39
Other borrowing costs	-	-	7.71
Unwinding of discount on warranty	3.29	0.50	-
Total	**79.14**	**178.41**	**196.36**

Note:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXV
Restated Ind AS Consolidated Summary of Leases

Leases:

A. In case of assets taken on lease:

Operating lease:

The Group taken office premises and ATM Sites under operating lease agreements, which expire at various dates through financial year ended March 31, 2026. These agreements are generally renewable by mutual consent. Some of the lease agreements have a price escalation clause. There are no restrictions imposed in these lease agreements.

Lease payments under operating lease recognised for the year are ` 180.00 million (March 31, 2016 -` 190.51 million, March 31, 2015- ` 231.22 million)

The future minimum lease payments under non-cancellable operating leases:

(Amount in million)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Within one year	125.35	146.07	116.90
After one year but not more than five years	376.96	353.56	254.17
More than five years	86.45	89.72	87.47
Total	**588.76**	**589.35**	**458.54**

B. In case of assets given on lease:

Operating lease:

The Group has entered into lease arrangement for its ATM management service business. The lease at inception is classified as operating lease. These leases have terms of between five and seven years. Future minimum rentals receivable under non-cancellable operating leases are, as follows:

(Amount in million)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Within one year	51.61	-	-
After one year but not more than five years	204.36	-	-
More than five years	21.63	-	-
Total	**277.60**	-	-

During the current year, the Group has recognised ` 30.16 million (March 31, 2016 - ` Nil, March 31, 2015 - ` Nil) as income in relation to the above arrangements. The above lease rentals are fixed monthly fees; additionally there is transactions linked fees billable to the customer. The separation of consideration or future payments for lease and other elements is impracticable. Accordingly all fixed payments under the arrangement are treated as lease payments for the purposes of complying with the disclosure requirement.

The following are the details of the fixed assets given on operating lease:

Particulars	March 31, 2017
Gross block value as at March 31, 2017	91.28
Less: Accumulated Depreciation as at March 31, 2017	(22.35)
Net block value as at March 31, 2017	68.93
Depreciation for the year	5.94

Note:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Ind AS Consolidated Statement of Related Party Transactions

Related party disclosures, as required by notified Ind-AS 24 - "Related Party Disclosures" are given below:

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Ultimate Holding Company	Baring Private Equity Asia (with effect from August 27, 2015)
Holding Company	Sion Investment Holdings Pte. Limited (with effect from August 27, 2015)
	Blackstone FP Capital Partners (Mauritius) V Limited (up to August 26, 2015)
2) Key management personnel	Mr. Rajiv Kaul (Whole Time Director & Chief Executive Officer)
	Mr. Pankaj Khandelwal (Chief Financial Officer)
	Mr. Gopal Krishna Pillai (Non-Executive Independent Director)
	Mr. Krzysztof Wieslaw Jamroz (Non-Executive Independent Director)
3) Enterprises over which Director and / or his relatives has significant influence	CMS Computers Limited (up to August 26, 2015)
	CMS Traffic Systems Limited (up to August 26, 2015)
	G.G. Constructions Private Limited (up to August 26, 2015)
	CMS IT Services Private Limited (up to August 26, 2015)
	Resergent Infoteck Private Limited (up to August 26, 2015)
	Systime Computers Limited (up to August 26, 2015)

b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. These transactions are approved by the Audit Committee of Board of Directors of the Holding Company. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2017, March 31, 2016 and April 01, 2015. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Summary of transactions with the above related parties are as follows:

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Sale of products			
CMS Computers Limited	-	-	0.12
Remuneration to KMP (short-term employee benefits)			
Mr. Rajiv Kaul	42.74	115.88	60.00
Mr. Pankaj Khandelwal	9.86	41.27	9.08
Mr. Gopal Krishna Pillai	1.10	0.28	-
Mr. Krzysztof Wieslaw Jamroz	1.10	0.28	-
Employee stock option compensation cost			
Mr. Rajiv Kaul	111.13	-	-
Mr. Pankaj Khandelwal	3.38	-	-
Repurchase of vested stock options			
Mr. Rajiv Kaul	-	9.40	-
Mr. Pankaj Khandelwal	-	29.40	-

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Ind AS Consolidated Statement of Related Party Transactions

c) Summary of transactions with the above related parties are as follows: (continued)

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Sitting fees to Directors			
Mr. Gopal Krishna Pillai	0.40	0.10	-
Mr. Krzysztof Wieslaw Jamroz	0.40	0.10	-
Legal, professional and consultancy fees			
CMS Computers Limited	-	-	0.59
Lease rentals			
CMS Computers Limited	-	7.05	22.27
Repairs and maintenance			
CMS Computers Limited	-	-	0.32
Subscription to equity shares			
CMS IT Services Private Limited *	-	-	0.10
Reimbursement of Rent expenses			
CMS IT Services Private Limited	-	-	28.20
Proceeds from exercise of share options against treasury shares (through CMS Securitas Employee Welfare Trust)			
Rajiv Kaul	-	250.42	-

* The shares were cancelled on April 01, 2015 by virtue of demerger

Note:
1. As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to KMP's is not ascertainable separately , and, therefore not included above.

d) Summary of balance receivable from / (payable to) the above related parties are as follows:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Remuneration payable to KMP			
Mr. Rajiv Kaul	(25.80)	(13.20)	(20.00)
Mr. Pankaj Khandelwal	(2.05)	(1.40)	(1.23)
Mr. Gopal Krishna Pillai	(0.75)	(0.28)	-
Mr. Krzysztof Wieslaw Jamroz	(0.47)	(0.28)	-
Reimbursement of Rent expenses			
CMS IT Services Private Limited	-	-	28.20
Deposit given			
G.G. Constructions Private Limited	-	-	8.83
Balances outstanding at the year end			
Systime Computers Limited	-	-	(99.43)
CMS Traffic Systems Limited	-	-	1.34
CMS Computers Limited	-	-	5.23
Resergent Infoteck Private Limited	-	-	(0.16)
CMS IT Services Private Limited	-	-	(670.15)

Notes:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVII
Restated Ind AS Consolidated Statement of Contingent Liabilities and Capital Commitments

1. Contingent liabilities:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Claims against the Group not acknowledged as debt			
a) Disputed Customs matter*	42.78	42.78	43.96
b) Claims against Group not acknowledged as debt	18.90	35.37	37.02

Notes:
*In relation to the matters of customs duty listed above, the Group is contesting the demands from the Government Departments. The management, including its tax and legal advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

2. Capital commitments:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Estimated amount of contracts remaining to be executed on capital account and not provided for	12.20	5.14	3.47
	12.20	**5.14**	**3.47**

Note:
1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVIII
Restated Ind AS Consolidated Statement of Segment Information

Primary Segment Information based on business:
1. For management purposes, the Group is organised into business units based on its products and services and has four reportable segments, as follows:

Cash management services - include ATM services, Cash delivery and pick-up and Network cash management services (together known as "retail cash management")
Managed Services - includes income from sale of ATM and ATM sites and related products and maintenance services.
Trading, IT Enabled services and Network training Services - includes trading in desktops, laptops, servers, networking products, printers and storage devices, providing annual maintenance services, facility management services, printing services. This segment forms part of the discontinuing operations transferred to CMS IT Services.
Others - Trading in card and card personalisation services are shown separately under other segments of continuing operations.

2. Transfer prices between business segments are set at cost plus appropriate margins.

3. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in total revenue/expense/result.

4. Geographical Segments: The Group’s operations are primarily within India.

Primary Segment information based on business segment as at and for the year ended:

(Amount in million)

Particulars	Continuing Operations									Discontinuing Operations			Total		
	Cash management services			Managed services			Others			Trading, IT Enabled services and Network training					
	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015	March 31, 2017	March 31, 2016	March 31, 2015
	`	`	`	`	`	`	`	`	`	`	`	`	`	`	`
(a) Segment Revenue															
External Sales	8,230.37	7,949.39	7,982.09	1,397.26	3,188.99	3,014.30	446.86	262.53	267.29	-	-	2,127.87	10,074.49	11,400.91	13,391.55
Total segment Revenue	**8,230.37**	**7,949.39**	**7,982.09**	**1,397.26**	**3,188.99**	**3,014.30**	**446.86**	**262.53**	**267.29**	**-**	**-**	**2,127.87**	**10,074.49**	**11,400.91**	**13,391.55**
(b) Segment result	**1,293.85**	**926.90**	**1,388.62**	**173.15**	**342.92**	**261.20**	**117.67**	**65.86**	**61.53**	**-**	**-**	**(203.42)**	**1,584.67**	**1,335.68**	**1,507.93**
Less: Unallocated corporate expenses													(345.70)	(394.05)	(262.41)
Operating Profit													**1,238.97**	**941.63**	**1,245.52**
Add: Other Income													21.83	17.99	45.69
Less : Finance costs													79.14	178.41	196.36
Add: Finance income													20.07	21.21	12.79
													1,201.73	**802.42**	**1,107.64**
Less: Tax expenses										-	-		415.12	253.49	387.43
Profit for the year										**-**	**-**		**786.61**	**548.93**	**720.21**
(c) Segment assets	5,766.45	5,973.10	6,078.21	728.99	1,632.10	2,467.03	180.78	128.15	116.36	-	-	-	6,676.22	7,733.35	8,661.60
Unallocated corporate assets													1,160.09	1,039.39	414.80
Total Assets	**5,766.45**	**5,973.10**	**6,078.21**	**728.99**	**1,632.10**	**2,467.03**	**180.78**	**128.15**	**116.36**	**-**	**-**	**-**	**7,836.31**	**8,772.74**	**9,076.40**
(d) Segment liabilities	1,210.07	1,382.39	1,113.09	483.60	1,148.09	1,511.35	62.34	35.34	56.53	-	-	-	1,756.01	2,565.82	2,680.97
Unallocated corporate liabilities													346.50	1,384.38	2,166.94
Total Liabilities	**1,210.07**	**1,382.39**	**1,113.09**	**483.60**	**1,148.09**	**1,511.35**	**62.34**	**35.34**	**56.53**	**-**	**-**	**-**	**2,102.51**	**3,950.20**	**4,847.91**
(e) Capital Expenditure	123.53	175.50	227.71	91.92	9.62	12.36	4.06	25.09	20.58	-	-	22.92	219.51	210.21	283.57
Unallocated corporate expenditure												0.45	0.19	0.45	0.28
Total capital expenditure	**123.53**	**175.50**	**227.71**	**91.92**	**9.62**	**12.36**	**4.06**	**25.09**	**20.58**	**-**	**-**	**23.37**	**219.70**	**210.66**	**283.85**
(f) Depreciation and amortisation	**291.41**	**322.94**	**343.30**	**13.36**	**6.16**	**2.73**	**11.62**	**12.43**	**8.25**	**-**	**-**	**43.40**	**316.39**	**341.53**	**397.68**
Unallocable depreciation and amortisation												14.96	1.17	3.26	14.96
Total depreciation	293.24	324.76	345.56	13.36	6.16	2.73	11.62	12.43	8.25	-	-	**58.36**	**317.56**	**344.79**	**412.64**
(g) Non-cash expenses other than depreciation	**238.39**	**82.78**	**109.94**	**31.73**	**35.82**	**48.87**	**1.00**	**1.03**	**6.09**	**-**	**-**	**120.80**	**271.12**	**119.63**	**285.70**
Unallocable non-cash expenses other than depreciation													136.13	1.91	4.23
Total non-cash expenses other than depreciation													**407.25**	**121.54**	**289.93**

Note:
1. Unallocated liabilities include borrowings by the Group.

2. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

3. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIX
Consolidated Statement of Capitalisation

(Amount in million)

Particulars	**Pre-Issue as at March 31, 2017 (in `)**	**As adjusted for issue (Refer note 2 below)**
Debt:		
Non-current borrowings		
Non-current portion (A)	15.31	
Current maturities (B)	52.28	
Total non-current borrowings (C) = (A + B)	**67.59**	
Current borrowings **(D)**	33.08	
Total debt (E) = (C) + (D)	**100.67**	
Shareholders Funds:		
Equity share capital	1,480.00	
Other Equity	4,253.80	
Total Shareholders funds (F)	**5,733.80**	
Non-current borrowings / Equity ratio (C / F)	**0.01**	

Notes:

1 The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Assets and Liabilities of the Group.

2 The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

3 The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXX
Consolidated Statement of Dividend Paid

(Amount in million)

Particulars	**For the years ended**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Dividend on equity shares	-	-	-
Dividend on 0.01% Optionally convertible cumulative redeemable preference shares:			
Number of OCCPS*	-	-	-
Rate of dividend (%)	0.00%	0.00%	0.01%
Dividend paid on OCCPS	-	-	0.01
Tax on above dividend	-	-	0.01

* During the year 2014-15, the preference shares have been redeemed and in consolidated financial ; dividend is eliminated

Note:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXI
Restated Ind AS Consolidated Statement of Accounting Ratios

(Amount in million)

Sr. No.	Particulars	Reference	For the years ended		
			March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
1	Restated profit after tax (` in million)	A	786.61	548.93	720.00
2	Less: Dividend for the year including tax thereon (` in million)	B	-	-	-
3	Net profit available to equity shareholders	C = A + B	786.61	548.93	720.00
4	Number of equity shares outstanding at the end of the year	D	148,000,000	148,000,000	146,775,190
5	Number of compulsory convertible preference shares outstanding at the end of the year	E	-	-	-
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	148,000,000	147,524,800	140,475,190
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	148,000,000	147,524,800	148,994,043
8	Restated net worth (refer note 5 below) (` in million)	H	5,733.80	4,822.54	4,228.49
9	**Accounting ratios:**				
	Basic earnings per share (`)	C / F	5.31	3.72	5.13
	Diluted earnings per share (`)	C / G	5.31	3.72	4.83
	Return on net worth (%)	A / H	13.72%	11.38%	17.03%
	Net asset value per share (`)	H / D	38.74	32.58	28.81

Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

3. The ratios have been computed as below:

a) Basic Earnings per share (`) = Restated net profit available to equity shareholders / Weighted average number of equity shares outstanding during the year (Refer Note 4)

b) Diluted Earnings per share (`) = Restated net profit available to equity shareholders / Weighted average number of dilutive equity shares (Refer Note 7)

c) Return on net worth (%) = Restated profit after tax / Restated net worth at the end of the year

d) Net asset value per share (`) = Restated net worth at the end of the year / Total number of equity shares outstanding at the end of the year

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year. The weighted average number of shares outstanding excludes shares held in trust.

5. Net worth includes Equity share capital , Securities Premium , Retained earnings and Other reserves .

6. Earnings per share calculations are in accordance with Ind-AS 33 - Earnings per share.

7. Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Optionally convertible cumulative redeemable preference , as applicable. For the year ended March 31, 2017, the impact of Employee stock option is anti-dilutive.

8. For year ended March 31, 2015; basic earning per share for continued operation is ` 6.40 and discontinued operation is ` (1.27) . Diluted earning per share for continued operation is ` 6.03 and discontinued operation is ` (1.27).

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXII
Notes to the Restated Ind AS Consolidated Summary Statements

A Employee benefits

Defined contribution plan

During the year ended March 31, 2017, March 31, 2016 and March 31, 2015 the Group contributed the following amounts to defined

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Provident fund and Employees Family Pension Scheme	103.66	105.82	138.12
Employees' State Insurance Corporation	45.32	48.11	72.43
Total	**148.98**	**153.93**	**210.55**

Defined benefit plan

As per the Payment of Gratuity Act, 1972, the Group maintains a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The scheme of the Group is funded with an insurance Group in the form of a qualifying insurance policy. Management aims to keep annual contribution relatively stable at such a level such that no plan deficits will arise. The Group has purchased an insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

The following table's summaries the components of benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the gratuity plan of the Group.

Statement of Profit and Loss- Net employee benefits expense (recognised in employee cost)

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Current service cost	21.04	21.70	19.16
Net interest cost	8.85	8.95	9.78
Expenses recognised in the Statement of Profit and Loss	**29.89**	**30.65**	**28.94**

Net employee benefits expense (recognised in Other comprehensive income)

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Actuarial losses / (gains)			
- change in demographic assumptions	(1.72)	-	0.41
- change in financial assumptions	8.78	1.37	11.06
- experience variance (i.e. actual experience			-
vs assumptions)	10.11	(4.65)	6.67
- Return on plan assets, excluding amount recognised in net interest expense	(0.65)	0.53	(0.92)
Components of defined benefit cost recognised in other comprehensive income	**16.52**	**(2.75)**	**17.22**

Balance Sheet

Details of net benefit obligation and fair value of plan assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Present value of obligation	159.10	141.64	140.65
Fair value of plan asset	31.01	28.18	26.79
Net liability	**128.09**	**113.46**	**113.86**

Changes in present value of obligation

(Amount in million)

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Present value of obligation at the beginning	141.64	140.65	141.92
Transfer on account of scheme of demerger		-	(42.74)
Current service cost	21.04	21.70	19.16
Interest expense	11.03	11.30	11.91
Re-measurement (gain) / loss arising from			-
- change in demographic assumptions	(1.72)	-	0.41
- change in financial assumptions	8.78	1.37	11.06
- experience variance (i.e actual experience vs assumptions)	10.11	(4.65)	6.67
-Actuarial (Gain) / Loss on the obligation	-	-	-
Benefits paid	(31.78)	(28.73)	(7.74)
Present value of obligation at the end	**159.10**	**141.64**	**140.65**

Changes in the fair value of plan asset are as follows:

(Amount in million)

Particulars	**For the year ended**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Fair value of plan assets at the beginning	28.18	26.79	23.57
Investment income	2.18	2.35	2.13
Benefits paid	-	(0.43)	4.78
Re-measurement gain / (loss) arising from			(4.61)
Return on plan assets, excluding amount recognised in net interest expense	0.65	(0.53)	0.92
Fair value of plan assets as at the end	**31.01**	**28.18**	**26.79**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015 (Proforma)**
Investment with insurer	100%	100%	100%

The Group expects to contribute ` 5.00 million (March 31, 2016 - ` Nil, March 31, 2015 - ` Nil) to gratuity fund during the annual period beginning after balance sheet date.

The following is the maturity profile of the Group's defined benefit obligation

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015 (Proforma)**
Weighted average duration (based on discounted cashflows)	8 to 12 years	5 to 14 years	5 to 15 years

The principal assumptions used in determining gratuity benefit obligations for the Group's plan are shown below:

Particulars	**For the year ended**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Discount rate	6.90%	7.65% - 7.80%	8.00% - 8.04%
Salary Growth rate	5.00%	5.00%	5.00%-5.50%
Employee Attrition rate			
- Less than 5 years of service	25%	2.47% - 25%	2.47% - 25%
- More than 5 years of service	5% - 10%	2.62% - 10%	2.62% - 10%
- Age less than 30 years	-	18%	18%
- Age more than 30 years	-	16%	16%

The estimates of future salary increases, considered in actuarial valuation, takes in account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2017 is as shown below:

Particulars	**For the year ended**					
	March 31, 2017		**March 31, 2016**		**March 31, 2015 (Proforma)**	
	Decrease	**Increase**	**Decrease**	**Increase**	**Decrease**	**Increase**
Discount Rate (-/+1%) (Amount in ` million)	14.83	(12.83)	12.78	(11.02)	12.10	(10.42)
(% change compared to base due to sensitivity)	9.32%	-8.06%	9.02%	-7.78%	8.60%	-7.41%
Salary Growth Rate (-/+1%) (Amount in ` million)	(12.89)	14.58	(10.99)	12.52	(10.54)	11.90
(% change compared to base due to sensitivity)	-8.10%	9.16%	-7.76%	8.84%	-7.49%	8.46%
Attrition Rate (-/+ 50% of attrition rates) (Amount in ` million)	(6.08)	3.19	(8.42)	4.64	(8.38)	4.65
(% change compared to base due to sensitivity)	-3.82%	2.01%	-5.94%	3.28%	-5.96%	3.31%
Mortality Rate (-/+10% of Mortality rates) (Amount in ` million)	(0.07)	0.07	(0.09)	0.09	(0.08)	0.08
(% change compared to base due to sensitivity)	-0.04%	0.04%	-0.06%	0.06%	-0.06%	0.06%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

Other long term employee benefits
In accordance with its leave policy, the Group has provided for compensated absences on the basis of an actuarial valuation carried out by an independent actuary at the end of the year.

B Impairment testing of Goodwill

Goodwill acquired through business combinations have indefinite lives. Out of the total Goodwill of the Group:

a) ` 694.25 million (March 31, 2016: ` 694.25 million, March 31, 2015: ` 694.25 million), relates to the Cash Management division of the Holding Company.

b) ` 1,147.52 million (March 31, 2016: ` 1,147.52 million, March 31, 2015: ` 1,147.52 million), relates to acquisition of SIPL.

The Group performed its annual impairment test for years ended March 31, 2017, March 31, 2016 and March 31, 2015, respectively (hereinafter reference date is generally based on year-end). The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cashflows beyond 5 years using a growth rate of 4.5% (March 31, 2016: 4.5%, March 31, 2015: 4.5%) for both CGU's tested for impairment.

The said cash flow projections are based on the senior management past experience as well as expected met trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for products and services. The calculation of weighted average cost of capital (WACC) is based on the Group's estimated capital structure as relevant and attributable to the CGU. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks relating to the relevant CGUs, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate.

Based on the above assumptions and analysis, no impairment was identified for any of the CGUs as at March 31, 2017 and March 31, 2016 and March 31, 2015. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the CGU's recoverable amount, there are no scenarios identified by the Management wherein the CGU's carrying value could exceed its recoverable amount.

C Business combinations

On October 31, 2016, the Group acquired the ATM management service business of Clover Transaction Systems Private Limited, a Company based in Mumbai for ` 65.50 million. The fair values of the identifiable assets and liabilities on the date of acquisition were as follows:

Assets acquired and liabilities assumed	**Amount in ` million**
Assets	
Property, plant and equipment	69.07
Intangible asset	6.63
Trade receivables	11.72
Other financial assets	0.67
Other assets	4.63
Total assets acquired	**92.72**
Liabilities	
Trade payables	2.25
Other financial liabilities	17.69
Other liabilities	10.89
Deferred tax liability	2.29
Total Liabilities assumed	**33.12**
Net assets assumed	**59.60**
Total purchase consideration	65.50
Goodwill on acquisition	**5.90**

D Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities

Quantitative disclosures fair value measurement hierarchy as at March 31, 2017

Particulars	**Cost (` in million)**	**Fair value (` in million)**	**Level 2 (` in million)**
Assets measured at fair value			
FVTPL financial investments			
Investment in unquoted mutual fund units	190.00	190.11	190.11
Investment in unquoted equity shares	0.08	0.08	0.08

The fair value for the investments is arrived at with reference to the Net asset value (NAV) of the mutual fund unit as disclosed by the Asset management Company

The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, bank overdrafts and other financial liabilities and other financial asset approximate their carrying amounts largely due to the short-term maturities of these instruments.

Break up of financial assets carried at amortised cost

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Investments	-	-	1.33
Trade receivables	1,867.83	2,469.63	3,293.22
Cash and cash equivalents	204.72	280.84	49.75
Other bank balances	108.23	103.78	102.39
Other financial assets	1,813.44	2,057.77	1,656.63
Total financial assets carried at amortised cost	**3,994.22**	**4,912.02**	**5,103.32**

Break up of financial liabilities carried at amortised cost

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Borrowings	100.67	1,083.99	1,286.57
Trade payables	695.89	1,293.80	1,463.37
Other financial liabilities	1,012.67	1,251.55	1,817.46
Total financial liabilities carried at amortised cost	**1,809.23**	**3,629.34**	**4,567.40**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

E Financial risk management objectives and policies

The Group through it operations is exposed to interest risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk – Interest rates

No interest rate hedging instruments were entered in the current year or the previous year. In respect of the cash credit facilities and working capital demand loan taken these facilities are taken for a short term and hence potential interest rate fluctuation would have an insignificant effect.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the Group's established policy. To minimise the risk from the counter parties the company enters into financials transaction with counter parties who are major names in the industry.

A significant risk in respect of receivables is related to the default risk and credit risk. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of receivables disclosed in Annexure XIII. The Group does not hold collateral as security.

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Trade receivables concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse. The Group's historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, working capital demand loan and bank loans. The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017:

(Amount in million)

Particulars	On demand	Within 12 months	1 to 5 years	Total
	`	`	`	`
Borrowings (Annexure XV)	30.24	55.12	15.31	100.67
Trade and other payables (Annexure XVIII)	-	695.63	-	695.63
Other financial liabilities (Annexure XVIII)	-	1,012.67		1,012.67
Total	**30.24**	**1,763.42**	**15.31**	**1,808.97**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2016:

(Amount in million)

Particulars	On demand	Within 12 months	1 to 5 years	Total
	`	`	`	`
Borrowings (Annexure XV)	147.52	873.74	62.72	1,083.98
Trade and other payables (Annexure XVIII)	-	1,293.80	-	1,293.80
Other financial liabilities (Annexure XVIII)	-	1,251.55	-	1,251.55
Total	**147.52**	**3,419.09**	**62.72**	**3,629.33**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2015:

(Amount in million)

Particulars	On demand	Within 12 months	1 to 5 years	Total
	`	`	`	`
Borrowings (Annexure XV)	611.73	579.31	95.53	1,286.57
Trade and other payables (Annexure XVIII)	-	1,463.37	-	1,463.37
Other financial liabilities (Annexure XVIII)	-	1,817.46	-	1,817.46
Total	**611.73**	**3,860.14**	**95.53**	**4,567.40**

Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves. Thus, as at March 31, 2017, the capital employed by the Group is ` 5,733.80 million (March 31, 2016: ` 4,822.54 million, March 31, 2016: ` 4,228.49 million). The primary objective of the Group's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the return capital to shareholders or issue new shares. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Thus, as at March 31, 2017, the Group's net debt is is ` 1,604.51 million (March 31, 2016: ` 3,348.50 million, March 31, 2015: ` 4,517.65 million).

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year or previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and March 31, 2015.

F Provision for warranty

A provision of ` 32.44 million (March 31, 2016: ` 45.73 million and March 31, 2015: ` 7.41 million) is recognized for expected warranty claims on sale of ATM sites and related products during the current year. The provision is recognised based on historical experience and expected costs that will be incurred on providing repairs and maintenance services during the warranty period. Assumptions used to calculate the provision for warranty is based on current sales levels and current information available based on the warranty period for the ATM sites and related products sold. The table below gives information about movement in warranty provision.

(Amount in million)

Particulars	For the year ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
At the beginning of the year	45.74	7.41	24.69
Arising during the year	7.26	45.50	6.86
Utilised during the year	(23.85)	(7.67)	(25.50)
Unwinding of finance cost	3.29	0.50	1.36
At the end of the year	**32.44**	**45.74**	**7.41**

G Employee Stock Option Schemes

ESOP Scheme Prior to 2016-17

On transition date, the Group accounted for unvested option at fair value while for vested options, the Group has elected to use exemption under Ind AS 101 for application of Ind AS 102.

CEO Employee Stock Option plan 2008

The option granted to CEO under the scheme were vested as on date of transition.

As on April 01, 2015, CMS Securitas Employee Trust held 6,300,000 equity shares in the Company to be issued to CEO under CEO Employee Stock Option Scheme of the Group have been disclosed as treasury shares. During the year ended March 31, 2016, the Group has issued additional 1,224,810 equity shares to the trust.

In August 2015, CEO exercised 7,524,810 vested options at average exercise price of ` 33.27 through CMS Securitas Employee Welfare Trust. Further the company purchased remaining 116,120 vested options from the CEO for ` 9.4 million as part of the stake sale to Sion Investment Holdings Pte. Ltd by erstwhile shareholders. The payment made against repurchase of vested option was recognized in retained earnings, net of tax, for the year ended March 31, 2016.

Employee Stock Option Scheme, 2010

On transition date, the Group accounted for unvested option (7, 50,500 options) at fair value while for vested options (3,802,300 options), the Group has elected to use exemption under Ind AS 101 for application of Ind AS 102. In August 2015, on the stake sale to Sion Investment Holdings Pte. Ltd by erstwhile shareholders, the Group cancelled the unvested options (551,781 options) and repurchased the vested options (4,001,019 options). On cancellation of unvested options, the Group accounted cost for an accelerated vesting amounting to ` 1.91 million. The payment made against repurchase of vested option was recognized in retained earnings, net of tax, amounting to ` 208.61 million.

ESOP Scheme in current year 2016-17

During the current year the shareholder approved three employee stock scheme Employee Stock Option Scheme 2016, CEO Stock Option Scheme 2016 and Management Scheme 2016.

Following are details of the scheme:

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	46,04,444	98,66,667	19,73,333
Number of option granted on October 20, 2016 under the scheme	37,00,000	98,66,667	-

Following is the vesting period for grants during the year:

Vesting Period	Employee Scheme		CEO Scheme
	Time Based	Performance Based*	Time Based
12 months from date of grant	25.00%	0.00%	100%
21 months from date of grant	8.33%	16.67%	-
33 months from date of grant	8.33%	16.67%	-
45 months from date of grant	8.34%	16.66%	-

*For options granted in October 2016, 21st month vesting will be based on Company / business unit performance for the financial year ending 31 March 2018 and so on. The performance condition are assessed as non-market conditions.

The vested options can be exercised by the employees only upon happening of liquidity event. In case of listing, being a liquidity event, the vested options can be exercised within 1 year of the date such options are vested. In any other liquidity event, the vested options can be excised within such period as may be prescribed by the Board in this regard. In case of CEO Scheme, the vested options can be exercised anytime up to 2 years from the date of listing or 5 years from the date of vesting whichever is earlier. The exercise price of the option is ` 123.

The following table summarises the movement in stock options granted during the year:

Particulars	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	-	-
Granted during the year (no. of options)	37,00,000	98,66,667
Forfeited / cancelled during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	**37,00,000**	**98,66,667**
Exercisable at the end of the year	-	-
Weighted average exercise price (in `)	123.00	123.00
Weighted average remaining contractual life (in years)	1.41	0.58
Weighted average fair value of options granted (in `)	28.33	25.38

The Group has used Black Scholes option pricing model. The following tables list the inputs to the models used for the both Employee and CEO plans for the years ended 31 March 2017:

Particulars	Assumptions
Dividend yield (%)	0%
Expected volatility (%)	25%
Risk–free interest rate (%)	7%
Expected life of share options (years)	2 -3.7 years
Weighted average fair value per share (in `)	123.00

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. Based on above, The Group has recognized cost of ` 136.13 million in relation to this scheme in the current year (March 31, 2016: Nil, March 31, 2015: Nil).

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXII
Notes to the Restated Ind AS Consolidated Summary Statements (Continued)

H Scheme of arrangement

During the financial year 2014-2015, the Company incorporated CMS IT Services Private Limited (‘CMS IT Services’) as a wholly owned subsidiary with paid-up share capital of ` 0.1 million. Subsequently, the Company and CMS IT Services filed a Scheme for demerger (the ‘Scheme’) with the Honorable High Court of Judicature at Bombay for the transfer of the IT Enabled services, trading of IT equipment(s) and network training services (together the ‘Discontinuing operations’) from the Company to CMS IT Services. As a part of the consideration, the shareholders of the Company received shares in CMS IT Services.

The Scheme was approved by the Honorable High Court of Judicature at Bombay, vide their order dated January 23, 2015, which was filed with the Registrar of Companies on April 01, 2015. Accordingly the Scheme became effective on April 01, 2015 with appointed date January 01, 2015.

On the Scheme becoming effective, as per the terms of the scheme the shares held by the Company in CMS IT Services were cancelled. As prescribed in the Scheme, all assets and liabilities of the discontinuing operations as at December 31, 2014, were transferred to the CMS IT Services at their respective book values:

Particulars	**` million**
Property, plant and equipment	151.86
Deferred tax assets (net)	98.21
Long-term loans and advances (Contains components of ‘other asset’ and ‘other financial asset’)	89.58
Current assets	1,847.88
Total assets	**2,187.53**
Current liabilities	824.89
Provisions	71.87
Total liabilities	**896.76**
Net assets transferred in the Scheme	**1,290.77**
Investments in CMS IT Services cancelled	**0.10**
Adjusted in Securities premium	**1,136.21**
Adjusted in General reserve	**68.63**
Adjusted in retained earnings	**86.01**

The net liability of ` 641.95 payable to CMS IT Services has been disclosed under Other Current Financial Liabilities under Annexure XVIII as at March 31, 2015.

Pursuant to the requirement of Ind AS 105 ‘Discontinuing Operations’, the Group has treated the de-merged businesses as discontinuing operations and has made required disclosure below.

The following statement shows the revenue and expenses of the Discontinuing operations:

(Amount in million)

Particulars	**For the period ended December 31, 2014**
	`
Revenue	2,127.87
Other Income	20.77
Expenses	2,362.58
Loss from operating activities	**(213.94)**
Depreciation and amortization expense	(58.36)
Loss before tax	**(272.30)**
Income-tax expense	93.70
Loss after tax	**(178.60)**

The carrying amounts of the total assets and liabilities transferred on 01 January, 2015 are as follows.

(Amount in million)

Particulars	**As at December 31, 2014**
	`
Total assets	2,187.52
Total liabilities	896.76
Net assets	**1,290.76**

The net cash flows attributable to the Discontinuing operations are as below:

(Amount in million)

Particulars	**For the period ended December 31, 2014**
	`
Operating activities	22.59
Investing activities	(23.37)
Financing activities	-
Net cash outflows	**(0.78)**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Ind AS Consolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Consolidated Financial Statements - Annexure VI.

Auditors' Report on the restated consolidated summary statements of Assets and Liabilities as at March 31, 2014 and 2013, Profits and Losses and Cash Flows for each of the year ended March 31, 2014 and 2013 of CMS Info Systems Limited (collectively, the "Restated Previous GAAP Consolidated Summary Statements")

To
The Board of Directors
CMS Info Systems Limited
Silver Metropolis, 11th Floor
Western Express Highway
Goregaon (East), Mumbai - 400063

Dear Sirs,

1. We have examined the attached Restated Previous GAAP Consolidated Summary Statements of CMS Info Systems Limited (the "Company") and its subsidiaries (together referred as the "Group") as at and for each of the year ended March 31, 2014 and 2013 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Previous GAAP Consolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

   a. Sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and

   b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

Management's Responsibility for the Restated Previous GAAP Consolidated Summary Statements

2. The preparation of the Restated Previous GAAP Consolidated Summary Statements, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Previous GAAP Consolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Previous GAAP Consolidated Summary Statements taking into consideration:

   a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 10, 2017, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;

   b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

   c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an initial public offer of its equity shares, having a face value of ` 10 each, at an issue price to be arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Company's Board of Directors.

Restated Previous GAAP Consolidated Summary Statements as per audited consolidated financial statements:

5. The Restated Previous GAAP Consolidated Summary Statements have been prepared in accordance with accounting principles generally accepted in India ("Previous GAAP" or "Indian GAAP") and have been compiled by the management of the Company from:

   a) the audited consolidated financial statements of the Group as at and for each of the year ended March 31, 2014 and 2013, prepared in accordance with Indian GAAP, which have been approved by the Board of Directors at their meeting held on March 16, 2017; and

   b) the financial information in relation to the Company's subsidiaries as listed below, which are audited by the other auditors and included in the consolidated financial statements:

Name of the entity	Name of the audit firm	Relationship	Period covered
CMS Securitas Limited	Basant Jain & Associates, Chartered Accountants	Subsidiary	As at and for the year ended March 31, 2014 and 2013
CMS Marshall Limited	Basant Jain & Associates, Chartered Accountants	Subsidiary	As at and for the year ended March 31, 2014, and 2013

6. For the purpose of our examination, we have relied on:

   a) Auditors' Report issued by us dated March 16, 2017 on the Consolidated financial statements of the Group as at and for each of the year ended March 31, 2014 and 2013, respectively; and

   b) As indicated in our audit reports referred to above, we did not audit the financial statements of certain subsidiaries as referred in Para 5(b) above, whose financial statements reflect total assets, total revenues, net cash inflows / (outflows) and net profit / (loss) for the relevant year as tabulated below and included in the Restated Previous GAAP Consolidated Summary Statements:

(Rs in million)

As at and for the year ended	Total Assets of subsidiaries	Total revenues of subsidiaries	Total Net Cash Inflows / (Outflows) of subsidiaries	Total net profit / (loss) of subsidiaries
March 31, 2014	199.05	593.10	(18.96)	12.85
March 31, 2013	190.01	599.37	12.28	(1.02)

These financial statements have been audited by other firms of Chartered Accountants as listed in Para 5(b) above, whose reports have been furnished to us and our opinion in so far as it relates to the amounts included in these Restated Previous GAAP Consolidated Summary Statements are based solely on the report of other auditors.

These other auditors, as mentioned in paragraph 5(b) of the subsidiaries, have confirmed that the Restated Previous GAAP financial information of such subsidiaries:

i) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2014 are materially consistent with the policies adopted for each of the year ended March 31, 2013 as applicable to such subsidiaries. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate; and

iii) as per the requirements of Indian GAAP do not contain any extra-ordinary items that need to be disclosed separately in the Restated Previous GAAP Consolidated Summary Statements and do not contain any qualification requiring adjustments.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Group contained in Restated Previous GAAP Consolidated Summary Statements, which as stated in the Annexure IV to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements, read with paragraph 7(d) below:

a) The Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group as at March 31, 2014 and 2013 under Indian GAAP examined by us, as set out in Annexure I to this report;

b) The Restated Previous GAAP Consolidated Summary Statement of Profit and Losses of the Group for each of the year ended March 31, 2014 and 2013 under Indian GAAP examined by us, as set out in Annexure II to this report;

c) The Restated Previous GAAP Consolidated Summary Statement of Cash Flows of the Group for each of the year ended March 31, 2014 and 2013 under Indian GAAP examined by us, as set out in Annexure III to this report; and

d) Based on the above and according to the information and explanations given to us, we further report that the Restated Previous GAAP Consolidated Summary Statements of the Group, as attached to this report and as mentioned in paragraphs 7(a) to 7(c) above, read with basis of preparation and respective significant accounting policies given in Annexure IV as described in paragraph 1 have been prepared in accordance with the Rules and the SEBI Regulations and these Restated Previous GAAP Consolidated Summary Statements:

   i) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2014 are materially consistent with the policies adopted as at and for the year ended March 31, 2013. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

   ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

iii) as per requirements of Indian GAAP, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Previous GAAP Consolidated Summary Statements; and

iv) There are no qualifications in the auditors' reports on the audited consolidated financial statements of the Company as at and for each of the year ended March 31, 2014 and 2013, which require any adjustments to the Restated Previous GAAP Consolidated Summary Statements.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to March 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following Restated Previous GAAP consolidated financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Group as at and for the year ended March 31, 2014 and 2013:

(i) Restated Previous GAAP Consolidated Statement of Share Capital, enclosed as Annexure VI;
(ii) Restated Previous GAAP Consolidated Statement of Reserves and Surplus, enclosed as Annexure VII;
(iii) Restated Previous GAAP Consolidated Statement of Long-term and Short-term Borrowings, enclosed as Annexure VIII;
Restated Previous GAAP Consolidated Statement of Trade Payables and Other Liabilities, enclosed as Annexure IX;
(iv) Restated Previous GAAP Consolidated Statement of Provisions, enclosed as Annexure X;
(v) Restated Previous GAAP Consolidated Statement of Fixed Assets, enclosed as Annexure XI;
(vi) Restated Previous GAAP Consolidated Statement of Non-Current Investments, enclosed as Annexure XII;
(vii) Restated Previous GAAP Consolidated Statement of Deferred Tax Assets (Net), enclosed as Annexure XIII;
(viii) Restated Previous GAAP Consolidated Statement of Loans and Advances, enclosed as Annexure XIV;
(ix) Restated Previous GAAP Consolidated Statement of Other Assets, enclosed as Annexure XV;
(x) Restated Previous GAAP Consolidated Statement of Inventories, enclosed as Annexure XVI;
(xi) Restated Previous GAAP Consolidated Statement of Trade Receivables, enclosed as Annexure XVII;
(xii) Restated Previous GAAP Consolidated Statement of Cash and Bank Balances, enclosed as Annexure XVIII;
(xiii) Restated Previous GAAP Consolidated Statement of Revenue from operations, enclosed as Annexure XIX;
(xiv) Restated Previous GAAP Consolidated Statement of Interest and Other Income, enclosed as Annexure XX;
(xv) Restated Previous GAAP Consolidated Increase in Inventories, enclosed as Annexure XXI;
(xvi) Restated Previous GAAP Consolidated Statement of Employee Benefit Expense, enclosed as Annexure XXII;
(xvii) Restated Previous GAAP Consolidated Statement of Other Expenses, enclosed as Annexure XXIII;

(xviii) Restated Previous GAAP Consolidated Statement of Finance Costs, enclosed as Annexure XXIV;
(xix) Restated Previous GAAP Consolidated Statement of Leases, enclosed as Annexure XXV;
(xx) Restated Previous GAAP Consolidated Statement of Segment Information, enclosed as Annexure XXVI;
(xxi) Restated Previous GAAP Consolidated Statement of Related Party Transactions, enclosed as Annexure XXVII;
(xxii) Consolidated Statement of Contingent Liabilities & Capital Commitments, enclosed as Annexure XXVIII;
(xxiii) Restated Previous GAAP Consolidated Statement of Accounting Ratios, enclosed as Annexure XXIX;
(xxiv) Statement of Dividend Paid, enclosed as Annexure XXX;
(xxv) Notes to the Restated Previous GAAP Consolidated Summary Statement, enclosed as Annexure XXXI

10. According to the information and explanations given to us, in our opinion, the Restated Previous GAAP Consolidated Summary Statements and the abovementioned Restated Previous GAAP financial information contained in Annexures I to XXXI accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure V and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. Our report is intended solely for use of the management for inclusion in the offer document to be filed with SEBI, National Stock Exchange of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Kalpesh Jain
Partner
Membership No: 106406
Place: Mumbai
Date: August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure I
Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities

(Amount in million)

Sr. No.	Particulars	Annexures	As at March 31, 2014 `	As at March 31, 2013 `
	Equity and liabilities			
A	**Shareholders' funds**			
	Share capital	VI	1,617.75	1,617.75
	Reserves and surplus	VII	3,776.80	2,867.71
	Total of Shareholders' funds		**5,394.55**	**4,485.46**
B	**Minority interest**		**23.08**	**13.70**
C	**Non-current liabilities**			
	Long-term borrowings	VIII	186.20	221.75
	Other long-term liabilities	IX	-	4.37
	Long-term provisions	X	38.42	55.12
	Total of Non-current liabilities		**224.62**	**281.24**
D	**Current liabilities**			
	Short-term borrowings	VIII	700.01	254.22
	Trade payables	IX	2,860.68	615.58
	Other current liabilities	IX	2,229.49	1,879.86
	Short-term provisions	X	280.59	177.79
	Total of Current liabilities		**6,070.77**	**2,927.45**
	Total (A + B + C + D)		**11,713.02**	**7,707.85**
	Assets			
E	**Non - current assets**			
	Fixed assets			
	Tangible assets	XI	1,349.52	1,111.42
	Intangible assets	XI	110.16	128.96
	Capital work-in-progress		36.13	131.14
	Goodwill		1,841.77	1,841.77
	Non-current investments	XII	1.40	1.40
	Deferred tax assets (net)	XIII	163.37	127.99
	Long-term loans and advances	XIV	706.14	230.19
	Other non-current assets	XV	18.78	38.15
	Total of Non - current assets		**4,227.27**	**3,611.02**
F	**Current assets**			
	Inventories	XVI	1,931.10	120.38
	Trade receivables	XVII	3,248.78	2,322.28
	Cash and bank balances	XVIII	82.15	213.33
	Short-term loans and advances	XIV	626.26	604.74
	Other current assets	XV	1,597.46	836.10
	Total of Current assets		**7,485.75**	**4,096.83**
	Total (E + F)		**11,713.02**	**7,707.85**

Note:
The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

For and on behalf of the Board of Directors of CMS Info Systems Limited

per Kalpesh Jain
Partner
Membership No.: 106406

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure II
Restated Previous GAAP Consolidated Summary Statement of Profits and Losses

(Amount in million)

Sr. No.	Particulars	Annexures	For the years ended March 31, 2014	For the years ended March 31, 2013
			`	`
G.	**Income**			
	Revenue from operations	XIX	11,862.94	9,743.16
	Other income	XX	23.05	52.20
	Total revenue		**11,885.99**	**9,795.36**
H.	**Expenses**			
	Cost of materials consumed		1.22	3.74
	Purchase of traded goods		4,069.84	1,108.73
	Increase in inventories	XXI	(1,809.77)	(6.24)
	Employee benefit expense	XXII	2,983.56	2,650.30
	Other expenses	XXIII	4,843.27	4,133.11
	Foreign exchange (gain) / loss (net)		(0.86)	0.55
	Total expenses		**10,087.26**	**7,890.19**
I.	**Earnings before interest, tax, depreciation and amortisation (EBITDA)**		**1,798.73**	**1,905.17**
	Depreciation and amortisation	XI	328.95	282.49
	Interest Income	XX	32.85	36.14
	Finance costs	XXIV	168.03	171.42
J.	**Restated profit before tax**		**1,334.60**	**1,487.40**
K.	**Tax expense**			
	Current tax		479.60	547.93
	Adjustment of tax relating to earlier years		(28.14)	5.39
	Deferred tax credit		(35.37)	(88.73)
	Total tax expense		**416.09**	**464.59**
L.	**Profit for the year**		**918.51**	**1,022.81**
	Less: Minority interest - Share of Profit		9.38	8.96
L.	**Restated profit for the year attributable to shareholders of parent**		**909.13**	**1,013.85**

Note:
The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and statement of restatement adjustments to audited Previous GAAP Consolidated financial statements appearing in Annexure V.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Previous GAAP Consolidated Summary Statement of Cash Flows

(Amount in million)

Sr. No.	Particulars	For the years ended March 31, 2014 `	March 31, 2013 `
A	**Cash flow from operating activities:**		
	Profit before tax (as restated)	1,334.60	1,487.40
	Adjustments for:		
	Prior Period expense adjusted in restatement	-	(41.24)
	Depreciation and amortisation	328.95	282.49
	Unrealised foreign exchange loss	0.18	0.79
	Realised foreign exchange loss on repayment of secured loan and interest	-	7.63
	Provision for doubtful receivables (net)	99.21	98.73
	Provision for doubtful deposits and advances (net)	5.84	6.16
	Bad debts written off	67.77	62.66
	Loss on sale / write off of fixed assets (net)	9.87	15.81
	Sundry balances written back	(1.14)	(28.06)
	Provision for warranty (net)	26.56	-
	Provision for doubtful insurance claims (net)	16.11	30.36
	Interest income	(31.93)	(36.14)
	Finance costs	168.03	163.79
	Operating profit before working capital changes	**2,024.05**	**2,050.38**
	Movement in working capital		
	Increase in trade receivables	(1,093.48)	(508.78)
	Increase in loans and advances	(514.02)	(98.38)
	(Increase) / decrease in inventories	(1,810.72)	7.42
	Increase in other assets	(757.32)	(271.23)
	Increase in trade payables and other liabilities	3,199.98	30.00
	Increase in provisions	24.55	26.17
	Cash flow generated from operations	**1,073.04**	**1,235.58**
	Direct taxes paid (net of refunds)	(418.33)	(353.10)
	Net cash flow from operating activities (A)	**654.71**	**882.48**
B	**Cash flow from investing activities:**		
	Proceeds from sale of fixed assets	7.68	3.09
	Purchase of fixed assets (including CWIP and capital advances)	(496.28)	(410.61)
	Payment made on acquisition of subsidiary	(533.16)	(11.92)
	Loan given to employee welfare trust (net)	(61.84)	-
	Margin money deposits matured	88.86	239.14
	Margin money deposits placed	(70.74)	(261.57)
	Interest received	32.02	35.77
	Net cash flow from used in investing activities (B)	**(1,033.46)**	**(406.10)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	435.19	155.91
	Repayment of long-term borrowings	(462.30)	(402.51)
	Proceeds from / (repayment of) short-term working capital demand loans from banks (net)	80.00	(80.00)
	Cash credit facilities with banks availed (net)	365.80	43.83
	Dividend paid on preference shares (including dividend distribution tax)	(0.04)	-
	Finance costs	(158.08)	(122.73)
	Net cash flow from / (used in) financing activities (C)	**260.57**	**(405.50)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(118.18)**	**70.88**
	Cash and cash equivalents at the beginning of the year	143.96	73.08
	Cash and cash equivalents at the end of the year	**25.78**	**143.96**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Consolidated Summary Statement of Cash Flows (continued)

(Amount in million)

Sr. No.	Particulars	For the years ended	
		March 31, 2014	**March 31, 2013**
		`	`
	Cash and cash equivalents comprises of:		
	Cash on hand	3.87	3.40
	With banks - on current account	21.84	140.50
	In deposits account with original maturity of less than three months	0.07	0.06
	Total	**25.78**	**143.96**

Notes:
The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV

and statement of restatement adjustments to audited Previous GAAP Consolidated financial statements appearing in Annexure V.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (Formerly known as CMS Info Systems Private Limited)
Annexure IV
Notes to Restated Previous GAAP Consolidated Summary Statements-Accounting Policies
(Amount in million)

1. Company Overview

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited) (the "Company") is a Company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card personalisation services. The Company was engaged in business of trading in computer systems and peripherals, computer hardware and network trading up to financial year 2014-15.

2. Basis of preparation

The Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2014 and March 31, 2013, the related Restated Previous GAAP Consolidated Summary Statement of Profit and Losses and Restated Previous GAAP Consolidated Summary Statement of Cash Flows for the years ended March 31, 2014 and March 31, 2013 (hereinafter collectively referred to as "Restated Previous GAAP Consolidated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

These Restated Previous GAAP Consolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Consolidated Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant provisions of Companies Act, 2013 read with relevant provisions, read together with Rule 7 of the Companies (Accounts) Rules, 2014.

The Restated Previous GAAP Consolidated Financial information were authorised for issue in accordance with a resolution of the directors on August 28, 2017.

The accounting policies adopted in the preparation of the Restated Previous GAAP Consolidated Financial Information are consistent with those followed in the previous years. The accounting policies have been consistently applied by the Group and are consistent with those used in previous year.

The subsidiaries considered in the preparation of the CFS and the shareholding of the Company in these companies are as follows:

(Amount in million)

Sr. No	Name of company	Country of incorporation	Percentage of ownership interest as at	
			March 31, 2014	March 31, 2013
1	Securitrans India Private Limited ("SIPL")	India	95%	95%
2	CMS Securitas Limited ("CSL")	India	100%	100%
3	CMS Marshall Limited ("CML")	India	100%	100%

2.1 Summary of significant accounting policies

a) Principles of consolidation:

The CFS has been prepared using uniform accounting policies and on the following basis:

The financial statements of the Company and its subsidiary companies have been combined on a line to line basis by adding together like items of assets, liabilities, income and expenses. The subsidiaries are consolidated from acquisition date till the date they cease to become a subsidiary. The intra group balances and intra Group transactions and unrealised profits or losses have been fully eliminated unless cost cannot be recovered.

The excess of the cost to the Company of its investment in a subsidiary over the Company's portion of equity of the subsidiary, at the date on which the investment in the subsidiary is made, is accounted as goodwill; when the cost to the Company of its investment in the subsidiary is less than the Company's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, the difference is accounted as capital reserve.

Minority interest in the net assets of subsidiaries consists of the amount of equity attributable to the minority shareholders at the date on which investments are made by the Company in the subsidiary companies.

The CFS is based, in so far as it is related to amounts included in respect of subsidiaries, on the audited financial statements of each of the subsidiaries. The Company's subsidiaries have the same accounting year as the Parent.

b) Use of estimates

The preparation of CFS in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(Amount in million)

d) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates received are deducted in arriving at the purchase price. Capital work-in-progress is stated at cost.

e) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided based on the Straight Line Method (SLM) based on the useful lives of the assets estimated by management which are greater than or equal to the rates as prescribed in Schedule XIV of the Act as under:

Description of the assets	Rates used by the Group	Rates as per Schedule XIV of the Erstwhile Act
Plant and machinery	14.28	4.75
Electrical installations	20.00	4.75
Furniture, fixtures and fittings	14.28	6.33
Office equipment	14.28	4.75
Computers and peripherals (owned and leased)	16.21	16.21
Vehicles	9.50	9.50
Vehicles (used in ATM and Cash Management Business)	16.21	9.50

Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the month of acquisition/disposal.

Leasehold Improvements are amortised on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

f) Intangible fixed assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the consolidated Statement of Profit and Loss in the year in which the expenditure is incurred.

Goodwill represents the excess of purchase consideration paid over the value of net assets of CMS Computers Limited taken over by the Company in accordance with the Scheme of Arrangement in 2009 with CMS Computers Limited.

Non-Compete Fees paid to erstwhile owners of SIPL has been recognised as an intangible asset and the same is amortised over the period of Non-Compete Agreement i.e. seven years.

Computer Software purchased is amortised over the useful life as estimated by the management on a straightline basis.

Goodwill arising on consolidation is not amortised but tested for impairment in accordance with the accounting policy stated in para (h) below.

g) Leases

Where the Group is the lessee:

Finance lease**:**

Finance leases, where the lessor effectively transfers to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return (“IRR”). Finance charges are recognised as finance costs in the consolidated Statement of Profit and Loss.

Operating lease:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Group is the lessor:

Finance lease**:**

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the lease rentals are apportioned between the principal repayment and interest income on the IRR method. The principal amount received reduces the net investment in the lease and the interest income is recognised in the consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the consolidated Statement of Profit and Loss.

Operating lease:

Leases in which the Group does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognised based on use of assets by the customers. Costs, including depreciation, are recognised as an expense in the consolidated Statement of Profit and Loss

h) Impairment of tangible and intangible fixed assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of operations, including impairment on inventories, are recognised in the consolidated Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

i) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the consolidated Statement of Profit and Loss.

j) Inventories

Inventories are valued as under:

Raw materials and stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw material and stores and spares consumed is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost is determined on a weighted average basis.

Trading goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

k) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods*:*
Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. The Group collects sales tax and value added taxes on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Sale of services*:*
Revenue from ATM and cash management services and allied operations is recognised when the required services are rendered in accordance with the contracts / agreements entered into with the customer and is disclosed net of deductions for shortages etc. charged by the customers as per the terms of agreement.

Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract.

The Group collects sales tax, value added tax, service tax and works contract tax on behalf of the government and thereof these are not economic benefits flowing to the Group. Hence they are excluded from revenue

Revenue recognised in excess of billings is classified as unbilled revenue while billing in excess of revenue is classified as unearned revenue.

Other operating revenues:

Other operating revenue include income from lease rentals which is recognised on a straight line basis over the lease term.

Interest:

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends:

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

l) Foreign currency translation

Foreign currency transactions and balances

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the consolidated Statement of Profit and Loss for the year in which they arise.

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. Actuarial gains/losses are recognised in full in the year in which they occur in the consolidated Statement of Profit and Loss. The Group, excluding SIPL, makes contributions to a trust administered and managed by the insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Group, although the insurance company administers the scheme.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the year end made by an independent valuer as per projected unit credit method. The Group presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains / losses are immediately taken to the consolidated Statement of Profit and Loss and are not deferred.

n) Income taxes

Tax expense comprises of current and deferred tax. Current tax is measured at the amount expected to be paid to the Tax Authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred tax reflects the impact of current year timing differences between taxable and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax liabilities relate to taxes on income levied by same governing tax laws. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the legal entity has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, unrecognised deferred tax assets are recognised to the extent that it has become reasonably or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Group writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

o) Segment reporting

Identification of segments:

The Group's operating businesses are organised and managed separately according to the nature of products and services rendered, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

Inter segment Transfers:

The Group generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies:

The Group prepares its segment information in conformity with accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole.

p) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

q) Provisions

A provision is recognised when the Group has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. The estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions for warranty-related costs are recognised when the related product is sold or service provided. Provision is made based on historical experience and estimates of costs to be incurred in providing the warranty related services. The estimate of such warranty-related costs is reviewed and revised annually.

r) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Group does not recognise a contingent liability but discloses its existence in the financial statements.

s) Claims for cash lost

Cash lost in transit i.e. due to theft, loot, etc. is assessed by the Group for recoverability from insurance company based on facts available from investigation carried out by Group and external agencies / authorities in respect of specific incidence. The Group further evaluates past trends for the extent and timing of claims approved by the insurance company. In case there is no reasonable certainty of recoverability, cash loss is charged off to the statement of profit and loss.

t) Cash and cash equivalents

Cash and cash equivalents for the purpose of consolidated cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

u) Employee Stock Compensation Cost

The Company has issued equity settled stock options. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on Accounting for Employee share-based Payments, issued by Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the options on straight lines basis.

v) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the consolidated Statement of Profit and Loss. The Group measures EBITDA on the basis of profit / (loss) from operations. In its measurement, the Group does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements

A. The summary of results of restatement made in the audited Previous GAAP Consolidated financials statements for the respective years and its impact on the profit of the Company is as follows:

(Amount in million)

Particulars	**Notes**	**For the years ended March 31, 2014**	**For the years ended March 31, 2013**
		`	`
Net profit as per audited financial statements		918.51	981.57
<u>**Restatement adjustments**</u>			
a. Material items relating to previous years			
Prior period expenses	B-1	-	41.24
Total impact of restatement adjustments		**-**	**41.24**
Net profit as per restated financial statements		**918.51**	**1,022.81**

B. Explanatory notes:

1 In the year ended March 31, 2013, expenses to the extent of ` 41.24 million was provided in respect of earlier years. For the purpose of restated financial statement this prior period expense has been appropriately restated for the respective year.

C. Restatement adjustments made in the audited opening balance of net surplus in the statement of profit and loss as at April 01, 2012

(Amount in million)

Particulars	**Notes**	**For the years ended March 31, 2013**
		`
Net Surplus in the Statement of Profit and Loss as at April 01, 2012 as per audited financial statements		486.39
<u>**Restatement Adjustments:**</u>		
Material items relating to previous years		
<u>Prior period expenses</u>		
Legal, professional and consultancy fees	B-1	(19.75)
Salaries, wages and bonus	B-1	(21.49)
Total impact of adjustments		**(41.24)**
Net Surplus in the Statement of Profit and Loss as at April 01, 2012 (as restated)		**445.15**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VI
Restated Previous GAAP Consolidated Statement of Share Capital

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Authorised		
148,000,000 (March 31, 2013 - 148,000,000) equity shares of ` 10 each	1,480.00	1,480.00
1,500,000 (March 31, 2013 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ` 100	150.00	150.00
	1,630.00	**1,630.00**
Issued, subscribed and fully paid up:		
146,775,190 (March 31, 2013 - 146,775,190) equity shares of ` 10 each	1,467.75	1,467.75
1,500,000 (March 31, 2013 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ` 100	150.00	150.00
	1,617.75	**1,617.75**

Note:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VII
Restated Previous GAAP Consolidated Statement of Reserves and Surplus

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Securities premium account	**1,136.21**	**1,136.21**
General Reserve	**272.53**	**272.53**
Surplus in the statement of profit and loss		
Balance at the beginning of the year	1,458.97	445.15
Add : Profit for the year	909.13	1,013.85
Less: Appropriations		
Dividend on preference shares (amount per share ` 0.02, March 31, 2013 - ` 0.02)	0.03	0.03
Tax on preference dividend	0.01	0.00
Net surplus in the statement of profit and loss	**2,368.06**	**1,458.97**
Total	**3,776.80**	**2,867.71**

Note:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VIII
Restated Previous GAAP Consolidated Statement of Long-term and Short-term Borrowings

(a) Long-term borrowings

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Term loans - secured		
From banks	343.44	344.67
From financial institutions	45.50	237.50
Finance lease	0.67	21.40
	389.61	**603.57**
Term loans - unsecured		
From banks	186.83	-
	186.83	**-**
Current maturities of long-term borrowings*	(390.24)	(381.82)
Total	**186.20**	**221.75**

* Current maturities of long term borrowings are grouped under "Other current liabilities" in the restated previous GAAP Consolidated statement of assets and liabilities.

(b) Short-term borrowings

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Secured		
From banks:		
Working capital demand loans	-	20.00
Cash credit facilities with banks	600.01	234.22
Unsecured		
From banks:		
Working capital demand loans	100.00	-
Total	**700.01**	**254.22**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure IX
Restated Previous GAAP Consolidated Statement of Trade Payables and Other Liabilities

(Amount in million)

Particulars	As at			
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Trade payables (A)	-	-	2,860.68	615.58
Other liabilities				
Current maturities of long term borrowing	-	-	389.57	361.09
Current maturities of finance lease obligations	-	-	0.67	20.73
Payable towards purchase of investments	-	-	-	595.00
Interest accrued but not due on borrowings	-	-	1.78	1.81
Unearned revenue	-	4.37	42.00	41.77
Payables for purchase of capital goods	-	-	9.79	32.66
Payables to employees	-	-	383.91	334.91
Accrued expenses	-	-	1,023.35	371.26
Advance from customers	-	-	332.19	38.26
Statutory liabilities	-	-	46.23	82.37
Total Other Liabilities (B)	**-**	**4.37**	**2,229.49**	**1,879.86**
Total (A+B)	**-**	**4.37**	**5,090.17**	**2,495.44**

Note:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure X
Restated Previous GAAP Consolidated Statement of Provisions

(Amount in million)

Particulars	As at			
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Provision for employee benefits				
Provision for gratuity	38.42	55.12	99.57	61.62
Provision for compensated absences			64.01	60.71
Other provisions				
Provision for warranty	-	-	26.56	-
Provision for taxation (net of taxes paid)	-	-	90.45	55.46
Total	**38.42**	**55.12**	**280.59**	**177.79**

Note:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XI
Restated Previous GAAP Consolidated Statement of Fixed Assets

Tangible Assets

(Amount in million)

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold Building	Leasehold Improvements	Computers and peripherals	Total
	`	`	`	`	`	`	`	`	`
Gross block value as at April 01, 2012	**152.70**	**98.49**	**171.49**	**676.49**	**54.33**	**25.93**	**46.69**	**464.08**	**1,690.20**
Additions during the year	18.96	4.42	14.50	299.85	17.70	-	6.34	34.47	396.24
Deletions during the year	2.08	4.08	5.21	34.27	1.16	-	1.21	1.98	49.99
Gross block value as at March 31, 2013	**169.58**	**98.83**	**180.78**	**942.07**	**70.87**	**25.93**	**51.82**	**496.57**	**2,036.45**
Additions during the year	43.47	6.00	12.42	406.01	17.08	-	17.54	55.08	557.60
Deletions during the year	10.06	1.22	2.72	37.39	8.89	-	0.51	9.20	69.99
Gross block value as at March 31, 2014	**202.99**	**103.61**	**190.48**	**1,310.69**	**79.06**	**25.93**	**68.85**	**542.45**	**2,524.06**
Accumulated depreciation as at April 01, 2012	**29.33**	**23.08**	**45.72**	**285.70**	**19.41**	**3.77**	**13.09**	**278.52**	**698.62**
Depreciation for the year	14.78	7.56	18.03	121.12	15.25	0.43	7.38	72.96	257.51
Accumulated depreciation on disposals	0.92	0.68	2.37	21.01	0.40	-	0.31	5.41	31.10
Accumulated depreciation as at March 31, 2013	**43.19**	**29.96**	**61.38**	**385.81**	**34.26**	**4.20**	**20.16**	**346.07**	**925.03**
Depreciation for the year	19.89	10.56	20.09	171.64	10.48	0.43	8.64	60.22	301.95
Accumulated depreciation on disposals	2.86	0.51	1.26	35.80	2.88	-	0.17	8.96	52.44
Accumulated depreciation as at March 31, 2014	**60.22**	**40.01**	**80.21**	**521.65**	**41.86**	**4.63**	**28.63**	**397.33**	**1,174.54**
Net block as at March 31, 2013	**126.39**	**68.87**	**119.40**	**556.26**	**36.61**	**21.73**	**31.66**	**150.50**	**1,111.42**
Net block as at March 31, 2014	**142.77**	**63.60**	**110.27**	**789.04**	**37.20**	**21.30**	**40.22**	**145.12**	**1,349.52**

Intangible assets

(Amount in million)

Particulars	Non-compete fees	Computer software	Total
	`	`	`
Gross block value as at April 01, 2012	**150.10**	**29.94**	**180.04**
Additions during the year	-	3.84	3.84
Gross block value as at March 31, 2013	**150.10**	**33.78**	**183.88**
Additions during the year	-	8.20	8.20
Gross block value as at March 31, 2014	**150.10**	**41.98**	**192.08**
Accumulated amortisation as at April 01, 2012	**17.03**	**12.91**	**29.94**
Amortisation for the year	21.44	3.54	24.98
Accumulated amortisation as at March 31, 2013	**38.47**	**16.45**	**54.92**
Amortisation for the year	21.45	5.55	27.00
Accumulated amortisation as at March 31, 2014	**59.92**	**22.00**	**81.92**
Net block as at March 31, 2013	**111.63**	**17.33**	**128.96**
Net block as at March 31, 2014	**90.18**	**19.98**	**110.16**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XII
Restated Previous GAAP Consolidated Statement of Non-Current Investments

Particulars	As at			
	No. of instruments		` in millions	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Trade investments				
Bonds of Shri Ram City Union Finance Limited	30	30	1.32	1.32
Equity shares of ` 10 each, fully paid up, in Belapur Railway Station Complex Limited	7,500	7,500	0.08	0.08
Total			**1.40**	**1.40**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIII
Restated Previous GAAP Consolidated Statement of Deferred Tax Assets (Net)

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Deferred tax assets		
Provision for doubtful trade receivables	74.99	71.25
Provision for doubtful loans and advances	40.46	33.10
Unpaid gratuity and leave encashment	76.77	48.54
Unpaid bonus	0.71	19.27
Others	20.40	25.56
Deferred tax liabilities	-	-
Difference between depreciation as per books of accounts and tax depreciation	(49.96)	(69.73)
Deferred tax assets (net)	**163.37**	**127.99**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIV
Restated Previous GAAP Consolidated Statement of Loans and Advances

Long-term loans and advances:

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	219.66	57.20
Loan given to employee welfare trust	257.14	-
Insurance claims receivable	27.25	-
Capital advances	10.02	7.26
Sundry deposits	152.37	146.39
Advances to employees	0.34	0.60
Taxes paid (net of provision for tax)	19.48	-
Receivable from Government Authorities	5.37	1.58
Prepaid expenses	14.51	17.16
	706.14	**230.19**
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	14.86	11.22
Insurance claims receivable	88.58	72.47
Sundry deposits	12.68	11.18
Advances to employees	2.90	2.52
	119.02	**97.39**
Less: Provision for doubtful loans and advances	119.02	97.39
Total (A)	**706.14**	**230.19**

Short-term loans and advances:

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	349.92	105.11
Loan given to employee welfare trust	150.01	345.31
Insurance claims receivable	59.10	70.11
Advances to employees	13.61	11.15
Taxes paid (net of provision for tax)	4.91	16.72
Receivable from Government Authorities	2.86	2.02
Prepaid expenses	45.85	54.32
Total (B)	**626.26**	**604.74**
Total (A + B)	**1,332.40**	**834.93**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

3. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors:

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
CMS Securitas Employee Welfare Trust	407.15	345.31
G.G. Constructions Private Limited	8.83	8.83
CMS Traffic Systems Limited	1.34	1.34
CMS Computers Limited	12.15	19.71

4. The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XV
Restated Previous GAAP Consolidated Statement of Other Assets

(Amount in million)

Particulars	As at			
	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Unbilled revenue	-	-	1,425.31	641.13
Funds held relating to cash management activity [refer note 1 below]	-	-	157.80	159.32
Receivable under finance lease	12.96	24.53	11.57	25.29
Non current bank balances	5.82	11.13	-	-
Unamortised ancillary borrowing costs	-	2.49	2.49	9.99
Accrued Interest	-	-	0.29	0.37
Total	**18.78**	**38.15**	**1,597.46**	**836.10**

Note:

1. This represents the net funds invested by the Group in one of the services of Cash Management. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customer.

2. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

3. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVI
Restated Previous GAAP Consolidated Statement of Inventories

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Valued at lower of cost and net realisable value		
Raw materials	0.47	1.07
Work-in-progress	72.67	-
Finished goods	1.44	4.01
Trading goods [refer note 1 below]	1,769.65	29.98
Stores and spares	86.87	85.32
Total	**1,931.10**	**120.38**

Note:
1. Trading stock includes stock at ATM sites which are not cash live before the end of the year amounting to ` 1,289.35 million and goods-in-transit amounting to ` 8.42 million.

2. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

3. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVII
Restated Previous GAAP Consolidated Statement of Trade Receivables

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	121.84	229.82
Considered doubtful	174.00	177.16
	295.84	406.98
Less : Provision for doubtful trade receivables	174.00	177.16
	121.84	**229.82**
Other receivables		
Considered good	3,126.94	2,092.46
Considered doubtful	47.98	33.18
	3,174.92	2,125.64
Less : Provision for doubtful trade receivables	47.98	33.18
	3,126.94	**2,092.46**
Total	**3,248.78**	**2,322.28**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

3. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors:

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
CMS - IDent Private Limited	0.02	0.02
CMS Computers Limited	0.78	0.86
Gateway Rail Freight Limited	-	0.11
Gokaldas Exports Limited	-	1.41

4. The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVIII
Restated Previous GAAP Consolidated Statement of Cash and Bank Balances

(Amount in million)

Particulars	As at			
	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	21.84	140.50
In deposits account with original maturity of less than three months	-	-	0.07	0.06
Cash on hand	-	-	3.87	3.40
	-	**-**	**25.78**	**143.96**
Other bank balances				
In deposits account with original maturity for more than 3 months but less than 12 months	-	-	11.59	-
In deposits account with original maturity for more than 12 months	-	5.00	4.00	-
Restricted cash [refer note 1 below]	5.67	5.85	-	-
Margin money deposits [refer note 2 below]	0.15	0.28	40.78	69.37
	5.82	**11.13**	**56.37**	**69.37**
Amount disclosed under "other non-current assets"	(5.82)	(11.13)	-	-
	-	**-**	**82.15**	**213.33**

Note:
1. Restricted cash represents partial / full cash recovered in the cases of thefts, loots etc which can not be used by Group due to pending court cases.

2. Margin money deposits with carrying amount of `16.68 million (March 31, 2013 - `17.16 million) are subject to first charge to secure the Group's non fund based limits with banks and deposits of ` 24.25 million (March 31, 2013 – ` 23.96 million) are subject to first charge to secure ATM locker / Vaulting facilities.

3. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Assets and Liabilities of the Group.

4. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIX
Restated Previous GAAP Consolidated Statement of Revenue from operations

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	**March 31, 2013**
	`	`
Revenue from operations:		
Sale of ATM and ATM Sites	1,884.43	-
Sale of products	801.87	1,302.97
Sale of services	9,172.16	8,396.75
Other operating revenues	4.48	43.44
Revenue from operations	**11,862.94**	**9,743.16**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XX
Restated Previous GAAP Consolidated Statement of Interest and Other income

(Amount in million)

Particulars	Nature (Recurring / Non-recurring)	Related / Not related to business activity	For the years ended March 31, 2014	March 31, 2013
			`	`
I. Interest income				
Interest income on				
Bank deposits	Recurring	Not related	7.20	7.09
Finance lease	Recurring	Related	4.62	7.64
Income Tax Refund	Non-recurring	Related	0.92	-
Others	Non-recurring	Not related	20.11	21.41
Sub-Total (A)			**32.85**	**36.14**
II. Other income				
Sundry credit balances written back	Non-recurring	Related	1.14	28.06
Provisions written back:				
-Doubtful trade receivables	Non-recurring	Related	4.29	3.22
-Insurance claims	Non-recurring	Related	12.46	-
Miscellaneous income	Non-recurring	Not related	5.16	20.92
Sub-Total (B)			**23.05**	**52.20**
Total (A) + (B)			**55.90**	**88.34**

Notes:

1. The classification of other income as recurring / non-recurring, related / not-related to business activity is based on the current operations and business activity of the Group as determined by the management.

2. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Profits and Losses of the Group.

3. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXI
Restated Previous GAAP Consolidated Statement of Increase In Inventories

(Amount in million)

Particulars	For the Year Ended	
	March 31, 2014	**March 31, 2013**
	`	`
Inventories at the end of the year		
Work-in-progress	72.66	-
Finished goods	1.44	4.01
Trading goods	1,769.65	29.97
Total inventories at the end of the year (A)	**1,843.75**	**33.98**
Inventories at the beginning of the year		
Work-in-progress	-	0.04
Finished goods	4.01	0.76
Trading goods	29.97	26.94
Total inventories at the beginning of the year (B)	**33.98**	**27.74**
Increase in inventories (B-A)	**(1,809.77)**	**(6.24)**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXII
Restated Previous GAAP Consolidated Statements of Employee Benefit Expense

(Amount in million)

Particulars	**For the years ended**	
	March 31, 2014	**March 31, 2013**
	`	`
Salaries, wages and bonus	2,720.18	2,421.31
Contribution to provident and other funds	195.94	174.76
Staff welfare expenses	67.44	54.23
Total	**2,983.56**	**2,650.30**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIII
Restated Previous GAAP Consolidated Statements of Other Expenses

The major heads forming part of other expenses are as under:

(Amount in million)

Particulars	**For the years ended**	
	March 31, 2014	**March 31, 2013**
	`	`
Service and security charges	1,623.03	1,353.58
Conveyance and traveling expenses	707.28	617.65
Vehicle maintenance, hire and fuel cost	893.35	708.91
Consumption of stores and spares	227.48	200.54
Lease rentals	215.18	187.82
Legal, professional and consultancy fees	124.77	88.20
Others	1,052.18	976.41
Total	**4,843.27**	**4,133.11**

1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIV
Restated Previous GAAP Consolidated Statements of Finance Costs

(Amount in million)

Particulars	For the Year Ended	
	March 31, 2014	**March 31, 2013**
	`	`
Interest on borrowings	150.38	139.26
Interest on shortfall of advance tax	2.41	12.89
Other borrowing costs	15.24	11.64
Exchange difference to the extent considered as an adjustment to borrowing costs	-	7.63
Total	**168.03**	**171.42**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Summary Statement of Profits and Losses of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXV
Restated Previous GAAP Consolidated Statement of Leases

A. In case of assets taken on lease:

A.1. Finance lease:

The Group has taken computer hardware and printers on finance lease for a period of 5 years. There are no restrictions imposed in these lease agreements. There is no escalation clause in the lease agreements. Future minimum lease payments (MLP) under this finance lease together with present value of the net MLP are as follows:

(Amount in million)

Particulars	March 31, 2014		March 31, 2013	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
	`	`	`	`
Within one year	0.72	0.67	22.03	20.73
After one year but not more than five years	-	-	0.72	0.67
More than five years	-	-	-	-
Total minimum lease payments	0.72	0.67	22.75	21.40
Less: Amounts representing finance charges	0.05	-	1.35	-
Present value of minimum lease payments	**0.67**	**0.67**	**21.40**	**21.40**

A.2. Operating lease:

The Group has taken office premises under operating lease agreements, which expire at various dates through financial year ended March 31, 2025. These agreements are generally renewable by mutual consent. Some of the lease agreements have a price escalation clause. There are no restrictions imposed in these lease agreements. The future minimum lease payments under non - cancellable operating lease is as follows:

(Amount in million)

Particulars	March 31, 2014	March 31, 2013
	`	`
Within one year	168.87	149.71
After one year but not more than five years	309.62	320.01
More than five years	104.74	88.87
Total	**583.23**	**558.59**

B. In case of assets given on lease:

B.1 Finance lease:

The Group has leased out computer hardware on finance lease for a period of 5 years. There is no escalation clause in the lease agreements. Present value of minimum lease payment (MLP) receivable under this finance lease are as follows:

(Amount in million)

Particulars	March 31, 2014		March 31, 2013	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
	`	`	`	`
Within one year	13.90	11.57	29.69	25.29
After one year but not more than five years	13.90	12.96	27.79	24.53
More than five years	-	-	-	-
Total minimum lease payments	27.80	24.53	57.48	49.82
Less: Amounts representing unearned finance income	3.27	-	7.66	-
Present value of minimum lease payments	**24.53**	**24.53**	**49.82**	**49.82**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Previous GAAP Consolidated Statement of Segment Information

Primary Segment Information based on business:
1. The primary segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products and services produced. The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

2. The Group's business segment have been divided into six business verticals
Cash management services - include ATM services, Cash delivery and pick-up and Network cash management services (together known as "retail cash management")
Managed Services - includes income from sale of ATM and ATM sites and related products and maintenance services.
Trading - includes trading in desktops, laptops, servers, networking products, printers and storage devices.
IT Enabled services - includes providing annual maintenance services, facility management services, printing services
Network training Services - includes training and coaching services to students of CMS Institute.
Others - Trading in card and card personalisation services are shown separately under other segments of continuing operations.

3. Transfer prices between business segments are set at cost plus appropriate margins.

4. Segment revenue, segment expense and segment result include transfers between business segments. Those transfers are eliminated in total revenue/expense/result.

5. Geographical Segments: The Group's operations are primarily within India.

Primary Segment information based on business segment as at and for the year ended:

(Amount in million)

Particulars	March 31, 2014							March 31, 2013						
	Cash management services	Managed services	Others	Trading	IT Enabled services	Network training	Grand Total	Cash management services	Managed services	Others	Trading	IT Enabled services	Network training	Grand Total
	`	`	`	`	`	`	`	`	`	`	`	`	`	`
Revenue														
External revenue	7,405.83	1,884.43	212.93	801.83	1,403.35	154.57	11,862.94	6,552.39	-	143.41	1,302.91	1,575.99	168.46	9,743.16
Total revenue	**7,405.83**	**1,884.43**	**212.93**	**801.83**	**1,403.35**	**154.57**	**11,862.94**	**6,552.39**	**-**	**143.41**	**1,302.91**	**1,575.99**	**168.46**	**9,743.16**
Segment results	1,619.53	116.06	62.07	84.77	(116.59)	(7.63)	1,758.21	1,685.01	-	33.06	91.76	9.00	1.82	1,820.65
Less: Unallocated expenses							(311.48)							(250.17)
Operating profit							**1,446.73**							**1,570.48**
Add: Other income							23.05							52.20
Less: Finance cost							168.03							171.42
Add: Interest Income							32.85							36.14
Profit before tax							**1,334.60**							**1,487.40**
Less: Tax expenses							416.09							464.59
Profit for the year							**918.51**							**1,022.81**
Segment assets	4,670.33	4,239.05	117.29	245.83	681.59	46.70	10,000.79	4,498.04	-	349.81	667.97	501.09	48.18	6,065.09
Unallocated assets							1,712.23							1,642.76
Total assets							**11,713.02**							**7,707.85**
Segment liabilities	997.82	3,237.39	24.06	156.26	436.33	19.68	4,871.54	863.21	-	92.87	377.38	206.27	17.55	1,557.28
Unallocated liabilities							1,423.85							1,651.41
Total liabilities							**6,295.39**							**3,208.69**
Capital expenditure	484.35	7.38	-	0.13	59.10	6.24	557.20	372.99	-	12.14	0.25	6.23	3.33	394.94
Unallocated capital expenditure							8.61							5.16
Total							**565.81**							**400.10**
Depreciation	255.71	1.21	16.41	1.65	33.99	6.60	315.57	197.46	-	17.02	1.69	38.97	7.43	262.57
Unallocated depreciation	-						13.38							19.92
Non cash expenditure	95.45	1.21	4.56	24.93	69.54	0.23	195.92	80.20	-	6.01	37.81	75.86	0.35	200.23
Unallocated Non cash expenditure	-			-	-	-	(0.31)							0.90
Total	**351.16**	**2.42**	**20.97**	**26.58**	**103.53**	**6.83**	**524.56**	**277.66**	**-**	**23.03**	**39.50**	**114.83**	**7.78**	**483.62**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVII
Restated Previous GAAP Consolidated Statement of Related Party Transactions

Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" are given below:

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Holding Company	Blackstone FP Capital Partners (Mauritius) V Limited (up to August 26, 2015)
2) Key management personnel	Mr. Rajiv Kaul (Whole Time Director & Chief Executive Officer)
3) Enterprises over which Director and / or his relatives has significant influence	CMS Computers Limited (up to August 26, 2015)
	CMS Securitas Employees Welfare Trust
	CMS - IDent Private Limited (up to August 26, 2015)
	CMS Traffic Systems Limited (up to August 26, 2015)
	G.G. Constructions Private Limited (up to August 26, 2015)
	Kaycee Industries Limited (up to August 26, 2015)
	Resergent Infoteck Private Limited (up to August 26, 2015)
4) Fellow Subsidiary Companies	Gateway Rail Freight Limited (up to August 26, 2015)
	Gokaldas Exports Limited (up to August 26, 2015)
	MTAR Technologies Private Limited (up to August 26, 2015)

b) Summary of transactions with the above related parties are as follows:

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	**March 31, 2013**
	`	`
Sale of products		
CMS Computers Limited	0.11	0.82
Sale of services		
Gokaldas Exports Limited	0.83	2.41
MTAR Technologies Private Limited	-	0.84
Purchase of trading goods		
Kaycee Industries Limited	0.35	0.43
Remuneration to KMP*		
Mr. Rajiv Kaul	30.80	20.80

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to KMP's is not ascertainable separately , and, therefore not included above.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVII
Restated Previous GAAP Consolidated Statement of Related Party Transactions (Continued)

b) Summary of transactions with the above related parties are as follows: (continued)

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	March 31, 2013
	`	`
Legal, professional and consultancy fees		
CMS Computers Limited	4.08	0.03
Lease rentals		
CMS Computers Limited	25.32	27.71
Brokerage paid		
CMS Computers Limited	-	1.21
Rates and Taxes		
CMS Computers Limited	-	0.38
Repairs and maintenance		
CMS Computers Limited	0.15	-
Purchase of Fixed Assets		
CMS Computers Limited	0.03	-
Loans given during the year		
CMS Securitas Employee Welfare Trust	61.84	-
Deposits given to / (repaid by) related party		
CMS Computers Limited	(1.06)	-
Dividend on Preference shares		
CMS Securitas Employee Welfare Trust	0.03	0.03

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVII
Restated Previous GAAP Consolidated Statement of Related Party Transactions (Continued)

c) Summary of balance receivable from / (payable to) the above related parties are as follows:

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Sale of products		
CMS Computers Limited	0.78	0.86
CMS - IDent Private Limited	0.01	0.01
Gateway Rail Freight Limited	-	0.11
Sale of services		
Gokaldas Exports Limited	-	1.41
CMS - IDent Private Limited	0.01	0.01
Purchase of trading goods		
Kaycee Industries Limited	(0.16)	-
Remuneration to KMP		
Mr. Rajiv Kaul	(29.20)	(14.40)
Lease rentals		
CMS Computers Limited	-	3.90
Loans given during the year		
CMS Securitas Employee Welfare Trust	407.15	345.31
Deposits given		
G.G. Constructions Private Limited	8.83	8.83
CMS Computers Limited	17.71	18.76
Balances outstanding at the year end		
CMS Traffic Systems Limited	1.34	1.34
CMS Computers Limited	(5.56)	0.95
Resergent Infoteck Private Limited	(0.16)	(0.16)

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVIII
Restated Previous GAAP Consolidated Statement of Contingent Liabilities & Capital Commitments

1. Contingent Liabilities

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Claims against the Company not acknowledged as debt		
a) Disputed Sales tax matter*	19.96	20.93
b) Disputed Service tax matters*	0.56	-
c) Disputed Customs Matters*	2.00	-
d) Claims for litigations	39.89	45.00
e) Show cause notices in respect of service tax	33.57	33.57
f) Claimed raised by Managed Service Provider ("MSP")	-	23.90
Preference Dividend on 1,500,000 - 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of Rs 100 each	-	0.02

*In relation to the matters of sales tax, customs duty and service tax listed above, the Group is contesting the demands from the respective Government Departments. The management, including its tax and legal advisors, believe that its position will likely be upheld in the appellate process. No provision has been accrued in the financial statements for these demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

2. Capital Commitments

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	**March 31, 2013**
	`	`
Estimated amount of contracts remaining to be executed on capital account and not provided for	2.73	20.51
	2.73	**20.51**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIX
Restated Previous GAAP Consolidated Statement of Accounting Ratios

Sr. No.	Particulars	Reference	For the years ended March 31, 2014	March 31, 2013
1	Restated profit after tax (` in million)	A	909.13	1,013.85
2	Less: Preference dividend for the year including tax thereon (` in million)	B	(0.04)	(0.03)
3	Net profit available to equity shareholders (` in million)	C = A + B	909.09	1,013.82
4	Number of equity shares outstanding at the end of the year	D	146,775,190	146,775,190
5	Number of optionally convertible cumulative redeemable preference shares outstanding at the	E	1,500,000	1,500,000
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	146,775,190	146,775,190
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	156,140,069	156,374,859
8	Restated net worth (refer note 5 below) (` in million)	H	5,394.55	4,485.46
9	**Accounting ratios:**			
	Basic earnings per share (`)	C / F	6.19	6.91
	Diluted earnings per share (`)	A / G	5.82	6.48
	Return on net worth (%)	A / H	16.85%	22.60%
	Net asset value per share (`)	H / D	36.75	30.56

Notes:

1. The above ratios have been computed on the basis of the Restated Previous GAAP Consolidated Summary Statements of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

3. The ratios have been computed as below:

a) Basic Earnings per share (`) = $\frac{\text{Restated net profit available to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year (refer note 4)}}$

b) Diluted Earnings per share (`) = $\frac{\text{Restated profit after tax}}{\text{Weighted average number of dilutive equity shares (refer note 7)}}$

c) Return on net worth (%) = $\frac{\text{Restated profit after tax}}{\text{Restated net worth at the end of the year (refer note 5)}}$

d) Net asset value per share (`) = $\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Net worth includes Equity share capital + Preference share capital + Reserves and surplus (including Securities Premium, General Reserve and Surplus in statement of Profit and Loss).

6. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share ('AS 20')

7. Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Optionally convertible cumulative redeemable preference.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXX
Statement of Dividend Paid

(Amount in million)

Particulars	**For the years ended**	
	March 31, 2014	**March 31, 2013**
	`	`
Dividend on equity shares	-	-
Dividend on 0.01% Optionally convertible cumulative redeemable preference shares:		
Number of CCPS*	15,000,000	15,000,000
Rate of dividend (%)	0.01%	0.01%
Dividend paid on CCPS	0.03	0.03
Tax on above dividend	0.01	0.00

* Refer Note 7 in Annexure XXIX

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXI
Notes to the Restated Previous GAAP Consolidated Summary Statements

A. Employee benefits

Defined contribution plan

During the year ended March 31, 2014 and March 31, 2013 the Group contributed the following amounts to defined contribution plans:

(Amount in million)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
	`	`
Provident fund and Employees family pension scheme	123.23	108.86
Employees' state insurance corporation	72.71	65.90
Total	**195.94**	**174.76**

Defined benefit plan

The Group has a defined gratuity benefit plan for its employees. Under the gratuity plan, every employee who has completed at least five years service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy for all the companies in the Group other than SIPL.

The following tables summarise the components of net benefit expense recognised in the consolidated Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Consolidated Statement of Profit and Loss
Net employee benefit expense recognised in employee cost

(Amount in million)

Particulars	For the year ended	
	March 31, 2014	March 31, 2013
	`	`
Current service cost	27.66	21.91
Interest cost on benefit obligation	3.33	6.37
Expected return on plan assets	(1.97)	(1.27)
Net actuarial loss recognised in the year	11.47	14.79
Net benefit expenses	**40.49**	**41.80**
Actual return on plan assets	**2.05**	**1.48**

Consolidated balance sheet
Details of provision and fair value of plan assets

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Present value of defined benefit obligation	161.56	131.15
Fair value of plan assets	(23.57)	(14.41)
Plan liability (net)	**137.99**	**116.74**

Changes in the present value of defined benefit obligation are as follows:

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Opening defined benefit obligation	131.15	105.36
Current service cost	27.67	21.91
Interest cost	3.33	6.37
Benefits paid	(12.14)	(17.49)
Actuarial losses on obligation	11.55	15.00
Closing defined benefit obligation	**161.56**	**131.15**

Changes in the fair value of plan asset are as follows:

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Opening fair value of plan assets	14.41	9.67
Expected return	1.97	1.27
Contribution by employer	17.15	20.74
Benefits paid	(10.04)	(17.48)
Actuarial gains	0.08	0.21
Closing fair value of plan assets	**23.57**	**14.41**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2014	March 31, 2013
Investment with insurer through trust	100%	100%

The Group expects to contribute ` 5 million (March 31, 2013 - ` 5 million) to gratuity fund during the annual period beginning after balance sheet date.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXI
Notes to the Restated Previous GAAP Consolidated Summary Statements (Continued)

The principal assumptions used in determining gratuity benefit obligations for the Group's plan are shown below:

Particulars	**For the year ended**	
	March 31, 2014	**March 31, 2013**
Discount rate	8.75% - 9.25%	7.50%-8.00%
Expected rate of return on assets	8.70%	8.00% - 8.70%
Salary escalation	5.00%	3.00 % - 5.00%
Employee attrition rate		
0-4 years of service	2.47% - 35.00%	9.00% - 35.00%
Above 4 years of service	2.62% - 20.00%	10.00% - 20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

(Amount in million)

Particulars	**For the year ended**	
	March 31, 2014	**March 31, 2013**
	`	`
Gratuity		
Defined benefit obligation	161.56	131.15
Plan assets	23.57	14.41
Deficit	(118.35)	(116.74)
Experience adjustments on plan liabilities	16.90	3.74
Experience adjustments on plan assets	0.08	(0.21)

Other long term employee benefits
In accordance with its leave policy, the Group has provided for leave encashment on the basis of an actuarial valuation carried out at the end of the year.

B. Provision for warranty

A provision of ` 26.56 million is recognised for expected warranty claims on sale of ATM sites and related products during the current year. The provision is recognised based on expected costs that will be incurred for providing repairs and maintenance services during the warranty period. Assumptions used to calculate the provision for warranties were based on current sales levels and current information available about returns based on the warranty period for the ATM sites and related products. The table below gives information about movement in warranty provisions.

(Amount in million)

Particulars	**For the year ended**	
	March 31, 2014	**March 31, 2013**
	`	`
At the beginning of the year	-	-
Arising during the year	26.56	-
Utilized during the year	-	-
Unused amounts reserved (current)	**26.56**	**-**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Consolidated Financial Information of the Group.

2. The above statement should be read with the Notes to the Restated Previous GAAP Consolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Consolidated Financial Statements appearing in Annexure V.

Auditors' Report on the restated unconsolidated summary statements of Assets and Liabilities as at March 31, 2017, 2016 and 2015, Profits and Losses, Cash Flows and Changes in Equity for each of the year ended March 31, 2017, 2016 and 2015 of CMS Info Systems Limited (collectively, the "Restated Ind AS Unconsolidated Summary Statements")

To
The Board of Directors
CMS Info Systems Limited
Silver Metropolis, 11th Floor
Western Express Highway
Goregaon (East), Mumbai - 400063

Dear Sirs,

1. We have examined the attached Restated Ind AS Unconsolidated Summary Statements of CMS Info Systems Limited (the "Company") as at and for each of the years ended March 31, 2017, 2016 and 2015 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Ind AS Unconsolidated Summary Statements, which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

    a. Sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and

    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

Management's Responsibility for the Restated Ind AS Unconsolidated Summary Statements

2. The preparation of the Restated Ind AS Unconsolidated Summary Statements, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Ind AS Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Ind AS Unconsolidated Summary Statements taking into consideration:

    a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 10, 2017, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;

    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note");

    c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations; and

    d. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an initial public offer of its equity shares, having a face value of ` 10 each, at an issue price to be arrived at by the book building process (referred to as the "Offer"), as may be decided by the Company's Board of Directors.

Restated Ind AS Unconsolidated Summary Statements as per audited Unconsolidated financial statements:

5. The Restated Ind AS Unconsolidated Summary Statements have been prepared under Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Act and have been compiled by the management of the Company from:

   a) the audited financial statements of the Company as at and for the year ended March 31, 2017, prepared in accordance with Ind AS which have been approved by the Board of Directors at their meeting held on August 19, 2017; and

   b) the audited unconsolidated financial statements of the Company as at and for the year ended March 31, 2016 and 2015 prepared in accordance with accounting principles generally accepted in India ("Previous GAAP" or "Indian GAAP") at the relevant time which have been approved by the Board of Directors at their meetings held on July 27, 2016 and February 23, 2016, respectively.

6. For the purpose of our examination, we have relied on:

   a) Auditors' Report issued by us dated August 19, 2017 on the Unconsolidated Ind AS financial statements of the Company as at and for the year ended March 31, 2017 as referred in Para 5(a) above; and

   b) Auditors' Report issued by us dated July 27, 2016 and February 23, 2016 on the Unconsolidated financial statements of the Company as at and for each of the year ended March 31, 2016 and 2015, respectively.

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Ind AS Unconsolidated Summary Statements, which as stated in the Annexure V to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure VI – Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements, read with paragraph 7(e) below:

   a) The Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure I to this report.

   b) The Restated Ind AS Unconsolidated Summary Statement of Profit and Losses of the Company for each of the year ended March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure II to this report.

   c) The Restated Ind AS Unconsolidated Summary Statement of Cash Flows of the Company for each of the year ended March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure III to this report.

   d) The Restated Ind AS Unconsolidated Statement of Changes in Equity of the Company for year ended March 31, 2017, 2016 and 2015 under Ind AS examined by us, as set out in Annexure IV to this report.

e) Based on the above and according to the information and explanations given to us, we further report that the Restated Ind AS Unconsolidated Summary Statements of the Company, as attached to this report and as mentioned in paragraphs 7(a) to 7(d) above, read with basis of preparation and respective significant accounting policies given in Annexure V as described in paragraph 1 have been prepared in accordance with the Rules and the SEBI Regulations and these Restated Ind AS Unconsolidated Summary Statements:

i) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2017 are materially consistent with the policies adopted as at and for the year ended March 31, 2016 and 2015. Accordingly, no adjustments have been made to the audited financial statements of the respective year presented on account of changes in accounting policies;

ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

iii) as per requirements of Ind AS, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Ind AS Unconsolidated Summary Statements;

iv) there are no qualifications in the auditors' reports on the audited unconsolidated financial statements of the Company as at March 31, 2017, 2016 and 2015 and for each of the year ended March 31, 2017, 2016 and 2015, which require any adjustments to the Restated Ind AS Unconsolidated Summary Statements; and

v) other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order 2016 and 2015 as applicable, on the Unconsolidated financial statements for the year ended March 31, 2017, 2016 and 2015, which do not require any corrective adjustment in the Restated Ind AS Unconsolidated Summary Statements, are as follows:

A. For the year ended March 31, 2017

Clause vii(c)

According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	**Nature of the dues**	**Amount in million (`)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Rajasthan Value Added Tax Act, 2003	Value Added Tax	2.03	AY 2013-14, AY 2014-15	Deputy Commissioner of Value Added Tax, Rajasthan
Orissa Value Added Tax Act, 2004	Value Added Tax	0.37	AY 2013-14, AY 2014-15	Deputy Commissioner of Value Added Tax, Orrisa
Central Sales Tax Act, 1956	Central Sales Tax	0.50	AY 2013-14, AY 2014-15	Deputy Commissioner of Central Sales tax

Clause (x)

We have been informed by management of following frauds on the Company:

21 instances of cash embezzlements done by employees of the Company wherein the total amount involved was ` 71.67 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 6.23 million and ` 12.66 million being doubtful of recovery has been written off during the year.

B. For the year ended March 31, 2016

Clause (x)

We have been informed by management of following frauds on the Company:

58 instances of cash embezzlements done by employees of the Company wherein the total amount involved was ` 71.02 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 16.18 million and ` 14.43 million being doubtful of recovery has been written off during the year.

C. For the year ended March 31, 2015

Clause (vii) (a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except in case of works contracts tax where there have been delays in large number of cases, though the delays in deposit have not been serious.

Clause (xii)

We have been informed by management of following frauds on the Company:

a) 25 instances of cash embezzlements done by employees of the Company wherein the total amount involved was ` 36.77 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 6.46 million and `19.23 million being doubtful of recovery has been written off during the year;

b) 9 instances of theft / loot by third parties wherein the total amount involved was ` 8.04 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. Till date, the Company has recovered ` 0.61 million and ` 4.94 million being doubtful of recovery has been written off during the year.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations, cash flows and changes in equity of the Company as of any date or for any period subsequent to March 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following restated Ind AS unconsolidated financial information proposed to be included in the DRHP, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company as at and for the year ended March 31, 2017, 2016 and 2015:

    i. Restated Ind AS Unconsolidated Statement of Property, plant and equipment and Intangible assets, enclosed as Annexure VII
    ii. Restated Ind AS Unconsolidated Statement of Non-Current and Current Investments, enclosed as Annexure VIII
    iii. Restated Ind AS Unconsolidated Statement of Cash and Bank Balances, enclosed as Annexure IX
    iv. Restated Ind AS Unconsolidated Statement of Other Assets, enclosed as Annexure X
    v. Restated Ind AS Unconsolidated Statement of Deferred Tax Assets, enclosed as Annexure XI
    vi. Restated Ind AS Unconsolidated Statement of Inventories, enclosed as Annexure XII
    vii. Restated Ind AS Unconsolidated Statement of Trade Receivables, enclosed as Annexure XIII
    viii. Restated Ind AS Unconsolidated Statement of Share Capital, enclosed as Annexure XIV
    ix. Restated Ind AS Unconsolidated Statement of Non-current and Current Borrowings, enclosed as Annexure XV
    x. Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017, enclosed as Annexure XVI
    xi. Restated Ind AS Unconsolidated Statement of Provisions, enclosed as Annexure XVII
    xii. Restated Ind AS Unconsolidated Statement of Other Liabilities, enclosed as Annexure XVIII
    xiii. Restated Ind AS Unconsolidated Statement of Revenue, enclosed as Annexure XIX
    xiv. Restated Ind AS Unconsolidated Statement of Other Income, enclosed as Annexure XX
    xv. Restated Ind AS Unconsolidated Statement of Decrease in Inventories, enclosed as Annexure XXI
    xvi. Restated Ind AS Unconsolidated Statement of Employee Benefit Expense, enclosed as Annexure XXII
    xvii. Restated Ind AS Unconsolidated Statement of Other Expenses, enclosed as Annexure XXIII
    xviii. Restated Ind AS Unconsolidated Statement of Finance Cost, enclosed as Annexure XXIV
    xix. Restated Ind AS Unconsolidated Statement of Leases, enclosed as Annexure XXV
    xx. Restated Ind AS Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XXVI
    xxi. Ind AS Unconsolidated Statement of Contingent Liabilities and Capital commitments, enclosed as Annexure XXVII
    xxii. Unconsolidated Statement of Capitalisation, enclosed Annexure XXVIII
    xxiii. Statement of Dividend Paid, enclosed as Annexure XXIX
    xxiv. Restated Ind AS Unconsolidated Statement of Tax Shelter, enclosed as Annexure XXX
    xxv. Restated Ind AS Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXXI
    xxvi. Notes to Restated Ind AS Unconsolidated Summary Statements, enclosed as Annexure XXXII

10. According to the information and explanations given to us, in our opinion, the Restated Ind AS Unconsolidated Summary Statements and the abovementioned Restated Ind AS Unconsolidated financial information contained in Annexures I to XXXII accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure V, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.

11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the management for inclusion in the offer document to be filed with SEBI, National Stock Exchange of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Kalpesh Jain
Partner
Membership No: 106406

Place: Mumbai
Date: August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure I
Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities

(Amount in million)

Sr. No.	Particulars	Annexures	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015 (Proforma)
			`	`	`
	ASSETS				
A	**Non-current assets**				
	Property, plant and equipment	VII	568.68	603.97	672.20
	Capital work-in-progress		14.59	12.27	8.65
	Goodwill	VII	1,041.08	1,035.18	1,035.18
	Other Intangible assets	VII	12.63	6.74	8.17
	Financial assets				
	Investments	VIII	1,237.65	1,231.92	1,228.62
	Other bank balances	IX	20.90	6.53	0.40
	Other financial assets	X	746.46	410.31	307.69
	Deferred tax assets (net)	XI	233.14	163.68	99.77
	Income tax assets (net)		51.77	47.31	-
	Other non-current assets	X	66.36	55.76	90.03
	Total of Non-current assets		**3,993.26**	**3,573.67**	**3,450.71**
B	**Current assets**				
	Inventories	XII	108.49	242.19	462.24
	Financial assets				
	Investments	VIII	190.11	-	-
	Trade receivables	XIII	1,233.19	1,947.71	2,688.10
	Cash and cash equivalents	IX	106.27	217.01	31.36
	Other bank balances	IX	44.33	63.01	60.53
	Other financial assets	X	1,418.92	1,612.96	1,476.87
	Other current assets	X	194.89	274.81	166.72
	Total of Current assets		**3,296.20**	**4,357.69**	**4,885.82**
	Total (A + B)		**7,289.46**	**7,931.36**	**8,336.53**
	EQUITY AND LIABILITIES				
C	**Equity and liabilities**				
	Equity				
	Equity Share capital	IV	1,480.00	1,480.00	1,467.75
	Other Equity				
	Securities premium	IV	42.87	42.87	-
	Retained earnings	IV	3,936.33	3,189.84	2,794.51
	Other reserves	IV	286.13	150.00	157.43
	Total equity attributable to equity holders		**5,745.33**	**4,862.71**	**4,419.69**
D	**Non-current liabilities**				
	Financial liabilities				
	Borrowings	XV	6.90	34.11	56.82
	Provisions	XVII	2.77	23.49	-
	Total of Non-current liabilities		**9.67**	**57.60**	**56.82**
E	**Current liabilities**				
	Financial liabilities				
	Borrowings	XV	33.08	627.56	654.48
	Trade payables	XVIII	735.50	1,400.36	1,490.64
	Other	XVIII	658.13	849.34	1,611.17
	Liabilities for current tax (net)		25.31	-	41.26
	Provisions	XVII	52.92	43.99	22.67
	Other liabilities	XVIII	29.52	89.80	39.80
	Total of Current liabilities		**1,534.46**	**3,011.05**	**3,860.02**
	Total (C+D+E)		**7,289.46**	**7,931.36**	**8,336.53**

Note:
The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

For and on behalf of the Board of Directors of CMS Info Systems Limited

per Kalpesh Jain
Partner
Membership No.: 106406

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure II
Restated Ind AS Unconsolidated Summary Statement of Profits and Losses

(Amount in million)

Sr. No.	Particulars	Annexures	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
			`	`	`
F	**Income**				
	Revenue from operations	XIX	7,833.57	9,246.27	10,945.16
	Finance income	XX	56.11	51.59	37.74
	Other income	XX	13.58	12.94	44.12
	Total income		**7,903.26**	**9,310.80**	**11,027.02**
G	**Expenses**				
	Cost of materials consumed		-	-	1.12
	Purchase of traded goods		667.80	2,084.99	1,819.16
	Decrease in inventories	XXI	148.28	220.73	1,365.19
	Employee benefit expense	XXII	594.96	603.51	1,194.88
	Other expenses	XXIII	5,072.40	5,120.37	5,286.57
	Depreciation and amortisation	VII	213.95	220.42	287.50
	Finance costs	XXIV	45.50	132.84	140.46
	Foreign exchange loss (net)		7.25	44.97	1.50
	Total expenses		**6,750.14**	**8,427.83**	**10,096.38**
H	**Restated profit before tax**		**1,153.12**	**882.97**	**930.64**
	- from continuing operations		1,153.12	882.97	1,202.94
	- from discontinuing operations		-	-	(272.30)
	Tax expense				
	- from continuing operations				
	Current tax		480.00	370.46	390.00
	Adjustment of tax relating to earlier years		-	(19.08)	-
	Deferred tax (credit) / charge		(72.31)	(63.60)	27.63
	- from discontinuing operations		-	-	(93.70)
I	**Profit for the year attributable to equity shareholders**		**745.43**	**595.19**	**606.71**
L	**Other comprehensive income ('OCI')**				
	OCI not to be reclassified to profit or loss in subsequent periods:				
	Remeasurement gains / (losses) on defined benefit plans		1.63	(0.90)	(5.00)
	Income tax effect		(0.57)	0.31	1.73
	OCI for the year, net of tax		**1.06**	**(0.59)**	**(3.27)**
M	**Total comprehensive income for the year attributable to equity shareholders**		**746.49**	**594.60**	**603.44**

Note:
The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Ind AS Unconsolidated Summary Statement of Cash Flows

(Amount in million)

Sr. No.	Particulars	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
		`	`	`
A	**Cash flow from operating activities:**			
	Profit before tax (as restated)	1,153.12	882.97	930.64
	Adjustments for:			
	Depreciation and amortisation	213.95	220.42	287.50
	Unrealised foreign exchange (gain) / loss	(1.18)	1.95	(0.52)
	Impairment allowance for bad and doubtful receivables and unbilled revenue	164.75	99.03	161.09
	Impairment allowance for doubtful advances and insurance claims (net)	(2.49)	10.38	66.26
	Bad debts written off	-	-	39.12
	(Profit) / loss on disposal of property, plant and equipment (net)	4.22	(1.59)	2.82
	Sundry balances written back	(10.06)	(5.64)	(40.48)
	Finance income	(56.11)	(51.59)	(37.74)
	Gain on fair valuation of investment	(0.11)	-	-
	Employee stock option compensation cost	133.61	1.91	2.58
	Finance costs	45.50	132.84	140.46
	Operating profit before working capital changes	**1,645.20**	**1,290.68**	**1,551.73**
	Movement in working capital			
	Decrease in trade and other payables	(939.97)	(701.24)	(550.29)
	(Decrease) / Increase in provision and gratuity	(13.43)	43.41	(10.77)
	Decrease in inventories	133.70	220.05	1,263.96
	Decrease / (Increase) in trade receivables	561.49	641.37	(1,048.36)
	Decrease / (Increase) in other assets, receivables and prepayments	279.05	(471.21)	(452.92)
	Cash flow generated from operations	**1,666.04**	**1,023.06**	**753.35**
	Direct taxes paid (net of refunds)	(460.51)	(334.50)	(413.71)
	Net cash flow from operating activities (A)	**1,205.53**	**688.56**	**339.64**
B	**Cash flow from investing activities:**			
	Proceeds from sale of property, plant and equipment	0.07	1.93	0.29
	Purchase of property, plant and equipment (including CWIP and capital advances) and intangible assets	(122.04)	(178.24)	(188.82)
	Payment made on subscription of shares in subsidiary	-	-	(0.10)
	Investment in Mutual Funds	(190.00)	-	-
	Advances given to subsidiary (net)	(329.84)	(100.93)	(63.15)
	Advance repaid by employee welfare trust (net)	-	257.15	150.00
	Purchase consideration paid on acquisition of Business	(63.25)	-	-
	Margin money deposits matured	27.87	17.27	(37.62)
	Margin money deposits placed	(23.57)	(25.87)	17.87
	Interest received	47.04	40.46	32.37
	Net cash flow from / (used in) investing activities (B)	**(653.72)**	**11.77**	**(89.16)**
C	**Cash flows from financing activities**			
	Proceeds from equity shares issued to CMS Trust for ESOP Scheme	-	55.12	-
	Payments made to holders of preference shares on redemption	-	-	(150.00)
	Payment on repurchase of vested options	-	(314.07)	-
	Proceeds from non-current borrowings	10.91	44.26	83.79
	Repayment of non-current borrowings	(60.03)	(140.82)	(276.43)
	(Repayment) / proceeds from short-term working capital demand loans from banks (net)	(477.20)	200.03	180.00
	Dividend paid on preference shares (including dividend distribution tax thereon)	-	-	(0.02)
	Finance costs	(42.80)	(132.24)	(139.30)
	Net cash flow used in financing activities (C)	**(569.12)**	**(287.72)**	**(301.96)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(17.31)**	**412.61**	**(51.48)**
	Cash and cash equivalents at the beginning of the year	69.49	(343.12)	(290.66)
	Less : Transfer in accordance with scheme of Demerger	-	-	(0.98)
	Cash and cash equivalents at the end of the year	**52.18**	**69.49**	**(343.12)**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Ind AS Unconsolidated Summary Statement of Cash Flows

(Amount in million)

Sr. No.	Particulars	For the years ended		
		March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
		`	`	`
	Components of cash and cash equivalents:			
	Cash on hand	4.33	3.98	2.50
	Cheque in hand	41.84	-	-
	On current accounts	60.10	213.03	28.86
	Less: Cash credit facilities	(30.24)	(147.52)	(374.48)
	Less: Book overdraft	(23.85)	-	-
	Total	**52.18**	**69.49**	**(343.12)**

Notes:
The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure IV
Restated Ind AS Unconsolidated Statement of Changes in Equity

(Amount in million)

Particular	Equity share capital	0.01% Optionally convertible cumulative redeemable preference shares	Reserve and surplus					Total equity
			Securities premium	General reserve	Share based payment reserve	Capital redemption reserve	Retained earnings	
	`	`	`	`	`	`	`	`
As at April 1, 2014 (Proforma)	**1,467.75**	**150.00**	**1,136.21**	**272.22**	**4.85**	**-**	**2,277.10**	**5,308.13**
Profit for the year	-	-	-	-	-	-	606.71	606.71
Other comprehensive income	-	-	-	-	-	-	(3.27)	(3.27)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**603.44**	**603.44**
Redemption of preference shares	-	(150.00)	-	-	-	-	-	(150.00)
Transfer on account of scheme of demerger (Refer Annexure XXXIII)	-	-	(1,136.21)	(68.63)	-	-	(86.01)	(1,290.85)
Transferred from general reserve to capital redemption reserve	-	-	-	(150.00)	-	150.00	-	-
Depreciation adjustment (net of tax) due to Schedule II	-	-	-	(53.59)	-	-	-	(53.59)
Fair value charge of unvested employee stock options (Refer Note 5 of Annexure V)	-	-	-	-	2.58	-	-	2.58
Dividend on preference shares for the year ended March 31, 2015 (including dividend distribution tax)	-	-	-	-	-	-	(0.02)	(0.02)
As at March 31, 2015 (Proforma)	**1,467.75**	**-**	**-**	**-**	**7.43**	**150.00**	**2,794.51**	**4,419.69**
Profit for the year	-	-	-	-	-	-	595.19	595.19
Other comprehensive income	-	-	-	-	-	-	(0.59)	(0.59)
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**594.60**	**594.60**
Equity shares issued to Trust for ESOP Scheme	12.25	-	42.87	-	-	-	-	55.12
Accelerated vesting on cancellation of unvested stock options (Refer Note 5 of Annexure V)	-	-	-	-	1.91	-	-	1.91
Repurchase of vested stock options (net of tax) (Refer Note 5 of Annexure V)	-	-	-	-	(9.34)	-	(199.27)	(208.61)
As at March 31, 2016	**1,480.00**	**-**	**42.87**	**-**	**-**	**150.00**	**3,189.84**	**4,862.71**
Profit for the year	-	-	-	-	-	-	745.43	745.43
Other comprehensive income	-	-	-	-	-	-	1.06	1.06
Total Comprehensive Income	**-**	**-**	**-**	**-**	**-**	**-**	**746.49**	**746.49**
Employee stock option compensation cost	-	-	-	-	136.13	-	-	136.13
As at March 31, 2017	**1,480.00**	**-**	**42.87**	**-**	**136.13**	**150.00**	**3,936.33**	**5,745.33**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Notes to Restated Ind AS Unconsolidated Summary Statements-Accounting Policies
(Amount in million)

1. Company Overview

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited) (the "Company") is a Company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company become subsidiary of Sion Investment Holdings Pte. Limited with effect from August 27, 2015 pursuant to acquisition of 100% shares from Blackstone FP Capital Partners V Limited, Mauritius, CMS Computers Limited, Mr. Ramesh Grover and others. (together known as "erstwhile shareholders"). The Ultimate Holding Company is Baring Private Equity Asia.

The Company is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card trading and personalization services. The registered office of the Company is located at CMS House, Plot No 91, Street No 7, Marol, MIDC, Andheri East, Mumbai – 400093.

As per the approval received from Registrar of Companies, Maharashtra, Mumbai with effect from 27^{th} January, 2015, the status of the Company has been changed from Private Limited to Public Limited and consequently name of the Company has been changed to CMS Info Systems Limited.

2. Summary of significant accounting policies:

a) Basis of preparation and presentation

The Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2017; 2016 and 2015 and the related Restated Ind AS Unconsolidated Summary Statement of Profit and Loss, Restated Ind AS Unconsolidated Summary Statement of Changes in Equity and Restated Ind AS Unconsolidated Summary Statement of Cash Flows for the years ended March 31, 2017; 2016 and 2015 (hereinafter collectively referred to as "Restated Ind AS Unconsolidated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering ("IPO") through Offer for Sale of its equity shares.

These Restated Ind AS Unconsolidated Financial Information have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. These Restated Ind AS Unconsolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 (the "Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Restated Ind AS Unconsolidated Summary Statements have been compiled from:

a) Audited Unconsolidated financial statements of the Company as at and for the year ended March 31, 2017 which include the comparative Ind AS financial statements as at and for the year ended March 31, 2016 prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Act and subsequent amendments thereof; and

b) Proforma Unconsolidated Ind AS financial statements ("Proforma SFS 2015") as at and for the year ended March 31, 2015. These Proforma SFS 2015 have been prepared by making Ind AS adjustments to the audited Indian GAAP unconsolidated financial statements as at and for the year ended March 31, 2015 in accordance with the provisions of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 ("SEBI Circular") and Guidance Note on Reports in Company Prospectuses (Revised 2016) ("Guidance Note")

The unconsolidated financial statements as at and for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereof. The Company is covered under Phase 1 of Ind AS applicability based on it net worth on March 31, 2014, i.e. it shall comply with Ind AS for the accounting periods beginning April 01, 2016, with the comparatives for the periods ending on March 31, 2016.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements prepared in accordance with Accounting Standards notified under the section 133 of the Act, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 ("Previous GAAP" or "Indian GAAP") to Ind AS for Shareholders' Fund as at March 31, 2016 and April 01, 2015 and of the profit for the year ended March 31, 2016. Further the Company has also presented a reconciliation of profoma adjustment from previous GAAP to Ind AS for shareholders fund as at April 01, 2014 and of profit for the year ended March 31, 2015.

These financial statements for the year ended March 31, 2017 are Company's first Ind AS financial statements. Refer note 5 'First time adoption of Ind AS' below for the details of first-time adoption exemptions availed by the Company.

For the purpose of Proforma SFS 2015 the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 01, 2015) while preparing Unconsolidated Proforma Financial Information for the year ended March 31, 2015 and accordingly suitable restatement adjustments in the accounting heads has been made in the Unconsolidated Proforma Financial Information. This Unconsolidated Proforma Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP Unconsolidated financial statements as at and for the year ended March 31, 2015.

The Unconsolidated Financial Information for the year ended 31 March 2017, 2016 and Proforma SFS 2015 have been prepared on a historical cost convention, except for certain financial assets and liabilities that have been measured at fair value (refer accounting policy regarding financial instruments).

The Restated Ind AS Unconsolidated Financial information were authorised for issue in accordance with a resolution of the directors on August 28, 2017.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

· Expected to be realised or intended to be sold or consumed in normal operating cycle or expected to be realised within twelve months after the reporting period
· Held primarily for the purpose of trading
· Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

· Expected to be settled in normal operating cycle and is due to be settled within twelve months after the reporting period
· Held primarily for the purpose of trading
· There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

c) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. While deriving cost, refundable taxes and discounts are excluded. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress is stated at cost.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Company provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful lives of the assets as estimated by the management which are equal to the corresponding rates prescribed in Schedule II to the Act for all property, plant and equipment except for Vehicles (used for ATM and Cash Management business) and plant and machinery.

The Company has estimated the following lives to provide depreciation:

Category	**Useful lives (in years)**
Plant and machinery	7*
Electric installations	5
Furniture, fixtures and fittings	7
Vehicles (used for ATM and Cash Management business)	6*
Other vehicles	8
Office equipment	5
Computers and peripherals	3 to 6

*The Company, based on technical assessment made by technical expert and the management's estimate of useful lives, depreciates certain items of plant and equipment and vehicles (used for ATM and Cash Management business) over the estimated useful lives which are different from the useful lives prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

The residual values, useful lives and method of depreciation and amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets recognised in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible assets with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Computer software purchased are amortised over the period of 3 to 6 years on straight line basis.

Customer contracts arising on fair value of business combination is amortised over the period of contracts acquired i.e. over 5 years on straight line basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill

Goodwill represents the excess of purchase consideration paid over the book value of net assets of CMS Computers Limited taken over by the Company in accordance with the Scheme of Arrangement in 2009 with the CMS Computers Limited. The Scheme was effective from April 01, 2008. Goodwill is tested for impairment annually at the cash-generating unit level.

The Company has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. For business combinations occurring before the transition date have not been restated and continued as per Indian GAAP.

e) Impairment of non- financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, wherever applicable, a long term growth rate is calculated and applied to projected future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

In case the Company determines that an arrangement at inception contains lease, the lease for accounting is classified into operating or finance lease. The consideration of the arrangement is separated at the inception of the arrangement, or upon a reassessment of the arrangement, into those for the lease and those for other elements on the basis of their relative fair values. If separation of consideration or future payments is impracticable, in case of operating lease treat all payments under the arrangement as lease payments for the purposes of complying with the disclosure requirement.

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the increase is linked with the increase in general inflation index.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rent is recognised as revenue in the period in which it is earned.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of trading goods, stores and spares is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be reliably measured regardless of a payment being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax, value added tax ('VAT') and service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods*:*

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. Sale consideration is recognized at fair value and is net of returns and allowance and any discounts as per Ind AS 18.

Sale of services*:*

Revenue from ATM and cash management services and allied operations is recognised when the required services are rendered in accordance with the contracts / agreements entered into with the customer and is disclosed net off deductions for shortages, etc. charged by the customers as per the terms of the agreement.

Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract.

Revenue recognized, in excess of billing is classified as unbilled revenue; while billing in excess of revenue is classified as unearned revenue.

Sale of ATM Sites:

Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites as per the terms of agreement entered with the customers.

Interest income:

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

i) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates, at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenses, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company makes contributions to a fund administered and managed by an insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although insurance company administers the scheme.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurements comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

k) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all tax deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items not recognised in the Statement of Profit and Loss is recognised either in OCI or in equity (where the item on which deferred tax is arising is recognised). Deferred tax on differences arising in business combination is recognised in Goodwill.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

l) Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting the cost recognised in the current year in relation to employee stock options schemes) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

m) Provisions

Warranty provisions
Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

Others
Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

n) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

o) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credits as they are considered an integral part of the Company's cash management.

p) Share based payment

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity settled transaction

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. When an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

In case the Company makes payment to the employee on the cancellation of the grant or repurchases vested equity instruments, it is accounted as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense.

q) Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds unit at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as such as impairment testing of goodwill, non-current assets and fair value of employee stock options schemes. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

r) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Equity investments

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the separate financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

The Company has considered the cost of investment of its subsidiary as per previous GAAP as the deemed cost in its separate opening Ind AS balance sheet.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit or loss and equity instruments recognised in OCI. Loss allowance for trade receivables and insurance claims is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Statement of Profit and Loss. This amount is reflected under the head ‘other expenses’ in the Statement of Profit and Loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

s) Business combinations and goodwill

In accordance with Ind AS 101 provisions related to first time adoption, the Company has elected to apply Ind AS accounting for business combinations prospectively from April 01, 2015. As such, Indian GAAP balances relating to business combinations entered into before that date, including goodwill, have been carried forward (Refer note 5).

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

3. Significant accounting judgments, estimates and assumptions:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant judgement:

Operating lease commitments – Company as lessee

The Company has entered into commercial property leases for its offices and premises. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates

Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets.

Impairment of Goodwill

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. The impairment indicators, the estimation of expected future cash flows and the determination of the fair value of CGU (including Goodwill) require the Management to make significant judgements, estimates and assumptions concerning the identification and validation of impairment indicators, fair value of assets, Revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc. For the details as to carrying amount of Goodwill and impairment testing (including related sensitivity analysis).

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in notes.

4. Recent accounting pronouncements

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and has amended the following standard:

Amendments to Ind AS 7, Statement of Cash Flows

The amendments to Ind AS 7 requires an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. These amendments are effective for annual periods beginning on or after 1 April 2017. Application of this amendments will not have any recognition and measurement impact. However, it will require additional disclosure in the financial statements.

Amendments to Ind AS 102, Share-based Payment

The MCA has issued amendments to Ind AS 102 that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction, the classification of a share-based payment transaction with net settlement features for withholding tax obligations, and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. The amendments are effective for annual periods beginning on or after April 01, 2017. The Company is assessing the potential effect of the amendments on its financial statements.

The Company will adopt these amendments from their applicability date.

5. First time adoption of Ind AS

The financial statements, for the year ended March 31, 2017, are the first financial statements that the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2015, the Company's date of transition to Ind AS. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. This note explains the adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

For the purpose of Proforma SFS 2015 the Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions availed as per Ind AS 101) as initially adopted on its Ind AS transition date (i.e. April 01, 2015) while preparing Unconsolidated Proforma Financial Information for the year ended March 31, 2015 and accordingly suitable restatement adjustments in the accounting heads has been made in the Unconsolidated Proforma Financial Information. This Unconsolidated Proforma Financial Information have been prepared by making Ind AS adjustments to the audited Indian GAAP Unconsolidated financial statements as at and for the year ended March 31, 2015.

Following exemptions and / or election applied to the Company for the first Ind AS financial statements and Proforma financial statements:

(a) The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. For business combination occurring before the transition date have not been restated and continued as per Indian GAAP. The Company did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements.

Ind AS 101 also requires that Indian GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, the Company has tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 01, 2015.

(b) Ind AS 102 has not been applied to equity settled share-based payment transactions that vested before April 01, 2015.

(c) Convertible preference shares

The Company had issued convertible redeemable preference shares. Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. However, in accordance with this exemptions under para D18 of Ind AS 101, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to Ind AS. As on transition date, redeemable preference shares are redeemed and liability component is no longer outstanding.

(d) The estimates at April 01, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:

a) FVTOCI
b) FVTPL
c) FVTOCI
d) Impairment of financial assets based on expected credit loss model

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2015, the date of transition to Ind AS and as of March 31, 2016.

(e) The Company has considered the cost of investment of its subsidiary as per previous GAAP as the deemed cost in its separate opening Ind AS balance sheet.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Unconsolidated Ind AS Statement of reconciliation of equity as per previous GAAP and Ind AS

Reconciliation of equity as per previous GAAP and Ind AS for year ended as at March 31, 2016 , as at March 31, 2015 and as at March 31, 2014 is as under:

(Amount in million)

Particulars	Notes	March 31, 2016	March 31, 2015	March 31, 2014 (Proforma)
		`	`	`
Restated Equity as per previous GAAP		**4,900.92**	**4,396.30**	**5,316.88**
Add / (Less):				
Expected credit loss	1	(89.24)	26.54	(20.26)
Interest free security deposits	2	3.01	(1.92)	(1.78)
Unwinding of discount and effect of changes in discount rate on provisions for warranty	3	5.11	0.50	1.86
Income from corporate guarantee given	4	10.80	7.60	4.40
Tax Impact on above adjustments (net)	7	32.11	(9.33)	7.03
Restated Equity as per Ind AS		**4,862.71**	**4,419.69**	**5,308.13**

Reconciliation of profit after tax as previously reported under IGAAP to Ind AS for the year ended March 31, 2016 and March 31 2015:

(Amount in million)

Particulars	Notes	March 31, 2016	March 31, 2015 (Proforma)
		`	`
Restated Net profit as per previous GAAP		**449.51**	**573.87**
Add / (Less):			
Expected credit loss	1	(115.78)	46.80
Finance income recognised on effective interest rate basis net of prepaid rent recognised (net)	2	4.93	(0.14)
Unwinding of discount and effect of changes in discount rate on provisions for warranty	3	4.61	(1.36)
Income from corporate guarantee given	4	3.20	3.20
Repurchase of vested options deducted from equity	5	314.07	-
Fair value of unvested options and Accelerated vesting on cancellation of share based payments	5	(1.91)	(2.58)
Tax impact on above adjustments (net)	7	(64.03)	(16.35)
Restated Total Comprehensive Income as per Ind AS		**594.60**	**603.44**

Notes:

1. Under the previous GAAP, the Company had recognised provision for impairment of receivables and insurance claims only in respect of specific amount for incurred losses based on ageing analysis. Under Ind AS 109, impairment allowance has been determined based on Expected Credit Loss model ('ECL').

2. Under the previous GAAP, interest free rent deposits (refundable on completion of the lease term) were recorded at transactional values. Under Ind AS, these security deposits are recognised initially at the fair value. The difference between the fair value and the transaction value of these security deposits has been recognised as prepaid rent on straightline basis. Subsequently, these lease security deposits are measured at amortised cost using the effective interest rate ('EIR') and the resultant interest is accounted as finance income.

3. Under previous GAAP, the Company had accounted for warranty provisions, including long-term provision on warranty, at the undiscounted amount. In contrast, Ind AS 37 requires that where the effect of time value of money is material, the amount of provision should be the present value of the expenditure expected to be incurred to settle the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

4. Under the previous GAAP, financial guarantee income given on behalf of subsidiary were not recorded. As per Ind AS, the Company has recognised Finance income for financial guarantee with corresponding increase in investment in subsidiary.

5. Under Previous GAAP, stock option was accounted at intrinsic value while under Ind AS, on the transition date, unvested options have been accounted at fair value , accordingly, share based payment reserve was created as at April 01, 2015. In August 2015, the Company had repurchased the vested options from employees and cancelled the unvested options. The cancellation of unvested options resulted in acceleration of the vesting and the immediate recognition of remaining fair value of unvested options in the Statement of Profit and Loss - ` 1.91 million. For the year ended March 31, 2015 the charge on account of fair value of option is ` 2.58 million. The payment of ` 314.07 million made to employees for repurchase of vested options was accounted as expense under previous GAAP while under Ind AS this has been is accounted as deduction from the equity.

6. Under Ind AS, remeasurements comprising of actuarial gains and losses excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Under previous GAAP actuarial gains and losses, are charged to profit or loss.

7. Adjustments to deferred taxes and current taxes has been made in accordance with the above mentioned adjustments.

8. Pursuant to the disclosure requirements as per Ind AS, the Company has re-classified certain assets and liabilities as at 01 April 2015 and 31 March 2016.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VI
Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements

A. The summary of results of restatement adjustments made in the audited Unconsolidated financials statements for the respective years and its impact on the profit of the Company is as follows:

(Amount in million)

Particulars	Notes	For the years ended		
		March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
		`	`	`
Net profit as per audited financial statements		745.43	595.19	606.71
Restatement adjustments		-	-	-
Profit for the year as per restated financial statements		**745.43**	**595.19**	**606.71**

B. Non-adjusting items

Audit qualifications for the respective years, which do not require any adjustments in the restated Ind AS Unconsolidated financial information are as follows:

Annexure to auditor's report for the financial year ended March 31, 2017

1. Clause (vii) (c)
According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in million	Period to which the amount relates	Forum where the dispute is pending
Rajasthan Value Added Tax Act, 2003	Value Added Tax	2.03	AY 2013-14, AY 2014-15	Deputy Commissioner of Value Added Tax, Rajasthan
Orissa Value Added Tax Act, 2004	Value Added Tax	0.37	AY 2013-14, AY 2014-15	Deputy Commissioner of Value Added Tax, Orrisa
Central Sales Tax Act, 1956	Central Sales Tax	0.50	AY 2013-14, AY 2014-15	Deputy Commissioner of Central Sales tax

2 Clause (x)
We have been informed by management of following frauds on the Company:
21 instances of cash embezzlements done by employees of the Company wherein the total amount involved was ` 71.67 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 6.23 million and ` 12.66 million being doubtful of recovery has been written off during the year.

Annexure to auditor's report for the financial year ended March 31, 2016

1. Clause (x)
We have been informed by management of the following frauds on the Company:
58 instances of cash embezzlements done by employees of the Company wherein the total amount involved was ` 71.02 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 16.18 million and ` 14.43 million being doubtful of recovery has been written off during the year.

Annexure to auditor's report for the financial year ended March 31, 2015

1. Clause (vii) (a)
Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except in case of work contract tax where there have been delays in large number of cases, though the delays in deposit have not been serious.

2. Clause (xii)
We have been informed by management of the following frauds on the Company:
(a) 25 instances of cash embezzlements done by employees of the Company wherein the total amount involved was ` 36.77 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 6.46 million and ` 19.23 million being doubtful of recovery has been written off during the year;
(b) 9 instances of theft / loot by third parties wherein the total amount involved was ` 8.04 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. Till date, the Company has recovered ` 0.61 million and ` 4.94 million being doubtful of recovery has been written off during the year.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VII
Restated Ind AS Unconsolidated Statement of Property, plant and equipment and Intangible assets

(Amount in million)

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold Improvements	Computers and peripherals	Total
	`	`	`	`	`	`	`	`
Gross block value as at April 01, 2014 (Proforma)	**187.45**	**100.24**	**186.27**	**740.29**	**45.76**	**62.17**	**521.76**	**1,843.94**
Additions during the year	30.95	5.88	8.28	122.29	3.42	12.26	34.18	217.26
Deletions during the year	4.92	0.32	0.33	3.83	0.52	-	3.45	13.37
Transferred during the year (Refer Annexure XXXIII - Note (10))	43.68	57.59	63.59	1.85	19.01	30.41	322.27	538.40
Gross block value as at March 31, 2015 (Proforma)	**169.80**	**48.21**	**130.63**	**856.90**	**29.65**	**44.02**	**230.22**	**1,509.43**
Additions during the year	44.09	2.76	8.49	77.35	1.66	0.62	11.33	146.30
Deletions during the year	-	-	-	5.58	-	-	-	5.58
Gross block value as at March 31, 2016	**213.89**	**50.97**	**139.12**	**928.67**	**31.31**	**44.64**	**241.55**	**1,650.15**
Additions during the year	21.69	1.93	8.59	52.05	1.31	6.31	16.35	108.23
Assets acquired on business combination (Refer Annexure XXXIII - Note (3))	52.22	-	16.77	-	-	-	0.08	69.07
Deletions during the year	28.20	0.37	3.39	8.00	0.53	1.27	1.77	43.53
Gross block value as at March 31, 2017	**259.60**	**52.53**	**161.09**	**972.72**	**32.09**	**49.68**	**256.21**	**1,783.92**
Accumulated depreciation as at April 01, 2014 (Proforma)	**58.09**	**37.15**	**77.31**	**265.98**	**22.90**	**28.60**	**388.84**	**878.87**
Depreciation for the year	47.69	32.82	39.41	123.91	17.41	8.47	86.28	355.99
Accumulated depreciation on disposals	2.88	0.16	0.27	3.33	0.25	-	3.34	10.23
Transferred during the year (Refer Annexure XXXIII - Note (10))	19.16	29.95	37.72	0.71	15.50	15.39	268.97	387.40
Accumulated depreciation as at March 31, 2015 (Proforma)	**83.74**	**39.86**	**78.73**	**385.85**	**24.56**	**21.68**	**202.81**	**837.23**
Depreciation for the year	28.72	3.82	22.05	132.81	2.91	6.09	17.80	214.20
Accumulated depreciation on disposals	-	-	-	5.25	-	-	-	5.25
Accumulated depreciation as at March 31, 2016	**112.46**	**43.68**	**100.78**	**513.41**	**27.47**	**27.77**	**220.61**	**1,046.18**
Depreciation for the year	31.70	2.93	17.33	132.69	1.89	5.92	15.81	208.27
Accumulated depreciation on disposals	26.30	0.35	2.69	6.94	0.38	0.96	1.59	39.21
Accumulated depreciation as at March 31, 2017	**117.86**	**46.26**	**115.42**	**639.16**	**28.98**	**32.73**	**234.83**	**1,215.24**
Net block as at March 31, 2015 (Proforma)	**86.06**	**8.35**	**51.90**	**471.05**	**5.09**	**22.34**	**27.41**	**672.20**
Net block as at March 31, 2016	**101.43**	**7.29**	**38.34**	**415.26**	**3.84**	**16.87**	**20.94**	**603.97**
Net block as at March 31, 2017	**141.74**	**6.27**	**45.67**	**333.56**	**3.11**	**16.95**	**21.38**	**568.68**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VII
Restated Ind AS Unconsolidated Statement of Property, plant and equipment and Intangible assets
Intangible assets

(Amount in million)

Particulars	Computer software	Customer Contracts	Total Other Intangible assets	Goodwill
	`	`	`	`
Gross block value as at April 01, 2014 (Proforma)	**35.07**	**-**	**35.07**	**1,035.18**
Additions during the year	5.13	-	5.13	-
Transferred during the year (Refer Annexure XXXIII - Note (10))	3.51	-	3.51	-
Gross block value as at March 31, 2015 (Proforma)	**36.69**	**-**	**36.69**	**1,035.18**
Additions during the year	4.79	-	4.79	-
Gross block value as at March 31, 2016	**41.48**	**-**	**41.48**	**1,035.18**
Additions during the year	4.94	-	4.94	-
Assets acquired on business combination (Refer Annexure XXXIII - Note (3))	-	6.63	6.63	5.90
Gross block value as at March 31, 2017	**46.42**	**6.63**	**53.05**	**1,041.08**
Accumulated amortisation as at April 01, 2014 (Proforma)	**18.97**	**-**	**18.97**	**-**
			-	
Amortisation for the year	12.70	-	12.70	-
Transferred during the year (Refer Annexure XXXIII - Note (10))	3.15	-	3.15	-
Accumulated amortisation as at March 31, 2015 (Proforma)	**28.52**	**-**	**28.52**	**-**
Amortisation for the year	6.22	-	6.22	-
Accumulated amortisation as at March 31, 2016	**34.74**	**-**	**34.74**	**-**
Amortisation for the year	5.13	0.55	5.68	-
Accumulated amortisation as at March 31, 2017	**39.87**	**0.55**	**40.42**	**-**
Net block as at April 01, 2015 (Proforma)	**8.17**	**-**	**8.17**	**1,035.18**
Net block as at March 31, 2016	**6.74**	**-**	**6.74**	**1,035.18**
Net block as at March 31, 2017	**6.55**	**6.08**	**12.63**	**1,041.08**

Depreciation and amortisation expense

Particulars	2017	2016	2015
	`	`	`
Depreciation	208.27	214.20	355.99
Amortization	5.68	6.22	12.70
Less: Adjustment in General Reserve on depreciation adjustment due to Schedule II	-	-	(81.19)
Recognised in Statement of Profit & Loss	**213.95**	**220.42**	**287.50**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VIII
Restated Ind AS Unconsolidated Statement of Non-Current and Current Investments

Non-Current Investments:

Particulars	As at					
	No. of shares			` in million		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
Trade investments in equity shares of subsidiary companies (unquoted, fully paid up, valued at cost)						
Investments in subsidiaries						
CMS Securitas Limited	950,000	950,000	950,000	23.29	21.68	21.68
Securitrans India Private Limited	95,000	95,000	95,000	1,214.26	1,210.14	1,206.94
Quality Logistics Services Private Limited	10,000	10,000	-	0.10	0.10	-
Total				**1,237.65**	**1,231.92**	**1,228.62**

Current Investments:

Particulars	As at					
	No. of units			` in million		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
Current investments in units of unquoted mutual fund (at fair value through profit and loss) :						
ICICI Prudential Liquid Plan- Direct Daily Dividend	1,899,842	-	-	190.11	-	-
Total	**1,899,842**	-	-	**190.11**	-	-

Aggregate amount of unquoted investments	**1,427.76**	**1,231.92**	**1,228.62**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure IX
Restated Ind AS Unconsolidated Statement of Cash and Bank balances

(Amount in million)

Particulars	As at					
	Non current			Current		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`	`	`	`
Cash and cash equivalents						
Balances with banks						
On current accounts	-	-	-	60.10	213.03	28.86
Cheques in hand	-	-	-	41.84	-	-
Cash on hand	-	-	-	4.33	3.98	2.50
	-	**-**	**-**	**106.27**	**217.01**	**31.36**
Other bank balances						
Margin money deposits (refer note below)	20.90	6.53	0.40	44.33	63.01	60.53
	20.90	**6.53**	**0.40**	**44.33**	**63.01**	**60.53**

Notes:

1. Margin money deposits with carrying amount of ` 39.28 million (March 31, 2016 : ` 29.48 million; March 31, 2015 : ` 23.90 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Company for pending court cases and deposits of ` 25.95 million (March 31, 2016 - ` 40.06 million; March 31, 2015 - ` 37.03 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure X
Restated Ind AS Unconsolidated Statement of Other Assets

Other non-current assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Unsecured, considered good			
Capital advances	9.95	1.43	2.22
Receivable from Government Authorities	44.78	44.78	77.38
Prepaid expenses	11.63	9.55	10.43
	66.36	**55.76**	**90.03**
Unsecured, considered doubtful			
Advances recoverable in kind or for value to be received	3.48	3.48	3.48
	3.48	**3.48**	**3.48**
Less: Impairment allowance for doubtful assets	**(3.48)**	**(3.48)**	**(3.48)**
Total Other non-current assets	**66.36**	**55.76**	**90.03**

Other current assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Unsecured, considered good			
Advances recoverable in kind or for value to be received	55.98	43.85	42.34
Receivable from Government Authorities	109.77	202.07	100.46
Prepaid expenses	29.14	28.89	23.92
Total Other current assets	**194.89**	**274.81**	**166.72**

Other non-current financial assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Unsecured, considered good			
Loans to subsidiary (refer note 2 below)	654.77	324.92	223.98
Sundry deposits	91.69	85.39	83.71
	746.46	**410.31**	**307.69**
Unsecured, considered doubtful			
Advances to employees	0.45	0.45	0.45
Sundry deposits	0.06	0.06	0.06
Insurance claims receivable	55.76	58.25	47.87
	56.27	**58.76**	**48.38**
Less: Impairment allowance for doubtful assets	**(56.27)**	**(58.76)**	**(48.38)**
Total Other non-current financial assets	**746.46**	**410.31**	**307.69**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure X
Restated Ind AS Unconsolidated Statement of Other Assets (Continued)

Other current financial assets:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Unsecured, considered good			
Insurance claims receivable	84.50	77.22	67.56
Unbilled revenue	1,150.08	1,270.55	940.29
Funds held relating to cash management activity (refer note 1 below)	172.19	257.32	206.37
Advances to employees	9.40	4.61	2.64
Sundry deposits	2.75	3.26	2.86
Loan given to employee welfare trust	-	-	257.15
	1,418.92	**1,612.96**	**1,476.87**
Unsecured, considered doubtful			
Unbilled revenue	21.77	22.15	18.12
	21.77	**22.15**	**18.12**
Less: Impairment allowance for doubtful assets and unbilled revenue	**(21.77)**	**(22.15)**	**(18.12)**
Total Other current financial assets	**1,418.92**	**1,612.96**	**1,476.87**

Notes:
1. Funds held relating to cash management activity represents the net funds invested by the Company in one of the services of Cash Management. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customers.

2. Loans to subsidiary represent loan given to Securitrans India Private Limited , wholly owned subsidiary.

3. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

4. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

5. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Securitrans India Private Limited	654.77	324.92	224.79
CMS Securitas Employee Welfare Trust	-	-	257.15
G.G. Constructions Private Limited	-	-	8.83
CMS IT Services Private Limited	-	-	28.20
CMS Traffic Systems Limited	-	-	1.34
CMS Computers Limited	-	-	5.23

The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XI
Restated Ind AS Unconsolidated Statement of Deferred Tax Assets

Deferred Tax Assets (Net)

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Deferred tax assets			
Impairment allowance for bad and doubtful receivables and unbilled revenue	116.02	98.80	77.66
Impairment allowance for doubtful advances	20.68	24.70	17.94
Provision for employee benefits	8.05	7.43	4.92
Employee stock option compensation cost	47.11	-	-
Difference between depreciation and amortisation as per books of account and tax	14.48	(1.24)	(12.67)
Others	26.80	33.99	11.92
Deferred tax liabilities	-	-	-
Deferred tax assets (net)	**233.14**	**163.68**	**99.77**

Deferred tax movement

(Amount in million)

Particulars		As at	
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Opening balance	163.68	99.77	102.58
Tax credit / (charge) during the year recognised in Statement of Profit and Loss	72.31	63.60	(27.63)
Tax (charge) / credit during the year recognised in other comprehensive income	(0.57)	0.31	1.73
Tax on amount considered in general reserve on depreciation adjustment due to Schedule II	-	-	27.60
Deferred tax acquired in business combination	(2.28)	-	-
Tax on amount for the purpose of demerger	-	-	(4.51)
Closing balance	**233.14**	**163.68**	**99.77**

Tax reconciliation

(Amount in million)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Profit before tax	**1,153.12**	**882.97**	**930.64**
At statutory income tax rate of 34.608% (March 31, 2016: 34.608%, March 31, 2015: 33.99%)	399.07	305.58	316.32
Effect of non-deductible items under tax laws	8.62	1.28	7.61
Adjustment of tax relating to earlier years	-	(19.08)	-
At the effective income tax rate of 35.36% (March 31, 2016: 32.59%; March 31, 2015: 34.81%)	**407.69**	**287.78**	**323.93**
Income tax expense reported in the Statement of Profit and Loss	**407.69**	**287.78**	**323.93**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Ind AS Restated Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XII
Restated Ind AS Unconsolidated Statement of Inventories

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Valued at lower of cost and net realisable value			
Work-in-progress	-	-	67.37
Trading goods (refer note 1 below)	61.86	210.14	363.50
Stores and spares	46.63	32.05	31.37
	108.49	**242.19**	**462.24**

Notes:
1. Trading stock includes stock at ATM sites which are not installed as at March 31, 2017 amounting to ` 36.16 million (March 31, 2016 - ` 59.34 million ; March 31, 2015 - ` 257.22 million).

2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIII
Restated Ind AS Unconsolidated Statement of Trade Receivables

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Unsecured			
Outstanding for a period exceeding six months from the date they are due for payment	419.34	497.31	982.18
Outstanding for a period less than six months from the date they are due for payment	1,127.33	1,713.74	1,912.19
	1,546.67	**2,211.05**	**2,894.37**
Less : Impairment allowance (Allowance for bad and doubtful receivables)	(313.48)	(263.34)	(206.27)
Total Trade Receivable, considered Good	**1,233.19**	**1,947.71**	**2,688.10**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies

- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

3. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Securitrans India Private Limited	-	-	1.62

The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIV
Restated Ind AS Unconsolidated Statement of Share Capital

(Amount in million)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
	`	`	`
Authorised share capital			
148,000,000 (March 31, 2016 - 148,000,000 ; March 31, 2015 - 148,000,000) equity shares of ` 10 each	1,480.00	1,480.00	1,480.00
1,500,000 (March 31, 2016 - 1,500,000 ; March 31, 2015 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ` 100 each	150.00	150.00	150.00
Total Authorised share capital	**1,630.00**	**1,630.00**	**1,630.00**
Issued, subscribed and fully paid up shares:			
148,000,000 (March 31, 2016- 148,000,000 ; March 31, 2015 - 146,775,190) equity shares of ` 10 each	**1,480.00**	**1,480.00**	**1,467.75**

(a) Reconciliation of the number of shares outstanding at the beginning and end of the year

Equity shares	As at March 31, 2017		As at March 31, 2016		March 31, 2015 (Proforma)	
	No of Shares	Amount	No of Shares	Amount	No of Shares	Amount
At the beginning of the year	148,000,000	1,480.00	146,775,190	1,467.75	146,775,190	1,467.75
Add : Equity shares issued to Trust for ESOP Scheme	-	-	1,224,810	12.25	-	-
Outstanding at the end of the year	**148,000,000**	**1,480.00**	**148,000,000**	**1,480.00**	**146,775,190**	**1,467.75**

Preference Shares	March 31, 2015 (Proforma)	
	No of Shares	Amount
At the beginning of the year	1,500,000	150.00
Less: Redeemed during the year	1,500,000	150.00
Outstanding at the end of the year	-	-

(b) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ` 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of conversion or redemption of 0.01% Optionally convertible cumulative redeemable preference shares ('OCCPS')

Optionally convertible cumulative redeemable preference shares carried dividend @ 0.01% p.a. The Company declares and pays dividend in Indian Rupees. The holder of OCCPS has an option to convert the preference shares into equity shares after one year from the date of allotment i.e. March 26, 2010

(d) Details of shares held by the holding Company and other shareholders in the Company including details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at March 31, 2015 (Proforma)	
	No of Shares	% Shareholding	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ` 10 each fully paid up						
Sion Investment Holdings Pte. Limited (holding company)	147,999,994	99.99%	147,999,994	99.99%	-	-
Blackstone FP Capital Partners V Limited, Mauritius	-	-	-	-	83,167,132	56.66%
Mr. Ramesh Grover	-	-	-	-	35,550,287	24.22%
CMS Computers Limited	-	-	-	-	9,885,191	6.73%

As per records of the Company, including its register of share holders / members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XV
Restated Ind AS Unconsolidated Statement of Non-current and Current Borrowings

(a) Non-current borrowings

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Term loans from banks - secured			
Vehicle loans (Refer Annexure XVI)	38.90	88.04	147.24
	38.90	**88.04**	**147.24**
Term loans from banks - unsecured			
Working capital term loans	-	-	37.37
	-	-	**37.37**
Current maturities of non-current borrowings*	(32.00)	(53.93)	(127.79)
Total	**6.90**	**34.11**	**56.82**

* Current maturities of non-current borrowings are grouped under "Other financial liabilities" in Annexure XVIII of the Restated Ind AS Unconsolidated Statement of Assets and Liabilities.

(b) Current borrowings

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Secured			
Vehicle Loan (Refer Annexure XVI)	2.84	-	-
Cash credit facilities with banks (Refer Annexure XVI)	30.24	147.52	374.48
Unsecured			
Buyers Credit from bank	-	80.04	-
Working capital demand loans from banks	-	400.00	280.00
Total	**33.08**	**627.56**	**654.48**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies

- Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

3. Vehicle loans: Repayable in 12 to 36 equated monthly instalments, secured by exclusive charge on vehicles procured from such loans.

The loans carry interest @ 8.99% to 10.67% p.a. (March 31, 2016 - 8.86% to 9.70% p.a ; March 31, 2015 - 9.42% to 10.50% p.a)

4. Working capital term loans (unsecured): Original loan of ` 224.20 million repayable in 6 equal quarterly instalments. The loans carried interest ranging between 10.00% to 10.50% p.a.

5. Cash credit facilities with various banks are secured by hypothecation of current assets and second charge on movable fixed assets of the Company. These are repayable on demand and carry rate of interest @ 8.80% to 12.00% p.a. (March 31, 2016 - 10.50% to 12.65% p.a.; March 31, 2015 - 10.90% to 12.75% p.a.)

6. During previous year, buyers' credit facility was unsecured and carried interest rate of 1.65% p.a. They were repayable within 90 to 180 days.

7. Working capital demand loan (unsecured) availed from bank is repayable on demand and carried interest @ 8.00% to 10.10% p.a. (March 31, 2016 - 9.20% to 10.10% p.a ; March 31, 2015 - 9.60% to 10.35% p.a)

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVI
Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017

a) Non-current borrowings

(Amount in million)

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at March 31, 2017 (`)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	Kotak Mahindra Bank	Vehicle loans	INR	0.50	10.50%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
2	Kotak Mahindra Bank	Vehicle loans	INR	1.00	10.50%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
3	Kotak Mahindra Bank	Vehicle loans	INR	1.77	10.26%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
4	Kotak Mahindra Bank	Vehicle loans	INR	3.55	10.34%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
5	Kotak Mahindra Bank	Vehicle loans	INR	1.73	10.36%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
6	Kotak Mahindra Bank	Vehicle loans	INR	6.37	10.67%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
7	Daimler Financial Services	Vehicle loans	INR	1.56	8.99%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
8	Kotak Mahindra Bank	Vehicle loans	INR	11.22	10.38%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
9	Kotak Mahindra Bank	Vehicle loans	INR	3.50	10.24%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
10	Kotak Prime	Vehicle loans	INR	2.29	9.11%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
11	Kotak Mahindra Bank	Vehicle loans	INR	5.41	9.67%	3 years	Loan is repayable in 36 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
	Total			**38.90**			

Notes:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

3. The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

4. The above includes non-current borrowings disclosed under Annexure XV and the current maturities of non-current borrowings included in other current liabilities.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVI
Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2017

b) Current Borrowings

(Amount in million)

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at March 31, 2017 (`)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	IDBI Bank	Cash Credit Facilities	INR	9.90	Marginal Cost of funds based Lending Rate + 1.45%	On Demand	1) First pari passu charge on the CMS Info Systems Limited’s entire stocks, receivables and current assets, both present and future 2) Second pari passu charge on the CMS Info Systems Limited’s movable fixed assets, both present and future. 3) Margin is 25% on stocks and on book debts upto 120 days.
2	Kotak Mahindra Bank	Cash Credit Facilities	INR	20.34	Marginal Cost of funds based Lending Rate + 1%	On Demand	1) First Pari-passu charge on all current assets of CMS Info Systems Limited along with working capital limits of other Banks 2) Second pari-passu charge on unencumbered movable fixed assets of CMS Info Systems Limited. 3) 25% Margin on : Book Debts (less than 120 days) and Stock
3	Kotak Mahindra Bank	Vehicle loans	INR	2.84	9.44%	1 year	Loan is repayable in 12 equated monthly installments and is secured by exclusive charge on the vehicle procured from the loan
	Total			**33.08**			

Notes:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

3. The rate of interest given above are base rate plus spread as agreed with the lenders in the respective facility letters.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVII
Restated Ind AS Unconsolidated Statement of Provisions

(Amount in million)

Particulars	As at					
	Non-Current			Current		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`	`	`	`
Provision for employee benefits						
For gratuity	-	-	-	8.31	8.27	4.84
For compensated absences	-	-	-	14.94	13.71	11.47
Other provisions						
Provision for warranty	2.77	23.49	-	29.67	22.01	6.36
Total	**2.77**	**23.49**	**-**	**52.92**	**43.99**	**22.67**

Notes:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVIII
Restated Ind AS Unconsolidated Statement of Other Liabilities

Trade Payable and Other Financial Liabilities :

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Trade Payables	**735.50**	**1,400.36**	**1,490.64**
Other Financial Liabilities			
Current maturities of non-current borrowing (Refer Annexure XV)	32.02	53.93	127.79
Capital creditors	6.81	4.86	28.40
Payable to CMS IT Services Private Limited	-	-	641.95
Interest accrued but not due on borrowings	0.18	0.74	0.61
Payable to employees	102.97	103.22	64.28
Accrued expenses	480.80	686.59	747.10
Advance from customers	11.50	-	1.04
Book overdraft	23.85	-	-
Total	**658.13**	**849.34**	**1,611.17**

Other Current Liabilities

(Amount in million)

Particulars	**As at**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Statutory liabilities	29.52	84.95	33.13
Unearned revenue	-	4.85	6.67
Total	**29.52**	**89.80**	**39.80**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIX
Restated Ind AS Unconsolidated Statement of Revenue

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Revenue from operations:			
Sale of ATM and ATM Sites	899.72	2,865.66	2,789.02
Sale of products	260.26	140.30	1,013.17
Sale of services	6,673.59	6,240.31	7,140.44
Other operating revenues	-	-	2.53
Revenue from operations	**7,833.57**	**9,246.27**	**10,945.16**

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Details of products sold			
ATM Spares	138.10	81.50	26.70
Cards	118.90	55.37	42.38
Others	3.26	3.43	944.09
Total	**260.26**	**140.30**	**1,013.17**

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Details of services rendered			
ATM and Cash management services	5,878.76	5,678.19	5,549.09
FMS and AMC services	466.88	354.96	1,191.91
Card Personalisation	327.95	207.16	224.91
Otthers	-	-	174.53
Total	**6,673.59**	**6,240.31**	**7,140.44**

Notes:

1. Revenue for the year ended March 31, 2015 includes revenue from discontinued operation, sale of product of ` 944.09 million , sale of services of ` 1,181.24 million and other operation revenue of ` 2.54 million.

2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XX
Restated Ind AS Unconsolidated Statement of Other Income

(Amount in million)

Particulars	Nature (Recurring / Non-recurring)	Related / Not related to business activity	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
			`	`	`
I. Finance Income					
Interest income on					
- Bank deposits	Recurring	Not related	4.30	4.26	5.59
- Finance lease	Non-recurring	Not related	-	-	1.86
- Loan to subsidiary	Recurring	Not related	42.74	34.83	22.31
- Others	Non-recurring	Not related	-	1.37	2.60
Financial assets measured at amortised cost using 'EIR' basis	Recurring	Related	5.87	7.93	2.18
Financial guarantee income	Recurring	Not related	3.20	3.20	3.20
Sub-total (I)			**56.11**	**51.59**	**37.74**
II. Other Income					
Sundry credit balances written back	Non-recurring	Related	10.06	5.64	40.48
Miscellaneous income	Non-recurring	Not related	3.52	7.30	3.64
Sub-total (II)			**13.58**	**12.94**	**44.12**
Total (I+II)			**69.69**	**64.53**	**81.86**

Notes:

1. The classification of other income as recurring / non-recurring, related / not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXI
Restated Ind AS Unconsolidated Statement of Decrease in Inventories

(Amount in million)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Inventories at the beginning of the year			
Work-in-progress	-	67.37	72.67
Finished goods	-	-	1.44
Trading goods	210.14	363.50	1,721.95
	210.14	**430.87**	**1,796.06**
Inventories at the end of the year			
Work-in-progress	-	-	67.37
Trading goods	61.86	210.14	363.50
	61.86	**210.14**	**430.87**
Decrease in Inventories	**148.28**	**220.73**	**1,365.19**

Notes:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXII
Notes to Restated Ind AS Unconsolidated Statements of Employee Benefit Expense

Employee Benefit Expense:

(Amount in million)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Salaries, wages and bonus (Refer note below)	401.87	534.78	1,064.53
Contribution to provident and other funds	21.51	18.86	66.80
Share based payments to employees	133.61	1.91	2.58
Staff welfare expenses	37.97	47.96	60.97
Total	**594.96**	**603.51**	**1,194.88**

Notes:
1. Salaries, wages and bonus for the year ended March 2016 includes one-time bonus of ` 153.57 million paid to certain employees at time of stake sale to Sion Investment Holdings Pte. Limited by erstwhile shareholders in August 2015.

2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIII
Restated Ind AS Unconsolidated Statements of Other Expenses

The major heads forming part of other expenses are as under:

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Service and security charges	2,638.30	2,622.82	2,374.47
Conveyance and traveling expenses	640.52	722.58	771.00
Vehicle maintenance, hire and fuel cost	727.01	732.62	683.16
Consumption of stores and spares	272.47	164.00	289.79
Lease rentals	137.59	146.94	188.51
Legal, professional and consultancy fees	61.91	96.70	142.31
Others	594.60	634.71	837.3
Total	**5,072.40**	**5,120.37**	**5,286.57**

Note:
1. Legal, professional and consultancy fees for the year ended March 16 include ` 41.33 million incurred by the Company at the time of stake sale by erstwhile shareholders.

2. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

3. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIV
Restated Ind AS Unconsolidated Statements of Finance Cost

(Amount in million)

Particulars	For the Year Ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Interest on borrowings	40.84	130.74	135.46
Interest others	1.37	-	1.39
Other borrowing costs	-	1.60	3.61
Unwinding of discount on warranty	3.29	0.50	-
Total	**45.50**	**132.84**	**140.46**

Note:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXV
Notes to Restated Ind AS Unconsolidated Statement of Leases

A. Company as lessee:

Operating lease:

The Company has office premises under operating lease agreements, which expire at various dates through financial year ended March 31, 2025. These agreements are generally renewable by mutual consent. Some of the lease agreements have a price escalation clause. There are no restrictions imposed in these lease agreements.
Lease payments under operating lease recognised for the year are ` 137.59 million (March 31, 2016 - ` 146.94 million; March 31, 2015 - ` 231.22 million)
The future minimum lease payments under non - cancellable operating lease is as follows:

(Amount in million)

Particulars	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Within one year	108.26	131.28	106.15
After one year but not more than five years	338.36	319.49	229.20
More than five years	74.51	76.14	74.33
Total	**521.13**	**526.91**	**409.68**

B. Company as lessor: Operating lease receivables
The Company has entered into lease arrangement for its ATM management service business. The lease at inception is classified as operating lease. These leases have terms ranging between five and seven years. Future minimum rentals receivable under non-cancellable operating leases are, as follows:

(Amount in million)

Particulars	March 31, 2017
	`
Within one year	51.61
After one year but not more than five years	204.36
More than five years	21.63
Total	**277.60**

During the current year, the Company has recognised ` 30.16 million (March 31, 2016 - ` Nil) as income in relation to the above arrangements. The above lease rentals are fixed monthly fees; additionally there is transactions linked fees billable to the customer. The separation of consideration or future payments for lease and other elements is impracticable. Accordingly all fixed payments under the arrangement are treated as lease payments for the purposes of complying with the disclosure requirement.

The following are the details of the fixed assets given on operating lease:

Particulars	Amount
Gross block value as at March 31, 2017	91.28
Less: Accumulated Depreciation as at March 31, 2017	(22.35)
Net block value as at March 31, 2017	68.93
Depreciation for the year	5.94

Note:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Ind AS Unconsolidated Statement of Related Party Transactions

Related party disclosures, as required by notified Ind-AS 24 - "Related Party Disclosures" are given below:

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Ultimate Holding Company	Baring Private Equity Asia (with effect from August 27, 2015)
Holding Company	Sion Investment Holdings Pte. Limited (with effect from August 27, 2015) Blackstone FP Capital Partners (Mauritius) V Limited (up to August 26, 2015)
Subsidiary Companies and Trusts	CMS Securitas Limited CMS Marshall Limited (subsidiary of CMS Securitas Limited) Securitrans India Private Limited Quality Logistics Services Private Limited CMS Securitas Employees Welfare Trust
2) Key management personnel	Mr. Rajiv Kaul (Whole Time Director & Chief Executive Officer) Mr. Pankaj Khandelwal (Chief Financial Officer) Mr. Gopal Krishna Pillai (Non-Executive Independent Director) Mr. Krzysztof Wieslaw Jamroz (Non-Executive Independent Director)
3) Enterprises over which Director and / or his relatives has significant influence	CMS Computers Limited (up to August 26, 2015) CMS Traffic Systems Limited (up to August 26, 2015) G.G. Constructions Private Limited (up to August 26, 2015) Resergent Infoteck Private Limited (up to August 26, 2015) CMS IT Services Private Limited (up to August 26, 2015)

b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. These transactions are approved by the Audit Committee of the Board of Directors. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2017; March 31, 2016 and March 31, 2015. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

c) Summary of transactions with the above related parties are as follows:

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Sale of products			
CMS Computers Limited	-	-	0.12
Interest Income			
Securitrans India Private Limited	42.74	34.83	24.79
Remuneration to KMP (short-term employee benefits)			
Mr. Rajiv Kaul	42.74	115.88	60.00
Mr. Pankaj Khandelwal	9.86	41.27	9.08
Mr. Gopal Krishna Pillai	1.10	0.28	-
Mr. Krzysztof Wieslaw Jamroz	1.10	0.28	-
Employee stock option compensation cost			
Mr. Rajiv Kaul	111.13	-	-
Mr. Pankaj Khandelwal	3.38	-	-
Repurchase of vested stock options			
Mr. Rajiv Kaul	-	9.40	-
Mr. Pankaj Khandelwal	-	29.40	-

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Ind AS Unconsolidated Statement of Related Party Transactions

c) **Summary of transactions with the above related parties are as follows: (Continued)**

(Amount in million)

Particulars	For the years ended March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Sitting fees to Directors			
Mr. Gopal Krishna Pillai	0.40	0.10	-
Mr. Krzysztof Wieslaw Jamroz	0.40	0.10	-
Service and security charges			
CMS Marshall Limited	383.64	329.06	213.18
CMS Securitas Limited	275.62	414.04	389.94
Securitrans India Private Limited	2.00	-	-
Legal, professional and consultancy fees			
CMS Computers Limited	-	-	0.59
Reimbursement of Conveyance and traveling expenses			
CMS Marshall Limited	70.04	40.79	38.26
CMS Securitas Limited	1.68	-	-
Reimbursement of Power & Electricity			
CMS Securitas Limited	4.50	4.19	-
Lease rentals			
CMS Computers Limited	-	7.05	22.27
CMS Securitas Limited	0.88	0.51	0.17
Rates and Taxes			
CMS Securitas Limited	-	-	6.16
Repairs and maintenance			
CMS Computers Limited	-	-	0.32
Loans given during the year			
Securitrans India Private Limited	439.00	153.57	274.50
CMS Securitas Employee Welfare Trust	-	55.12	-
Loans received back during the year		-	
Securitrans India Private Limited	147.62	60.00	234.24
CMS Securitas Employee Welfare Trust	-	312.26	150.00
Deposits given			
G.G. Constructions Private Limited	-	-	-
Dividend on Preference shares			
CMS Securitas Employee Welfare Trust	-	-	0.01
Subscription to equity shares			
Quality Logistics Services Private Limited	-	0.10	-
CMS IT Services Private Limited *	-	-	0.10
Redemption of Preference shares			
CMS Securitas Employee Welfare Trust	-	-	150.00
Reimbursement of Rent expenses			
CMS IT Services Private Limited	-	-	28.20
Issue of share capital			
CMS Securitas Employee Welfare Trust	-	55.12	-

* The shares were cancelled on April 01, 2015 by virtue of demerger

Notes:
1) As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to KMP's is not ascertainable separately , and, therefore not included above.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Ind AS Unconsolidated Statement of Related Party Transactions

d) Summary of balance receivable from / (payable to) the above related parties are as follows:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Sale of services			
Securitrans India Private Limited	-	-	1.62
Interest Income			
Securitrans India Private Limited	38.48	31.35	24.79
Remuneration payable to KMP			
Mr. Rajiv Kaul	(25.80)	(13.20)	(20.00)
Mr. Pankaj Khandelwal	(2.05)	(1.40)	(1.20)
Mr. Gopal Krishna Pillai	(0.75)	(0.28)	-
Mr. Krzysztof Wieslaw Jamroz	(0.47)	(0.28)	-
Loans given during the year			
Securitrans India Private Limited	616.29	293.57	200.00
CMS Securitas Employee Welfare Trust	-	-	257.15
Deposits given			
G.G. Constructions Private Limited	-	-	8.83
Reimbursement of Rent expenses			
CMS IT Services Private Limited	-	-	28.20
Balances outstanding at the year end			
CMS Securitas Limited	(112.83)	(127.17)	(76.69)
CMS Marshall Limited	(58.57)	(27.21)	(13.79)
CMS Traffic Systems Limited	-	-	1.34
CMS Computers Limited	-	-	5.23
Resergent Infoteck Private Limited	-	-	(0.16)
CMS IT Services Private Limited	-	-	(670.15)
Securitrans India Pvt Ltd	5.34	-	-

Notes:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVII
Restated Ind AS Unconsolidated Statement of Contingent Liabilities and Capital Commitments

1. Contingent liabilities:

(Amount in million)

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Claims against the Company not acknowledged as debt			
a) Disputed Customs Matters*	42.78	42.78	43.96
b) Guarantees given on behalf of subsidiary**	1,000.00	1,000.00	1,000.00

Notes:
* In relation to the matters of customs duty listed above, the Company is contesting the demands from the respective Government Departments. The management, including its tax and legal advisors, believe that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

** The Company has given corporate guarantees of in favor of lenders of Securitrans India Private Limited, a subsidiary of the Company.

2. Capital commitments:

(Amount in million)

Particulars	For the years ended		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Estimated amount of contracts remaining to be executed on capital account and not provided for	10.70	1.11	0.33
	10.70	**1.11**	**0.33**

Notes:
1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVIII
Unconsolidated Statement of Capitalisation

(Amount in million)

Particulars	Pre-Issue as at March 31, 2017	As adjusted for issue (Refer note 2 below)
Debt:		
Non-current borrowings		
Non-current portion (A)	6.90	
Current maturities (B)	32.00	
Total Non-current borrowings (C) = (A + B)	**38.90**	
Current borrowings **(D)**	33.08	
Total debt (E) = (C) + (D)	**71.98**	
Shareholders Funds:		
Equity share capital	1,480.00	
Other equity (as restated)	4,265.33	
Total Shareholders funds (F)	**5,745.33**	
Non-current borrowings / Equity ratio (C / F)	**0.01**	

Notes:

1 The above has been computed on the basis of the Restated Ind AS Unconsolidated Summary Statements of Assets and Liabilities of the Company.

2 The corresponding Post IPO capitalisation data for each of the amounts given in the above table is not determinable at this stage pending the completion of the Book Building Process and hence the same has not been provided in the above statement.

3 The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIX
Statement of Dividend Paid

(Amount in million)

Particulars	**For the years ended**		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Dividend on equity shares	-	-	-
Dividend on 0.01% Optionally convertible cumulative redeemable preference shares:			
Number of OCCPS*	-	-	-
Rate of dividend (%)	0.00%	0.00%	0.01%
Dividend paid on OCCPS	-	-	0.01
Tax on above dividend	-	-	0.01

* During the year 2014-15, the preference shares have been redeemed.

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Summary Statement of Profits and Loss of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXX
Restated Ind AS Unconsolidated Statement of Tax Shelter

(Amount in million)

Sr. No.	Particulars	For the years ended		
		March 31, 2017	**March 31, 2016**	**March 31, 2015**
		`	`	`
A	**Restated profit before tax**	**1,153.12**	**882.97**	**930.64**
B	Statutory tax rate (%)	34.608%	34.608%	33.99%
C	Tax at statutory rate	399.07	305.58	316.32
	Adjustment for Permanent differences			
1	Disallowance u/s 14A	12.29	6.11	6.11
2	Donation	0.09	0.66	1.73
3	Others	12.52	(3.06)	14.55
D	**Total Permanent differences**	**24.90**	**3.71**	**22.39**
	Adjustment for Timing differences			
1	Provision for warranty	(15.69)	48.36	(17.28)
2	Depreciation	44.60	34.70	62.45
3	Provision for bonus	4.36	15.82	(1.20)
4	Provision for bad and doubtful debts	49.76	61.09	114.26
5	Provision for doubtful insurance claims	(2.49)	10.38	(5.23)
6	Rent accruals (straight lining of rental)	(5.12)	7.00	(1.47)
7	Provision for Gratuity	1.67	3.55	7.91
8	Provision for leave encashment	1.23	2.79	7.65
9	Provision for doubtful advances and deposits	-	0.57	28.97
10	Provision for ESOP	133.61	-	-
11	Discontinuing operations	-	-	(275.67)
12	Others	(2.99)	(0.50)	(1.69)
E	**Total Timing differences**	**208.94**	**183.76**	**(81.30)**
F	**Net Adjustment (D + E)**	**233.84**	**187.47**	**(58.91)**
G	Tax expenses / (savings) thereon **(F * B)**	80.93	64.88	(20.02)
H	**Current tax (C + G)**	**480.00**	**370.46**	**296.30**
I	**Adjustment of tax relating to earlier years**	**-**	**(19.08)**	**-**
J	**Deferred tax charge / (credit)**	**(72.31)**	**(63.60)**	**27.63**
K	**Total Tax Expenses (H+I+J)**	**407.69**	**287.78**	**323.93**

Notes:
1. The aforesaid Statement of Tax Shelter has been prepared as per the Restated Ind AS Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXI
Restated Ind AS Unconsolidated Statement of Accounting Ratios

Sr. No.	Particulars	Reference	For the years ended		
			March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
1	Restated profit after tax (` in million)	A	745.43	595.19	606.71
2	Less: Preference dividend for the year including tax thereon (` in million)	B	-	-	(0.02)
3	Net profit available to equity shareholders (` in million)	C = A + B	745.43	595.19	606.69
4	Number of equity shares outstanding at the end of the year	D	148,000,000	148,000,000	146,775,190
5	Number of compulsory convertible preference shares outstanding at the end of the year	E	-	-	-
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	148,000,000	147,524,800	146,775,190
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	148,000,000	147,524,800	155,294,043
8	Restated net worth (refer note 5 below) (` in million)	H	5,745.33	4,862.71	4,419.69
9	**Accounting ratios:**				
	Basic earnings per share (`)	C / F	5.04	4.03	4.13
	Diluted earnings per share (`)	C / G	5.04	4.03	3.91
	Return on net worth (%)	A / H	12.97%	12.24%	13.73%
	Net asset value per share (`)	H / D	38.82	32.86	30.11

Notes:

1. The above ratios have been computed on the basis of the Restated Ind AS Unconsolidated Summary Statements of the Company.

2. The above statement should be read with the notes to the Restated Ind AS Unconsolidated Summary Statements as appearing in Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements appearing in Annexure VI.

3. The ratios have been computed as below:

a) Basic Earnings per share (`) = $\frac{\text{Restated net profit available to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year (refer note 4)}}$

b) Diluted Earnings per share (`) = $\frac{\text{Restated net profit available to equity shareholders}}{\text{Weighted average number of dilutive equity shares (refer note 7)}}$

c) Return on net worth (%) = $\frac{\text{Restated profit after tax}}{\text{Restated net worth at the end of the year (refer note 5)}}$

d) Net asset value per share (`) = $\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Net worth includes Equity share capital , Securities Premium , Retained earnings and Other reserves .

6. Earnings per share calculations are in accordance with Ind-AS 33 - Earnings per share.

7. Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options and Optionally convertible cumulative redeemable preference. For the year ended 31 March 2017, the impact of Employee stock option is anti-dilutive.

8. For year ended March 31, 2015; basic earning per share for continued operation is ` 5.35 and discontinued operation is ` (1.22) . Diluted earning per share for continued operation is ` 5.06 and discontinued operation is ` (1.22).

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXII
Notes to Restated Ind AS Unconsolidated Summary Statements

1. Employee benefits

Defined contribution plan

During the year ended March 31, 2017, March 31, 2016 and March 31, 2015 the Company contributed the following amounts to defined contribution plans:

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Provident Fund and Employees' Family Pension Scheme	18.95	16.94	49.10
Employees' State Insurance Corporation	2.56	1.92	17.70
Total	**21.51**	**18.86**	**66.80**

Defined benefit plan

As per the payment of Gratuity Act, 1972, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The scheme of the Company is funded with an insurance company in the form of a qualifying insurance policy. Management aims to keep annual contribution relatively stable at such a level such that no plan deficits will arise. The Company has purchased an insurance policy, which is a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in a increase in liability without corresponding increase in the asset).

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity plans of the Company.

Statement of Profit and Loss- Net employee benefits expense (recognized in employee cost)

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Current service cost	3.47	3.08	2.06
Net interest cost	0.63	0.39	2.46
Expenses recognised in the Statement of Profit and Loss	**4.10**	**3.47**	**4.52**

Net employee benefits expense (recognised in Other Comprehensive Income):

Particulars	For the years ended		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Actuarial (gains) / losses			
- change in demographic assumptions	(2.53)	-	0.41
- change in financial assumptions	0.84	0.33	0.40
- experience variance (i.e. actual experience vs assumptions)	0.73	0.06	5.21
- Return on plan assets, excluding amount recognised in net interest expense	(0.67)	0.51	(1.02)
Components of defined benefit cost recognised in other comprehensive income	**(1.63)**	**0.90**	**5.00**

Balance Sheet

Details of provision and fair value of plan assets

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
Present value of obligation	22.21	20.55	16.68
Fair value of plan asset	13.90	12.28	11.84
Net liability	**8.31**	**8.27**	**4.84**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXII
Notes to Restated Ind AS Unconsolidated Summary Statements

Changes in present value of obligation

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Present value of obligation at the beginning of the year	20.55	16.68	48.21
Transfer on account of scheme of demerger	-	-	(42.74)
Current service cost	3.47	3.08	2.06
Interest expense	1.57	1.34	3.33
Re-measurement (gain) / loss arising from			
-change in demographic assumptions	(2.53)	-	0.41
-change in financial assumptions	0.84	0.33	0.40
-experience variance (i.e actual experience vs assumptions)	0.73	0.06	5.21
Benefits paid	(2.42)	(0.94)	(0.20)
Present value of obligation at the end of the year	**22.21**	**20.55**	**16.68**

Changes in the fair value of plan asset are as follows:

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
	`	`	`
Fair value of plan assets at the beginning	12.28	11.84	9.95
Investment income	0.95	0.95	0.87
Net interest expense	0.67	(0.51)	-
Return on plan assets except amount recognised as net Interest expense	-	-	1.02
Fair value of plan assets as at the end	**13.90**	**12.28**	**11.84**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	As at		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
Investment with insurer through trust	100%	100%	100%

The Company expects to contribute ` 5.00 million (March 31, 2016 - ` Nil; March 31, 2015 - ` Nil) to gratuity fund during the annual period beginning after balance sheet date.

The following is the maturity profile of the Company's defined benefit obligation

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015**
Weighted average duration (based on discounted cash flows)	8 years	5 years	5 years

The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

Particulars	For the years ended		
	March 31, 2017	**March 31, 2016**	**March 31, 2015 (Proforma)**
Discount rate	6.90%	7.65%	8.00%
Salary Growth rate	5.00%	5.00%	5.00%
Employee attrition rate	Upto 5 years of service – 25% above 5 years of service – 5%	Upto 30 years of age – 18% Above 30 years of age – 16%	Upto 30 years of age – 18% Above 30 years of age – 16%

The estimates of future salary increases, considered in actuarial valuation, takes in account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXII
Notes to Restated Ind AS Unconsolidated Summary Statements

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2017 is as shown below:

Particulars	March 31, 2017		March 31, 2016		March 31, 2015	
	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption	Increase in assumption	Increase in assumption
Discount Rate (-/+1%)	1.98	(1.72)	1.00	(0.92)	0.72	(0.66)
(% change compared to base due to sensitivity)	6.80%	-5.90%	4.90%	-4.50%	-4.31%	3.96%
Salary Growth Rate (-/+1%)	(1.47)	1.58	(0.81)	0.85	(0.54)	0.57
(% change compared to base due to sensitivity)	-5.82%	6.57%	-4.00%	4.10%	3.24%	-3.39%
Attrition Rate (-/+ 50% of attrition rates)	(0.27)	0.08	(0.89)	0.17	(0.90)	0.27
(% change compared to base due to sensitivity)	-2.69%	1.14%	-4.30%	0.80%	5.39%	-1.62%
Mortality Rate (-/+10% of Mortality rates)	(0.01)	0.01	(0.01)	0.01	(0.01)	0.01
(% change compared to base due to sensitivity)	-0.03%	0.03%	0.00%	0.00%	0.03%	-0.03%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on define benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

Other long term employee benefits

In accordance with its leave policy, the Company has provided for compensated absences on the basis of an actuarial valuation carried out by an independent actuary at the end of the year.

2. Impairment testing of Goodwill

Goodwill acquired through business combinations has indefinite life. Out of the total Goodwill of the Company, ` 1,035.18 million (March 31, 2016: ` 1,035.18 million, March 31, 2015: ` 1,035.18 million), relates to the Cash Management division of the Company.

The Company performed its annual impairment test for years ended March 31, 2017, March 31, 2016 and March 31, 2015. The Company considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cash flows beyond 5 years using a growth rate of 4.5% p.a. (March 31, 2016: 4.5%, March 31, 2015: 4.5%). The pre-tax discount rate applied to the cash flow projections for impairment testing during the current year is 15% (March 31, 2016: 15%, March 31, 2015: 15%) for the cash management of the company.

The said cash flow projections are based on the senior management past experience as well as expected met trends for the future periods. The projected cash flows have been updated to reflect the decreased demand for products and services. The calculation of weighted average cost of capital (WACC) is based on the Company's estimated capital structure as relevant and attributable to the CGU. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks relating to the relevant CGUs, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate.

Based on the above assumptions and analysis, no impairment was identified for any of the CGUs as at March 31, 2017, March 31, 2016 and March 31, 2015. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the CGU's recoverable amount, there are no scenarios identified by the Management wherein the CGU's carrying value could exceed its recoverable amount.

3. Business combinations

On October 31, 2016, the Company acquired the ATM management service business of Clover Transaction Systems Private Limited, a Company based in Mumbai for ` 65.50 million. The fair values of the identifiable assets and liabilities on the date of acquisition were as follows:

Assets acquired and liabilities assumed	**` in million**
Assets	
Property, plant and equipment	69.07
Intangible asset	6.63
Trade receivables	11.72
Other financial assets	0.67
Other assets	4.63
Total assets acquired	**92.72**
Liabilities	
Trade payables	2.25
Other financial liabilities	17.67
Other liabilities	10.89
Deferred tax liability	2.31
Total Liabilities assumed	**33.12**
Net assets assumed	**59.60**
Total purchase consideration	**65.50**
Goodwill on acquisition	**5.90**

4. Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2017:

	Cost	**Fair Value**	**Level 2**
Assets measured at fair value			
FVTPL financial investments			
Investment in unquoted mutual fund units	190.00	190.11	190.11

The fair value for the investments is arrived at with reference to the Net asset value (NAV) of the mutual fund units as disclosed by the Asset management Company.

The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, bank overdrafts and other financial liabilities and other financial asset approximate their carrying amounts largely due to the short-term maturities of these instruments.

Break up of financial assets carried at amortised cost

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015 (Proforma)**
Trade receivables	1,233.19	1,947.71	2,688.10
Cash and cash equivalents	106.27	217.01	31.36
Other bank balances	65.23	69.54	60.93
Other financial assets	2,165.38	2,023.27	1,784.56
Total financial assets carried at amortised cost	**3,570.07**	**4,257.53**	**4,564.95**

Break up of financial liabilities carried at amortised cost

Particulars	**March 31, 2017**	**March 31, 2016**	**March 31, 2015 (Proforma)**
Borrowings	71.98	715.60	839.09
Trade payables	735.50	1,400.36	1,490.64
Other financial liabilities	626.11	795.41	1,483.38
Total financial liabilities carried at amortised cost	**1,433.59**	**2,911.37**	**3,813.11**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

5. Financial risk management objectives and policies

The Company through it operations is exposed to interest risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk – Interest rates

No interest rate hedging instruments were entered in the current year or the previous year. In respect of the cash credit facilities and working capital demand loan taken these facilities are taken for a short term and hence potential interest rate fluctuation would have an insignificant effect.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables)

Trade receivables

Customer credit risk is managed by the Company's established policy. To minimise the risk from the counter parties the company enters into financials transaction with counter parties who are major names in the industry

A significant risk in respect of receivables is related to the default risk and credit risk. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of receivables disclosed in Annexure XIII. The Company does not hold collateral as security.

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Trade receivables concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. The Company's historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, working capital demand loan and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017:

Particulars	On demand	Within 12 months	1 to 5 years	Total
Borrowings (Annexure XV)	30.24	34.84	6.90	71.98
Trade and other payables	-	735.50	-	735.50
Other financial liabilities (Annexure XVIII)	-	626.13	-	626.13
Total	**30.24**	**1,396.47**	**6.90**	**1,433.61**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2016:

Particulars	On demand	Within 12 months	1 to 5 years	Total
Borrowings (Annexure XV)	147.52	533.97	34.11	715.60
Trade and other payables	-	1,400.36	-	1,400.36
Other financial liabilities (Annexure XVIII)	-	795.41	-	795.41
Total	**147.52**	**2,729.74**	**34.11**	**2,911.37**

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2015:

Particulars	On demand	Within 12 months	1 to 5 years	Total
Borrowings (Annexure XV)	374.48	407.79	56.82	839.09
Trade and other payables	-	1,490.64	-	1,490.64
Other financial liabilities (Annexure XVIII)	-	1,483.38	-	1,483.38
Total	**374.48**	**3,381.81**	**56.82**	**3,813.11**

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other components of equity as its owned capital. Thus, as at March 31, 2017, the capital employed by the Company is ` 5,745.33 million (March 31, 2016: ` 4,862.71 million; March 31, 2015: ` 4,419.69 million). The primary objective of the Company's capital management is to maximise shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the return capital to shareholders or issue new shares. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Thus, as at March 31, 2017, the Company's net debt is is ` 1,327.34 million (March 31, 2016: ` 2,694.36 million; ; March 31, 2015: ` 3,781.75 million).

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year or previous year.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017, March 31, 2016 and March 31, 2015.

6. Provision for Warranty

A provision of ` 32.44 million (March 31, 2016: ` 45.50 million and March 31, 2015: ` 6.36 million) is recognized for expected warranty claims on sale of ATM sites and related products during the current year. The provision is recognised based on historical experience and expected costs that will be incurred on providing repairs and maintenance services during the warranty period. Assumptions used to calculate the provision for warranty is based on current sales levels and current information available based on the warranty period for the ATM sites and related products sold. The table below gives information about movement in warranty provision.

Particulars	As at		
	March 31, 2017	March 31, 2016	March 31, 2015 (Proforma)
	`	`	`
At the beginning of the year	45.50	6.36	25.50
Arising during the year	7.26	45.50	7.72
Utilised during the year	(23.61)	(6.86)	(25.50)
Unwinding of finance cost	3.29	0.50	(1.36)
At the end of the year	**32.44**	**45.50**	**6.36**

7. Operating Segment

Since the segment information as required by Ind AS 108-Operating Segments is provided in consolidated financial statements, the same is not provided in the Company’s separate financial statement.

8. Employee Stock Option Schemes

ESOP Schemes Prior to 2016-17
On transition date, the Company accounted for unvested option at fair value while for vested options, the Company has elected to use exemption under Ind AS 101 for application of Ind AS 102.

CEO Employee Stock Option plan 2008
The option granted to CEO under the scheme were vested as on date of transition.
As on April 01, 2015, CMS Securitas Employee Trust held 6,300,000 equity shares in the Company to be issued to CEO under CEO Employee Stock Option Scheme of the Company have been disclosed as treasury shares. During the year ended March 31, 2016, the Company has issued additional 1,224,810 equity shares to the trust.
In August 2015, CEO exercised 7,524,810 vested options at average exercise price of ` 33.27 through CMS Securitas Employee Welfare Trust. Further the company purchased remaining 116,120 vested options from the CEO for ` 9.4 million as part of the stake sale to Sion Investment Holdings Pte. Ltd by erstwhile shareholders. The payment made against repurchase of vested option was recognized in retained earnings, net of tax, for the year ended March 31, 2016 .

Employee Stock Option Scheme, 2010
On transition date, the Company accounted for unvested option (7,50,500 options) at fair value while for vested options (3,802,300 options), the Company has elected to use exemption under Ind AS 101 for application of Ind AS 102. In August 2015, on the stake sale to Sion Investment Holdings Pte. Ltd by erstwhile shareholders, the Company cancelled the unvested options (551,781 options) and repurchased the vested options (4,001,019 options). On cancellation of unvested options, the Company accounted cost for an accelerated vesting amounting to ` 1.91 million. The payment made against repurchase of vested option was recognized in retained earnings, net of tax, amounting to ` 208.61 million.

ESOP Scheme in current year 2016-17
During the current year the shareholder approved three employee stock scheme Employee Stock Option Scheme 2016, CEO Stock Option Scheme 2016 and Management Scheme 2016. Following are details of the scheme:

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	4,604,444	9,866,667	1,973,333
Number of option granted on October 20, 2016 under the scheme	3,700,000	9,866,667	-

Following is the vesting period for grants during the year:

Vesting Period	Employee Scheme		CEO Scheme
	Time Based	Performance Based*	Time Based
12 months from date of grant	25.00%	0.00%	100%
21 months from date of grant	8.33%	16.67%	-
33 months from date of grant	8.33%	16.67%	-
45 months from date of grant	8.34%	16.66%	-

*For options granted in October 2016, 21st month vesting will be based on Company / business unit performance for the financial year ending 31 March 2018 and so on. The performance condition are assessed as non-market conditions.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXII
Notes to Restated Ind AS Unconsolidated Summary Statements

The vested options can be exercised by the employees only upon happening of liquidity event. In case of listing, being a liquidity event, the vested options can be exercised within 1 year of the date such options are vested. In any other liquidity event, the vested options can be excised within such period as may be prescribed by the Board in this regard. In case of CEO Scheme, the vested options can be exercised anytime up to 2 years from the date of listing or 5 years from the date of vesting whichever is earlier. The exercise price of the option is ` 123.

The following table summarises the movement in stock options granted during the year:

Particulars	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	-	-
Granted during the year	37,00,000	98,66,667
Forfeited / cancelled during the year	-	-
Exercised during the year	-	-
Expired during the year	-	-
Outstanding at the end of the year	**37,00,000**	**98,66,667**
Exercisable at the end of the year	-	-
Weighted average exercise price (in `)	123	123
Weighted average remaining contractual life (in years)	1.41	0.58
Weighted average fair value of options granted (in `)	28.33	25.38

The Company has used Black Scholes option pricing model. The following tables list the inputs to the models used for the both Employee and CEO plans for the years ended 31 March 2017:

Particulars	Assumptions
Dividend yield (%)	0%
Expected volatility (%)	25%
Risk–free interest rate (%)	7%
Expected life of share options (years)	2 -3.7 years
Weighted average fair value per share (in `)	123.00

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. Based on above, The Company has recognized cost of ` 133.61 million in relation to this scheme in the current year (March 31, 2016: Nil, March 31, 2015: Nil).

9. List of entities controlled by the Company are:

Name of Company / trust	Country of incorporation	Percentage of ownership interest and voting rights as at		
		March 31, 2017	March 31, 2016	March 31, 2015
Securitrans India Private Limited (‘SIPL’)	India	100	100	100
CMS Securitas Limited (‘CSL’)	India	100	100	100
CMS Marshall Limited (‘CML’)	India	100	100	100
Quality Logistics Service Private Limited	India	100	100	NA
CMS Securitas Employee Welfare Trust	India	100	100	100

The investments in the subsidiaries are accounted for at cost in the standalone financial statements.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXIII
Notes to Restated Ind AS Unconsolidated Summary Statements

10. Scheme of arrangement:

During the financial year 14-15, the Company incorporated CMS IT Services Private Limited ('CMS IT Services') as a wholly owned subsidiary with paid-up share capital of ` 0.1 million. Subsequently, the Company and CMS IT Services filed a Scheme for demerger (the 'Scheme') with the Honorable High Court of Judicature at Bombay for the transfer of the IT Enabled services, trading of IT equipment(s) and network training services (together the 'Discontinuing operations') from the Company to CMS IT Services. As a part of the consideration, the shareholders of the Company received shares in CMS IT Services.

The Scheme was approved by the Honorable High Court of Judicature at Bombay, vide their order dated January 23, 2015, which was filed with the Registrar of Companies on April 01, 2015. Accordingly the Scheme became effective on April 01, 2015 with appointed date January 01, 2015.

On the Scheme becoming effective, as per the terms of the scheme the shares held by the Company in CMS IT Services were cancelled. As prescribed in the Scheme, all assets and liabilities of Discontinuing operations as at December 31, 2014 were transferred to the CMS IT Services at their respective book value:

Particulars	Amount in million
Property, plant and equipment	151.86
Deferred tax assets (net)	98.21
Long-term loans and advances (Contains components of 'other asset' and 'other financial asset')	89.58
Current assets	1,847.88
Total assets	**2,187.53**
Current liabilities	824.89
Provisions	71.87
Total liabilities	**896.76**
Net assets transferred in the Scheme	**1,290.77**
Investments in CMS IT Services cancelled	**0.10**
Adjusted in Securities premium	**1,136.21**
Adjusted in General reserve	**68.63**
Adjusted in retained earnings	**86.01**

The net liability of ` 641.95 payable to CMS IT Services has been disclosed under Other Current Financial Liabilities under Annexure XVIII as at March 31, 2015.

Pursuant to the requirement of Ind AS 105 'Discontinuing Operations', the Company has treated the de-merged businesses as discontinuing operations and has made required disclosure below.

The following statement shows the revenue and expenses of the Discontinuing operations.

(Amount in million)

Particulars	For the period ended December 31, 2014 `
Revenue	2,127.87
Other Income	20.77
Expenses	2,362.58
Loss from operating activities	**(213.94)**
Depreciation and amortization expense	(58.36)
Loss before tax	**(272.30)**
Income-tax expense	93.70
Loss after tax	**(178.60)**

The carrying amounts of the total assets and liabilities transferred on 01 January, 2015 are as follows.

(Amount in million)

Particulars	As at December 31, 2014 `
Total assets	2,187.52
Total liabilities	896.76
Net assets	**1,290.76**

The net cash flows attributable to the Discontinuing operations are as below:

(Amount in million)

Particulars	For the period ended December 31, 2014 `
Operating activities	22.59
Investing activities	(23.37)
Financing activities	-
Net cash outflows	**(0.78)**

Notes:

1. The figures disclosed above are based on the Restated Ind AS Unconsolidated Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Ind AS Unconsolidated Summary Statements - Accounting Policies - Annexure V and Statement of Restatement Adjustments to Audited Ind AS Unconsolidated Financial Statements - Annexure VI.

Auditors' Report on the restated unconsolidated summary statement of Assets and Liabilities as at March 31, 2014 and 2013 and Profits and Losses and Cash Flows for each of the year ended March 31, 2014, and 2013 of CMS Info Systems Limited (collectively, the "Restated Previous GAAP Unconsolidated Summary Statements")

To
The Board of Directors
CMS Info Systems Limited
Silver Metropolis, 11th Floor
Western Express Highway
Goregaon (East), Mumbai - 400063

Dear Sirs,

1. We have examined the attached Restated Previous GAAP Unconsolidated Summary Statements of CMS Info Systems Limited (the "Company") as at and for each of the year ended March 31, 2014 and 2013 annexed to this report and prepared by the Company for the purpose of inclusion in the offer document in connection with its proposed initial public offer ("IPO"). The Restated Previous GAAP Unconsolidated Summary Statements which have been approved by the Board of Directors of the Company, have been prepared in accordance with the requirements of:

    a. Sub-clauses (i), (ii) and (iii) of clause (b) of Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act 2013 (the "Act") read with Rules 4 to 6 of Companies (Prospectus and Allotment of Securities) Rules, 2014 (the "Rules"); and

    b. relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "ICDR Regulations") issued by the Securities and Exchange Board of India ("SEBI") on August 26, 2009, as amended from time to time in pursuance of the Securities and Exchange Board of India Act, 1992.

Management's Responsibility for the Restated Previous GAAP Unconsolidated Summary Statements

2. The preparation of the Restated Previous GAAP Unconsolidated Summary Statements, which is to be included in the Draft Red Herring Prospectus ("DRHP"), is the responsibility of the Management of the Company. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Previous GAAP Unconsolidated Summary Statements. The Management is also responsible for identifying and ensuring that the Company complies with the Rules and the ICDR Regulations.

Auditors' Responsibilities

3. We have examined such Restated Previous GAAP Unconsolidated Summary Statements taking into consideration:

    a. the terms of reference and terms of our engagement agreed with you vide our engagement letter dated July 10, 2017, requesting us to carry out the assignment, in connection with the proposed IPO of the Company;

    b. the Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (the "Guidance Note"); and

    c. the requirements of Section 26 of the Act read with applicable provisions within Rule 4 to 6 of the Rules and the ICDR Regulations. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Act and the ICDR Regulations in connection with the IPO.

4. The Company proposes to make an initial public offer of its equity shares, having a face value of ` 10 each, at an issue price to be arrived at by the book building process (referred to as the 'Offer'), as may be decided by the Company's Board of Directors.

Restated Previous GAAP Unconsolidated Summary Statements as per audited Unconsolidated financial statements:

5. The Restated Previous GAAP Unconsolidated Summary Statements have been compiled by the management from the audited financial statements of the Company as at and for each of the year ended March 31, 2014 and 2013, prepared in accordance with accounting principles generally accepted in India ("Previous GAAP" or "Indian GAAP") at the relevant time, which have been approved by the Board of Directors at their meetings held on October 13, 2014 and December 30, 2013, respectively.

6. For the purpose of our examination, we have relied on the Auditors' Report issued by us dated October 13, 2014 and December 30, 2013 on the unconsolidated financial statements of the Company as at and for each of the year ended March 31, 2014 and 2013 as referred in Para 5 above; and

7. Based on our examination, in accordance with the requirements of Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, ICDR Regulations and the Guidance Note, we report that we have examined the following summarised financial statements of the Company contained in Restated Previous GAAP Unconsolidated Summary Statements, which as stated in the Annexure IV to this report have been arrived after making adjustments and regrouping/reclassifications as in our opinion were appropriate and more fully described in Annexure V – Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements, read with paragraph 7(d) below:

   a) The Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2014 and 2013 under Indian GAAP examined by us, as set out in Annexure I to this report;

   b) The Restated Previous GAAP Unconsolidated Summary Statement of Profit and Losses of the Company for each of the year ended March 31, 2014 and 2013 under Indian GAAP examined by us, as set out in Annexure II to this report;

   c) The Restated Previous GAAP Unconsolidated Summary Statement of Cash Flows of the Company for each of the year ended March 31, 2014 and 2013 under Indian GAAP examined by us, as set out in Annexure III to this report; and

   d) Based on the above and according to the information and explanations given to us, we further report that the Restated Previous GAAP Unconsolidated Summary Statements of the Company, as attached to this report and as mentioned in paragraphs 7(a) to 7(c) above, read with basis of preparation and respective significant accounting policies given in Annexure IV as described in paragraph 1 have been prepared in accordance with the Rules and the SEBI Regulations and these Restated Previous GAAP Unconsolidated Summary Statements:

      i) do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended March 31, 2014 are materially consistent with the policies adopted as at and for the year ended March 31, 2013. Accordingly, no adjustments have been made to the audited financial statements of the respective periods presented on account of changes in accounting policies;

      ii) have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

iii) as per the requirements of Previous GAAP, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Previous GAAP Unconsolidated Summary Statements;

iv) There are no qualifications in the auditors' reports on the audited Unconsolidated financial statements of the Company as at March 31, 2014 and 2013 and for each of the year ended March 31, 2014 and 2013, which require any adjustments to the Restated Previous GAAP Unconsolidated Summary Statements; and

v) Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order 2003, as applicable, on the Unconsolidated financial statements for the year ended March 31, 2014 and 2013, which do not require any corrective adjustment in the Restated Previous GAAP Unconsolidated Summary Statements, are as follows:

A. For the year ended March 31, 2014

Clause (v) (b)

In respect of transactions made in pursuance of such contracts or arrangements and exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

Clause (ix)(a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except in case of income-tax where there has been slight delays in payment of instalments of advance tax.

Clause (ix)(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	**Nature of the dues**	**Amount in Million (`)**	**Period to which the amount relates**	**Forum where dispute is pending**
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.07	1999-00	Assistant Commissioner Sales Tax - Delhi
Rajasthan Tax on Entry of Goods into Local areas Act, 1999.	Entry tax on direct purchase	0.04	2002-03	Deputy Commissioner Appeal I – Jaipur
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.23	2003-04	Deputy Commissioner Sales Tax – Delhi
Andhra Pradesh General Sales Tax	Disallowance of rate of tax on Lease rentals	0.09	2009-10 and 2010-11	Appellate Dy. Commissioner (Commercial Tax)

Name of the statute	Nature of the dues	Amount (`)	Period to which the amount relates	Forum where dispute is pending
West Bengal Sales Tax Rules-1995	Ex-parte order	0.41	2004-05	Assistant Commissioner of Sales Tax-Kolkata
West Bengal Sales Tax Rules-1995	Ex-parte order	0.19	2004-05	Assistant Commissioner of Sales Tax-Kolkata
West Bengal Sales Tax Rules-1995	Dues arising during Best Judgment Assessment	1.05	2005-06	Appellate & Revisional Board, Kolkatta
West Bengal Sales Tax Rules-1995	Dues arising during assessment	0.09	2005-06	Appellate & Revisional Board, Kolkatta
West Bengal Value Added Tax, 2003	Enhancement of taxable turnover on the ground of claiming WC TDS certificate, Stock Transfer, disallowance of ITC etc.	3.61	2006-07	Jt. Commissioner of Sales Tax-South Circle
West Bengal Value Added Tax, 2003	Ex-parte order	0.23	2006-07	Jt. Commissioner of Sales Tax-South Circle
West Bengal Value Added Tax, 2003	Enhancement of Turnover, mismatch of TDS certificates and unregistered purchases.	2.93	2008-09	Joint Commisioner, Sales Tax, Kolkatta South Circle
Central Sales Tax Act, 1956	Sales to WBSEB treated as works contract and charged to Tax accordingly, Stock transfer is disallowed and forms C and F pending.	1.35	2008-09	Joint Commisioner, Sales Tax, Kolkatta South Circle
West Bengal Value Added Tax, 2003	Enhancement of Taxable turnover by adding back Miscellaneous Income and Sale of Fixed Assets in the absence of segregation.	1.41	2009-10	West Bengal Commercial Taxes Appellate & Revisional Authority, Kolkatta
Central Sales Tax Act, 1956	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.25	2009-10	Appellate deputy commissioner of commercial taxes

Name of the statute	Nature of the dues	Amount (`)	Period to which the amount relates	Forum where dispute is pending
TNVAT Act, 2006	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.83	2010-11	Appellate deputy commissioner of commercial taxes
Central Sales Tax Act, 1956	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.08	2010-11	Appellate deputy commissioner of commercial taxes
Gujarat Value Added Tax, 2003	Reduction of Input tax credit for purchases made	0.16	2009-10	Deputy Commissioner of Commercial tax, appeal I
Finance Act, 1994	Denial of cenvat credit availed on demerger expenses	0.19	2009-10	Commissioner (Appeals)
Finance Act, 1994	Denial of cenvat credit availed on demerger Expenses	0.37	2010-11	Commissioner (Appeals)
Central Sales Tax Act, 1956	Enhancement of Taxable turnover by adding back Miscellaneous Income and Sale of Fixed Assets in absence of segregation	0.89	2009-10	West Bengal Commercial Taxes Appellate & Revisional Authority, Kolkata
TNVAT Act, 2006	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.72	2009-10	Appellate deputy commissioner of commercial taxes

Clause (xxi)

We have been informed by management of the following frauds on the Company:

(a) Certain instances of cash embezzlements done by employees of the Company working in the Cash management services division wherein the total amount involved was ` 60.38 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 14.28 million and the balance amount of claims doubtful of recovery amounting to ` 20.29 million have been written off during the year;

(b) Certain instances of theft / loot by third parties amounting to ` 36.64 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. Till date, the Company has recovered ` 5.41 million and the balance amount of claims doubtful of recovery amounting to ` 15.03 million have been written off during the year.

B. For the year ended March 31, 2013

Clause (v) (b)

In respect of transactions made in pursuance of such contracts or arrangements and exceeding value of ` 0.5 million entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

Clause (ix)(a)

Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities except in case of income-tax where there has been slight delays in payment of instalments of advance tax.

The provision related to investor education and protection fund are not applicable to the Company.

Clause (ix)(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (`)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.07	1999-00	Deputy Commissioner Sales Tax – Delhi
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.23	2003-04	Deputy Commissioner Sales Tax – Delhi
Central Sales Tax Act, 1956	Non submission of 'C' forms	1.35	2008-09	Deputy Commissioner Sales Tax – Delhi

Name of the statute	Nature of the dues	Amount (`)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Disallowance of claims	0.25	2009-10	Joint Commissioner of Sales Tax - South Circle, Kolkata
Rajasthan Tax on Entry of Goods into Local Areas Act, 1999	Entry tax on direct purchase	0.34	2002-03	Deputy Commissioner Appeal I – Jaipur
West Bengal Sales Tax Rules-1995	Ex-parte order	1.41	2004-05	Assistant Commissioner of Sales Tax – Kolkata
West Bengal Sales Tax Rules-1995	Ex-parte order	0.19	2004-05	Assistant Commissioner of Sales Tax – Kolkata
West Bengal Sales Tax Rules-1995	Dues arising during Best Judgment Assessment	1.13	2005-06	Appellate & Revisional Board – Kolkata
West Bengal Value Added Tax	Turnover enhanced	3.61	2006-07	Joint Commissioner of Sales Tax - South Circle, Kolkata
West Bengal Value Added Tax	Ex-parte order	0.23	2006-07	Jt. Commissioner of Sales Tax - South Circle, Kolkata
West Bengal Value Added Tax	Turnover enhanced	2.93	2008-09	Joint Commissioner of Sales Tax-South Circle, Kolkata
West Bengal Value Added Tax	Turnover enhanced	6.66	2009-10	Joint Commissioner of Sales Tax-South Circle, Kolkata

Clause (xxi)

We have been informed by management of the following frauds on the Company:

(a) Certain instances of cash embezzlements done by employees of the Company working in the Cash management services division wherein the total amount involved was ` 85.11 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 5.78 million and the balance amount of claims doubtful of recovery amounting to ` 58.83 million have been written off during the year;

(b) Certain instances of theft / loot by third parties amounting to ` 28.89 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. The claims doubtful of recovery amounting to ` 11.75 million have been written off during the year.

8. We have not audited any financial statements of the Company as of any date or for any period subsequent to March 31, 2017. Accordingly, we express no opinion on the financial position, results of operations or cash flows of the Company as of any date or for any period subsequent to March 31, 2017.

Other Financial Information:

9. At the Company's request, we have also examined the following Restated Previous GAAP financial information proposed to be included in the offer document, prepared by the management and approved by the Board of Directors of the Company and annexed to this report relating to the Company for the year ended March 31, 2014 and 2013:

    i. Restated Previous GAAP Unconsolidated Statement of Share Capital, enclosed as Annexure VI
    ii. Restated Previous GAAP Unconsolidated Statement of Reserves, enclosed as Annexure VII
    iii. Restated Previous GAAP Unconsolidated Statement of Long-term and Short-term Borrowings, enclosed as Annexure VIII
    iv. Restated Previous GAAP Unconsolidated Statement of Trade Payables and other Liabilities, enclosed as Annexure IX
    v. Restated Previous GAAP Unconsolidated Statement of Provisions, enclosed as Annexure X
    vi. Restated Previous GAAP Unconsolidated Statement of Fixed Assets, enclosed as Annexure XI
    vii. Restated Previous GAAP Unconsolidated Statement of Non-Current Investments, enclosed as Annexure XII
    viii. Restated Previous GAAP Unconsolidated Statement of Deferred Tax Assets, enclosed as Annexure XIII
    ix. Restated Previous GAAP Unconsolidated Statement of Loans & Advances, enclosed as Annexure XIV
    x. Restated Previous GAAP Unconsolidated Statement of Other assets, enclosed as Annexure XV
    xi. Restated Previous GAAP Unconsolidated Statement of Inventories, enclosed as Annexure XVI
    xii. Restated Previous GAAP Unconsolidated Statement of Trade Receivables, enclosed as Annexure XVII
    xiii. Restated Previous GAAP Unconsolidated Statement of Cash & Bank, enclosed as Annexure XVIII
    xiv. Restated Previous GAAP Unconsolidated Statement of Revenue from operations, enclosed as Annexure XIX
    xv. Restated Previous GAAP Unconsolidated Statement of Other Income, enclosed as Annexure XX
    xvi. Restated Previous GAAP Unconsolidated Statement of Increase In Inventories, enclosed as Annexure XXI
    xvii. Restated Previous GAAP Unconsolidated Statements of Employee Benefit Expense, enclosed as Annexure XXII
    xviii. Restated Previous GAAP Unconsolidated Statements of Other Operating Expenses, enclosed as Annexure XXIII
    xix. Restated Previous GAAP Unconsolidated Statements of Finance Cost, enclosed as Annexure XXIV
    xx. Restated Previous GAAP Unconsolidated Statement of Leases, enclosed as Annexure XXV
    xxi. Restated Previous GAAP Unconsolidated Statement of Related Party Transactions, enclosed as Annexure XXVI
    xxii. Previous GAAP Unconsolidated Statement of Contingent Liabilities and Capital Commitments, enclosed as Annexure XXVII
    xxiii. Restated Previous GAAP Unconsolidated Statement of Accounting Ratios, enclosed as Annexure XXVIII
    xxiv. Restated Previous GAAP Unconsolidated Statement of Tax Shelter, enclosed as Annexure XXIX
    xxv. Statement of Dividend Paid, enclosed as Annexure XXX
    xxvi. Notes to Restated Previous GAAP Unconsolidated Summary Statements, enclosed as Annexure XXXI

10. According to the information and explanations given to us, in our opinion, the Restated Previous GAAP Unconsolidated Summary Statements and the abovementioned Restated Previous GAAP financial information contained in Annexures IA to XXXI under Indian GAAP accompanying this report, read with Summary of Significant Accounting Policies disclosed in Annexure IV, are prepared after making adjustments and regroupings as considered appropriate and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act read with Rules 4 to 6 of the Rules, the ICDR Regulations and the Guidance Note.
11. This report should not be in any way construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
13. Our report is intended solely for use of the management for inclusion in the offer document to be filed with SEBI, National Stock Exchange of India, BSE Limited and Registrar of Companies, Maharashtra in connection with the proposed IPO of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W/E300004

per Kalpesh Jain
Partner
Membership No: 106406

Place: Mumbai
Date: August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure I
Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities

(Amount in million)

Sr. No.	Particulars	Annexures	As at March 31, 2014	As at March 31, 2013
			`	`
	Equity and liabilities			
A	**Shareholders' funds**			
	Share capital	VI	1,617.75	1,617.75
	Reserves and surplus	VII	3,699.13	2,981.14
	Total of Shareholders' funds		**5,316.88**	**4,598.89**
B	**Non-current liabilities**			
	Long-term borrowings	VIII	115.08	97.48
	Other long-term liabilities	IX	-	4.37
	Total of Non-current liabilities		**115.08**	**101.85**
C	**Current liabilities**			
	Short-term borrowings	VIII	399.42	267.33
	Trade payables	IX	2,802.83	637.59
	Other current liabilities	IX	1,870.97	1,401.77
	Short-term provisions	X	165.75	105.83
	Total of Current liabilities		**5,238.97**	**2,412.52**
	Total (A + B + C)		**10,670.93**	**7,113.26**
	Assets			
D	**Non - current assets**			
	Fixed assets			
	Tangible assets	XI	965.08	845.58
	Intangible assets	XI	16.10	17.02
	Capital work-in-progress		22.65	75.18
	Goodwill		1,035.18	1,035.18
	Non-current investments	XII	1,221.02	1,282.85
	Deferred tax assets (net)	XIII	95.57	66.91
	Long-term loans and advances	XIV	566.14	409.16
	Other non-current assets	XV	13.11	24.80
	Total of Non - current assets		**3,934.85**	**3,756.68**
E	**Current assets**			
	Inventories	XVI	1,883.40	120.38
	Trade receivables	XVII	2,615.82	1,759.69
	Cash and bank balances	XVIII	49.54	132.98
	Short-term loans and advances	XIV	755.47	493.95
	Other current assets	XV	1,431.85	849.58
	Total of Current assets		**6,736.08**	**3,356.58**
	Total (D + E)		**10,670.93**	**7,113.26**

Note:
1. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

For and on behalf of the Board of Directors of CMS Info Systems Limited

per Kalpesh Jain
Partner
Membership No.: 106406

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure II
Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses

(Amount in million)

Sr. No.	Particulars	Annexures	For the years ended March 31, 2014	March 31, 2013
			`	`
F.	**Income**			
	Revenue from operations	XIX	9,508.44	7,869.85
	Other income	XX	18.29	46.88
	Total revenue		**9,526.73**	**7,916.73**
G.	**Expenses**			
	Cost of materials consumed		1.22	3.74
	Purchase of traded goods		3,929.22	1,108.73
	Increase in inventories	XXI	(1,762.07)	(6.25)
	Employee benefit expense	XXII	1,286.29	1,237.25
	Other expenses	XXIII	4,737.29	4,120.23
	Foreign exchange loss (net)		0.15	1.29
	Total expenses		**8,192.10**	**6,464.99**
H.	**Earnings before interest, tax, depreciation and amortisation (EBITDA)**		**1,334.63**	**1,451.74**
	Depreciation and amortisation	XI	222.68	204.88
	Interest Income	XX	39.50	53.19
	Finance costs	XXIV	95.19	104.83
I.	**Restated profit before tax**		**1,056.26**	**1,195.22**
J.	**Tax expense**			
	Current tax		390.00	432.50
	Adjustment of tax relating to earlier years		(23.11)	4.40
	Deferred tax credit		(28.66)	(44.02)
	Total tax expense		**338.23**	**392.88**
K.	**Restated profit after tax**		**718.03**	**802.34**

Note:
1. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

For and on behalf of the Board of Directors of CMS Info Systems Limited

per Kalpesh Jain
Partner
Membership No.: 106406

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

Mumbai
August 28, 2017

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Previous GAAP Unconsolidated Summary Statement of Cash Flows

(Amount in million)

Sr. No.	Particulars	For the years ended March 31, 2014 `	For the years ended March 31, 2013 `
A	**Cash flow from operating activities:**		
	Profit before tax (as restated)	1,056.26	1,195.22
	Adjustments for:		
	Depreciation and amortisation	222.68	204.88
	Unrealised foreign exchange loss / (gain)	(0.18)	0.45
	Realised foreign exchange loss on repayment of secured loan and interest	-	7.63
	Provision for doubtful receivables (net)	89.59	89.13
	Provision for doubtful deposits and advances (net)	5.84	6.16
	Bad debts written off	60.29	58.62
	Loss on sale / write off of fixed assets (net)	14.37	17.73
	Sundry balances written back	(1.09)	(25.97)
	Provision for warranty (net)	25.50	-
	Provision for doubtful insurance claims (net)	16.10	30.36
	Interest income	(39.49)	(53.19)
	Finance costs	95.19	97.20
	Operating profit before working capital changes	**1,545.06**	**1,628.22**
	Movement in working capital		
	Increase in trade receivables	(993.55)	(382.47)
	Increase in loans and advances	(451.23)	(104.21)
	(Increase) / decrease in inventories	(1,763.02)	7.42
	Increase in other assets	(570.71)	(208.29)
	Increase in trade payables and other liabilities	3,108.59	5.95
	Increase / (decrease) in provisions	7.08	(1.68)
	Cash flow generated from operations	**882.22**	**944.94**
	Direct taxes paid (net of refunds)	(341.95)	(243.35)
	Net cash flow from operating activities (A)	**540.27**	**701.59**
B	**Cash flow from investing activities:**		
	Proceeds from sale of fixed assets	3.04	2.52
	Purchase of fixed assets (including CWIP and capital advances)	(329.08)	(294.93)
	Payment made on acquisition of subsidiary	(533.16)	(11.92)
	Advances repaid by / (given to) subsidiary (net)	60.53	(133.92)
	Advance given to by employee welfare trust (net)	(61.84)	-
	Margin money deposits matured	63.86	26.74
	Margin money deposits placed	(63.65)	(34.55)
	Interest received	39.49	53.19
	Net cash flow used in investing activities (B)	**(820.81)**	**(392.87)**
C	**Cash flows from financing activities**		
	Proceeds from long-term borrowings	343.73	123.03
	Repayment of long-term borrowings	(185.68)	(227.66)
	Proceeds from / (repayment of) short-term working capital demand loans from	80.00	(80.00)
	Cash credit facilities with banks availed (net)	52.09	2.58
	Dividend paid on preference shares (including dividend distribution tax)	(0.04)	(0.04)
	Finance costs	(92.92)	(85.91)
	Net cash flow from / (used in) financing activities (C)	**197.18**	**(268.00)**
	Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(83.36)**	**40.72**
	Cash and cash equivalents at the beginning of the year	92.13	51.41
	Cash and cash equivalents at the end of the year	**8.77**	**92.13**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure III
Restated Previous GAAP Unconsolidated Summary Statement of Cash Flows

(Amount in million)

Sr. No.	Particulars	For the years ended	
		March 31, 2014	March 31, 2013
		`	`
	Cash and cash equivalents comprises of:		
	Cash on hand	2.18	1.26
	With banks - on current account	6.59	90.87
	Total	**8.77**	**92.13**

Notes:
1. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in

Annexure IV and Statement of Restatement Adjustments to Audited Unconsolidated Financial Statements appearing in Annexure V.

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

per Kalpesh Jain
Partner
Membership No.: 106406

Mumbai
August 28, 2017

For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Director

Rajiv Kaul
Whole Time Director and Chief Executive Officer

Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Company Secretary

Mumbai
August 28, 2017

CMS Info Systems Limited (Formerly known as CMS Info Systems Private Limited)
Annexure IV
Notes to Restated Previous GAAP Unconsolidated Summary Statements-Accounting Policies
(Amount in million)

1. **Company Overview**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited) (the "Company") is a Company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card personalisation services. The Company was engaged in business of trading in computer systems and peripherals, computer hardware and network trading up to financial year 2014-15.

2. **Summary of significant accounting policies**

a) **Basis of preparation:**

The Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company as at March 31, 2014 and March 31, 2013 the related Restated Previous GAAP Unconsolidated Summary Statement of Profit and Losses and Restated Previous GAAP Unconsolidated Summary Statement of Cash Flows for the year ended March 31, 2014 and March 31, 2013, (hereinafter collectively referred to as "Restated Previous GAAP Unconsolidated Financial Information") have been prepared specifically for inclusion in the Offer Document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with proposed Initial Public Offering through Offer for Sale (IPO) of its equity shares.

These Restated Previous GAAP Unconsolidated Financial Information have been prepared to comply in all material respects with the requirements of Part I of Chapter III to the Companies Act, 2013 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("the SEBI regulations") as amended from time to time.

The Financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with relevant provisions of Companies Act, 2013 read with relevant provisions, read together with Rule 7 of the Companies (Accounts) Rules, 2014.

The Restated Previous GAAP Unconsolidated Financial information were authorised for issue in accordance with a resolution of the directors on August 28, 2017.

The Restated Previous GAAP Unconsolidated Financial Information are prepared on the historical cost convention, on the accrual basis of accounting and conform to accounting principles of the Company in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under the Companies Act, 2013 / Companies Act, 1956 as applicable read with relevant provisions. The accounting policies adopted in the preparation of the Restated Unconsolidated Financial Information are consistent with those followed in the previous years.

(Amount in million)

b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation / amortisation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates received are deducted in arriving at the purchase price. Capital work-in-progress is stated at cost.

d) Depreciation on tangible fixed assets

Depreciation on fixed assets is provided based on the Straight Line Method (SLM) based on the useful lives of the assets estimated by management which are greater than or equal to the rates as prescribed in Schedule XIV of the Act as under:

Description of the assets	Rates used by the Company	Rates as per Schedule XIV of the Act
Plant and machinery	14.28	4.75
Electrical installations	20.00	4.75
Furniture, fixtures and fittings	14.28	6.33
Vehicles	9.50	9.50
Vehicles (used for ATM and Cash Management Business)	16.21	9.50
Office equipment	14.28	4.75
Computers and peripherals (owned and leased)	16.21	16.21

Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from/up to the month of acquisition/disposal.

Leasehold Improvements are amortised on a straight line basis over the shorter of the estimated useful life of the asset or the lease term.

e) Intangible assets

Computer Software purchased is amortised over the useful life as estimated by the management on a straightline basis.

Goodwill represents the excess of purchase consideration paid over the value of net assets of CMS Computers Limited taken over by the Company in accordance with the scheme of Arrangement in 2009 with CMS Computers Limited.

f) Leases

Where the Company is the lessee:

Finance lease**:**

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognised as finance costs in the statement of profit and loss.

Operating lease:

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Where the Company is the lessor:

Finance lease**:**

Leases in which the Company transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the lease rentals are apportioned between the principal repayment and interest income on the IRR method. The principal amount received reduces the net investment in the lease and the interest income is recognised in the statement of profit and loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of profit and loss.

Operating lease:

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income on an operating lease is recognized on a straight line basis over the lease term. Costs, including depreciation, are recognised as an expense in the statement of profit and loss.

g) Impairment of tangible and intangible assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses of operations, including impairment on inventories, are recognised in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

h) Investments

Investments, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

Long-term investments are carried at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i) Inventories

Inventories are valued as under:

Raw materials and stores and spares are valued at lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw material and stores and spares consumed is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realisable value. Cost includes direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Trading goods are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

Sale of goods*:*

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. The Company collects sales tax and value added taxes on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Sale of ATM Sites:

Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites as per the terms of agreement with the customers. The Company collects sales tax and value added taxes on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

Sale of services*:*

Revenue from rendering of services is recognised as and when the services are rendered as per the terms of agreement with the customers. Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract. Sale of services is accounted exclusive of service tax, VAT and works contract tax.

Revenue from ATM and cash management services and allied operations is recognised when the required services are rendered in accordance with the contracts / agreements entered into with the customer and is disclosed net off deductions for shortages, etc. charged by the customers as per the terms of the agreement.

Revenue recognised in excess of billings is classified as unbilled revenue while billing in excess of revenue is classified as unearned revenue.

Other operating revenues:

Other operating revenues include income from lease rentals which is recognised on a straight line basis over the lease term.

Interest:

Income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Dividends:

Income is recognised when the shareholders' right to receive payment is established by the balance sheet date.

k) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items which are measured in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange difference

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the statement of profit and loss for the year in which they arise.

l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. Actuarial gains/losses are recognised in full in the year in which they occur in the statement of profit and loss. The Company makes contributions to a trust administered and managed by the insurance Company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although the Insurance Company administers the scheme.

Short term compensated absences are provided for based on estimates. Long term compensated absences are provided for based on actuarial valuation at the yearend made by an independent valuer as per projected unit credit method. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

m) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred tax liabilities relate to taxes on income levied by same governing tax laws. Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, unrecognised deferred tax assets are recognised to the extent that it has become reasonably or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised. The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Company writes down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

n) Employee Stock Compensation Cost

The Company has issued equity settled stock options. Measurement and disclosure of the employee share-based payment plans is done in accordance with the Guidance Note on

Accounting for Employee share-based Payments, issued by Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised over the vesting period of the options on straight lines basis.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares), if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Provisions

A provision is recognised when the Company has a present obligation as a result of past event; it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the reporting date. The estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Provisions for warranty-related costs are recognised when the related product is sold or service provided. Provision is made based on historical experience and estimates of costs to be incurred in providing the warranty related services. The estimate of such warranty-related costs is reviewed and revised annually.

q) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

r) Claims for cash lost

Cash lost in transit i.e. due to theft, loot, etc. is assessed by the Company for recoverability from insurance company based on facts available from investigation carried out by Company and external agencies / authorities in respect of specific incidence. The Company further evaluates past trends for the extent and timing of claims approved by the insurance company.

In case there is no reasonable certainty of recoverability, cash loss is charged off to the statement of profit and loss.

s) Cash and cash equivalents

Cash and cash equivalents for the purpose of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

t) Segment Information

Since the segment information as required by AS 17 – Segment Reporting is provided in consolidated financial statements, the same is not provided in the Company's standalone financial statement.

u) Measurement of EBITDA

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, issued by the Institute of Chartered Accountants of India, the Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit from operations. In its measurement, the Company does not include depreciation and amortisation expense, interest income, finance costs and tax expense.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements

A. The summary of results of restatement made in the audited previous GAAP unconsolidated financials statements for the respective years and its impact on the profit of the Company is as follows:

(Amount in million)

	Particulars	Notes	For the years ended March 31, 2014	For the years ended March 31, 2013
			`	`
	Net profit as per audited financial statements		718.03	802.34
	Restatement adjustments:			
a.	**Material items relating to previous years**			
	Short / (excess) provision of current taxes	C-1	-	-
	Net profit as per restated financial statements		**718.03**	**802.34**

B. Restatement adjustments made in the audited opening balance of net surplus in the statement of profit and loss as at April 01, 2012

(Amount in million)

Particulars	Notes	As at April 1, 2012
		`
Net Surplus in the Statement of Profit and Loss as at April 01, 2012 as per audited financial statements		770.40
Restatement Adjustments		-
Net Surplus in the Statement of Profit and Loss as at April 1, 2012 (as restated)		**770.40**

C. Non-adjusting items

Audit qualifications for the respective years, which do not require any adjustments in the restated unconsolidated financial information are as follows:

Annexure to auditor's report for the financial year ended March 31, 2014

1. Clause (v)(b)
In respect of transactions made in pursuance of such contracts or arrangements and exceeding value of ` 0.5 million entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

2. Clause (ix)(a)
Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities except in case of income tax where there has been slight delays in payment of instalments of advance tax.

3. Clause (ix)(c)
According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	` in million	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.07	1999-00	Assistant Commissioner Sales Tax - Delhi
Rajasthan Tax on Entry of Goods into Local areas Act, 1999.	Entry tax on direct purchase	0.04	2002-03	Deputy Commissioner Appeal I – Jaipur
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.23	2003-04	Deputy Commissioner Sales Tax – Delhi
Andhra Pradesh General Sales Tax	Disallowance of rate of tax on Lease rentals	0.09	2009-10 and 2010-11	Appellate Dy. Commissioner (Commercial Tax)
West Bengal Sales Tax Rules-1995	Ex-parte order	0.41	2004-05	Assistant Commissioner of Sales Tax-Kolkata
West Bengal Sales Tax Rules-1995	Ex-parte order	0.19	2004-05	Assistant Commissioner of Sales Tax-Kolkata
West Bengal Sales Tax Rules-1995	Dues arising during Best Judgment Assessment	1.05	2005-06	Appellate & Revisional Board, Kolkatta
West Bengal Sales Tax Rules-1995	Dues arising during assessment	0.09	2005-06	Appellate & Revisional Board, Kolkatta
West Bengal Value Added Tax, 2003	Enhancement of taxable turnover on the ground of claiming WC TDS certificate, Stock Transfer, disallowance of ITC etc.	3.61	2006-07	Jt. Commissioner of Sales Tax-South Circle
West Bengal Value Added Tax, 2003	Ex-parte order	0.23	2006-07	Jt. Commissioner of Sales Tax-South Circle
West Bengal Value Added Tax, 2003	Enhancement of Turnover, mismatch of TDS certificates and unregistered purchases.	2.93	2008-09	Joint Commisioner, Sales Tax, Kolkatta South Circle
Central Sales Tax Act, 1956	Sales to WBSEB treated as works contract and charged to Tax accordingly, Stock transfer is disallowed and forms C and F pending.	1.35	2008-09	Joint Commisioner, Sales Tax, Kolkatta South Circle
West Bengal Value Added Tax, 2003	Enhancement of Taxable turnover by adding back Miscellaneous Income and Sale of Fixed Assets in the absence of segregation.	1.41	2009-10	West Bengal Commercial Taxes Appellate & Revisional Authority, Kolkatta

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure V
Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements

Name of the statute	Nature of the dues	` in million	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.25	2009-10	Appellate deputy commissioner of commercial taxes
TNVAT Act, 2006	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.83	2010-11	Appellate deputy commissioner of commercial taxes
Central Sales Tax Act, 1956	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.08	2010-11	Appellate deputy commissioner of commercial taxes
Gujarat Value Added Tax, 2003	Reduction of Input tax credit for purchases made	0.16	2009-10	Deputy Commissioner of Commercial tax, appeal I
Finance Act, 1994	Denial of cenvat credit availed on demerger expenses	0.19	2009-10	Commissioner (Appeals)
Finance Act, 1994	Denial of cenvat credit availed on demerger expenses	0.37	2010-11	Commissioner (Appeals)
Central Sales Tax Act, 1956	Enhancement of Taxable turnover by adding back Miscellaneous Income and Sale of Fixed Assets in absence of segregation	0.89	2009-10	West Bengal Commercial Taxes Appellate & Revisional Authority, Kolkata
TNVAT Act, 2006	Enhacement of taxable Value, denial of input credit tax and denial of labour deductions on work contracts	0.72	2009-10	Appellate deputy commissioner of commercial taxes

4. Clause (xxi)

We have been informed by management of the following frauds on the Company:

(a) Certain instances of cash embezzlements done by employees of the Company working in the Cash management services division wherein the total amount involved was ` 60.38 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 14.28 million and the balance amount of claims doubtful of recovery amounting to ` 20.29 million have been written off during the year;

(b) Certain instances of theft / loot by third parties amounting to ` 36.64 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. Till date, the Company has recovered ` 5.41 million and the balance amount of claims doubtful of recovery amounting to ` 15.03 million have been written off during the year.

Annexure to auditor's report for the financial year ended March 31, 2013

1. Clause (v)(b)

In respect of transactions made in pursuance of such contracts or arrangements and exceeding value of ` 0.5 million entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

2. Clause (ix)(a)

Undisputed statutory dues including provident fund, employees' state insurance, sales tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have been regularly deposited with the appropriate authorities except in case of income tax where there has been slight delays in payment of instalments of advance tax. The provisions of investor education and protection fund are not applicable to the Company.

3. Clause (ix)(c)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount in million	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.07	1999-00	Deputy Commissioner Sales Tax – Delhi
Central Sales Tax Act, 1956	Non submission of 'C' forms	0.23	2003-04	Deputy Commissioner Sales Tax – Delhi
Central Sales Tax Act, 1956	Non submission of 'C' forms	1.35	2008-09	Deputy Commissioner Sales Tax – Delhi
Central Sales Tax Act, 1956	Disallowance of claims	0.25	2009-10	Joint Commissioner of Sales Tax - South Circle, Kolkata
Rajasthan Tax on Entry of Goods into Local areas Act, 1999	Entry tax on direct purchase	0.34	2002-03	Deputy Commissioner Appeal I – Jaipur
West Bengal Sales Tax Rules-1995	Ex-parte order	1.41	2004-05	Assistant Commissioner of Sales Tax – Kolkata
West Bengal Sales Tax Rules-1995	Ex-parte order	0.19	2004-05	Assistant Commissioner of Sales Tax – Kolkata
West Bengal Sales Tax Rules-1995	Dues arising during Best Judgment Assessment	1.13	2005-06	Appellate & Revisional Board – Kolkata
West Bengal Value Added Tax	Turnover enhanced	3.61	2006-07	Joint Commissioner of Sales Tax - South Circle, Kolkata
West Bengal Value Added Tax	Ex-parte order	0.23	2006-07	Jt. Commissioner of Sales Tax - South Circle, Kolkata
West Bengal Value Added Tax	Turnover enhanced	2.93	2008-09	Joint Commissioner of Sales Tax-South Circle, Kolkata
West Bengal Value Added Tax	Turnover enhanced	6.66	2009-10	Joint Commissioner of Sales Tax-South Circle, Kolkata

4. Clause (xxi)

We have been informed by management of the following frauds on the Company:

(a) Certain instances of cash embezzlements done by employees of the Company working in the Cash management services division wherein the total amount involved was ` 85.11 million. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed the insurance claims for the recovery of amounts involved. Till date, the Company has recovered ` 5.78 million and the balance amount of claims doubtful of recovery amounting to ` 58.83 million have been written off during the year;

(b) Certain instances of theft / loot by third parties amounting to ` 28.89 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. The claims doubtful of recovery amounting to ` 11.75 million have been written off during the year.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VI
Restated Previous GAAP Unconsolidated Statement of Share Capital

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Authorised shares		
148,000,000 (March 31, 2013 - 148,000,000) equity shares of ` 10 each	1,480.00	1,480.00
1,500,000 (March 31, 2013 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ` 100 each	150.00	150.00
	1,630.00	**1,630.00**
Issued, subscribed and fully paid up:		
146,775,190 (March 31, 2013 - 146,775,190) equity shares of ` 10 each	1,467.75	1,467.75
1,500,000 (March 31, 2013 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ` 100 each	150.00	150.00
	1,617.75	**1,617.75**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VII
Restated Previous GAAP Unconsolidated Statement of Reserves

(Amount in million)

Particulars	**As at**	
	March 31, 2014	**March 31, 2013**
	`	`
Securities premium account	**1,136.21**	**1,136.21**
General Reserve	272.22	272.22
Surplus in the statement of profit and loss		
Balance at the beginning of the year	1,572.71	770.40
Add : Profit for the year	718.03	802.34
Less: Appropriations		
Dividend on preference shares (amount per share ` 0.02, March 31, 2013 - ` 0.02)	0.03	0.03
Tax on preference dividend	0.01	-
Net surplus in the statement of profit and loss	**2,290.70**	**1,572.71**
Total	**3,699.13**	**2,981.14**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure VIII
Restated Previous GAAP Unconsolidated Statement of Long-term and Short-term Borrowings

(a) Long-term borrowings

(Amount in million)

Particulars	**As at**	
	March 31, 2014	**March 31, 2013**
	`	`
Term loans - secured		
From banks	189.74	197.80
Finance lease	0.67	21.39
	190.41	219.19
Term loans - unsecured		
From banks	186.83	-
	377.24	**219.19**
Current maturities of long-term borrowings*	(262.16)	(121.71)
Total	**115.08**	**97.48**

* Current maturities of long term borrowings are grouped under "Other current liabilities" in the restated previous GAAP unconsolidated statement of assets and liabilities, under Annexure IX

(b) Short-term borrowings

(Amount in million)

Particulars	**As at**	
	March 31, 2014	**March 31, 2013**
	`	`
Secured		
From banks:		
Working capital demand loans	-	20.00
Cash credit facilities with banks	299.42	247.33
Unsecured		
From banks:		
Working capital demand loans	100.00	-
Total	**399.42**	**267.33**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure IX
Restated Previous GAAP Unconsolidated Statement of Trade Payables and other Liabilities

(Amount in million)

Particulars	As at			
	Non-current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Trade payables (A)	-	-	2,802.83	637.59
Other liabilities				
Current maturities of long term borrowing	-	-	261.49	100.99
Current maturities of finance lease obligations	-	-	0.67	20.72
Payable towards purchase of investments	-	-	-	595.00
Interest accrued but not due on borrowings	-	-	0.84	0.97
Unearned revenue	-	4.37	42.00	41.77
Payables for purchase of capital goods	-	-	9.79	32.65
Payables to employees	-	-	190.60	169.24
Accrued expenses	-	-	1,016.89	353.92
Advance from customers	-	-	332.17	38.29
Statutory liabilities	-	-	16.52	48.22
Total Other Liabilities (B)	**-**	**4.37**	**1,870.97**	**1,401.77**
Total (A+B)	**-**	**4.37**	**4,673.80**	**2,039.36**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure X
Restated Previous GAAP Unconsolidated Statement of Provisions

(Amount in million)

Particulars	As at	
	Current	
	March 31, 2014	March 31, 2013
	`	`
Provision for employee benefits		
Provision for gratuity	38.25	34.48
Provision for compensated absences	38.41	35.11
Other provisions		
Provision for warranty	25.50	-
Provision for taxation (net of taxes paid)	63.59	36.24
Total	**165.75**	**105.83**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XI
Restated Previous GAAP Unconsolidated Statement of Fixed Assets

Tangible Assets **(Amount in million)**

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold Improvements	Computers and peripherals	Total
	`	`	`	`	`	`	`	`
Gross block value as at April 01, 2012	**150.17**	**93.24**	**169.05**	**355.85**	**38.76**	**46.69**	**454.50**	**1,308.26**
Additions during the year	16.49	4.42	13.97	178.39	10.93	6.34	29.06	259.60
Deletions during the year	1.70	2.22	5.27	22.19	1.13	1.21	5.36	39.08
Gross block value as at March 31, 2013	**164.96**	**95.44**	**177.75**	**512.05**	**48.56**	**51.82**	**478.20**	**1,528.78**
Additions during the year	32.55	6.02	11.24	235.57	6.07	10.86	52.76	355.07
Deletions during the year	10.06	1.22	2.72	7.33	8.87	0.51	9.20	39.91
Gross block value as at March 31, 2014	**187.45**	**100.24**	**186.27**	**740.29**	**45.76**	**62.17**	**521.76**	**1,843.94**
Accumulated depreciation as at April 01, 2012	**28.42**	**19.97**	**43.85**	**110.54**	**9.19**	**13.10**	**274.80**	**499.87**
Depreciation for the year	14.32	8.52	17.58	72.73	10.79	7.38	70.84	202.16
Accumulated depreciation on disposals	0.54	0.68	2.43	9.22	0.38	0.31	5.27	18.83
Accumulated depreciation as at March 31, 2013	**42.20**	**27.81**	**59.00**	**174.05**	**19.60**	**20.17**	**340.37**	**683.20**
Depreciation for the year	18.75	9.85	19.57	97.82	6.16	8.60	57.42	218.17
Accumulated depreciation on disposals	2.86	0.51	1.26	5.89	2.86	0.17	8.96	22.51
Accumulated depreciation as at March 31, 2014	**58.09**	**37.15**	**77.31**	**265.98**	**22.90**	**28.60**	**388.83**	**878.86**
Net block as at March 31, 2013	**122.76**	**67.63**	**118.75**	**338.00**	**28.96**	**31.65**	**137.83**	**845.58**
Net block as at March 31, 2014	**129.36**	**63.09**	**108.96**	**474.31**	**22.86**	**33.57**	**132.93**	**965.08**

Intangible assets

(Amount in million)

Particulars	Computer software	Total
	`	`
Gross block value as at April 01, 2012	**27.27**	**27.27**
Additions during the year	4.21	4.21
Gross block value as at March 31, 2013	**31.48**	**31.48**
Additions during the year	3.59	3.59
Gross block value as at March 31, 2014	**35.07**	**35.07**
Accumulated amortisation as at April 01, 2012	**11.74**	**11.74**
Amortisation for the year	2.72	2.72
Accumulated amortisation as at March 31, 2013	**14.46**	**14.46**
Amortisation for the year	4.51	4.51
Accumulated amortisation as at March 31, 2014	**18.97**	**18.97**
Net block as at March 31, 2013	**17.02**	**17.02**
Net block as at March 31, 2014	**16.10**	**16.10**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XII
Restated Previous GAAP Unconsolidated Statement of Non-Current Investments

Particulars	As at			
	No. of shares		Amount in million	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Trade investments in equity shares of subsidiary companies (unquoted, fully paid up, valued at cost)				
Investments in subsidiaries				
CMS Securitas Limited, equity shares of ` 10 each	950,000	950,000	21.68	21.68
Securitrans India Private Limited, equity shares of ` 100 each	95,000	100,000	1,199.34	1,261.17
Total			**1,221.02**	**1,282.85**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIII
Restated Previous GAAP Unconsolidated Statement of Deferred Tax Assets

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Deferred tax assets		
Provision for doubtful trade receivables	70.12	66.91
Provision for doubtful loans and advances	40.46	33.10
Unpaid gratuity and leave encashment	22.27	19.15
Unpaid bonus	0.71	2.10
Others	18.80	19.05
Deferred tax liabilities	-	-
Difference between depreciation as per books of accounts and tax depreciation	(56.79)	(73.40)
Deferred tax assets (net)	**95.57**	**66.91**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIV
Restated Previous GAAP Unconsolidated Statement of Loans & Advances

1. Long-term loans and advances:

(Amount in million)

Particulars	As at March 31, 2014 `	As at March 31, 2013 `
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	150.62	57.20
Loan given to employee welfare trust	257.14	195.30
Capital advances	3.65	3.60
Sundry deposits	140.22	135.89
Prepaid expenses	14.51	17.17
	566.14	**409.16**
Unsecured, considered doubtful		
Advances recoverable in cash or in kind or for value to be received	14.86	11.22
Insurance claims receivable	88.58	72.47
Sundry deposits	12.68	11.18
Advances to employees	2.90	2.52
	119.02	**97.39**
Less: Provision for doubtful loans and advances	**119.02**	**97.39**
Total (A)	**566.14**	**409.16**

2. Short-term loans and advances:

(Amount in million)

Particulars	As at March 31, 2014 `	As at March 31, 2013 `
Unsecured, considered good		
Advances recoverable in cash or in kind or for value to be received	343.96	24.44
Loans to subsidiary	160.83	221.35
Loan given to employee welfare trust	150.01	150.01
Insurance claims receivable	59.10	45.71
Advances to employees	8.68	8.29
Prepaid expenses	32.89	44.15
Total (B)	**755.47**	**493.95**

Notes:

1. Loans to subsidiary represent loan given to Securitrans India Private Limited , wholly owned subsidiary, for working capital requirements.

2. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

3. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

4. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

(Amount in million)

Particulars	As at March 31, 2014 `	As at March 31, 2013 `
Securitrans India Private Limited	160.83	221.35
CMS Securitas Employee Welfare Trust	407.15	345.31
G.G. Constructions Private Limited	8.83	8.83
CMS Traffic Systems Limited	1.34	1.34
CMS Computers Limited	12.15	19.71

The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XV
Restated Previous GAAP Unconsolidated Statement of Other assets

(Amount in million)

Particulars	As at			
	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Unbilled revenue	-	-	1,262.49	610.52
Funds held relating to cash management activity [refer note (1) below]	-	-	157.79	213.77
Receivable under finance lease	12.96	24.53	11.57	25.29
Non current bank balances	0.15	0.27	-	-
Total	**13.11**	**24.80**	**1,431.85**	**849.58**

Notes:

1. This represents the net funds invested by the Company in one of the services of Cash Management. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customer.

2. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

3. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVI
Restated Previous GAAP Unconsolidated Statement of Inventories

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Valued at lower of cost and net realisable value		
Raw materials	0.47	1.07
Work-in-progress	72.67	-
Finished goods	1.44	4.01
Trading goods	1,721.95	29.98
Stores and spares	86.87	85.32
Total	**1,883.40**	**120.38**

Notes:

1. Trading stock includes stock at ATM sites which are not cash live before the end of the year amounting to ` 1,289.35 million (March 31, 2013 - ` Nil) and goods-in-transit amounting to ` 8.42 million (March 31, 2013 - ` Nil).

2. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the

3. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVII
Restated Previous GAAP Unconsolidated Statement of Trade Receivables

(Amount in million)

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
Trade Receivables (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Considered good	107.16	182.68
Considered doubtful	158.33	163.66
	265.49	346.34
Less : Provision for doubtful trade receivables	158.33	163.66
	107.16	**182.68**
Other receivables		
Considered good	2,508.66	1,577.01
Considered doubtful	47.98	33.18
	2,556.64	1,610.19
Less : Provision for doubtful trade receivables	47.98	33.18
	2,508.66	**1,577.01**
Total	**2,615.82**	**1,759.69**

Notes:

1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure

IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

3. Following are the amounts due from Directors / Promoter / Promoter Group Companies / Group Companies / Relatives of Promoter / Relatives of Directors / Subsidiary Companies:

Particulars	As at	
	March 31, 2014	**March 31, 2013**
	`	`
CMS - IDent Private Limited	0.01	0.02
CMS Computers Limited	0.78	0.86
CMS Securitas Limited	0.16	0.16
Gateway Rail Freight Limited	-	0.11
Gokaldas Exports Limited	-	1.41
Securitrans India Private Limited	1.62	1.87

4. The list of persons / entities classified as 'Promoter' and 'Promoter Group Companies' has been determined by the Management and relied upon by the Auditors.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XVIII
Restated Previous GAAP Unconsolidated Statement of Cash & Bank

(Amount in million)

Particulars	As at			
	Non current		Current	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
	`	`	`	`
Cash and cash equivalents				
Balances with banks				
In current accounts	-	-	6.59	90.87
Cash on hand	-	-	2.18	1.26
	-	**-**	**8.77**	**92.13**
Other bank balances				
Margin money deposits (refer note 1 below)	0.15	0.27	40.77	40.85
	0.15	**0.27**	**40.77**	**40.85**
Amount disclosed under "other non-current assets"	0.15	0.27	-	-
	-	**-**	**49.54**	**132.98**

Notes:
1. Margin money deposits with carrying amount of `16.68 million (March 31, 2013 - `17.16 million) are subject to first charge to secure the Company's non fund based limits with banks and deposits of ` 24.24 million (March 31, 2013 – ` 23.96 million) are subject to first charge to secure ATM locker / Vaulting facilities.

2. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Assets and Liabilities of the Company.

3. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XIX
Restated Previous GAAP Unconsolidated Statement of Revenue from Operations

(Amount in million)

Particulars	**For the years ended**	
	March 31, 2014	**March 31, 2013**
	`	`
Revenue from operations:		
Sale of ATM and ATM Sites	1,777.78	-
Sale of products	801.87	1,302.97
Sale of services	6,924.31	6,557.35
Other operating revenues	4.48	9.53
Revenue from operations	**9,508.44**	**7,869.85**

Notes:

1. The amounts disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XX
Restated Previous GAAP Unconsolidated Statement of Other Income

(Amount in million)

Particulars	Nature (Recurring / Non-recurring)	Related / Not related to business activity	For the years ended	
			March 31, 2014	March 31, 2013
			`	`
Interest income on				
Bank deposits	Recurring	Not related	4.03	4.14
Finance lease	Recurring	Related	4.62	7.64
Loans and advances to subsidiary	Recurring	Not related	10.83	20.17
Others	Non-recurring	Not related	20.02	21.24
Total (A)			**39.50**	**53.19**
Sundry credit balances written back	Non-recurring	Related	1.09	25.97
-Doubtful trade receivables	Non-recurring	Related	12.46	-
Miscellaneous income	Non-recurring	Not related	4.74	20.91
Total (B)			**18.29**	**46.88**
Total (A) + (B)			**57.79**	**100.07**

Notes:

1. The classification of other income as recurring / non-recurring, related / not-related to business activity is based on the current operations and business activity of the Company as determined by the management.

2. The amounts disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

3. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXI
Restated Previous GAAP Unconsolidated Statement of Increase in Inventories

(Amount in million)

Particulars	For the Year Ended	
	March 31, 2014	**March 31, 2013**
	`	`
Inventories at the end of the year		
Work-in-progress	72.67	-
Finished goods	1.44	4.01
Trading goods	1,721.95	29.98
Total inventories at the end of the year (A)	**1,796.06**	**33.99**
Inventories at the beginning of the year		
Work-in-progress	-	0.04
Finished goods	4.01	0.76
Trading goods	29.98	26.94
Total inventories at the beginning of the year (B)	**33.99**	**27.74**
Increase in inventories (B-A)	**(1,762.07)**	**(6.25)**

Notes:

1. The amounts disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXII
Restated Previous GAAP Unconsolidated Statements of Employee Benefit Expense

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	March 31, 2013
	`	`
Salaries, wages and bonus	1,155.24	1,112.20
Contribution to provident and other funds	75.01	74.39
Staff welfare expenses	56.04	50.66
Total	**1,286.29**	**1,237.25**

1. The amounts disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIII
Restated Previous GAAP Unconsolidated Statements of Other Expenses

The major heads forming part of other expenses are as under:

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	March 31, 2013
	`	`
Service and security charges	2,069.93	1,786.82
Conveyance and traveling expenses	678.02	591.46
Vehicle maintenance, hire and fuel cost	572.69	460.81
Consumption of stores and spares	227.48	200.54
Lease rentals	174.95	159.76
Legal, professional and consultancy fees	121.97	81.52
Others	892.25	839.32
Total	**4,737.29**	**4,120.23**

1. The amounts disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIV
Restated Previous GAAP Unconsolidated Statements of Finance Cost

(Amount in million)

Particulars	For the Year Ended	
	March 31, 2014	**March 31, 2013**
	`	`
Interest on borrowings	89.93	82.33
Interest on shortfall of advance tax	2.41	10.75
Other borrowing costs	2.85	4.12
Exchange difference to the extent considered as an adjustment to borrowing costs	-	7.63
Total	**95.19**	**104.83**

1. The amounts disclosed above are based on the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXV
Restated Previous GAAP Unconsolidated Statement of Leases

A. In case of assets taken on lease:

A.1. Finance lease:

The Company has taken computer hardware and printers on finance lease for a period of 5 years. There are no restrictions imposed in these lease agreements. There is no escalation clause in the lease agreements. Future minimum lease payments (MLP) under this finance lease together with present value of the net MLP are as follows:

(Amount in million)

Particulars	March 31, 2014		March 31, 2013	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
	`	`	`	`
Within one year	0.71	0.67	22.03	20.73
After one year but not more than five years	-	-	0.71	0.67
More than five years	-	-	-	-
Total minimum lease payments	0.71	0.67	22.74	21.40
Less: Amounts representing finance charges	0.04	-	1.34	-
Present value of minimum lease payments	**0.67**	**0.67**	**21.40**	**21.40**

A.2. Operating lease:

The Company has taken office premises under operating lease agreements, which expire at various dates through financial year ended March 31, 2025. These agreements are generally renewable by mutual consent. Some of the lease agreements have a price escalation clause. There are no restrictions imposed in these lease agreements. The future minimum lease payments under non - cancellable operating lease is as follows:

Lease Payments under operating lease recognised for the year are ` 174.95 Million (March 31, 2013 - ` 159.76 million)

(Amount in million)

Particulars	March 31, 2014	March 31, 2013
	`	`
Within one year	158.33	138.82
After one year but not more than five years	289.41	307.15
More than five years	87.52	88.87
Total	**535.26**	**534.84**

B. In case of assets given on lease:

B.1 Finance lease:

The Company has leased out computer hardware on finance lease for a period of 5 years. There is no escalation clause in the lease agreements. Present value of minimum lease payment (MLP) receivable under this finance lease are as follows:

(Amount in million)

Particulars	March 31, 2014		March 31, 2013	
	Minimum payments	Present value of MLP	Minimum payments	Present value of MLP
	`	`	`	`
Within one year	13.90	11.57	29.69	25.29
After one year but not more than five years	13.90	12.96	27.79	24.53
More than five years	-	-	-	-
Total minimum lease payments	27.80	24.53	57.48	49.82
Less: Amounts representing unearned finance income	3.27	-	7.66	-
Present value of minimum lease payments	**24.53**	**24.53**	**49.82**	**49.82**

1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Financial Information of the Company

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Previous GAAP Unconsolidated Statement of Related Party Transactions

Related party disclosures, as required by notified Accounting Standard 18 - "Related Party Disclosures" are given below:

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Holding Company	Blackstone FP Capital Partners (Mauritius) V Limited (up to August 26, 2015)
Subsidiaries	CMS Securitas Limited
	Securitrans India Private Limited (with effect from June 18, 2011)
	CMS Marshall Limited (subsidiary of CMS Securitas Limited)
2) Key management personnel	Mr. Rajiv Kaul (Whole Time Director & Chief Executive Officer)
3) Enterprises over which Director and / or his relatives has significant influence	CMS Computers Limited (up to August 26, 2015)
	CMS Securitas Employees Welfare Trust
	CMS - IDent Private Limited (up to August 26, 2015)
	CMS Traffic Systems Limited (up to August 26, 2015)
	G.G. Constructions Private Limited (up to August 26, 2015)
	Kaycee Industries Limited (up to August 26, 2015)
	Resergent Infoteck Private Limited (up to August 26, 2015)
4) Fellow Subsidiary Companies	Gateway Rail Freight Limited (up to August 26, 2015)
	Gokaldas Exports Limited (up to August 26, 2015)
	MTAR Technologies Private Limited (up to August 26, 2015)

b) Summary of transactions with the above related parties are as follows:

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	**March 31, 2013**
	`	`
Sale of products		
CMS Computers Limited	0.11	0.82
Sale of services		
Securitrans India Private Limited	2.23	2.41
Gokaldas Exports Limited	0.83	2.41
MTAR Technologies Private Limited	-	0.84
Interest Income		
Securitrans India Private Limited	10.83	20.17
Purchase of trading goods		
Kaycee Industries Limited	0.35	0.43
Remuneration to KMP *		
Mr. Rajiv Kaul	30.80	20.80
Service and security charges		
CMS Marshall Limited	166.95	147.91
CMS Securitas Limited	397.66	362.77

* As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to KMP's is not ascertainable separately , and, therefore not included above.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Previous GAAP Unconsolidated Statement of Related Party Transactions (Continued)

b) Summary of transactions with the above related parties are as follows: (continued)

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	**March 31, 2013**
	`	`
Legal, professional and consultancy fees		
CMS Computers Limited	4.08	0.03
Reimbursement of Conveyance and traveling expenses		
CMS Marshall Limited	35.73	31.04
Lease rentals		
CMS Computers Limited	25.32	27.71
Brokerage paid		
CMS Computers Limited	-	1.21
Rates and Taxes		
CMS Computers Limited	-	0.38
Repairs and maintenance		
CMS Computers Limited	0.15	-
Purchase of Fixed Assets		-
CMS Computers Limited	0.03	-
Loans given during the year		
Securitrans India Private Limited	220.00	145.00
CMS Securitas Employee Welfare Trust	61.84	-
Loans received back during the year		
Securitrans India Private Limited	291.35	30.00
Deposits given to / (repaid by) related party		
CMS Computers Limited	(1.06)	-
Dividend on Preference shares		
CMS Securitas Employee Welfare Trust	0.03	0.03

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVI
Restated Previous GAAP Unconsolidated Statement of Related Party Transactions (Continued)

c) Summary of balance receivable from / (payable to) the above related parties are as follows:

(Amount in million)

Particulars	As at March 31, 2014	As at March 31, 2013
	`	`
Sale of products		
CMS Computers Limited	0.78	0.86
CMS - IDent Private Limited	0.01	0.01
Gateway Rail Freight Limited	-	0.11
Sale of services		
Securitrans India Private Limited	1.62	1.87
Gokaldas Exports Limited	-	1.41
CMS - IDent Private Limited	-	0.01
CMS Securitas Limited	0.16	0.16
Interest Income		
Securitrans India Private Limited	10.83	31.35
Purchase of trading goods		
Kaycee Industries Limited	(0.16)	-
Remuneration to KMP		
Mr. Rajiv Kaul	(29.20)	(14.40)
Lease rentals		
CMS Computers Limited	-	3.90
Loans given during the year		
Securitrans India Private Limited	150.00	190.00
CMS Securitas Employee Welfare Trust	407.15	345.31
Deposits given		
G.G. Constructions Private Limited	8.83	8.83
CMS Computers Limited	17.71	18.76
Balances outstanding at the year end		
CMS Traffic Systems Limited	1.34	1.34
CMS Computers Limited	(5.56)	0.95
CMS Securitas Limited	(69.98)	(24.14)
CMS Marshall Limited	(5.91)	(6.29)
Resergent Infoteck Private Limited	(0.16)	(0.16)
CMS - Ident Private Limited	0.01	-

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Financial Information of the Company

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVII
Restated Previous GAAP Unconsolidated Statement of Contingent Liabilities and Capital Commitments

1. Contingent Liabilities

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Claims against the Company not acknowledged as debt		
a) Disputed Sales tax matter *	19.96	20.93
b) Disputed Service tax matters *	0.56	-
c) Disputed Customs Matters *	2.00	-
d) Claims for litigations	0.40	0.37
e) Show cause notices in respect of service tax	33.57	33.57
Guarantees given on behalf of subsidiary**	1,250.00	950.00
Preference Dividend on 1,500,000 - 0.01% Optionally Convertible Cumulative Redeemable Preference Shares of Rs 100 each	-	0.02

Notes:
* In relation to the matters of sales tax, customs duty and service tax listed above, the Company is contesting the demands from the respective Government Departments. The management, including its tax and legal advisors, believe that its position will likely be upheld in the appellate process. No provision has been accrued in the financial statements for these demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

**The Company has given corporate guarantees of ` 1,250.00 million (March 31, 2013 - ` 950.00 million) in favor of lenders of Securitrans India Private Limited, a subsidiary of the Company.

2. Capital Commitments

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Estimated amount of contracts remaining to be executed on capital account and not provided for	2.26	20.06
	2.26	**20.06**

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Financial Information of the Company

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXVIII
Restated Previous GAAP Unconsolidated Statement of Accounting Ratios

Sr. No.	Particulars	Reference	For the years ended	
			March 31, 2014	March 31, 2013
1	Restated profit after tax (` in million)	A	718.03	802.34
2	Less: Preference dividend for the year including tax thereon (` in million)	B	(0.04)	(0.03)
3	Net profit available to equity shareholders (` in million)	C = A + B	717.99	802.31
4	Number of equity shares outstanding at the end of the year	D	146,775,190	146,775,190
5	Number of Optionally convertible preference shares outstanding at the end of the year	E	1,500,000	1,500,000
6	Weighted average number of equity shares considered for calculating basic earnings per share	F	146,775,190	146,775,190
7	Weighted average number of equity shares considered for calculating diluted earnings per share	G	155,045,308	155,280,098
8	Restated net worth (refer note 5 below) (` in million)	H	5,316.88	4,598.89
9	**Accounting ratios:**			
	Basic earnings per share (`)	C / F	4.89	5.47
	Diluted earnings per share (`)	A / G	4.63	5.17
	Return on net worth (%)	A / H	13.50%	17.45%
	Net asset value per share (`)	H / D	36.22	31.33

Notes:

1. The above ratios have been computed on the basis of the Restated Previous GAAP Unconsolidated Financial Information of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

3. The ratios have been computed as below:

a) Basic Earnings per share (`) = $\frac{\text{Restated net profit available to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year (Refer note 6)}}$

b) Diluted Earnings per share (`) = $\frac{\text{Restated net profit available to equity shareholders}}{\text{Weighted average number of dilutive equity shares (refer note 7)}}$

c) Return on net worth (%) = $\frac{\text{Restated profit after tax}}{\text{Restated net worth at the end of the year (refer note 5)}}$

d) Net asset value per share (`) = $\frac{\text{Restated net worth at the end of the year}}{\text{Total number of equity shares outstanding at the end of the year}}$

4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

5. Net worth includes Equity share capital + Preference share capital + Reserves and surplus (including Securities Premium, General Reserve and Surplus in statement of Profit and Loss).

6. Earnings per share calculations are in accordance with Accounting Standard 20 - Earnings per share ('AS 20')

7. Weighted average number of equity shares considered for the computation of diluted Earnings per Share are adjusted for the Dilutive portion of outstanding Employee Stock Options.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXIX
Restated Previous GAAP Unconsolidated Statement of Tax Shelter

(Amount in million)

Sr. No.	Particulars	For the years ended March 31, 2014 `	For the years ended March 31, 2013 `
A	**Restated profit before tax**	**1,056.26**	**1,195.22**
B	Statutory tax rate (%)	33.99%	32.45%
C	Tax at statutory rate	359.02	387.79
	Adjustment for Permanent differences		
1	Disallowance u/s 14A	6.26	6.38
2	Donation	1.46	2.83
3	Penalties and interest disallowed	2.41	10.75
4	Others	(3.32)	(17.82)
D	**Total Permanent differences**	**6.81**	**2.14**
	Adjustment for Timing differences		
1	Provision for warranty	25.50	-
2	Depreciation	48.86	41.40
3	Provision for bonus	(4.10)	(2.24)
4	Provision for bad and doubtful debts	9.47	25.40
5	Provision for doubtful insurance claims	(11.39)	51.17
6	Rent accruals (straight lining of rental)	1.27	10.17
7	Provision for Gratuity	3.47	(0.29)
8	Provision for leave encashment	5.73	(2.96)
9	Provision for doubtful advances and deposits	5.52	3.63
10	Others	-	9.37
E	**Total Timing differences**	**84.33**	**135.65**
F	**Net Adjustment (D + E)**	**91.14**	**137.79**
G	Tax expenses / (savings) thereon **(F * B)**	30.98	44.71
H	**Current tax (C + G)**	**390.00**	**432.50**
I	**Adjustment of tax relating to earlier years**	**(23.11)**	**4.40**
J	**Deferred tax credit**	**(28.66)**	**(44.02)**
K	**Total Tax Expenses (H+I+K)**	**338.23**	**392.88**

Notes:

1. The aforesaid Statement of Tax Shelter has been prepared as per the Restated Previous GAAP Unconsolidated Summary Statement of Profits and Losses of the Company.

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXX
Statement of Dividend Paid

(Amount in million)

Particulars	**For the years ended**	
	March 31, 2014	**March 31, 2013**
	`	`
Dividend on equity shares	-	-
Dividend on 0.01% Optionally convertible cumulative redeemable preference shares ("OCCPS") :		
Number of OCCPS*	15,000,000	15,000,000
Rate of dividend (%)	0.01%	0.01%
Dividend paid on OCCPS	0.03	0.03
Tax on above dividend	0.01	0.00

* Refer Note 7 in Annexure XXVIII

Notes:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Financial Information of the Company.

2. The above statement should be read with the Notes to the Restated Previous GAAP Unconsolidated Summary Statements-Accounting Policies as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXI
Notes to Restated Previous GAAP Unconsolidated Summary Statements

A. Employee benefits

Defined contribution plan
During the year ended March 31, 2014 and March 31, 2013, the Company contributed the following amounts to defined contribution plans:

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	March 31, 2013
	`	`
Provident Fund and Employees' Family Pension Scheme	51.69	48.42
Employees' State Insurance Corporation	23.32	25.97
Total	**75.01**	**74.39**

Defined benefit plan

The Company has a defined gratuity benefit plan for its employees. Under the gratuity plan, every employee who has completed at least five years service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The following tables summarise the components of net benefit expense recognised in the statement of profit and loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Statement of profit and loss
Net employee benefit expense recognised in employee cost

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	March 31, 2013
	`	`
Current service cost	5.66	5.41
Interest cost on benefit obligation	3.38	3.53
Expected return on plan assets	(0.79)	(0.70)
Net actuarial loss recognised in the year	2.57	1.45
Net benefit expenses	**10.82**	**9.69**

Actual return on plan assets	0.87	0.91

Balance Sheet
Details of provision and fair value of plan assets

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Present value of defined benefit obligation	48.20	43.56
Fair value of plan assets	(9.95)	(9.08)
Plan liability	**38.25**	**34.48**

Changes in the present value of defined benefit obligation are as follows:

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Opening defined benefit obligation	43.56	44.11
Current service cost	5.66	5.41
Interest cost	3.38	3.53
Benefits paid	(7.04)	(11.14)
Actuarial losses on obligation	2.64	1.65
Closing defined benefit obligation	**48.20**	**43.56**

Changes in the fair value of plan asset are as follows:

(Amount in million)

Particulars	As at	
	March 31, 2014	March 31, 2013
	`	`
Opening fair value of plan assets	9.08	8.17
Expected return	0.79	0.70
Contribution by employer	7.04	11.14
Benefits paid	(7.04)	(11.14)
Actuarial gains	0.08	0.21
Closing fair value of plan assets	**9.95**	**9.08**

CMS Info Systems Limited (formerly known as CMS Info Systems Private Limited)
Annexure XXXI
Notes to Restated Previous GAAP Unconsolidated Summary Statements

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

	March 31, 2014	March 31, 2013
Investment with insurer through trust	100%	100%

The Company expects to contribute ` 5 million (March 31, 2013: ` 5 million)to gratuity fund during the annual period beginning after balance sheet date.

The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

Particulars	March 31, 2014	March 31, 2013
Discount rate	8.75%	7.75%
Expected rate of return on assets	8.70%	8.70%
Salary escalation	5.00%	5.00%
Employee attrition rate	0 to 4 years of service - 35.00%	0 to 4 years of service - 35.00%
	Above 4 years of service -20.00%	Above 4 years of service -20.00%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Amounts of experience adjustments for the current and previous four years are as follows:

(Amount in millio

Particulars	As at				
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
	`	`	`	`	`
Gratuity					
Defined benefit obligation	48.20	43.56	44.11	44.19	37.49
Plan assets	9.95	9.08	8.17	7.60	7.07
Deficit	38.25	34.48	35.94	36.59	30.42
Experience adjustments on plan liabilities	4.25	3.74	3.82	(6.27)	(8.68)
Experience adjustments on plan assets	0.08	0.21	(0.04)	(0.03)	0.65

Other long term employee benefits

In accordance with its leave policy, the Company has provided for leave encashment on the basis of an actuarial valuation carried out by an independent actuary at the end of the year.

B. Provision for warranty

A provision of ` 25.50 million is recognised for expected warranty claims on sale of ATMs and related products during the current year. The provision is recognised based on historical experience and expected costs that will be incurred on providing repairs and maintenance services during the warranty period. Assumptions used to calculate the provision for warranty is based on current sales levels and current information available based on the warranty period for the ATM sites and related products sold. The table below gives information about movement in warranty provision.

(Amount in million)

Particulars	For the years ended	
	March 31, 2014	March 31, 2013
	`	`
At the beginning of the year	-	-
Recognised during the year	25.50	-
Utilised during the year	-	-
At the end of the year	25.50	-

Note:
1. The figures disclosed above are based on the Restated Previous GAAP Unconsolidated Financial Information of the Company

2. The above statement should be read with the notes to the Restated Previous GAAP Unconsolidated Summary Statements as appearing in Annexure IV and Statement of Restatement Adjustments to Audited Previous GAAP Unconsolidated Financial Statements appearing in Annexure V.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our Restated Consolidated Financial Information which is included in this Draft Red Herring Prospectus. The following discussion and analysis of our financial condition and results of operations is based on our Ind AS Restated Consolidated Financial Information, including the related notes and reports, included in this Draft Red Herring Prospectus, which is prepared under Ind AS, in accordance with requirements of the Companies Act, and restated in accordance with the SEBI ICDR Regulations.

Unless otherwise stated, the financial information used in this section is derived from our Restated Consolidated Financial Statements. Our historical results do not necessarily indicate results expected for any future periods. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. Our actual results may differ from those anticipated in these forward-looking statements as a result of any number of factors, including those set forth in "Forward-Looking Statements" and "Risk Factors" on pages 12 and 13, respectively.

OVERVIEW

We are India's largest cash management company based on number of ATM points and number of retail pick-up points as of March 31, 2017. (Source: Frost & Sullivan) We are also the fifth largest ATM cash management company worldwide based on number of ATM points as of December 31, 2016. (Source: Frost & Sullivan) For Fiscal Year 2017, our total currency throughput, or the total value of the currency passing through all of our ATM and retail cash management businesses, amounted to ₹7,290 billion.

We provide a wide range of services across each stage of the cash cycle in India, from when the RBI initially deposits cash in branches of selected banks, called currency chests, that are authorised by the RBI to hold and distribute rupee notes and coins for circulation to banks, to when cash is deposited back in banks after going through the various stages of the cash cycle. We operate our business in three segments:

- *Cash management services*, which include ATM services, cash delivery and pick-up and network cash management services (together known as "retail cash management services");
- *Managed services*, which include sale of ATM and ATM sites and related products and maintenance services; and
- *Others*, which include trading in card and card personalisation services.

We believe our services help increase the velocity of cash through the cash cycle by assisting customers to meet their outsourcing needs and increase the speed with which they handle cash by automating and decreasing duplication in the processing and turnaround of cash, which we believe also allows customers to improve their productivity and reduce their cash processing costs.

As the amount of cash in circulation increases, so does the need for cash and cash-related services. Cash in circulation in India increased at a CAGR of 11.74% from Fiscal Year 2012 to Fiscal Year 2016, driven primarily by GDP growth during the same period, reaching a peak of ₹17,775 billion as of October 2016 prior to the banknote demonetization in India in November 2016. Demonetization caused cash in circulation to decrease to ₹9,432 billion as of December 2016, but it has since recovered significantly, increasing to ₹15,074 billion as of June 2017. Cash in circulation is currently expected to surpass pre-demonetization levels and increase at a CAGR of 11.16% from Fiscal Year 2018 to Fiscal Year 2020, with GDP expected to grow at a CAGR of 7.6% during the same period. (Source: RBI; Wold Bank; Frost & Sullivan)

As the demand for cash and cash-related services in India has increased, banks and other participants in India are deploying more ATMs, which is reflected in the increase in the number of ATMs in India from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017. (Source: Frost & Sullivan) They are also increasingly outsourcing their ATM operations and management in order to process and distribute cash to consumers more quickly and efficiently. For example, of the cash replenishment services provided to the 222,762 total ATMs in India as of June 30, 2017, approximately 65% to 70% were outsourced to third-party cash management companies. The cash management market grew from approximately ₹12.0 billion in 2010 to approximately ₹30.3 billion in 2016, a CAGR of more than 16.7%, and primarily comprises the markets for ATM replenishment services, retail cash management services and cash-in-transit services, which are estimated to grow at a CAGR of 21.6%, 18.2% and 20.0%, respectively, from 2016 to 2021. (Source: Frost & Sullivan)

In addition, India has one of the lowest ATM penetration rates in the world, with only 19.7 ATMs per 100,000 adults, compared to a global average of 40.5 ATMs per 100,000 adults, as of December 31, 2015, and the GoI has undertaken initiatives aimed at increasing financial inclusion to give greater access to bank branches and ATMs, particularly in rural regions where ATM penetration is the lowest at 4.6 ATMs per 100,000 adults as of December 31, 2016. (Source: RBI; Frost & Sullivan) We believe our pan-India fleet of over 3,603 cash vans and our network of 282 branches and offices, which as of March 31, 2017 cover all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult to reach and remote rural and semi-urban areas, position us well to take advantage of future opportunities arising from this growth and these initiatives.

For Fiscal Years 2015, 2016 and 2017, we generated revenue from operations of ₹13,391.55 million, ₹11,400.91 million and ₹10,074.49 million, respectively, and restated profit before tax of ₹1,107.64 million, ₹802.42 million and ₹1,201.73 million, respectively. For Fiscal Years 2015, 2016 and 2017, restated profit before tax as a percentage of our total income was 8.24%, 7.01% and 11.88%, respectively. Our Adjusted EBITDA was ₹1,917.79 million, ₹1,517.76 million and ₹1,739.51 million in Fiscal Years 2015, 2016 and 2017, respectively.

SIGNIFICANT FACTORS AFFECTING RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, results of operations, cash flow and financial condition are significantly affected by a number of factors, including:

Growth of the banking sector and the number of ATMs in India

We believe that the growth of the Indian banking sector has significantly driven, and will continue to drive, the growth of our business. Our cash management services segment, which accounted for 59.61%, 69.73% and 81.70% of our total revenue from operations for Fiscal Years 2015, 2016 and 2017, respectively, are ultimately utilized by banks, while most of the customers of our managed services, which accounted for 22.51%, 27.97% and 13.87% of our total revenue from operations for Fiscal Years 2015, 2016 and 2017, respectively, and of our cards business are banks. The ability of banks to make expenditures on cash management services, offer cash management services to their retail customers, continue to outsource cash management services and expand their ATM networks depends on the performance of their own businesses, as well as other external factors, such as the performance of the Indian economy and the RBI's monetary policies and GoI regulations. Growth of the Indian economy has been consistently strong in recent years, with GDP growing at 7.2%, 7.9%, and 6.8% in Fiscal Years 2015, 2016 and 2017, respectively. (Source: Wold Bank; Frost & Sullivan) In addition, government initiatives aimed at increasing financial inclusion in India, such as the launch of *Pradhan Mantri Jan Dhan Yojana*, a national programme aimed at providing universal access to banking facilities, including basic bank accounts and 'RuPay' debit cards, through bank branches and ATMs, in particular in regions of India where ATM penetration is low relative to the rest of India, such as semi-urban and rural regions, are expected to continue to lead to more expenditures by banks on cash management services and ATM infrastructure and managed services as the Indian banking sector grows. (Source: Frost & Sullivan) For example, the number of ATMs in India increased from 121,847 as of June 30, 2013 to 222,762 as of June 30, 2017. (Source: Frost & Sullivan) We believe the size and depth of our pan-India platform, in particular in semi-urban and rural regions, positions us well to capture the expected growth in demand for cash management services and ATM infrastructure and managed services in India. As of March 31, 2015, 2016 and 2017 and as of June 30, 2017, we serviced 46,045, 50,987, 53,006 and 57,098 ATM points, respectively, through our ATM cash management services, and as of March 31, 2015, 2016 and 2017, we serviced 33,668, 34,786 and 34,499 retail pick-up points, respectively, through our pan-India fleet of over 3,603 cash vans, 282 branches and offices. We also provided second line maintenance services to 9,351, 13,709 and 18,227 ATMs, respectively, through our managed services business. Please see "*Risk Factors - Our business is highly dependent on the banking sector in India and any adverse development with respect to Indian banks that adversely affects their utilisation of and demand for cash management services or their deployment or utilisation of ATMs could have an adverse effect on our business, results of operations, cash flows and financial condition*" on page 14.

Outsourcing by banks of cash management and other parts of the cash cycle

Banks and other market participants in the cash management market and across the cash cycle in India are increasingly outsourcing their services. (Source: Frost & Sullivan) In particular, as the banking sector grows, banks and other financial institutions, in particular public sector banks, have sought to process and distribute cash to consumers more quickly and efficiently in order to increase their productivity and lower their cash handling costs by outsourcing and automating their cash management and other banking services. There has also been an industry trend towards greater outsourcing of services in other parts of the cash cycle, such as for currency chests, which historically have been managed internally by state-owned banks, as the operations and cash management needs of currency chests expand. As of June 30, 2017, 65% to 70% of the ATMs in India are outsourced to cash management companies. (Source: Frost & Sullivan) We assist our customers to meet their outsourcing needs by increasing the speed with which they handle cash and by decreasing duplication in the processing and turnaround of cash. In addition, we believe that the strength of our relationships with our customers also puts us in an advantageous position for cross-selling opportunities and to win new mandates for other key aspects of their businesses as they increasingly outsource and automate their banking services. For example, we have recently secured a significant transaction for currency chest automation services from a large public sector bank to execute and operate 20 currency chests across India that it has outsourced as of March 31, 2017. However, banks could also decide to develop their own cash management and managed services platforms to save on third-party costs, reducing the amount of those services that they outsource to third-party suppliers and banks may perceive our position as a leading cash management services company in India as a potential concentration risk to their business and operations, and may decide to, or implement strategies or other risk management policies which require them to reduce or limit the amount of cash management services they purchase from us. Please see "*Risk Factors - Our business is highly dependent on the banking sector in India and any adverse development with respect to Indian banks that adversely affects their utilisation of and demand for cash management services or their deployment or utilisation of ATMs could have an adverse effect on our business, results of operations, cash flows and financial condition*" on page 14.

Cost efficiency through economies of scale and increased productivity

In our industry, there is a positive correlation between market share, network size and profitability. As market share and sales volumes increase, operating resources can often be deployed more efficiently and margins can be improved. Our pan-India platform covers all of India's states, 98.28% of India's districts and over 11,090 Indian postal codes, including difficult to reach and remote rural and semi-urban areas. Despite the size of our business, we have actively sought to increase our profitability and the efficiency with which we deploy our resources by increasing the density of stops in the routes of our cash vans; leveraging the fixed costs of the cash processing infrastructure; and introducing other efficiencies, such as by standardizing and automating processes. As a result of these efforts, we have realized important gains in critical metrics, including improving ATM uptime and turn-around-time for customers. For example, in June 2017 we received over 323,000 ATM first line maintenance calls. We were able to adhere to a turn-around-time of less than four hours in more than 85.29% of those calls, providing additional uptime for our customers. Improving ATM uptime and turn-around-time for customers not only results in increased customer satisfaction but also decreases aggregate penalty charges that we are required to incur when we do not meet the agreed scheduled response times, which improves our margins and profitability on any given contract. In addition, we actively seek to improve our reconciliation of ATM and retail cash balances and end-of-day reporting to bank branches, which allows us to reduce risk cost, and increase our productivity by improving our processes and planning and leveraging our network to increase and optimize the density of stops in the routes of our cash vans, such as by using route optimization technologies to identify low density routes and available capacities in the routes of our cash vans. This enables us to deploy our resources more efficiently and realize economies of scale, allowing us to increase the productivity of our operations and our margins of profitability. Our total expenses as a percentage of our total income in Fiscal Years 2015, 2016 and 2017 was 91.76%, 92.99% and 88.12%, respectively. Please see "*Risk Factors - Our business has significant expenses in relation to employee benefits and cash vans and transportation. Any material increase in any of these expenses could affect our ability to competitively price our services, maintain or increase our profitability and results of operations*" on page 16 and "*- Our business is exposed to operational risks for which we have incurred and expect to continue to incur risk costs and penalties. Any material increase in these costs could have an adverse effect on our business, results of operations and financial condition*" on page 15.

Growth of competing modes of payment with cash and demonetization

Cash continues to be the predominant mode of payment in India and is often preferred by consumers and retailers over other modes of payment, such as cashless payments. However, the proliferation of payment options other than cash, such as credit cards, debit cards, POS terminals and online payment methods, could result in a reduction in the use of cash as a payment method. In addition, the RBI and the GoI have publicly stated that they are undertaking initiatives to encourage, among other things, greater adoption of electronic and cashless payment methods, which could reduce the amount of cash in circulation and the use of cash as a mode of payment in India. For example, in November 2016 the GoI implemented banknote demonetization, which significantly reduced the liquidity of cash in the Indian economy, a predominantly cash-based economy. This was particularly the case in rural and semi-urban regions of India, which are more remote and furthest away from supplies of the new banknotes and where bank branch and ATM penetration are at their lowest. In addition, ATM machines and other automated cash machines had to be recalibrated to accept the new banknotes, which were in sizes that were different from the old banknotes, contributing to the delays in normalising cash liquidity in the country. There can be no assurance that this will not happen again in the future. For example, on August 25, 2017, the RBI issued legal tender of new ₹200 denomination banknotes, which were significantly narrower than the new ₹500 banknote. The difference in dimensions may necessitate recalibration of ATM machines and other automated cash machines in order to enable such machines to accept the new banknotes. Any such changes or modifications could cause significant delays or inefficiencies, and require us to incur substantial additional expenditures to accommodate such changes or modifications.

The cash management industry, together with our Company, were significantly impacted by demonetization, as the availability of cash in circulation decreased following demonetization and delays in recalibrating ATMs resulted in a large number of ATMs being temporarily incompatible with the new denominations. Further, during this time our retail cash management services business was also impacted, as the demand of our retail customers for our services decreased following demonetization. We were also required to direct significant resources towards recalibrating ATMs machines for the new banknotes. During the period immediately following demonetization there was also a significant decrease in the number of ATMs we deployed. Although cash availability has increased since demonetization and is currently expected to surpass pre-demonetization levels, the long-term effects of the GoI’s demonetization measures on cash in circulation, on the Indian economy, and on our operations, are still unclear, and there can be no assurance that demonetization will not have a long term detrimental impact on the Indian economy, the cash management industry or our business. In addition, there can be no assurance that the GoI will not institute similar measures in the future.

A decline in the use of cash as a mode of payment or decrease in cash in circulation in India as a result of demonetization or any similar future measures by the GoI or otherwise could result in less demand from our banking and other customers for our cash management services, as well as for our managed services, and our customers could postpone or forgo decisions to expand their ATM networks and could even downsize their current ATM networks, which would adversely affect our business, results of operations, cash flow and financial condition. Please see “*Risk Factors - A decrease in the availability or use of cash as the predominant mode of payment in India could have an adverse effect on our business, results of operations, cash flows and financial condition*” on page 13 and “*Risk Factors - The currency demonetisation measures imposed by the GoI in November 2016 had a significant impact on the Indian economy and cash circulation in India, and there is uncertainty about the long-term impact of demonetisation and whether similar unanticipated measures could be adopted by the GoI in the future.*” on page 18.

Cost management of our employees, our fleet of cash vans and our risk costs

Cost management of our employees and our fleet of cash vans is an important driver of our profitability. For Fiscal Years 2015, 2016 and 2017, as a percentage of our total expense, employee benefits expense accounted for 25.01%, 23.18% and 25.73%, respectively, and vehicle maintenance, hire and fuel cost accounted for 8.28%, 9.78% and 11.89%, respectively. As of March 31, 2015, 2016 and 2017, we had 11,650, 9,357, 8,442 employees, respectively, and our fleet comprised 4,180, 4,265 and 3,603 cash vans, respectively.

The salaries and wages of our employees are subject to wage inflation and other macroeconomic factors that can cause salaries and wages to increase. In addition, the salaries, wages and other benefits of our employees are regulated by government laws and regulations, which can change from time to time. India’s state governments have increased the minimum wage on a number of occasions in the past and the GoI is currently considering an increase to the minimum wage for workers across all sectors, which could impact the salaries, wages and bonuses we pay our employees. As of March 31, 2017, we had a total of 16 unions representing approximately 20% of our employees and personnel provided to us by our third-party service providers and third-party security service providers. We typically negotiate wages and benefits through our negotiations with trade unions under long-term collective bargaining agreements, which typically include agreed wage increases over a three-year period. These negotiations can result in increases in wages or other benefits or changes in the manner in which we manage our business and employees. There can be no assurance that any future long-term settlement agreements will be on terms that are favourable to our Company, or more favourable to our Company than its current long-term settlement agreements or that our labour unions will comply with the terms of any long-term settlement agreements reached, even in circumstances where we comply with our obligations under the relevant long-term settlement agreement. Further, if our relationships with our employees or unions deteriorate, we may experience significant labour unrest, strikes, lockouts or other labour action and work stoppages, which can increase our labour costs and adversely affect our business, results of operations, cash flow and financial condition. However, notwithstanding these upward pricing pressures on our labour costs, we have successfully realized overall decreases in our labour costs by actively managing them, such as by increasing our productivity and the efficiency with which we deploy our resources. For Fiscal Years 2015, 2016 and 2017, employee benefits expenses accounted for 23.05%, 21.63% and 22.77%, respectively, of our total revenue from operations.

We also rely heavily on our fleet of cash vans to provide our services to our customers. Our cash van expenses primarily include fuel costs and cash van hire charges, each of which are subject to external macroeconomic pressures over which we do not have control, including the price of fuel, which is linked with international crude oil prices, and government policies, such as in respect of the age of commercial vans that may be used in commercial operations. In addition, we typically purchase and/or lease cash vans with debt financing from third-party financial institutions, the terms of which are subject to negotiation with the financial institutions, and generally include interest payable on the borrowed amount. Any increase in interest rates increase the cost of our borrowings where we have not fixed the interest rate. For Fiscal Years 2015, 2016 and 2017, vehicle maintenance, hire and fuel cost accounted for 7.63%, 9.13% and 10.52%, respectively, of our total revenue from operations.

In addition, a key aspect of our ability to optimize our business and reduce operational costs is to manage our risk cost through reconciliation processes and comprehensive auditing procedures, which reduce discrepancies and additional costs associated with our operations. We regularly invest in systems and processes in order to reduce and mitigate risk cost. During Fiscal Years 2015, 2016 and 2017, deduction on account of cash shortages, bank's customer claims and breach of service level agreements, among other risk costs, have accounted for approximately 2% to 4% of our total income. In addition, we account for cash lost in transit, which includes theft, robbery, misappropriation, infidelity and embezzlement by employees or personnel provided by our third-party service providers and third-party security service providers in the course of replenishing ATMs or during transport. Cash lost in transit for Fiscal Years 2015, 2016 and 2017 was ₹55.89 million, ₹78.15 million and ₹5.70 million respectively. We also made impairment allowances for trade receivables of ₹173.81 million, ₹109.24 million and ₹271.12 million, respectively, in Fiscal Years 2015, 2016 and 2017, as a result of customer deductions from the fees paid to us for our services due to failure to meet requirements under applicable service agreements, cash shortages and bank's customer claims. Further, we had impairment allowance for doubtful insurance claims of ₹14.02 million, ₹10.38 million and nil, respectively, in Fiscal Years 2015, 2016 and 2017, due to the lead time of insurance approvals. We cannot assure you that such risk costs will not increase in the future, in which event our business, results of operations, cash flows and financial condition may be adversely affected. Please see "*Risk Factors - Our business has significant expenses in relation to employee benefits and cash vans and transportation. Any material increase in any of these expenses could affect our ability to competitively price our services, maintain or increase our profitability and results of operations*" on page 16 and "*Risk Factors - Our business is exposed to operational risks for which we have incurred and expect to continue to incur risk costs and penalties. Any material increase in these costs could have an adverse effect on our business, results of operations and financial condition*" on page 15.

Cost management of our service and security requirements

We procure various services from third-party service providers, including from providers of service personnel, such as drivers, custodians, back-office executives and cleaning personnel. To protect our operations and employees, we also procure security services from registered third-party security service providers. As of March 31, 2015, 2016 and 2017, we engaged 12,441, 14,153 and 13,135, respectively, personnel (including consultants) from third-party service providers and third-party security service providers. The service and security charges accounted for 15.23%, 21.10% and 26.42% of our total expenses for Fiscal Years 2015, 2016 and 2017, respectively. Cost management of these expenses is also an important driver of our profitability. Our costs associated with personnel provided by our third-party service providers and third-party security service providers are primarily driven by the fees that these third-party service providers charge us, which may be impacted by similar pricing pressures that we face with respect to our own employees, such as demand and supply of labour in any particular region, regulatory increases in the minimum wage and subsequent pricing demands by third-party service providers or other factors. For Fiscal Years 2015, 2016 and 2017, service and security charges accounted for 14.04%, 19.68% and 23.38%, respectively, of our total revenue from operations. If we are unable to promptly pass on any increase in the costs that we pay to our third-party service providers and the third-party security service providers for the services we procure from them, our margins, profitability and results of operations may be adversely affected. Further, if we are not able to procure the services provided to us by these third-party service providers in a timely manner, our operations might be adversely affected, which could impact our profitability and results of operations. Please see "*Risk Factors - Our business has significant expenses in relation to services* *and security services procured from third parties. Any material increase in any of these expenses could affect our ability to competitively price our services, maintain or increase our profitability and results of operations*” on page 17.

Growth through strategic acquisitions

We have grown, and plan to continue to grow, our business through value accretive strategic acquisitions, where we can realize synergies across our business. In 2011, we acquired SIPL, consolidating our position as the leading cash management services company in India. Since that acquisition, we have successfully improved the SIPL business through aggressive cost controls, including by restructuring operations and route reductions. In 2017, we also acquired a part of the business of a mid-sized cash management company, which helped increase the number of ATMs that we provide cash management services for, as well as parts of the business of a small Brown Label ATM services company (including its ATM outsourcing business contracts), which increased our capacity to service mid-sized banks and other customers and we believe assisted us to win other contracts from similar customers. We currently intend to consider opportunities that consolidate our market position in existing business lines, achieve operating leverage in key markets and potentially new geographic markets by unlocking potential efficiency and synergy benefits to increase productivity, strengthen and expand our service and product portfolio and enhance our economies of scale and depth of experience, knowledge-base and know-how. Recently, we have signed a non-binding term sheet for the purchase of a business, that is similar to a few of the businesses that we undertake, from an Indian company (the “**Transaction**”). Entering into definitive agreements for the Transaction is subject to completion of satisfactory due-diligence, satisfaction of number of condition precedents and receipt of necessary approvals. However, notwithstanding our track record of successfully completing business acquisitions and optimizing acquired businesses, acquisitions involve a significant number of challenges and there can be no assurance that we will be able to fully realize the anticipated benefits of any future acquisitions successfully within our expected timeframe or at all.

TRANSITION FROM PREVIOUS GAAP TO IND AS AND ITS IMPACT ON THE PREPARATION AND PRESENTATION OF THE RESTATED FINANCIAL STATEMENTS

The consolidated financial statements as of and for the Fiscal ended March 31, 2017 have been prepared in accordance with Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all the periods, up to and including the Fiscal ended March 31, 2016, our Company prepared its financial statements in accordance with Indian GAAP. The financial statements for the Fiscal ended March 31, 2017 are the Group’s first Ind AS financial statements. Our date of transition to Ind AS is April 1, 2015. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, our Company has presented a reconciliation from the presentation of financial statements under Indian GAAP to Ind AS for shareholders’ fund as at March 31, 2016 and April 1, 2015 and of the total comprehensive income for Fiscal 2016. Please refer to Restated Ind AS Consolidated Financial Information included elsewhere in this Draft Red Herring Prospectus.

As part of our transition to Ind AS, we applied the following exemptions and elections:

- We elected to apply Ind AS 103 prospectively to business combinations occurring after our transition date, April 1, 2015. Business combinations occurring before the transition date have not been restated and continued as per Previous GAAP. We did not recognise or exclude any previously recognised amounts as a result of Ind AS recognition requirements. Ind AS 101 also requires that Previous GAAP carrying amount of goodwill must be used in the opening Ind AS balance sheet (apart from adjustments for goodwill impairment and recognition or derecognition of intangible assets). In accordance with Ind AS 101, we tested goodwill for impairment at the date of transition to Ind AS. No goodwill impairment was deemed necessary at April 1, 2015.

- Ind AS 102 has not been applied to equity settled share-based payment transactions that vested before April 1, 2015.

- We have issued convertible redeemable preference shares. Under Previous GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit. Under Ind AS, convertible preference shares are separated into liability and equity components based on the terms of the contract. However, in accordance with this exemptions under para D18 of Ind AS 101, a first-time adopter need not separate these two portions if the liability component is no longer outstanding at the date of transition to Ind AS. As on transition date, redeemable preference shares are redeemed and liability component is no longer outstanding.

- The estimates at April 1, 2015 and at March 31, 2016 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from FVTOCI, FVTPL and FVTOCI, impairment of financial assets based on expected credit loss method where application of Previous GAAP did not require estimation.

- The estimates used by us to present these amounts in accordance with Ind AS reflect conditions at April 1, 2015, the date of transition to Ind AS and as of March 31, 2016.

For a reconciliation of restated net profit as per Previous GAAP to restated total comprehensive income as per Ind AS, see Annexure V of our Restated Consolidated Financial Statements as of and for Fiscal Years 2015, 2016 and 2017 included in "*Financial Statements*" on page F-13.

CRITICAL ACCOUNTING POLICIES UNDER IND AS

The discussion and analysis of our financial condition and results of operations are based upon our financial statements, except where otherwise noted. The preparation of these financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and accompanying disclosure of contingent liabilities. We evaluate these estimates on an on-going basis. We base our estimates on our historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying amount values of assets and liabilities that are not readily apparent from other sources.

We believe that application of the following critical accounting policies entails the most significant judgments and estimates used in the preparation of our financial statements.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured regardless of a payment being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Sales tax, value added tax ("**VAT**") and service tax is not received by the Group on its own account. Rather, it is tax collected on value added to the commodity or services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. Sale consideration is recognized at fair value and is net of returns and allowance and any discounts as per Ind AS 18.

Sale of services

Revenue from ATM and cash management services and allied operations is recognised when the required services are rendered in accordance with the contracts or agreements entered into with the customer and is disclosed net off deductions for shortages, etc. charged by the customers as per the terms of the agreement.

Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract.

Revenue recognized, in excess of billing is classified as unbilled revenue; while billing in excess of revenue is classified as unearned revenue.

Sale of ATM Sites

Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites as per the terms of agreement with the customers.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets recognised in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill

Goodwill is tested for impairment annually at the cash-generating unit level. The Group has elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. For business combinations occurring before the transition date have not been restated and continued as per Previous GAAP.

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value. The impairment indicators, the estimation of expected future cash flows and the determination of the fair value of CGU (including Goodwill) require the Management to make significant judgements, estimates and assumptions concerning the identification and validation of impairment indicators, fair value of assets, Revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc.

Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as expenses, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Group makes contributions to a trust administered and managed by an insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Group, although insurance company administers the scheme.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurements comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Group presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss ("**ECL**") model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit or loss and equity instruments recognised in OCI. Loss allowance for trade receivables and insurance claim receivables is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss. As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Provisions

Warranty provisions

Provisions for warranty related costs are recognised when the product is sold or service is provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty related costs is revised annually.

Others

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement, if any.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Share Based Payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity settled transaction

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and / or service conditions are fulfilled in employee benefit expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefit expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. When an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

In case our Company makes payment to the employee on the cancellation of the grant or repurchases vested equity instruments, it is accounted as the repurchase of an equity interest, i.e. as a deduction from equity, except to the extent that the payment exceeds the fair value of the equity instruments granted, measured at the repurchase date. Any such excess is recognised as an expense.

The Group initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them.

RESULTS OF OPERATIONS

The table below sets forth our results of operation derived from our restated financial statements for fiscal years 2017, 2016 and 2015, expressed in absolute terms and as a percentage of our total income for the periods indicated:

	Fiscal Year ended March 31,					
	2017		**2016**		**2015**	
	Amount (in ₹ millions)	***Percentage of total income (%)***	***Amount (in ₹ millions)***	***Percentage of total income (%)***	***Amount (in ₹ millions)***	***Percentage of total income (%)***
Income						
Revenue from operations						
Cash management services	8,230.37	81.36	7,949.39	69.49	7,982.09	59.35
Managed Services	1,397.26	13.81	3,188.99	27.88	3,014.30	22.41
Others	446.86	4.42	262.53	2.29	267.29	1.99
*Discontinued operations**					2,127.87	15.82
Total Revenue from Operations	**10,074.49**	**99.59**	**11,400.91**	**99.66**	**13,391.55**	**99.57**
Finance Income	20.07	0.20	21.21	0.19	12.79	0.10
Other Income	21.83	0.22	17.99	0.16	45.69	0.34
Total Income	**10,116.39**	**100.00**	**11,440.11**	**100.00**	**13,450.03**	**100.00**
Expenses						
Cost of material consumed					1.12	0.01
Purchase of traded goods	668.60	6.61	2,092.93	18.29	1,842.48	13.70
Decrease in inventories	148.28	1.47	224.36	1.96	1,409.09	10.48
Employee benefit expense	2,293.91	22.68	2,465.50	21.55	3,086.92	22.95
Other expenses	5,399.95	53.38	5,287.14	46.22	5,392.47	40.09
Depreciation and amortization	317.56	3.14	344.79	3.01	412.64	3.07
Finance costs	79.14	0.78	178.41	1.56	196.36	1.46
Foreign exchange loss (net)	7.22	0.07	44.56	0.39	1.31	0.01
Total Expenses	**8,914.66**	**88.12**	**10,637.69**	**92.99**	**12,342.39**	**91.76**
Restated Profit Before Tax	**1,201.73**	**11.88**	**802.42**	**7.01**	**1,107.64**	**8.24**
from continuing operations	1,201.73	11.88	802.42	7.01	1,379.94	10.26
from discontinuing operations					(272.30)	(2.02)
Tax Expense						
From continuing operations:						
- current tax	536.84	5.31	393.21	3.44	463.23	3.44
-adjustment of tax relating to earlier years	(14.64)	(0.14)	(47.52)	(0.42)	0.21	(0.00)
- deferred tax (credit) / charge	(107.08)	(1.06)	(92.20)	(0.81)	17.90	0.13
*From discontinuing operations**					(93.70)	(0.70)
Total Tax Expense	**415.12**	**4.10**	**253.49**	**2.22**	**387.64**	**2.88**
Profit for the Year	**786.61**	**7.78**	**548.93**	**4.80**	**720.00**	**5.35**

* Our revenue from operations from discontinued operations in Fiscal Year 2015 comprised Trading, IT Enabled services and Network training Services, which included trading in desktops, laptops, servers, networking products, printers and storage devices, providing annual maintenance services, facility management services and printing services. These operations were demerged from our Company on January 1, 2015.

Adjusted EBITDA (Non-Ind AS financial measure)

The table below sets forth a full quantitative reconciliation of Adjusted EBITDA to its most direct comparable Ind AS measure, profit before tax.

	Fiscal Year ended March 31,		
	2017	**2016**	**2015**
	Amount (in ₹millions)		
Restated profit before tax	**1,201.73**	**802.42**	**1,107.64**
Add:			
Legal, professional and consultancy fees (1)		41.33	
Salaries, wages and bonus (2)(3)	25.02	172.02	
Share based payments to employees (4)	136.13		
Restated loss before tax from discontinuing operations (5)			272.30
Adjusted Earnings Before Tax	**1,362.88**	**1,015.77**	**1,379.94**
Add:			
Finance costs (6)	79.14	178.41	196.36
Depreciation and amortisation	317.56	344.79	412.64
Less			
Depreciation and amortization (7)			58.36
Finance Income (8)	20.07	21.21	12.79
Adjusted EBITDA	**1,739.51**	**1,517.76**	**1,917.79**

(1) Legal, professional and consultancy fees incurred by our Company at the time of the stake sale of our business to our Promoter by erstwhile shareholders in August 2015.
(2) In Fiscal Year 2016, bonus paid to certain employees at the time of the stake sale of our business to our Promoter by erstwhile shareholders in August 2015.
(3) In Fiscal Year 2017, retrenchment cost on account of closure of cash management division operations of CMS Info Systems Limited in Mumbai.
(4) Non-cash expense related to 2016 ESOP Schemes.
(5) Loss from discontinuing operations.
(6) Interest expense in relation to borrowings and certain ancillary costs.
(7) Depreciation and amortization on discontinued operations.
(8) Interest income on bank deposits, finance lease, others and financial assets measured at amortised cost using EIR basis.

Depreciation and amortisation, includes amortisation of non-compete fees of ₹21.45 million, ₹21.44 million and ₹21.44 million for Fiscal Years 2015, 2016 and 2017, respectively, towards non-compete fees paid to erstwhile owners of SIPL that was recognized as an intangible asset and amortised on a straight-line basis over the seven-year period of non-compete agreement. The net block of the non-compete fees as of March 31, 2017 was ₹25.85 million.

Adjusted EBITDA and Adjusted Earnings Before Tax data has been included as supplemental disclosure because we believe they are useful indicators of our operating performance. However, because Adjusted EBITDA and Adjusted Earnings Before Tax are not determined in accordance with Ind AS, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, Adjusted EBITDA and Adjusted Earnings Before Tax as presented may not be directly comparable to similarly titled measures presented by other companies.

These non-Ind AS financial measures have limitations as analytical tools. Some of these limitations are: they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments; they do not reflect changes in, or cash requirements for, our working capital needs; they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments on our debt; although depreciation and amortisation are noncash charges, the assets being depreciated and amortised will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and other companies in our industry may calculate Adjusted EBITDA and Adjusted Earnings Before Tax differently than we do, limiting their usefulness as a comparative measure. Because of these limitations, Adjusted EBITDA and Adjusted Earnings Before Tax should not be considered in isolation or as a substitute for performance measures calculated in accordance with Ind AS.

PRINCIPAL COMPONENTS OF STATEMENT OF PROFIT AND LOSS

Income

Revenue from operations

We generate substantially all of our revenue from operations from the following three segments:

- *Cash management services*, which include ATM services, cash delivery and pick-up and network cash management services (together known as "retail cash management services");
- *Managed services*, which include income from sale of ATM and ATM sites and related products and maintenance services; and
- *Others*, which include trading in card and card personalisation services.

In addition, our revenue from operations in Fiscal Year 2015 includes revenue from discontinued operations, comprising Trading, IT Enabled services and Network training Services, which included trading in desktops, laptops, servers, networking products, printers and storage devices, providing annual maintenance services, facility management services and printing services. These operations were demerged from our Company on January 1, 2015.

Finance income

Our finance income includes interest income from fixed deposits with banks, interest on income tax refund and interest from financial assets (measured at amortized cost using EIR basis) like security deposits for premises lease.

Other income

Our other income includes sundry credit balances written back, which comprises primarily balances not payable to creditors for their failure to meet service level or performance standards and miscellaneous income, which comprises profit on sale of fixed assets, recovery from insurance claims and doubtful debts.

Expenses

Purchase of traded goods

Purchase of traded goods comprise procurement cost for ATMs, ATM site related plant and equipment and financial cards.

Decrease in inventories

Decrease in inventories comprise net decreases in inventory levels of ATMs and ATM site related plant and equipment and financial cards.

Employee benefit expense

Employee benefit expense include salaries, wages and bonuses paid to employees, contributions to provident fund and other funds, share based payments to employees and staff welfare expenses.

Other expenses

Other expenses primarily include service and security charges for personnel from third-party service providers and third-party security service providers; vehicle maintenance, hire and fuel costs; conveyance and travelling expenses; consumption of stores and spares; lease rentals; legal, professional and consultancy fees; and others which includes insurance, communication costs, power and electricity, freight and forwarding charges, cash disposal charges, and printing and stationery charges.

Depreciation and amortization expense

Depreciation and amortization expense includes the depreciation and amortization of plant and machinery; electrical installations; furniture, fixtures and fittings; vehicles; office equipment; leasehold improvements; and computers and peripherals.

Finance costs

Finance costs primarily include interest on borrowings; other borrowing costs which includes processing fees for loan facilities; and unwinding of discount on warranty.

Foreign exchange loss (net)

Foreign exchange (gain)/loss includes impact of foreign exchange differences arising on settlement or translation of amounts payable at end of accounting year.

Fiscal Year 2017 compared to Fiscal Year 2016

Income

Revenue from operations

	Fiscal Year ended March 31,			
	2017		2016	
	Amount (in ₹millions)	*Percentage of total income (%)*	*Amount (in ₹millions)*	*Percentage of total income (%)*
Revenue from Operations				
Cash management services	8,230.37	81.36	7,949.39	69.49
Managed Services	1,397.26	13.81	3,188.99	27.88
Others	446.86	4.42	262.53	2.29
Total revenue from operations	**10,074.49**	**99.59**	**11,400.91**	**99.66**

Our revenue from operations decreased by ₹1,326.42 million, or 11.63%, from ₹11,400.91 million for Fiscal Year 2016 to ₹10,074.49 million for Fiscal Year 2017, due to a decrease in our managed services revenue, which was offset in part by an increase in revenue generated by our cash management services business and, to a lesser extent, our card personalisation business.

Revenue from our cash management services segment increased by ₹280.98 million, or 3.53% from ₹7,949.39 million for Fiscal Year 2016 to ₹8,230.37 million for Fiscal Year 2017, primarily due to an increase in the number of ATMs serviced from 50,987 as of March 31, 2016 to 53,006 as of March 31, 2017. Our segment result for our cash management services segment increased by ₹366.95 million, or 39.59%, from ₹926.90 million for Fiscal Year 2016 to ₹1,293.85 million for Fiscal Year 2017.

Revenues from our managed services segment decreased by ₹1,791.73 million or 56.18% for Fiscal Year 2017, from ₹3,188.99 million for Fiscal Year 2016 to ₹1,397.26 million for Fiscal Year 2017, primarily due to a ₹1976.82 million decrease in revenue from Sale of ATM and ATM sites as a result of a decrease in ATM deployments to 1,360 in Fiscal Year 2017 from 4,358 in Fiscal Year 2016 resulting from a single large procurement contract with a large public sector bank being completed in Fiscal Year 2016 and a decrease in demand for ATM deployments in the second-half of Fiscal Year 2017 as a result of the GoI's demonetization initiatives. This decrease was offset in part by an increase in AMC services as a result of an increase in the number of ATM machines under management from 13,709 as of March 31, 2016 to 18,227 as of March 31, 2017 and a ₹56.60 million increase in Sale of ATM Spares due to higher customer requirements of spares as a result of an increase in the ageing of machines under management. Our segment result for our managed services segment decreased by ₹169.77 million, or 49.51%, from ₹342.92 million for Fiscal Year 2016 to ₹173.15 million for Fiscal Year 2017.

Revenues from our others segment increased by ₹184.33 million or 70.21% for Fiscal Year 2017, from ₹262.53 million for Fiscal Year 2016 to ₹446.86 million for Fiscal Year 2017, primarily due to an increase in the number of EMV financial cards for which customers ordered personalisation services. Our segment result for our other services segment increased by ₹51.81 million, or 78.67%, from ₹65.86 million for Fiscal Year 2016 to ₹117.67 million for Fiscal Year 2017.

Finance Income

Our finance income decreased by ₹1.14 million, or 5.37%, from ₹21.21 million for Fiscal Year 2016 to ₹20.07 million for Fiscal Year 2017, primarily due to a decrease in other interest income and a decrease in interest from financial assets measured at amortised cost using EIR basis, which was offset in part by an increase in interest on bank deposits.

Other income

Our other income increased by ₹3.84 million, or 21.35%, from ₹17.99 million for Fiscal Year 2016 to ₹21.83 million for Fiscal Year 2017, primarily due to an increase in sundry credit balances not payable to creditors for their failure to meet service level or performance standards.

Expenses

	Fiscal Year ended March 31,			
	2017		2016	
	Amount (in ₹millions)	*Percentage of total income (%)*	*Amount (in ₹millions)*	*Percentage of total income (%)*
Expenses				
Purchase of traded goods	668.60	6.61	2,092.93	18.29
Decrease in inventories	148.28	1.47	224.36	1.96
Employee benefit expense	2,293.91	22.68	2,465.50	21.55
Other expenses	5,399.95	53.38	5,287.14	46.22
Depreciation and amortization	317.56	3.14	344.79	3.01
Finance costs	79.14	0.78	178.41	1.56
Foreign exchange loss (net)	7.22	0.07	44.56	0.39
Total Expenses	**8,914.66**	**88.12**	**10,637.69**	**92.99**

Our total expenses decreased by ₹1,723.03 million, or 16.20%, from ₹10,637.69 million for Fiscal Year 2016 to ₹8,914.66 million for Fiscal Year 2017. The decrease in our total expenses is primarily due to a decrease in purchase of traded goods, decrease in the impact of change in inventories, employee benefit expense, depreciation and amortization, finance costs and foreign exchange loss, which was offset in part by an increase of our other expenses.

Purchase of traded goods

Purchase of traded goods decreased by ₹1,424.33 million, or 68.05%, from ₹2,092.93 million for Fiscal Year 2016 to ₹668.60 million for Fiscal Year 2017, primarily due to lower revenues from sales of ATMs and ATM sites as a result of a decrease in ATM deployments to 1,360 in Fiscal Year 2017 from 4,358 in Fiscal Year 2016 resulting from partial completion of a large procurement contract with a public sector bank in Fiscal Year 2016 and a decrease in demand for ATM deployments in the second half of Fiscal Year 2017 resulting from demonetization.

Decrease in inventories

Impact of change in inventories decreased by ₹76.08 million, or 33.91%, from ₹224.36 million for Fiscal Year 2016 to ₹148.28 million for Fiscal Year 2017, primarily due to lower closing inventory of ATMs and ATM site related plant and equipment as a result of fewer orders of deployment in hand due to a decrease in demand for ATM deployments in the second half of Fiscal Year 2017 post demonetization.

Employee benefit expense

	Fiscal Year ended March 31,			
	2017		2016	
	Amount (in ₹millions)	*Percentage of total income (%)*	*Amount (in ₹millions)*	*Percentage of total income (%)*
Employee benefit expense				
Salaries, wages and bonus	1,964.89	19.42	2,248.80	19.66
Contribution to provident and other funds	148.98	1.47	153.93	1.35
Share based payments to employees	136.13	1.35	1.91	0.02
Staff welfare expenses	43.91	0.43	60.86	0.53
Total Employee benefit expense	**2,293.91**	**22.68**	**2,465.50**	**21.55**

Employee benefit expense decreased by ₹171.59 million, or 6.96%, from ₹2,465.50 million for Fiscal Year 2016 to ₹2,293.91 million for Fiscal Year 2017, primarily due to a decrease in the number of employees as a result of initiatives implemented by our Company to improve route productivity in an effort to offset the impact of demonetization, and also due to closure of the cash management division operations of CMS Info Systems Limited in Mumbai. In addition, salaries, wages and bonus for Fiscal Year 2016 included a bonus of ₹172.02 million paid to certain employees in respect of the stake sale to our Promoter by erstwhile shareholders in August 2015. This decrease was partly offset by a retrenchment cost of ₹25.02 million in Fiscal Year 2017 on account of closure of cash management division operations of CMS Info Systems Limited in Mumbai and also on account of non-cash share based charges of ₹136.13 million resulting from valuing ESOPs granted under CMS Employees Stock Option Plan 2016 and CMS CEO Stock Option Plan 2016 using the Black Scholes Model.

Other expenses

	Fiscal Year ended March 31,			
	2017		**2016**	
	Amount (in ₹millions)	***Percentage of total income (%)***	***Amount (in ₹millions)***	***Percentage of total income (%)***
Other Expenses				
Service and security charges	2,355.43	23.28	2,244.15	19.62
Vehicle maintenance, hire and fuel cost	1,059.92	10.48	1,040.57	9.10
Conveyance and traveling expenses	660.20	6.53	746.07	6.52
Consumption of stores and spares	272.47	2.69	164.00	1.43
Lease rentals	180.00	1.78	190.51	1.67
Legal, professional and consultancy fees	70.54	0.70	105.04	0.92
Others	801.39	7.92	796.80	6.96
Total Other Expenses	**5,399.95**	**53.38**	**5,287.14**	**46.22**

Other expenses increased by ₹112.81 million, or 2.13%, from ₹5,287.14 million for Fiscal Year 2016 to ₹5,399.95 million for Fiscal Year 2017, primarily due to a ₹111.28 million increase in service and security charges due to additional hiring of personnel from third-party service providers and third-party security service providers, a ₹108.47 million increase in consumption of stores and spares in relation to increased ATM maintenance and card personalization services, a ₹19.35 million increase in vehicle maintenance, hire and fuel cost in relation to our cash vans. The increase was offset in part by a ₹85.87 million decrease in conveyance and travelling expenses primarily due to rationalization of our conveyance pay-out policies, a ₹34.50 million decrease in legal, professional and consultancy fees as a result of ₹41.33 million of fees being incurred in Fiscal Year 2016 in connection with the stake sale by erstwhile shareholders and a ₹10.51 million decrease in lease rentals.

Other expenses as a percentage of total income increased in Fiscal Year 2017. This was primarily due to a decrease in the proportion of revenue as a percentage of total income from our managed services segment from 27.88% in Fiscal Year 2016 to 13.81% in Fiscal Year 2017. The income from Sale of ATMs and ATM sites in our managed services segment had insignificant other expenses attributable to it.

Depreciation and amortization expense

Depreciation and amortization expense decreased by ₹27.23 million, or 7.90%, from ₹344.79 million for Fiscal Year 2016 to ₹317.56 million for Fiscal Year 2017, primarily due to the impact of incurring zero depreciation on assets which were fully depreciated in terms of book value by the end of Fiscal Year 2016. The decrease was offset in part by depreciation on newly procured vehicles and other classes of fixed assets during the Fiscal Year.

Finance costs

Our finance costs decreased by ₹99.27 million, or 55.64%, from ₹178.41 million for Fiscal Year 2016 to ₹79.14 million for Fiscal Year 2017, primarily due to a decrease in borrowings as a result of repayments of borrowings using cash generated from operations.

Foreign exchange loss (net)

Our foreign exchange losses decreased by ₹37.34 million, or 83.80%, from ₹44.56 million for Fiscal Year 2016 to ₹7.22 million for Fiscal Year 2017, primarily due to lower imports and lower exchange differences during settlement of transactions and restatement of payables at year end.

Restated profit before tax

As a result of the foregoing, our restated profit before tax increased by ₹399.31 million, or 49.76%, from ₹802.42 million for Fiscal Year 2016 to ₹1,201.73 million for Fiscal Year 2017.

Tax expense

Our total tax expense increased by ₹161.63 million, or 63.76% from ₹253.49 million for Fiscal Year 2016 to ₹415.12 million for Fiscal Year 2017 as a result of higher restated profit before tax.

Profit for the year

As a result of the foregoing, profit for the year increased by ₹237.68 million, or 43.30%, from ₹548.93 million for Fiscal Year 2016 to ₹786.61 million for Fiscal Year 2017. Our effective income tax rate, which is calculated as total tax expense divided by restated profit before tax, has increased from 31.59% in Fiscal Year 2016 to 34.54% in Fiscal Year 2017.

Fiscal Year 2016 compared to Fiscal Year 2015

Income

Our revenue from operations decreased by ₹1,990.64 million, or 14.86%, from ₹13,391.55 million for Fiscal Year 2015 to ₹11,440.91 million for Fiscal Year 2016 due to a decrease of ₹2,127.87 million in revenues in Fiscal Year 2015 in relation to discontinued operations.

Revenue from operations

	Fiscal Year ended March 31,			
	2016		**2015**	
	Amount (in ₹millions)	***Percentage of total income (%)***	***Amount (in ₹millions)***	***Percentage of total income (%)***
Revenue from Operations				
Cash management services	7,949.39	69.49	7,982.09	59.35
Managed Services	3,188.99	27.88	3,014.30	22.41
Others	262.53	2.29	267.29	1.99
*Discontinued operations**			2,127.87	15.82
Total revenue from operations	**11,400.91**	**99.66**	**13,391.55**	**99.57**

* Our revenue from operations from discontinued operations in Fiscal Year 2015 comprised Trading, IT Enabled services and Network training Services, which included trading in desktops, laptops, servers, networking products, printers and storage devices, providing annual maintenance services, facility management services and printing services. These operations were demerged from our Company on January 1, 2015.

Excluding revenue from discontinued operations of ₹2,127.87 million, our revenue from operations increased by ₹137.23 million, or 1.22%, from ₹11,263.68 million for Fiscal Year 2015 to ₹11,400.91 million for Fiscal Year 2016.

Revenue from our cash management services segment decreased by ₹32.70 million, or 0.41% from ₹7,982.09 million for Fiscal Year 2015 to ₹7,949.39 million for Fiscal Year 2016, primarily due to decrease in the average realization per ATM serviced, which was offset in part by an increase in the number of ATMs and RCM revenue points. Our segment result for our cash management services segment decreased by ₹461.72 million, or 33.25%, from ₹1,388.62 million for Fiscal Year 2015 to ₹926.90 million for Fiscal Year 2016.

Revenues from our managed services segment increased by ₹174.69 million or 5.80% for Fiscal Year 2016, from ₹3,014.30 million for Fiscal Year 2015 to ₹3,188.99 million for Fiscal Year 2016, Revenues from Sale of ATMs & ATM sites increased due to a higher percentage of high-price cash recyclers being deployed over low price cash dispensers in Fiscal Year 2016. Further, revenues from AMC services also increased primarily due to an increase in the number of machines under management from 9,351 as of March 31, 2015 to 13,709 as of March 31, 2016 and machines coming under AMC from warranty. Our segment result for our managed services segment increased by ₹81.72 million, or 31.29%, from ₹261.20 million for Fiscal Year 2015 to ₹342.92 million for Fiscal Year 2016.

Revenues from our others segment decreased by ₹4.76 million or 1.78% for Fiscal Year 2016, from ₹267.29 million for Fiscal Year 2015 to ₹262.53 million for Fiscal Year 2016, primarily due to a decrease in volumes of personalised magstripe cards. Our segment result for our other services segment increased by ₹4.33 million, or 7.04%, from ₹61.53 million for Fiscal Year 2015 to ₹65.86 million for Fiscal Year 2016.

Finance Income

Our finance income increased by ₹8.42 million, or 65.83%, from ₹12.79 million for Fiscal Year 2015 to ₹21.21 million for Fiscal Year 2016, primarily due to an increase in interest from financial assets measured at amortised cost using EIR basis of ₹5.76 million and an increase in interest income from bank deposits of ₹0.93 million and interest from others of ₹3.59 million (which included interest on income tax refund in Fiscal Year 2016).

Other income

Our other income decreased by ₹27.70 million, or 60.63%, from ₹45.69 million for Fiscal Year 2015 to ₹17.99 million for Fiscal Year 2016, primarily due to a decrease in sundry credit balances not payable to creditors for their failure to meet service level or performance standards.

Expenses

	Fiscal Year ended March 31,			
	2016		**2015**	
	Amount (in ₹millions)	***Percentage of total income (%)***	***Amount (in ₹millions)***	***Percentage of total income (%)***
Expenses				
Cost of material consumed			1.12	0.01
Purchase of traded goods	2,092.93	18.29	1,842.48	13.70
Decrease in inventories	224.36	1.96	1,409.09	10.48
Employee benefit expense	2,465.50	21.55	3,086.92	22.95
Other expenses	5,287.14	46.22	5,392.47	40.09
Depreciation and amortization	344.79	3.01	412.64	3.07
Finance costs	178.41	1.56	196.36	1.46
Foreign exchange loss (net)	44.56	0.39	1.31	**0.01**
Total expenses	**10,637.69**	**92.99**	**12,342.39**	**91.76**

Excluding expenses of discontinued operations of ₹2,420.94 million, our total expenses increased by ₹716.24 million, or 7.22%, from ₹9,921.45 million for Fiscal Year 2015 to ₹10,637.69 million for Fiscal Year 2016. The increase in our total expenses is primarily due to increases in employee benefit expense as a result of a bonus of ₹172.02 million being paid to certain employees at the time of the stake sale of our business to our Promoter by erstwhile shareholders in August 2015, other expenses and foreign exchange loss, which was offset in part by a decrease in decrease in inventories, depreciation and amortization, finance costs and material consumed and inventory movement.

Purchase of traded goods/Decrease in Inventories

Purchase of traded goods increased in Fiscal Year 2016 over Fiscal Year 2015 as our opening inventory during Fiscal Year 2015 was higher and consequently sale of ATM/ATM sites during Fiscal Year 2015 required fewer purchases. Owing to same reasons impact of change in inventory during Fiscal year 2016 was lower than the impact of change in inventory during Fiscal Year 2015

Employee benefit expense

	Fiscal Year ended March 31,			
	2016		2015	
	Amount (in ₹millions)	***Percentage of total income (%)***	***Total Amount (in ₹millions)***	***Percentage of total income (%)***
Employee benefit expense				
Salaries, wages and bonus	2,248.80	19.66	2800.46	20.82
Contribution to provident and other funds	153.93	1.35	210.55	1.57
Share based payments to employees	1.91	0.02	2.58	0.02
Staff welfare expenses	60.86	0.53	73.33	0.55
Total employee benefit expense	**2,465.50**	**21.55**	**3086.92**	**22.95**

Our employee benefit expense decreased by ₹621.42 million, or 20.13%, from ₹3086.92 million for Fiscal Year 2015 to ₹2,465.50 million for Fiscal Year 2016, primarily due to demerger of our discontinued business, which was offset in part by a bonus of ₹172.02 million paid to certain employees at the time of the stake sale to our Promoter by erstwhile shareholders in August 2015.

Other expenses

	Fiscal Year ended March 31,			
	2016		2015	
	Amount (in ₹millions)	***Percentage of total income (%)***	***Total Amount (in ₹millions)***	***Percentage of total income (%)***
Other Expenses				
Service and security charges	2,244.15	19.62	1879.80	13.98
Vehicle maintenance, hire and fuel cost	1,040.57	9.10	1021.40	7.59
Conveyance and traveling expenses	746.07	6.52	802.27	5.96
Consumption of stores and spares	164.00	1.43	289.79	2.15
Lease rentals	190.51	1.67	231.22	1.72
Legal, professional and consultancy fees	105.04	0.92	148.05	1.10
Others	796.80	6.96	1019.94	7.58
Total other expenses	**5,287.14**	**46.22**	**5392.47**	**40.09**

Other expenses decreased by ₹105.33 million, or 1.95%, from ₹5392.47 million for Fiscal Year 2015 to ₹5287.14 million for Fiscal Year 2016, primarily due to a ₹223.14 million decrease in others primarily as a result of the demerger of our discontinued business, a ₹125.79 million decrease in consumption of stores and spares in relation to a demerger of our discontinuing operations which was offset in part by increase in consumption of stores and spares in relation to sale of ATM spares and a ₹56.20 million decrease in conveyance and travelling expenses primarily resulting from the demerger of our discontinued business and a ₹43.01 million decrease in legal, professional and consultancy fees due to demerger of our discontinued operations which was offset in part by ₹41.33 million of costs incurred by our Company at the time of stake sale by erstwhile shareholders, as well as a ₹364.35 million increase in service and security charges as a result of wage inflation and increased hiring of personnel from third-party service providers and third-party security service providers.

Depreciation and amortization expense

Excluding depreciation and amortization expense of ₹58.36 million from discontinued operations, depreciation and amortization expense decreased by ₹9.49 million, or 2.68%, from ₹354.28 million for Fiscal Year 2015 to ₹344.79 million for Fiscal Year 2016, primarily due to the impact of incurring no depreciation on assets which were fully depreciated in terms of book value by the end of Fiscal Year 2015, which was offset in part by during the year primarily on account of newly procured cash vans and other classes of fixed assets.

Finance costs

Our finance costs decreased by ₹17.95 million, or 9.14%, from ₹196.36 million for Fiscal Year 2015 to ₹178.41 million for Fiscal Year 2016, primarily due to a decrease in interest on borrowings and a decrease in other borrowing costs as a result of as a result of repayments of debt from cash generated from operations.

Foreign exchange loss (net)

Our foreign exchange losses (net) increased by ₹43.25 million, or 3,301.53%, from ₹1.31 million for Fiscal Year 2015 to ₹44.56 million for Fiscal Year 2016, primarily due to higher exchange differences during settlement of transactions and restatement of payables relating to the purchase of ATMs, which we purchase in U.S. dollars, at year end.

Restated profit before tax

As a result of the foregoing, our restated profit before tax (excluding discontinued operations) decreased by ₹577.52 million, or 41.85%, from ₹1,379.94 million for Fiscal Year 2015 to ₹802.42 million for Fiscal Year 2016.

Tax expense

Our tax expense (excluding discontinued operations) decreased by ₹227.85 million, or 47.34%, from ₹481.34 million for Fiscal Year 2015 to ₹253.49 million for Fiscal Year 2016, primarily due to lower restated profit before tax.

Profit for the year

As a result of the foregoing, profit for the year (excluding discontinued operations) decreased by ₹349.67 million, or 38.91%, from ₹898.60 million for Fiscal Year 2015 to ₹548.93 million for Fiscal Year 2016. Our effective income tax rate, which is calculated as total tax expense divided by restated profit before tax, decreased from 35.00% in Fiscal Year 2015 to 31.59% in Fiscal Year 2016.

INVESTMENTS

We have current investments of ₹190.11 million as at March 31, 2017 which is invested in mutual funds. The investments have been made in mutual funds of ICICI Prudential Liquid Plan – Direct Daily Dividend.

LIQUIDITY AND CAPITAL RESOURCES

As of March 31, 2017, we had cash and cash equivalents of ₹150.29 million. Cash and cash equivalents primarily consist of cash on hand, cheques on hand, balances with current accounts, in deposits account with original maturity of less than three months, reduced by cash credit facilities and bank overdraft and book overdraft. Further, as of March 31, 2017, we also had current investments of ₹190.11 million in liquid mutual fund units. We expect to meet our working capital needs and liquidity requirements for the next 12 months primarily from the cash flows from our business operations and our working capital facility, as determined by the management.

Summary of Cash flows

Set forth below is a table of selected information from our statements of cash flows for Fiscal Years 2017, 2016 and 2015:

	Fiscal Year ended March 31,		
	2017 (*in ₹millions*)	**2016 (*in ₹millions*)**	**2015 (*in ₹millions*)**
Net cash flow generated from operating activities	1,359.97	874.99	514.79
Net cash flow used in investing activities	(381.54)	(215.97)	(306.89)
Net cash flow from/(used in) financing activities	(943.15)	20.30	(197.00)
Increase in cash and cash equivalents	35.28	679.32	10.90
Cash and cash equivalents at the beginning of the year	115.01	(564.31)	(574.23)
Transfer in accordance with scheme of Demerger			(0.98)
Cash and cash equivalents as at the end of the year	150.29	115.01	(564.31)

Cash flows from operating activities

For Fiscal Year 2017, our cash generated from operating activities was ₹1,359.97 million, which consisted of our restated profit before tax of ₹1,201.73 million for Fiscal Year 2017, adjusted to exclude non-cash and other items, including depreciation and amortisation expenses of ₹317.56 million in relation to vehicles, office equipment and others, such as furniture fixtures and leasehold improvements; impairment allowance for bad and doubtful receivables and unbilled revenue of ₹271.12 million; employee stock option compensation cost of ₹136.13 million in relation to Employee ESOP 2016 and CEO ESOP 2016; and finance costs of ₹79.14 million. Our working capital adjustments to our cash flows from operating activities primarily included a decrease in trade and other payables of ₹926.66 million primarily in relation to our supplier of ATM machines and a decrease in inventories of ₹133.87 million, a decrease in trade receivables of ₹340.78 million primarily on account of receipt for sale of ATM sites, as well as direct taxes paid (net of refunds) of ₹465.82 million.

For Fiscal Year 2016, our cash generated from operating activities was ₹874.99 million, which consisted of our restated profit before tax of ₹802.42 million for Fiscal Year 2017, adjusted to exclude non-cash and other items, including depreciation and amortisation expenses of ₹344.79 million; impairment allowance for bad and doubtful receivables and unbilled revenue of ₹109.24 million and finance costs of ₹178.41 million. Our working capital adjustments to our net cash flows from operating activities primarily included a decrease in trade and other payables of ₹674.69 million primarily in relation to payment of ₹641.95 million to CMS IT Services Private Limited (a demerged entity); a decrease in inventories of ₹223.68 million; a decrease in trade receivables of ₹714.04 million; an increase in other receivables, assets and prepayments of ₹435.77 million primarily in relation to unbilled revenue, as well as direct taxes paid (net of refunds) of ₹412.33 million.

For Fiscal Year 2015, our cash generated from operating activities was ₹514.79 million, which consisted of our restated profit before tax of ₹1,107.64 million, adjusted to exclude non-cash and other items, including depreciation and amortisation expenses of ₹412.64 million; impairment allowance for bad and doubtful receivables and unbilled revenue of ₹173.81 million and finance costs of ₹196.36 million. Our working capital adjustments to our net cash flows from operating activities primarily included a decrease in trade and other payables of ₹622.53 million, a decrease in inventories of ₹1,307.86 million, an increase in trade receivables of ₹1,033.16 million, an increase in other receivables, assets and prepayments of ₹584.58 million, as well as direct taxes paid (net of refunds) of ₹505.19 million. In addition to the normal course of our continuing operations, the working capital adjustments were also impacted by demerger of our discontinued operations.

Cash flows from investing activities

For Fiscal Year 2017, we had cash used in investing activities of ₹381.54 million, which primarily resulted from purchase of property, plant and equipment of ₹142.06 million, purchase consideration paid on acquisition of business of ₹63.25 million and investment in mutual funds of ₹190.00 million.

For Fiscal Year 2016, we had cash used in investing activities of ₹215.97 million, which primarily resulted from purchase of property, plant and equipment of ₹234.19 million.

For Fiscal Year 2015, we had cash used in investing activities of ₹306.89 million, which primarily resulted from purchase of property, plant and equipment of ₹280.35 million and fixed and margin money deposits placed of ₹58.36 million.

Cash flows from financing activities

For Fiscal Year 2017, we had cash used in financing activities of ₹943.15 million, which primarily resulted from the repayment of current borrowings of ₹777.20 million in relation to cash credit facilities and working capital demand loans, repayment of non-current borrowings of ₹99.74 million and finance costs of ₹77.12 million.

For Fiscal Year 2016, we had cash generated from financing activities of ₹20.30 million, which primarily resulted from proceeds from exercise of share options against treasury shares of ₹250.42 million, proceeds from non-current borrowings of ₹76.94 million, and proceeds from current borrowings of ₹400.04 million, while we had cash used in financing activities from repurchase of vested stock options of ₹314.07 million, repayment of non-current borrowings of ₹215.35 million and finance costs of ₹177.68 million.

For Fiscal Year 2015, we had cash used in financing activities of ₹197.00 million, which primarily resulted from repayment of non-current borrowings of ₹365.40 million and proceeds from current borrowings of ₹280.00 million and proceeds from non-current borrowings of ₹83.80 million, while we had finance costs of ₹195.40 million.

CONTINGENT LIABILITIES, CAPITAL COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Contractual Obligations

In Fiscal year 2017, we had contractual obligations of ₹659.19 million comprising operating lease payments for office premises of ₹588.76 million and vehicle loans of ₹70.43 million. Payments due within one year amounted to ₹128.19 million, payments due between one and five years amounted to ₹444.55 million, and payments due after more than five years amounted to ₹86.45 million.

Contingent Liabilities

As of March 31, 2017, we had the following contingent liabilities and commitments under Ind AS 37 that have not been provided for in our financial statements:

Particulars	Total
	(₹ *in millions*)
Disputed Customs matter	42.78
Claims against Group not acknowledged as debt	18.90
Total	**61.68**

Capital Commitments

The estimated amount of contracts remaining to be executed on capital account of our Company and which have not been provided for in our Restated Consolidated Financial Information amounts to ₹12.20 million as of March 31, 2017.

Capital Expenditure

We primarily have capital expenditures in relation to the procurement of vehicles, plant and machinery, asset acquired for business combination, opening of new branch locations, expansion of existing branches and computers and peripherals. Additions during Fiscal Year 2017 amounted to ₹226.49 million, primarily in vehicles, furniture, fixtures and fittings, office equipment, plant and machinery and intangible assets, including ₹81.60 million for assets acquired on business combination. Additions during Fiscal Year 2016 amounted to ₹206.98 million, primarily in vehicles, furniture fixtures and fittings, office equipment and plant and machinery. Additions during Fiscal Year 2015 amounted to ₹299.72 million primarily in vehicles, furniture, fixtures and fittings, office equipment and plant and machinery.

In Fiscal Year 2018, we expect to incur planned capital expenditure mostly on general capital expenditure such as improvement in IT infrastructure, vehicles for our cash management business, ATM sites under our brown label ATM model, equipment for our other business and other items. Our actual capital expenditures may differ due to various factors, including our business plan, our financial performance, market conditions, our outlook for future business conditions, the source and methodology of our financing activities and changing governmental regulations.

Financial Indebtedness

As of March 31, 2017, our outstanding borrowings, which includes current maturities of non-current borrowings and excludes interest accrued but not due on borrowings, were ₹100.67 million, consisting of vehicle loans in the amount of ₹70.43 million and cash credit and bank overdraft facilities with banks in the amount of ₹30.24 million.

As of March 31, 2017, we had bank guarantees issued by the banks of ₹876.77 million outstanding.

Our loan agreements with certain banks and financial institutions for term loans and working capital loans contain restrictive covenants, which include requirements that in the event our lenders declare an event of default, such current and any future defaults could lead to acceleration of our obligations, termination of one or more of our financing agreements. which may adversely affect our business, results of operations and financial condition.

Off-Balance Sheet Arrangements

Except as disclosed in this Draft Red Herring Prospectus, we do not have any material off-balance sheet arrangements, derivative instruments, swap transactions or relationships with unconsolidated entities or financial partnerships established or contemplated for the purpose of facilitating off-balance sheet transactions. Save as disclosed in the section of this Draft Red Herring Prospectus entitled "*Our Business – Legal Proceedings*" on page 155, we are currently not involved in any material legal proceedings, nor are we aware of any pending or potential material legal proceedings involving us.

Related Party Transactions

For details in relation to the related party transactions, see "*Related Party Transactions"* on page 197.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

We are exposed to various types of market risks during the normal course of business. Market risk is the risk of loss related to adverse changes in market prices, including interest rate risk and commodity risk. We are exposed to credit risk and inflation risk and in the normal course of our business.

Credit Risk

Credit risk is the risk that a counter-party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities, primarily from trade receivables and unbilled revenue. We typically have credit terms ranging from 7 days to 45 days with our customers. As of March 31, 2017, 2016 and 2015, our trade receivables were ₹1,867.83 million, ₹2,469.63 million and ₹3,293.22 million, respectively and unbilled revenue were ₹1,417.28 million, ₹1,584.34 million and ₹1,243.91 million, respectively**.**

Inflation risk

India has experienced high inflation in the recent past, which has contributed to an increase in interest rates. High fluctuation in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in our employee benefit payments or other expenses as a result of increase in inflation in India, which we are unable to pass on to our customers, whether entirely or in part, may adversely affect our business and financial condition. For further information, see "*Risk Factors - A slowdown in economic growth in India or global economic instability could result in an adverse effect on our business, financial condition and results of operations*" on page 39.

OTHER QUALITATIVE FACTORS

Known trends or uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified in this Draft Red Herring Prospectus and the uncertainties described in "*Risk Factors*" on page 13 and in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 200.

To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known trends or uncertainties that have had, or are expected to have any material adverse effect on our income or from continuing operations.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*" and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

The cash management industry in India has a number of industry participants and is undergoing a maturing process, resulting in consolidation among existing industry participants as well as among customers. This trend towards consolidation in the industry is expected to continue for the foreseeable future. For details, please refer to the discussions of our competition in the sections "*Risk Factors - We operate in highly competitive markets and may be unable to respond effectively to developments in those markets*" and "*Our Business—Competition*" on pages 22 and 155, respectively.

Seasonality of Business

Our business is not seasonal in nature.

Dependence on Few Customers

For Fiscal Years 2015, 2016 and 2017, our top three customers in terms of revenue contributed 33.16%, 39.49% and 29.15%, respectively, our top five customers in terms of revenue contributed 42.89%, 51.63% and 43.07%, respectively, and our top 10 customers in terms of revenue contributed 57.61%, 69.43% and 66.96%, respectively, in each case of our total revenue from our operations. A large public sector bank contributed 19.89%, 24.25% and 8.66% in Fiscal Years 2015, 2016 and 2017, respectively.

For further information, see "*Risk Factors - We derive a substantial portion of our revenue from a limited number of customers. If one or more of our key customers were to suffer a deterioration in their business, cease doing business with us or substantially reduce its dealings with us, our revenues could decline, which may have an adverse effect on our business, results of operations, cash flows and financial condition*" on page 15.

New Services or Business Segments

Except as disclosed in "*Our Business*" on page 137 we have not announced and do not expect to announce in the near future any new services or business segments.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no other events or transactions to the best of our knowledge which may be described as "unusual" or "infrequent".

SUMMARY OF RESERVATIONS, QUALIFICATIONS AND ADVERSE REMARKS OF AUDITORS

Set forth below is a summary of reservations, qualifications and adverse remarks of our auditors in our consolidated and unconsolidated financial statements in the last five fiscal years:

Consolidated Financial Statements

The annexures to the audit report on our financial statements for Fiscal Year 2015 contain certain qualifications with respect to:

- the accumulated losses of one of our Company's subsidiaries at the end of the financial year are more than fifty percent of its net worth. Our Company and remaining entities in the group have no accumulated losses at the end of the financial year and none of the entities in the group have incurred cash losses in the current and immediately preceding financial year;

- 25 instances of cash embezzlement done by employees of our Company where the total amount involved was ₹36.77 million, and nine instances of cash embezzlement done by employees of one of our Company's subsidiaries wherein the total amount involved was ₹27.23 million. Our Company and the aforesaid subsidiary of our Company has recovered ₹6.46 million and ₹5.19 million, respectively, and the balance amount of claims, ₹19.23 million and ₹11.84 million, respectively, being doubtful of recovery, have been written off during the year;

- nine instances of theft/loot by third parties on our Company, wherein the total amount involved was ₹8.04 million, and six instances of theft/loot by third parties on one of the subsidiaries of our Company, wherein the total amount involved was ₹42.81 million. Our Company and the aforesaid subsidiary of our Company has recovered ₹0.61 million and ₹30.77 million, respectively, and the balance amount of claims, ₹4.94 million and ₹7.25 million, respectively, being doubtful of recovery, have been written off during the year; and

- delays in the payments of, in the case of our Company, a large number of cases of works contracts tax and, in the case of one of the subsidiaries of our Company, some cases of provident fund, value added tax and professional tax. However, such delays have not been serious. Our Company has taken corrective action to prevent any such delay in the future.

- the dues outstanding of income-tax on account of any dispute , in relation to the 2012-13 assessment year, due under the Income Tax Act, 1961 total ₹26.33 million.

For further details, see the sections "B.I." of Annexure VI of our Restated Consolidated Financial Statements. If any such qualifications or observations are included in the annexure to the auditor's report for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.

Unconsolidated Financial Statements

The annexures to the audit report on our financial statements for Fiscal Year 2017 contain certain qualifications with respect to

- the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax and cess on account of any dispute, in relation to the 2013-14 and 2014-15 assessment years, total ₹2.90 million; and

- 21 instances of cash embezzlements done by employees of our Company wherein the total amount involved was ₹71.67 million. Our Company has recovered ₹6.23 million and ₹12.66 million, being doubtful of recovery, has been written off during the year.

The annexures to the audit report on our financial statements for Fiscal Year 2016 contain certain qualifications with respect to 58 instances of cash embezzlement done by employees of our Company, where the total amount involved was ₹71.02 million. Our Company has recovered ₹16.18 million and ₹14.43 million, being doubtful of recovery, has been written off during the year.

The annexures to the audit report on our financial statements for Fiscal Year 2015 contain certain qualifications with respect to:

- 25 instances of cash embezzlement done by employees of our Company where the total amount involved was ₹36.77 million. Our Company has recovered ₹6.46 million and ₹19.23 million, being doubtful of recovery, has been written off during the year;

- nine instances of theft/loot by third parties on our Company, wherein the total amount involved was ₹8.04 million. Our Company has recovered ₹0.61 million and ₹4.94 million, being doubtful of recovery, has been written off during the year; and

- delays in the payments of, in the case of our Company, a large number of cases of works contracts tax, though such delays have not been serious. Our Company has taken corrective action to prevent any such delay in the future.

The annexures to the audit report on our financial statements for Fiscal Year 2014 contain certain qualifications with respect to:

- transactions made pursuant to contracts or arrangements exceeding the value of ₹0.5 million entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, the auditors were unable to comment on whether the transactions were made at prevailing market prices at the relevant time;

- slight delays in payment, in the case of our Company, of instalments of advance tax;

- the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, in relation to various assessment years from 1999-00 to 2010-11, total ₹15.19 million;

- certain instances of cash embezzlement done by employees of our Company working in the cash management services division wherein the total amount involved was ₹60.38 million. Our Company has recovered ₹14.28 million and the balance amount of claims doubtful of recovery, amounting to ₹20.29 million, have been written off during the year; and

- certain instances of theft / loot by third parties amounting to ₹36.64 million. Our Company has recovered ₹5.41 million and the balance amount of claims doubtful of recovery, amounting to ₹15.03 million, have been written off during the year.

The annexures to the audit report on our financial statements for Fiscal Year 2013 contain certain qualifications with respect to:

- transactions made pursuant to contracts or arrangements exceeding the value of ₹0.5 million entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, the auditors were unable to comment on whether the transactions were made at prevailing market prices at the relevant time;

- slight delays in payment, in the case of our Company, of instalments of advance tax;

- the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, in relation to various assessment years from 1999-00 to 2009-10, total ₹18.40 million;

- certain instances of cash embezzlement done by employees of our Company working in the cash management services division wherein the total amount involved was ₹85.11 million. Our Company has recovered ₹5.78 million and the balance amount of claims doubtful of recovery, amounting to ₹58.83 million, have been written off during the year; and

- certain instances of theft / loot by third parties amounting to ₹28.89 million. Claims doubtful of recovery, amounting to ₹11.75 million, have been written off during the year.

For further details, see Annexure VI of our Restated Unconsolidated Financial Statements. If any such qualifications or observations are included in the annexure to the auditor's report for our financial statements in the future, the trading price of our Equity Shares may be adversely affected.

SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2017

Except as discussed above and as stated elsewhere in this Draft Red Herring Prospectus, in the opinion of our Board, no circumstances have arisen since the date of the last financial statements as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect our trading and profitability, the value of our assets or our ability to pay our liabilities within the next 12 months.

FINANCIAL INDEBTEDNESS

Our Company and its Subsidiaries avail loans and bank facilities in the ordinary course of their business. As on date such borrowings are primarily availed to fund the working capital requirements and financing requirements for vehicle purchases of our Company and its Subsidiaries. Our Company has obtained necessary consents required under relevant loan documentations for undertaking the Offer.

Pursuant to a resolution dated October 21, 2014 passed by our Shareholders, our Board has been authorised to borrow up to a sum of ₹3,000 million for and on behalf of our Company, from time to time.

Set forth below is a brief summary of our aggregate borrowings by our Company on a consolidated basis, as of July 31, 2017.

Facilities obtained by our Company and our Subsidiaries

(in ₹million)

Particulars of borrowings	As on July 31, 2017	
	Sanctioned amount	**Outstanding amount**
Fund based		
Working capital facilities*		
Secured borrowings	1,240.00	38.02
Unsecured borrowings	650.00	-
Vehicle loans	169.16	46.54
Total fund based borrowings (A)	**2,059.16**	**84.56**
Non-fund based		
Working capital facilities*		
Secured borrowings	1,680.00	709.66
Unsecured borrowings	350.00	65.19
Total non-fund based borrowings (B)	**2,030.00**	**774.85**
Total (A) + (B) = (C)	**4,089.16**	**859.41**

**Working capital facilities typically include cash credit facility, bank guarantee and letter of credit along with sub-limits for other facilities like working capital demand loan, letter of credit, buyers' credit and packing credit, financial guarantee, performance guarantee and overdraft facility among others.*

For details of our outstanding loan obligations as on March 31, 2017, see "*Financial Statements*" on page 199.

Apart from SIPL, none of our other Subsidiaries have availed of any borrowings.

Principal terms of the borrowings currently availed by us:

1. ***Interest:*** The rate of interest for our working capital facilities is decided by the lenders and mutually agreed by our Company. Typically, the rate of interest is either the base rate of a specified lender/ marginal cost of fund based lending rate and/or plus a specified spread per annum or a fixed rate per annum. The spread varies among different loans and typically ranges from 0.80% to 2.85% per annum. The rate of interest on the vehicle loans availed ranges from 8.99% per annum up to 10.67% per annum.

2. ***Commission:*** The rate of commission charged on the bank guarantee facilities availed by our Company and our Subsidiaries is decided by the lenders and mutually agreed by our Company. The rate of commission typically ranges from 0.35% per annum to 2.20% per annum.

3. ***Tenor:*** The tenor of the fund based and non-fund based facilities availed by us typically ranges from three months to thirty-six months. Further, certain of our facilities are payable on demand.

4. ***Security****:* In terms of our financing arrangements for secured borrowings, we are typically required to create security by:
   a) creating charge and hypothecating our present and future current assets;
   b) creating charge over our movable assets, including stocks, book debts, bills, receivables and current assets;
   c) issuing demand promissory notes for a specified amount in the form approved by the lender; and
   d) providing counter guarantees/indemnities in favour of the lender.

For the vehicle loans availed by us, an exclusive charge is typically created on the respective vehicle.

In most cases, security created in favour of a lender is on a *pari passu* basis with the other lenders. Additionally, our Company has guaranteed certain working capital facilities availed by our Subsidiary, SIPL.

The details above are indicative and there may be additional requirements for creation of security under the various borrowing arrangements entered by us.

5. ***Re-payment:*** The working capital facilities are repayable on demand by the lender and/or on a quarterly basis. The vehicle loans availed by us are repayable in equated monthly instalments, typically within a period of 36 months.

6. ***Prepayment:*** The loans availed by our Company typically have rescheduling and prepayment provisions which allow for prepayment of the outstanding loan amount at any given point in time, subject to such terms and conditions as may be mutually decided by the lender and our Company at the time of such prepayment. The prepayment penalty typically 2% of the amount being prepaid.

7. ***Penalty:*** The loans availed by our Company contain provisions prescribing penalties for prepayment as well as delayed payment or default in the repayment obligations of our Company including delay in creation of the stipulated security and/or submission of documents such as annual reports, financial statements, insurance policies and stock statements.

8. ***Key covenants:*** Our financing arrangements entail various conditions and covenants restricting certain corporate actions and we are required to take the prior approval or prior written consent of the lender before carrying out such activities, without which, it would result in an event of default under the financing arrangements. For instance, certain actions prior to which our Company is required to obtain written consent of the lenders include:

   a) to alter the capital structure/ shareholding pattern/ composition of our Board;
   b) to undertake guarantee obligations on behalf of any other borrower or any third-party;
   c) to effect any change in our management set-up;
   d) to declare dividend for any year except out of profits relating to that year after making all the due and necessary provisions provided that no default had occurred in any repayment obligation;
   e) to dilute the promoter shareholding in our Company;
   f) to amendments in the constitutional documents of our Company;
   g) to change the ownership pattern or management structure of our Company or to effectuate any material changes in the management of the business;
   h) change in shareholding of our Promoter that leads to dilution in controlling stake;
   i) to undertake any merger, de-merger, consolidation, reorganisation, scheme of arrangement or compromise; and
   j) to create any charge, lien or encumbrance over our undertaking or any part thereof in favour of any financial institution or otherwise.

   Further, for details of financial and other covenants required to be complied with, by our Company, in relation to our loan obligations, see "*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements could adversely affect our business, financial condition, cash flows and results of operations*" on page 33.

9. ***Events of Default:*** Borrowing arrangements entered by our Company contain standard events of default, including:

   a) making false, incorrect, or misleading representation, statement, or warranties by our Company under the financing agreements and/or in relation to facilities;
   b) failure to observe or comply with any of the terms and conditions of the facility documents;
   c) bankruptcy, insolvency, suspension of payment to any creditors/petition of bankruptcy or winding up petitions;
   d) any event that would likely constitute a material adverse change;
   e) failure to get the facility rated by credit rating agencies;
   f) if any of the respective obligations become unlawful to perform;

g) any person acquires control of the borrower without the approval of the Bank;
h) substantial change in the constitution of our Board or management of our Company without previous written consent of the lender or upon the management ceasing to enjoy the confidence of the bank;
i) occurrence cross-defaults;
j) failure of our Company to create and/or perfect the security within the period contemplated;
k) receiver being appointed in respect of the whole or any part of the property/assets of the borrower;
l) use of the facilities for purpose other than the those enumerated in the financing documents;
m) in case our Company suspends, ceases, or threatens to cease to carry on its business;
n) in case the assets (collateral) of our Company are endangered/stolen or suffer total loss/damage due to any accident;
o) in case any step is taken against our company for dissolution, winding up, appointment of receiver, judicial manager, trustee; and
p) in case the security of the loan is in jeopardy or ceases to have effect or becomes illegal.

In case of the occurrence of an event of default, our lenders shall have the right to, *inter alia*, declare that their obligations to make further advances be cancelled, withdraw the sanctioned facilities, enforce the rights over the security provided, seek immediate repayment of all or part of the outstanding amounts under the respective facilities, exercise any or all rights and recourses provided under the agreements and exercise all other remedies as available by law, as the case may be. The lists of default mentioned above are indicative and there are additional terms that may amount to an event of default under the various financing arrangements entered by us.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding (i) criminal proceedings; (ii) actions taken by statutory or regulatory authorities; (iii) claims related to direct and indirect taxes; and (iv) material litigation, in each case involving our Company, Subsidiaries, Directors or Promoter.

For the purpose of (iv) above, our Board, at its meeting held on August 28, 2017, has adopted a policy for identification of material litigations for the purposes of disclosure, in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, in accordance with the SEBI ICDR Regulations. In terms of the Materiality Policy, other than outstanding criminal proceedings, statutory or regulatory actions and tax litigations mentioned in point (i) to (iii) above, all other pending litigation involving our Company or Subsidiaries or Directors or Promoter (a) having a monetary amount of claim in excess of one per cent. of the PAT of our Company as per the Restated Consolidated Financial Statements for Fiscal 2017 i.e. ₹7.86 million, by or against our Company, Subsidiaries, Directors or Promoter or (b) outcome of which could have material adverse effect on the position, business, operations, prospects or reputation of our Company, irrespective of the amount involved in such litigation, shall be considered "material" and accordingly have been disclosed in this Draft Red Herring Prospectus.

Further, except as disclosed in this section, there are no (i) outstanding proceedings initiated against our Company for economic offences; (ii) pending defaults or non-payment of statutory dues by our Company; (iii) material fraud against our Company in the last five years immediately preceding the date of this Draft Red Herring Prospectus; (iv) inquiry, inspection or investigation initiated or conducted under the Companies Act against our Company or Subsidiaries during the last five years immediately preceding the year of this Draft Red Herring Prospectus; (v) prosecutions filed against (whether pending or not); (vi) fines imposed against or compounding of offences under the Companies Act, done by our Company or our Subsidiaries, in the last five years immediately preceding the year of filing of this Draft Red Herring Prospectus; (vii) litigation or legal action, pending or taken against our Promoter by any ministry or Government department or statutory authority during the last five years immediately preceding the date of this Draft Red Herring Prospectus; (viii) overdues or defaults to banks or financial institutions by our Company; (ix) outstanding dues to a small scale undertaking; and (x) litigations involving any other person that may have a material adverse effect on the position of our Company.

Further, our Board, at its meeting held on August 28, 2017, has also adopted a policy for identification of material creditors, in terms of which, our Company considers such creditors 'material' to whom the amount due exceeds five percent of the consolidated trade payables of our Company as per the Restated Consolidated Financial Statements for the Fiscal 2017 i.e. ₹34.79 million, and accordingly the details of the aggregate outstanding dues to such material creditors have been disclosed in this Draft Red Herring Prospectus (in a consolidated manner).

It is clarified that for the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Directors, or its Promoter shall, unless otherwise decided by the Board, not be considered as litigation until such time that our Company or any of its Subsidiaries, Directors, or Promoter, as the case may be, is impleaded as a defendant in litigation before any judicial forum.

Unless stated to the contrary, the information provided below is as of the date of this Draft Red Herring Prospectus.

All terms defined in a particular litigation disclosure below are for that particular litigation only.

I. Litigation involving our Company

1. *Outstanding criminal litigation involving our Company*

Criminal proceedings against our Company

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings that have been initiated against our Company.

Criminal proceedings by our Company

In its ordinary course of business, our Company faces instances of fraud, theft, robbery, misappropriation and misconduct, in relation to which our Company has instituted several criminal proceedings which are pending at different stages before various forums. As on the date of this Draft Red Herring Prospectus our Company has filed 104 complaints with police stations in relation to matters involving an aggregate of ₹196.02 million approximately, wherein the matters are pending at the FIR stage and have not culminated into criminal proceedings.

Further, as on the date of this Draft Red Herring Prospectus our Company has instituted 90 proceedings involving an aggregate of ₹366.87 million approximately, wherein the complaints have progressed from the FIR stage and corresponding charge sheets have been filed. Such matters are pending at various stages of adjudication.

2. *Material outstanding litigation involving our Company*

Civil proceedings against our Company

Except as disclosed below, there are no material civil proceedings initiated against our Company.

(i) Bharatiya Kamgar Karmachari Mahasangh ("**Union**") filed a complaint against our Company and others, dated January 18, 2016, bearing reference (ULP) no. 12/2016 ("**Complaint**") before the Industrial Court, Mumbai ("**Court**"). In the Complaint, the Union alleged that their demand for wage payment and other conditions of employment, were not met by our Company, despite the execution of a memorandum of understanding effective from April 1, 2015, which revised the terms of employment. The Union further alleged that the employees of CMS Securitas Limited ("**Securitas**") were victimised and subjected to unfair labour practices. Our Company and Securitas responded to the allegations and the Court, vide its interim order dated February 10, 2016 ("**Interim Order**"), directed the Union to call off the strike and to restore normalcy in the workplace. Subsequently, Securitas filed a counter complaint dated February 4, 2016, bearing reference (ULP) no. 32/2016 ("**Counter Complaint**") before the Court, alleging that some of its employees had resorted to illegal strikes and slowdown of work, which resulted in financial losses. In response, the Union stated that the agitating workers were not assigned work and were victimised. The Court, vide an interim order dated March 4, 2016 held that there was no victimisation of the employees and that the shortage of work was a direct result of the agitations of the employees. Further, the Union also filed a complaint before the Court, bearing reference no. (ULP) no. 93/2016, dated May 7, 2016 against Securitas, our Company and others ("**Defendants**"), challenging the dismissal of 21 employees by Securitas, during the pendency of the Complaint. The Defendants vide a written statement dated December 15, 2016 responded to the Union's complaint and denied the allegations. These matters are currently pending.

The Union has also filed a company application bearing reference no. 369 of 2016, dated May 2, 2016, against our Company, Securitas, Rajiv Kaul (Executive Vice Chairman, Chief Executive Officer and Whole Time Director), our Promoter and others ("**Application**") before the Bombay High Court ("**High Court**"). Vide the Application the Union sought enforcement of certain provisions pertaining to *inter alia* the automatic absorption of employees, post the demerger of the ATM and cash management services business of Securitas to our Company, pursuant to a scheme of arrangement approved by the High Court and the Delhi High Court, vide their respective orders dated October 25, 2010 and January 17, 2011 ("**Scheme**"). The Union moved the Application before the High Court to seek interim relief, but the High Court vide an order dated May 4, 2016 adjudged that the relief sought by the Union was in the nature of final relief and consequently our Company was given an opportunity to file its reply. Subsequently, pursuant to the provisions of the Companies (Transfer of Pending Proceedings) Rules, 2016, the High Court passed an order dated January 4, 2017 transferring the matter to the National Company Law Tribunal. The matter is currently pending.

(ii) Marshall Sons & Co. (India) Limited ("**Marshall**") instituted a recovery suit dated December 13, 2016, bearing reference no. 03 of 2017 ("**Suit**"), before the Court of Small Causes Mumbai ("**Court**") against our Company, in respect of a property situated at Marshall Annexe Building, Ballard Estate, Mumbai – 400 038 ("**Suit Premises**") for which our Company had entered into two leave and license agreements with Marshall, dated July 18, 2000 and January 15, 2003, respectively. Vide the Suit, Marshall has sought a payment from our Company of ₹7.36 million along with an interest of 18% per annum, for alleged damages as a result of our Company's additions and alterations to the Suit Premises and our Company's alleged failure to repair the Suit Premises during its occupation, which resulted in extensive damages caused to the Suit Premises. Further, Marshall has also sought the immediate handover of possession of the Suit Premises. Our Company had previously vide an e-mail dated June 12, 2015 denied these allegations. Through a letter dated August 12, 2016, our Company informed Marshall that it had already vacated the Suit Premises. The matter is currently pending.

(iii) Madhuri ("**Applicant**") filed an application dated May 2, 2015, bearing claim petition number 113/2016 ("**Application**"), before the Motor Vehicles Accident Claims Tribunal-I, Bagalkot, Karnataka against our Company and one other. Vide the Application it was alleged that on September 2, 2015, Madvesh Huilgol, the Applicant's husband, was involved in a motor accident with a vehicle owned and operated by our Company (which is subject to insurance), which resulted in his demise. In this regard, the Applicant has sought a compensation of ₹8.68 million. Our Company filed a written statement dated January 12, 2017, denying the allegations. The matter is currently pending.

Civil proceedings by our Company

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings that have been initiated by our Company.

Outstanding litigation involving an amount less than ₹7.86 million

In addition to the above, our Company is involved in certain matters which involves cause of action such as labour related disputes and claims under the Motor Vehicles Act, 1988 including in relation to cases pertaining to payment of wages, termination of employment, strikes and labour unrest and vehicle accidents.

3. ***Actions by statutory or regulatory authorities against our Company***

Except as disclosed below and except as disclosed in case no (i) of "- *Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956*", there are no actions taken by any statutory or regulatory authority against our Company.

(i) On July 2, 2014, an inspection was conducted at our Company's Pune branch, pursuant to which our Company was issued a show cause notice dated July 7, 2014 ("**Notice**") by the Assistant Labour Inspector, Pune. In the Notice, it was alleged that our Company had resorted to misrepresentation to obtain a license under CLRA, dated January 29, 2014, pertaining to our branch in Pune ("**License**"). Our Company, vide its letters dated July 14, 2014 and August 6, 2014, responded to the Notice and denied the allegations. However, on the recommendation of the Labour Commissioner, Mumbai, vide a letter dated April 1, 2015, the License was cancelled. Our Company has filed an appeal dated April 30, 2015 before the office of the Deputy Labour Commissioner, Pune ("**Appellate Authority**") challenging the cancellation of the License. Further our Company on October 30, 2015 filed additional grounds of appeal, before the Appellate Authority. The matter is currently pending.

4. ***Tax proceedings against our Company***

Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (in ₹ million)
Direct Tax	1	0.37
Indirect Tax	6	49.22
Total	**7**	**49.59**

5. ***Proceedings initiated against our Company for economic offences***

As on the date of this Draft Red Herring Prospectus, there are no proceedings that have been initiated against our Company for any economic offences.

6. ***Default and non – payment of statutory dues***

As on the date of this Draft Red Herring Prospectus, our Company does not owe any statutory dues and has not made any defaults or committed any acts involving non-payment of its statutory dues.

7. ***Frauds against our Company***

Following are the details of instances of frauds committed against our Company in the last five years, if any, and if so, the action taken by our Company.

Fraud	Action taken by our Company
Fiscal 2013	
a. There were certain instances of cash embezzlements by employees of our Company who were working in the cash management services division. The total amount involved in such embezzlements was ₹85.11 million.	a. Our Company had terminated the services of such employees. Further, our Company had filed complaints with the police and has also filed the insurance claims for the recovery of amounts involved. During that year, our Company has recovered ₹5.78 million and the balance amount of claim for which recovery was doubtful (amounting to ₹58.83 million) had been written off during the year.
b. There were certain instances of theft/loot by third parties amounting to ₹28.89 million.	b. Our Company had filed complaints with the police and also filed the insurance claims for the recovery of amounts. The claim for which recovery was doubtful amounted to ₹11.75 million, which had been written off during the year.
Fiscal 2014	
a. There were certain instances of cash embezzlements by employees of our Company who were working in the cash management services division. The total amount involved in such embezzlements was ₹60.38 million.	a. Our Company had terminated the services of such employees. Further, our Company had filed complaints with the police and has also filed the insurance claims for the recovery of amounts involved. During that year, our Company has recovered ₹14.28 million and the balance amount of claim for which recovery was doubtful (amounting to ₹20.29 million) had been written off during the year.
b. There were certain instances of theft/loot by third parties amounting to ₹36.64 million.	b. Our Company had filed complaints with the police and also filed the insurance claims for the recovery of amounts. During the year, our Company has recovered ₹5.41 million and the balance amount, for which recovery was doubtful amounted to ₹15.03 million, which had been written off during the year.
Fiscal 2015	
a. 25 instances of cash embezzlements done by employees of our Company where the total amount involved was ₹36.77 million.	a. Our Company has terminated the services of such employees. Further, our Company has filed complaints with the police and also filed the insurance claims for the recovery of amounts involved. During that year, our Company has recovered ₹6.46 million and the balance amount, for which recovery was doubtful amounted to ₹19.23 million, which had been written off during the year.
b. Nine instances of theft / loot by third parties on our Company, wherein the total amount involved was ₹8.04 million.	b. In such cases, our Company has filed complaints with the police and has also filed insurance claims for the recovery of amounts involved. During the year, our Company has recovered ₹0.61 million and balance amount, for which recovery was doubtful amounted to ₹4.94 million, which had been written off during the year.
Fiscal 2016	
a. 58 instances of cash embezzlements done by employees of our Company, where the total amount involved was ₹71.02 million.	a. Our Company has terminated the services of the such employees. Further, our Company has filed complaints with the police and has also filed the insurance claims for the recovery of amounts involved. During the year, our Company has recovered ₹16.18 million and balance amount, for which recovery was doubtful amounted to ₹14.43 million, which had been written off during the year.
Fiscal 2017	
a. 21 instances of cash embezzlements done by employees of our Company wherein	a. Our Company has terminated the services of the such employees. Further, our Company has filed complaints with the police and has

the total amount involved was ₹71.67 million.	also filed insurance claims for the recovery of amounts involved. During the year, our Company has recovered ₹6.23 million and balance amount, for which recovery was doubtful amounted to ₹12.66 million, which had been written off during the year.

8. ***Outstanding dues to small scale undertakings or any other creditors***

As of March 31, 2017, our Company did not owe any dues to small scale undertakings. Further, as per our Restated Consolidated Financial Statements, with respect to other creditors, as of March 31, 2017, we owed outstanding dues (trade payables) of ₹695.89 million.

In terms of the Materiality Policy, trade payables that exceed five percent of the consolidated trade payables of our Company as per the Restated Consolidated Financial Statements for the Fiscal 2017 i.e. ₹34.79 million are material dues to the creditors, the details of which are as follows:

Particulars	No of creditors	Amount due (₹ in million)
Small scale undertakings	-	-
Material creditors	5	330.42
Other creditors#	1,004	365.47
Total	**1,009**	**695.89**

 # Includes an amount of ₹13.87 million in relation to employee payables and dues to unidentified creditors.

The details pertaining to amounts due towards such creditors are available on the website of our Company at http://www.cms.com/.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, www.cms.com, would be doing so at their own risk.

9. ***Outstanding litigation against any other persons or companies whose outcome could have an adverse effect on our Company.***

As on the date of this Draft Red Herring Prospectus, there are no outstanding litigation whose outcome could have an adverse effect on our Company.

10. ***Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956.***

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against our Company.

(i) The Assistant/Deputy Registrar of Companies, Mumbai, Maharashtra ("**Authority**") vide a letter dated May 18, 2016, directed our Company to furnish details of expenditure incurred towards CSR activities during Fiscal 2015. Our Company, responded vide its letter dated August 10, 2016 and informed the Authority that there was no expenditure incurred by our Company towards CSR activities for Fiscal 2015, since suitable projects could not be identified in time. Subsequently, the Authority, vide a letter dated November 17, 2016, directed our Company to provide the audited financial statements along with the notes to accounts pertaining to Fiscals 2012, 2013, 2014 and 2015 and the report of the Board for Fiscal 2015. Our Company, vide its letter dated November 25, 2016, responded to the Authority and furnished the requisite information. The Authority issued a notice to our Company dated January 3, 2017 stating that it was not in receipt of any reply from our Company to its letter dated May 18, 2016. In response to the notice, our Company, vide a letter dated January 18, 2017 ("**Reply**"), clarified that it had responded to the Authority's letters dated May 18, 2016 and November 17, 2016, through letters dated August 10, 2016 and November 25, 2016, respectively. In its Reply, our Company further clarified that while it had already submitted the requisite information sought by the Authority, the same was being provided again.

11. ***Details of prosecutions filed (whether pending or not); fines imposed or compounding of offences effected in the last five years, under the Companies Act, 2013 or the Companies Act, 1956.***

Except as disclosed below, there are no instances in the past five years, where prosecutions have been filed, fines have been imposed or offences by our Company have been compounded by any regulatory or statutory authority.

(i) Our Company, Rajiv Kaul (Executive Vice Chairman, Chief Executive Officer and Whole Time Director), Pankaj Khandelwal (President and Chief Financial Officer) and Praveen Soni (Company Secretary and Compliance Officer) had made a joint application to the RoC, for compounding of an offence, under Section 441 of the Companies Act, 2013 ("**Application**"), for failing to convene an annual general meeting ("**AGM**") for Fiscal 2015, within the specified time period under Section 96(1) of the Companies Act, 2013. While our Company was required to convene an annual general meeting, for Fiscal 2015, on or before September 30, 2015, in accordance with Section 96 of the Companies Act, 2013, pursuant to an extension granted by the RoC on October 9, 2015, our Company was permitted to convene the AGM on or prior to December 30, 2015. Consequently, our Company convened an AGM on December 30, 2015, however, the ratification of appointment of auditors and the adoption of our Company's annual financial statements was adjourned since the audited financial statements were not finalised. Subsequently, our Company convened an AGM on February 23, 2016, wherein the annual financial statements were adopted. The National Company Law Tribunal, vide its order dated July 12, 2017, accepted the Application for delay in convening an AGM and, treating the same as company application no. 62/621A/NCLT/MB/MAH/2016 and compounded the violation, subject to payment of a penalty of ₹0.1 million by our Company and ₹0.05 million each by Rajiv Kaul (Executive Vice Chairman, Chief Executive Officer and Whole Time Director), Pankaj Khandelwal (President and Chief Financial Officer) and Praveen Soni (Company Secretary and Compliance Officer), respectively, which were duly paid.

II. Litigation involving our Subsidiaries

1. ***Outstanding litigation involving our Subsidiaries***

Criminal proceedings against our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings pending against any of our Subsidiaries.

Criminal proceedings by our Subsidiaries

In its ordinary course of business, one of our Subsidiary, SIPL, faces instances of fraud, theft, robbery, misappropriation and misconduct, in relation to which SIPL has instituted several criminal proceedings which are pending at different stages before various forums.

As on the date of this Draft Red Herring Prospectus SIPL has filed 70 complaints with police stations in relation to matters involving an aggregate of ₹193.92 million approximately, wherein the matters are pending at the FIR stage and have not culminated into criminal proceedings.

Further, as on the date of this Draft Red Herring Prospectus SIPL has instituted 19 proceedings involving an aggregate of ₹87.18 million approximately, wherein the complaints have progressed from the FIR stage and corresponding charge sheets have been filed. Such matters are pending at various stages of adjudication.

2. ***Material outstanding civil litigations involving our Subsidiaries***

Civil proceedings against our Subsidiaries

Except as disclosed below, in case no (i) of "- *Litigation involving our Company - Material outstanding litigation involving our Company - Civil proceedings against our Company*", on page 230 and in case no (i) of "- *Litigation involving our Subsidiaries - Material outstanding civil litigation involving our Subsidiaries - Civil proceedings by our Subsidiaries*", on page 235 there are no pending material civil proceedings against our Subsidiaries.

(i) Alka Rambihari Sachan ("**Applicant**") filed an application dated July 24, 2017, bearing claim petition number 387/2017 ("**Application**"), before the Motor Accidents Claims Tribunal, Thane against SIPL and others. Vide the Application it was alleged that on December 25, 2016, the Applicant was involved in a motor accident with a vehicle owned and operated by SIPL (which is subject to insurance), which resulted in grievous injuries to the Applicant and the demise of a co-passenger. In this regard, the Applicant has sought a compensation of ₹11.68 million. The matter is currently pending.

(ii) Galku and others ("**Applicants**") filed an application dated June 21, 2016, bearing claim petition number 261/2016 ("**Application**"), before the Jodhpur Metropolitan Court of Motor Vehicles Accident Claim Tribunal ("**Court**") against SIPL and others. Vide the Application it was alleged that on May 8, 2016, Ram Niwas, a relative of the Applicants, was involved in a motor accident with a vehicle owned and operated by SIPL (which is subject to insurance), which resulted in his demise. In this regard, the Applicants have sought a compensation of ₹15.29 million. In response to the Application, SIPL filed its written statement on January 24, 2017, denying the allegations. Further, by way of an interim order dated May 10, 2017, the Court directed the insurance provider to pay a sum of ₹50,000 to the Applicant. Subsequently, by way of an order dated July 18, 2017 the matter was transferred to the Lok Adalat for conciliation. The matter is currently pending before the Lok Adalat for conciliation.

(iii) Papita Devi and others ("**Applicants**") filed an application dated October 19, 2016, bearing claim petition number 476/2016 ("**Application**"), before the Motor Accidents Claims Tribunal, Sikar, Rajasthan against SIPL and others. Vide the Application it was alleged that on August 5, 2016, Suresh Kumar, a relative of the Applicants was involved in a motor accident with a vehicle owned and operated by SIPL (which is subject to insurance), which resulted in his demise. In this regard, the Applicants have sought a compensation of ₹19.75 million. The matter is currently pending.

Civil proceedings by our Subsidiaries

Except as disclosed below, there are no pending material civil proceedings initiated by our Subsidiaries.

(i) SIPL entered into an agreement with FIS Payment Solutions and Services Private Limited ("**FIS**") dated August 16, 2010 ("**Agreement 1**") and thereafter another agreement dated June 4, 2015 ("**Agreement 2**"), for providing cash replenishment services to FIS. The validity of Agreement 2 was mutually extended to January 21, 2018, vide subsequent agreements. As per the payment terms under Agreement 2, payments to SIPL were due from FIS on a monthly basis. However, FIS withheld all payments post November 10, 2015 on account of an alleged instance of misappropriation by two employees of SIPL. Since the parties failed to resolve the dispute amicably, SIPL served a notice of pending dues to FIS dated January 17, 2017, demanding a total outstanding amount of ₹170.29 million ("**Notice**"). Thereafter, SIPL sent another notice to FIS dated May 31, 2017 invoking the arbitration clause of the Agreement 2 and initiated arbitration proceedings against FIS claiming an amount of ₹187.39 million plus interest. Vide a letter dated August 17, 2017, FIS has also invoked the arbitration clause of Agreement 1 alleging misappropriation of ₹232.61 million by two employees of SIPL. While SIPL and FIS have appointed their respective arbitrators, the matter is currently pending.

Outstanding litigation involving an amount less than ₹ 7.86 million

In addition to the above, one of our Subsidiaries, SIPL, is involved in certain matters which involves cause of action such as labour related disputes and claims under the Motor Vehicles Act, 1988 including in relation to cases pertaining to payment of wages, termination of employment, strikes and labour unrest and vehicle accidents.

3. ***Pending actions by statutory or regulatory authorities against our Subsidiaries***

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against any of our Subsidiaries.

4. ***Tax proceedings against our Subsidiaries***

Name of the Subsidiary	**Nature of tax involved**	**Number of cases outstanding**	**Amount involved in such proceedings (in ₹ million)**
SIPL	**Direct Tax**	-	-

Name of the Subsidiary	Nature of tax involved	Number of cases outstanding	Amount involved in such proceedings (in ₹ million)
	Indirect Tax	1	1.64
	Total	**1**	**1.64**

5. ***Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956***

Except as disclosed below, there have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against any of our Subsidiaries in the last five years.

(i) The Registrar of Companies, Delhi & Haryana, NCT of Delhi & Haryana ("**Authority**") vide a letter dated October 6, 2016, directed SIPL to furnish details of expenditure incurred towards CSR activities during Fiscal 2015, along with details of its net worth, turnover and net profit for Fiscal 2012, Fiscal 2013 and Fiscal 2014 respectively. Additionally, the Authority directed SIPL to provide its annual report of CSR activities for Fiscal 2015. SIPL, vide its letter dated November 28, 2016, furnished the requisite details and informed the Authority that there was no expenditure incurred by it towards CSR activities for Fiscal 2015, since suitable projects could not be identified in time.

6. ***Details of prosecutions filed (whether pending or not); fines imposed or compounding of offences done in the last five years, under the Companies Act, 2013 or the Companies Act, 1956.***

There have been no instances in the past five years, where prosecutions have been filed, fines have been imposed or offences by our any of our Subsidiaries have been compounded by any regulatory or statutory authority.

III. Litigation involving our Directors

1. ***Outstanding criminal litigation involving our Directors***

Criminal proceedings against our Directors

As on the date of this Draft Red Herring Prospectus there are no criminal proceedings pending against any of our Directors. However, a criminal complaint was filed in 2011 against Rajiv Kaul (Executive Vice Chairman, Chief Executive Officer and Whole Time Director) and another employee of our Company before the Chief Metropolitan Magistrate, in relation to alleged violations by our Company of the PSARA and state private security agency rules on various grounds. The Chief Metropolitan Magistrate is yet to take cognizance of the matter.

Criminal proceedings by our Directors

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by any of our Directors.

2. ***Material outstanding litigation involving our Directors***

Civil proceedings against our Directors

Except as disclosed in case no (i) of "- *Litigation involving our Company - Material outstanding litigation involving our Company - Civil proceedings against our Company*", on page 230, involving Rajiv Kaul, our Executive Vice Chairman, Chief Executive Officer and Whole Time Director, there are no pending material civil proceedings against any of our Directors.

Civil proceedings by our Directors

Except as disclosed below, as on the date of this Draft Red Herring Prospectus, there are no material civil proceedings that have been initiated by our Directors.

3. ***Tax proceedings against our Directors***

As of the date of this Draft Red Herring Prospectus, there are no pending tax proceedings against any of our Directors.

4. ***Actions by statutory or regulatory authorities against our Directors***

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Directors.

5. ***Other material outstanding litigation involving our Directors***

Except as disclosed in this section, as on the date of this Draft Red Herring Prospectus, our Board does not consider any pending litigation involving our Directors to be material.

IV. Litigation involving our Promoter

1. ***Outstanding criminal litigation involving our Promoter***

Criminal proceedings against our Promoter

As on the date of this Draft Red Herring Prospectus, there are no criminal proceedings pending against our Promoter.

Criminal proceedings by our Promoter

As on the date of this Draft Red Herring Prospectus, there are no pending criminal proceedings initiated by our Promoter.

2. ***Material outstanding litigation involving our Promoter***

Civil proceedings against our Promoter

Except as disclosed in case no (i) of "- *Litigation involving our Company - Material outstanding litigation involving our Company - Civil proceedings against our Company*", on page 230, there are no outstanding material civil proceedings against our Promoter.

Civil proceedings by our Promoter

As on the date of this Draft Red Herring Prospectus, there are no material civil proceedings initiated by our Promoter.

3. ***Tax proceedings against our Promoter***

As of the date of this Draft Red Herring Prospectus, there are no pending tax proceedings against our Promoter.

4. ***Pending action by statutory or regulatory authorities against our Promoter***

As on the date of this Draft Red Herring Prospectus, there are no pending actions by statutory or regulatory authorities against our Promoter.

5. ***Other material outstanding litigation involving our Promoter***

Except as disclosed in this section, as on the date of this Draft Red Herring Prospectus, there are no pending litigation involving our Promoter which is determined to be material by our Board of Directors.

6. ***Litigation or legal action by the Government of India or any statutory authority in last five years***

There is no litigation or legal action pending or taken by a ministry, department of the government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoter and no direction has been issued by such Ministry or Department or statutory authority upon conclusion of such litigation or legal action.

V. Material Developments

For details of material developments post March 31, 2017, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 200.

GOVERNMENT AND OTHER APPROVALS

Except as disclosed herein and in "Risk Factors" on page 13, we have obtained all material consents, licenses, permissions and approvals, from various governmental statutory and regulatory authorities in India, which are necessary for undertaking our current business activities. In relation to certain of our branches, which are material and necessary for undertaking our business, we have also disclosed below (i) approvals applied for but not received; (ii) approvals expired and renewal to be applied for; and (iii) approvals which are required but not obtained or applied for. The disclosure below is indicative and except as disclosed below, no further material approvals are required for carrying on the present business operations of our Company and Subsidiaries. Unless otherwise stated, these approvals are valid as on the date of this Draft Red Herring Prospectus. Further, unless otherwise stated, these approvals are in respect of business and operations of our Company. For details in connection with the regulatory and legal framework within which we operate, see "Regulations and Policies" on page 157.

I. Approvals in relation to the Offer

1. Resolution of the Board dated August 19, 2017 authorising the Offer;

2. In-principle approval from BSE dated [●]; and

3. In-principle approval from NSE dated [●].

II. Approvals in relation to Offer for Sale

1. The Selling Shareholder has approved its participation in the Offer for Sale pursuant to a resolution of its board of directors and a resolution of its members, in their respective meetings, both dated September 7, 2017 and has provided its consent to offer 44,400,000 Equity Shares by its letter dated September 25, 2017;

2. The Board has approved this Draft Red Herring Prospectus pursuant to resolution dated August 28, 2017; and

3. The IPO Committee has approved this Draft Red Herring Prospectus pursuant to resolution dated September 27, 2017.

III. Corporate approvals

1. Certificate of incorporation dated March 26, 2008, issued by the RoC, in the name of Subhiksha Realty Private Limited;

2. Fresh certificate of incorporation dated December 10, 2008, issued by the RoC, consequent to change of name to CMS Info Systems Private Limited; and

3. Fresh certificate of incorporation dated January 27, 2015, issued by the RoC, consequent to conversion from a private limited company to a public limited company as CMS Info Systems Limited.

4. CIN U45200MH2008PLC180479 issued by the RoC, Ministry of Corporate Affairs, Government of India.

5. Importer exporter code 0309024501 issued by the Office of the Additional Director General of Foreign Trade, Ministry of Commerce and Industry, Government of India.

IV. Business related approvals

1. Our Company has received an ISO 9001:2008 accreditation for implementation and maintenance of a quality management system by DQS Inc. which is valid up till September 14, 2018.

V. Labour/Employment related approvals

1. Shops and establishments registrations under the applicable provisions of the SE Act for our offices, warehouses and other premises, wherever applicable, issued by the ministry or department of labour of relevant state government. These licenses are periodically renewed, whenever applicable.

2. Certificates for contract labour under CLRA including the state legislated amendments as applicable for our branches and other premises, wherever applicable, issued by relevant registering officer. These approvals are periodically renewed, whenever applicable.

3. Registration for employees' provident fund issued by the Employees' Provident Fund Organisation under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

4. Registration for employees' insurance issued by the Regional Office, Employees State Insurance Corporation of different states in India under the Employees' State Insurance Act, 1948.

VI. Tax related approvals

1. Permanent account number AAMCS2311K issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.

2. Tax Deduction Account Number MUMC16860E issued by the Income Tax Department, Government of India, under the Income Tax Act, 1961.

3. Provisional registration for GST has been obtained from the state governments and union territories across India, where our Company has operations.

VII. Intellectual property rights related approvals

Our Company has registered the logo "*CMS*" and the tagline "*Connecting Commerce*" under Class 39, with the Registrar of Trademarks in India under the Trade Marks Act, 1999. Additionally, our Company has made applications for six trademarks (in various classes), including the "*ALGO*" logo, the "*CMS*" logo and the tagline "*Connecting Commerce*". Pursuant to a deed of assignment of trademarks and copyrights, dated August 19, 2015, and effective from April 1, 2015, CMS IT Services Private Limited has assigned *inter alia* the artistic label "*CMS*" and the "*CMS*" logo (under Class 9) to our Company, for a total consideration of ₹0.01 million.

Additionally, pursuant to a trademark license agreement dated August 15, 2015, our Company has assigned a non-exclusive, revocable license to CMS Computers Limited and nine other companies, for use of the superseded "*CMS*" logo, for a period of three years.

VIII. Material branches in relation to which our Company has applied for registration of material approvals/licences.

Nature of approval	Branch	Authority applied to	Date of acknowledgement of application / date of application
Registration under CLRA	Jhandewalan	Assistant Labour Commissioner - Pusa	July 29, 2017
Registration under CLRA	Kanpur	Assistant Labour Commissioner - Kanpur	August 26, 2017
Registration under CLRA	Varanasi	Assistant Labour Commissioner - Varanasi	August 26, 2017

IX. Material branches in relation to which our Company is in the process of applying for registration of material approvals/licences.

Nature of approval	Branch	Authority applied to	Reasons
Registration under CLRA	Pune	Deputy Commissioner of Labour	License has been cancelled by issuing authority against which an appeal has been filed by our Company before the Additional Labour Commissioner. For further details, see "*Outstanding Litigations and Other Material Developments*".

X. Material branch in relation to which SIPL has applied for registration of material approvals/licences

Nature of approval	Branch	Authority applied to	Date of acknowledgement of application / date of application
Registration under CLRA	Naraina	Assistant Labour Commissioner - Harinagar	August 31, 2017

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Corporate Approvals

- Our Board of Directors has authorised the Offer by a resolution dated August 19, 2017.
- This Draft Red Herring Prospectus has been approved by our Board on August 28, 2017 and by our IPO Committee in their respective meetings on September 27, 2017.

Approval from the Selling Shareholder

The Selling Shareholder has approved the offer of 44,400,000 Equity Shares by way of an Offer for Sale, pursuant to a resolution of its board of directors and a resolution of its members, passed in their respective meetings, each dated September 7, 2017.

The Selling Shareholder specifically confirms that, as required under Regulation 26(6) of the SEBI ICDR Regulations, it has held the Offered Shares for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus.

In-principle listing approvals

Our Company has received in-principle approvals from the BSE and the NSE for the listing of our Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI, the RBI or other authorities

None of our Company, our Promoter, members of the Promoter Group, our Directors, or natural persons in control of our Company are or have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by the SEBI or any other authorities. Neither our Promoter, nor any of our Directors or persons in control of our Company were or are a promoter, director, or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI or any other authorities. Further, there have been no violations of securities laws committed by any of them in the past or are currently pending against them.

The Selling Shareholder, specifically confirms that it has not been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority. Further, the Selling Shareholder specifically confirms that it has not been declared as a wilful defaulter, as defined under the SEBI ICDR Regulations.

Except as disclosed below, none of our Directors are in any manner associated with the securities market, including securities market related business.

Name of Director	Designation	Name of entity associated with the securities market
Ashish Agrawal	Non-Executive Director	Karvy Stock Broking Limited

Except as disclosed below, no action has been taken by SEBI against our Directors or any entity in which our Directors are involved as promoters and/or directors.

- SEBI has included Karvy Stock Broking Limited ("**KSBL**") and its promoter directors in proceedings before the additional Chief Metropolitan Magistrate, Mumbai, with respect to the investigations conducted by SEBI in relation to irregularities in various IPOs. The proceedings have been initiated under the provisions of Section 190 of the Criminal Procedure Code, 1973, read with Section 68 A and Section 24 (1) of the SEBI Act.

- Based on the complaint filed by SEBI, in the IPO matter, two cases were registered by CBI, in the matter of Yes Bank and IDFC Limited against Karvy Stock Broking Limited, Karvy Computershare Private Limited and Karvy Consultants Limited. The matter is pending before a special judge.

- Subsequently, the Enforcement Directorate, pursuant to the investigations of CBI and that of SEBI and on the premise that Section 467 of IPC framed against the co-accused represents a predicate offence which is categorized as a scheduled offence under Section 2(u) of the Prevention of Money Laundering Act, 2002 ("**PMLA**"), has filed a prosecution complaint in terms of the provisions of PMLA. The matter is pending.

Neither our Company, our Subsidiaries, our Promoter nor our Directors are or have been identified as wilful defaulters, as defined by the SEBI ICDR Regulations.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations, as described below:

- Our Company has net tangible assets of at least ₹30 million in each of the preceding three full years (of 12 months each), on an unconsolidated as well as on a consolidated basis;

- Our Company has a minimum average pre-tax operating profit of ₹150 million, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;

- Our Company has a pre-Offer net worth of at least ₹10 million in each of the three preceding full years (of 12 months each), on an unconsolidated as well as on a consolidated basis;

- The aggregate size of the proposed Offer and all previous issues made in the same Fiscal in terms of the Offer size is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the preceding Fiscal; and

- Our Company has not changed its name in the last one year.

Our Company's net tangible assets, pre-tax operating profit and net worth derived from the Restated Unconsolidated Financial Statements are set forth below:

(₹ in million)

Particulars	**As at or for the Fiscal Year ended March 31**				
	2017 (Ind-AS)	**2016 (Ind-AS)**	**2015 (Proforma Ind-AS)**	**2014 (Previous GAAP)**	**2013 (Previous GAAP)**
Net tangible assets [(i)]	4,530.38	4,372.71	4,115.66	4,946.69	3,966.30
Pre-tax operating profit [(ii)]	1,128.93	951.28	989.24	1,093.66	1,199.98
Net Worth [(iii)] [(iv)]	5,745.33	4,862.71	4,419.69	5,316.88	4,598.89

Our Company's net tangible assets, pre-tax operating profit and net worth derived from our Restated Consolidated Financial Statements are set forth below:

(₹ in million)

Particulars	**As at or for the Fiscal Year ended March 31**				
	2017 (Ind-AS)	**2016 (Ind-AS)**	**2015 (Proforma Ind-AS)**	**2014 (Previous GAAP)**	**2013 (Previous GAAP)**
Net tangible assets [(i)]	3,598.74	3,769.98	3,446.81	4,578.78	3,258.23
Pre-tax operating profit [(ii)]	1,238.97	941.63	1,245.52	1,446.73	1,570.48
Net Worth [(iii)] [(iv)]	5,733.80	4,822.54	4,228.49	5,394.55	4,485.46

Notes:

(i) 'Net tangible assets' are defined as the sum of all assets excluding intangible assets (as defined in Ind AS 38 and Accounting Standard 26 issued by ICAI), deferred tax assets and goodwill (as defined in Ind AS and Accounting

Standards issued by ICAI) deducted by total non-current and current liabilities excluding deferred tax liabilities, non-current borrowings (including current maturities) and current borrowings.

(ii) *'Pre-tax operating profit' has been calculated as net profit before exceptional items and tax excluding finance costs and other income (including finance income).*

(iii) *'Net worth' under Ind-As: Net worth has been defined as aggregate of equity share capital and other equity as on March 31, 2017; 2016 and 2015.*

(iv) *'Net worth' under Previous GAAP: Net worth has been defined as the aggregate of paid-up share capital and reserves and surplus as on March 31, 2014 and 2013.*

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees under the Offer shall be not less than 1,000, failing which, the entire application money shall be refunded forthwith/ unblocked in the respective ASBA Accounts of the ASBA Bidders, as applicable.

Our Company is in compliance with conditions specified in Regulations 4(2) and 4(5)(a) of the SEBI ICDR Regulations to the extent applicable.

DISCLAIMER CLAUSE OF THE SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO THE SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INIDA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY AND THE SELLING SHAREHOLDER ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDER DISCHARGE THEIR RESPONSIBILITY ADEQUATELY, IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGERS, BEING KOTAK MAHINDRA CAPITAL COMPANY LIMITED, AXIS CAPITAL LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED, HAVE FURNISHED TO THE SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 27, 2017 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. **WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS DATED SEPTEMBER 27, 2017, ("DRHP") PERTAINING TO THE OFFER;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER**

PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDER, WE CONFIRM THAT:

A. THE DRHP FILED WITH SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

B. ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

C. THE DISCLOSURES MADE IN THE DRHP ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956 (AS AMENDED AND REPLACED BY THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE), THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED ("SEBI ICDR REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRHP ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID;

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS – <u>NOTED FOR COMPLIANCE;</u>

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTER HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTER DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP;

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTER'S CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP. – <u>COMPLIED WITH AND NOTED FOR COMPLIANCE;</u>

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTER'S CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTER'S CONTRIBUTION WILL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. – <u>NOT APPLICABLE;</u>

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY <u>NOT APPLICABLE SINCE THE ENTIRE OFFER IS AN OFFER FOR SALE;</u> AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED

OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – <u>COMPLIED WITH;</u>

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO AMONG THE BANKERS TO THE OFFER, THE COMPANY AND THE SELLING SHAREHOLDER SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE. ALL MONIES RECEIVED FROM THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS PER SECTION 40(3) OF THE COMPANIES ACT, 2013, AS AMENDED;</u>**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRHP THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – <u>NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ISSUED IN DEMATERIALISED FORM ONLY</u>;**

11. **WE CERTIFY THAT ALL APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRHP:**

    A. **AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND**

    B. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI ICDR REGULATIONS WHILE MAKING THE OFFER. –<u>NOTED FOR COMPLIANCE;</u>**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC.;**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRHP WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY;**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE BOOK RUNNING LEAD MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THIS OFFER)', AS PER FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR;**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. – <u>COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN ACCORDANCE WITH ACCOUNTING STANDARD 18 AND INDIAN ACCOUNTING STANDARD 24 (AS APPLICABLE) IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE</u>**

<u>DRHP AND AS CERTIFIED BY P. C. SURANA & CO, CHARTERED ACCOUNTANTS, BY WAY OF CERTIFICATE DATED SEPTEMBER 25, 2017</u>; AND

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y (1) (A) OR (B) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS. (IF APPLICABLE) – <u>NOT APPLICABLE.</u>

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the proposed Offer. Provided that the liability of the Selling Shareholder, in respect of the above, shall be limited to any liabilities arising in relation to the statements specifically made or confirmed by it in respect of itself and of the Offered Shares. SEBI further reserves the right to take up at any point of time, with the BRLMs, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus also does not absolve the Selling Shareholder from any liabilities to the extent of the statements specifically made or confirmed by it in respect of itself and of the Offered Shares, under Section 34 or Section 36 of Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26, 30, 32, 33(1) and 33(2) of the Companies Act, 2013.

Price Information of past issues handled by the BRLMs

<u>Kotak Mahindra Capital Company Limited</u>

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Kotak Mahindra Capital Company Limited*

Sr. No.	Issue name	Issue size (in ₹ crores)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Security and Intelligence Services (India) Limited	779.58	815	August 10, 2017	879.80	-3.29% [+ 1.17%]	-	-
2.	CL Educate Limited	238.95	502	March 31, 2017	402.00	-8.98% [+ 1.42%]	-15.36% [+3.46%]	-31.92% [+7.61%]
3.	Avenue Supermarts Limited	1,870.00	299	March 21, 2017	600.00	+145.08% [- 0.33%]	+167.59% [+4.97%]	+263.80% [+10.42%]
4.	Laurus Labs Limited (1)	1,330.50	428	December 19, 2016	489.90	+11.44% [+3.62%]	+23.97% [+13.03%]	+41.43% [+18.31%]
5.	Varun Beverages Limited	1,112.50	445	November 8, 2016	430.00	-7.72% [-5.17%]	-11.49% [+2.31%]	+8.89% [+8.68%]
6.	PNB Housing Finance Limited (2)	3,000.00	775	November 7, 2016	860.00	+11.70% [-4.16%]	+21.28% [+2.87%]	+70.50% [+9.28%]
7.	L&T Technology Services Limited	894.40	860	September 23, 2016	920.00	-0.85% [-1.57%]	-8.54% [-8.72%]	-9.55% [+3.28%]
8.	RBL Bank Limited	1,212.97	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+103.07% [+1.74%]
9.	Larsen & Toubro Infotech Limited (3)	1,236.38	710	July 21, 2016	667.00	-6.39% [+1.84%]	-12.44% [+1.97%]	-4.21% [-1.14%]
10.	Mahanagar Gas Limited (4)	1,038.88	421	July 1, 2016	540.00	+20.86% [+3.72%]	+57.15% [+5.00%]	+83.71% [-3.55%]
11.	Parag Milk Foods Limited (5)	750.54	215	May 19, 2016	217.50	+17.07% [+4.97%]	+48.67% [+11.04%]	+38.93% [+6.59%]
12.	Ujjivan Financial Services Limited	882.50	210	May 10, 2016	231.90	+72.38% [+4.88%]	+120.90% [+10.08%]	+98.31% [+6.92%]

Sr. No.	Issue name	Issue size (in ₹ crores)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
13.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32% [+1.45%]	-19.98% [+4.65%]	-1.31% [+14.17%]
14.	Dr. Lal PathLabs Limited (6)	631.91	550	December 23, 2015	720.00	+32.54% [-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
15.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97% [+0.11%]
16.	Interglobe Aviation Limited (7)	3,008.50	765	November 10, 2015	855.80	+32.39% [-2.20%]	+9.41% [-3.78%]	+40.59% [-0.64%]
17.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42% [-1.19%]	-19.73% [-6.05%]	-20.98% [-2.50%]
18.	Sadbhav Infrastructure Project Limited	491.66	103	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63% [-3.15%]	-12.67% [-4.92%]
19.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36% [+0.98%]	-4.63% [+0.74%]	-10.65% [-7.15%]
20.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
21.	Adlabs Entertainment Limited (8)	374.59	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]

Source: www.nseindia.com

Notes:

1. *In Laurus Labs Limited, the issue price to employees was ₹388 per equity share after a discount of ₹40 per equity share. The Anchor Investor issue price was ₹428 per equity share.*
2. *In PNB Housing Finance Limited, the issue price to employees was ₹700 per equity share after a discount of ₹75 per equity share. The Anchor Investor issue price was ₹775 per equity share.*
3. *In Larsen & Toubro Infotech Limited, the issue price to retail individual investor was ₹700 per equity share after a discount of ₹10 per equity share. The Anchor Investor issue price was ₹710 per equity share.*
4. *In Mahanagar Gas Limited, the issue price to employees was ₹383 per equity share after a discount of ₹38 per equity share. The Anchor Investor issue price was ₹421 per equity share.*
5. *In Parag Milk Foods Limited, the issue price to retail individual investor and employees was ₹203 per equity share after a discount of ₹12 per equity share. The Anchor Investor issue price was ₹227 per equity share.*
6. *In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹535 per equity share after a discount of ₹15 per equity share. The Anchor Investor issue price was ₹550 per equity share.*
7. *In Interglobe Aviation Limited, the issue price to employees was ₹688.50 per equity share after a discount of ₹76.5 per equity share. The Anchor Investor issue price was ₹765 per equity share.*
8. *In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹168 per equity share after a discount of ₹12 per equity share. The Anchor Investor issue price was ₹221 per equity share.*
9. *In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.*
10. *Nifty is considered as the benchmark index.*

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Kotak Mahindra Capital Company Limited*

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in crores)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018*	1	779.58	-	-	1	-	-	-	-	-	-	-	-	-
2017	11	13,567.63	-	-	4	2	1	4	-	1	2	5	2	1
2016	9	7,487.69	-	-	5	-	2	2	-	1	4	2	1	1

**This information is as on the date of this Draft Red Herring Prospectus*

Axis Capital Limited

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Axis Capital Limited.*

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	Capacit'e Infraprojects Limited	4,000	250	September 25, 2017	399.00	-	-	-
2.	Matrimony.Com Limited	4,974.79	985[1]	September 21, 2017	985.00	-	-	-
3.	Security and Intelligence Services (India) Limited	7,795.80	815	August 10, 2017	879.80	-3.29%, [+1.17%]	-	-
4.	Central Depository Services (India) Limited	5,239.91	149	June 30, 2017	250.00	+127.92%, [+5.84%]	-	-
5.	Eris Lifesciences Limited	17,404.86	603[2]	June 29, 2017	611.00	+0.87%, [+5.37%]	-	-
6.	Tejas Networks Limited	7,766.88	257	June 27, 2017	257.00	+28.04%, [+5.35%]	+17.82%, [+3.80%]	-
7.	S Chand And Company Limited	7,286	670	May 9, 2017	700.00	-17.37%, [+3.59%]	-8.89%, [+4.07%]	-
8.	Avenue Supermarts Limited	18,700	299	March 21, 2017	600.00	+145.08%, [-0.20%]	+166.35%, [+5.88%]	+264.38%, [+11.31%]
9.	BSE Limited	12,434.32	806	February 3, 2017	1,085.00	+17.52%, [+2.55%]	+24.41%, [+6.53%]	+34.43%, [+15.72%]
10.	Varun Beverages Limited	11,250.00	445	November 8, 2016	430.00	-7.72%, [-5.17%]	-9.36%, [+3.01%]	+10.60%, [+9.02%]

Source: www.nseindia.com
[1] Offer Price was ₹887.00 per equity share to Retail Individual Bidders and Eligible Employees.
[2] Price for eligible employees was ₹543.00 per equity share.

Notes:
1. *The CNX NIFTY is considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculations.*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
4. *Since 30 calendar days, 90 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.*

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by Axis Capital Limited*

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018*	7	54,468.24	-	-	2	1	1	1	-	-	-	-	-	-
2017	10	1,11,377.80	-	-	1	4	2	3	-	-	-	7	1	2
2016	8	60,375.66	0	0	3	0	4	1	0	0	3	1	2	2

** The information is as on the date of this Draft Red Herring Prospectus.*
The information for each Fiscal is based on issues listed during such Fiscal.

Note: Since 30 calendar days and 180 calendar days, as applicable, from listing date has not elapsed for few of the above issues, data for same is not available.

UBS Securities India Private Limited

1. *Price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by UBS Securities India Private Limited*

Sr. No.	Issue name	Issue size (in ₹ million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/ % change in closing benchmark]- 180th calendar days from listing
1.	InterGlobe Aviation Limited	30,085.00	765	November 10, 2015	855.8	+32.4% [(-)3.8%]	+7.8% [(-)6.7%]	+40.8% [(-)0.6%]
2.	ICICI Prudential Life Insurance Company Limited	60,567.91	334	September 29, 2016	330.0	(-)7.6% [(-)1.2%]	(-)11.5% [(-)8.1%]	+12.3% [+3.4%]

Source: www.nseindia.com

Notes:

1. *Nifty 50 is considered as the benchmark index.*
2. *90th day for InterGlobe Aviation Limited is not a trading day, closing price of 91st day considered for calculations.*
3. *180th day for InterGlobe Aviation and ICICI Prudential Life Insurance Company Limited is not a trading day, closing price of 182nd day considered for calculations.*

2. *Summary statement of price information of past issues (during the current Fiscal and two Fiscals preceding the current Fiscal) handled by UBS Securities India Private Limited*

Fiscal	Total no. of IPOs	Total amount of funds raised (₹ in millions)	No. of IPOs trading at discount as on 30th calendar day from listing date			No. of IPOs trading at premium as on 30th calendar day from listing date			No. of IPOs trading at discount as on 180th calendar day from listing date			No. of IPOs trading at premium as on 180th calendar day from listing date		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2017	1	60,567.91	-	-	1	-	-	-	-	-	-	-	-	1
2016	1	30,085.00	-	-	-	-	1	-	-	-	-	-	1	-

Track record of past issues handled by the BRLMs

For details regarding the track record of the BRLMs, as specified under Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs mentioned below.

BRLMs	Website
Kotak Mahindra Capital Company Limited	www.investmentbank.kotak.com
Axis Capital Limited	www.axiscapital.co.in
UBS Securities India Private Limited	www.ubs.com/indianoffers

Caution – Disclaimer from our Company, our Directors, the Selling Shareholder and the BRLMs

Our Company, our Directors and the BRLMs accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our website, www.cms.com, or any website of any of the members of our Subsidiaries or any affiliate of our Company or the Selling Shareholder, would be doing so at his or her own risk. The Selling Shareholder accepts no responsibility for statements made in this Draft Red Herring Prospectus except for statements and undertakings specifically made or confirmed by the Selling Shareholder regarding itself and the Offered Shares.

The BRLMs accept no responsibility for statements made in this Draft Red Herring Prospectus, save to the limited extent as provided in the Offer Agreement entered into among the BRLMs, the Selling Shareholder and our Company, and the Underwriting Agreement to be entered into among the Underwriters, the Selling Shareholder and our Company.

All information shall be made available by our Company, the Selling Shareholder and the BRLMs to the Bidders and public at large and no selective or additional information would be made available by our Company or the BRLMs for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company, the Selling Shareholder nor any member of the Syndicate shall be liable for any failure in uploading the Bids, due to faults in any software or hardware system, or otherwise.

Each of the BRLMs and their respective associates and affiliates, in its capacity as principal or agent, is and may in the future be involved in a wide range of commercial banking and investment banking activities globally (including investment advisory, asset management, research, securities issuance, trading (customer and proprietary) and brokerage). Certain of the BRLMs and/or their respective associates and affiliates has engaged, and may in the future engage, in transactions with, and has performed, and may in the future perform, services for, our Company, the Selling Shareholder and their respective group companies, affiliates or associates or any third parties in the ordinary course of their commercial banking and investment banking activities, for which they have received, and may in the future receive, compensation. In addition, in the ordinary course of their commercial banking and investment banking activities, the BRLMs, and their respective associates and affiliates may at any time hold long or short positions, enter into asset swaps, credit derivatives or other derivative transactions relating to the Equity Shares, and may trade or otherwise effect transactions, for their own account or the accounts of their customers, in debt or equity securities (or related derivative instruments) or senior loans of our Company, the Selling Shareholder and/or any of their respective group companies, affiliates or associates or any third parties. As used herein, the term 'affiliate' means any person or entity that controls or is controlled by or is under common control with another person or entity.

Bidders that bid in the Offer will be required to confirm, and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares, and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, including Indian nationals resident in India, Hindu Undivided Families ("**HUFs**"), companies, other corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares, domestic Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to permission from the RBI), non-banking financial company, or trusts under the applicable trust law, and who are authorised under their respective constitutions to hold and invest in equity shares, public financial institutions as specified under Section 2(72) of the Companies Act, 2013, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with IRDAI, insurance funds, provident funds, national investment funds, venture capital funds, Alternative Investment Funds ("**AIFs**"), permitted insurance companies and pension funds and, to permitted non-residents including Eligible NRIs, FPIs registered with SEBI and QIBs provided they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus does not constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby, in any jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) at Mumbai only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus, nor any offer or sale hereunder, shall, under any circumstances, create any implication that there has been no change in our affairs or in the affairs of the Selling Shareholder from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act, 1933 ("U.S. Securities Act") or any state securities laws in the United States, and unless so registered may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, such Equity Shares are being offered and sold (i) outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) to "qualified institutional buyers" (as defined in Rule 144A ("Rule 144A") under the U.S. Securities Act), in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Bidders are advised to ensure that any Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law. Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than in accordance with the applicable laws.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to our Company post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to our Company post scrutiny of this Draft Red Herring Prospectus shall be included in the Red Herring Prospectus prior to its filing with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at Securities and Exchange Board of India, Plot No. C 4-A, G Block, Bandra Kurla Complex, Bandra East, Mumbai - 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed, will be delivered for registration to the RoC in accordance with Section 32 of the Companies Act 2013, and a copy of the Prospectus required to be filed under Section 26 of the Companies Act 2013 will be delivered for registration to the RoC situated at the address mentioned below.

The Registrar of Companies, Maharashtra at Mumbai
100, Everest, Marine Drive
Mumbai 400 002
Maharashtra, India

Listing

The Equity Shares issued through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Applications will be made to the Stock Exchanges for obtaining permission for listing and trading of the Equity Shares being offered and sold in the Offer and [●] is the Designated Stock Exchange, with which the Basis of Allotment will be finalised for the Offer.

If the permissions to deal in, and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges, our Company and the Selling Shareholder shall forthwith repay, all monies received from the applicants in pursuance of the Red Herring Prospectus in accordance with applicable law. Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of Equity Shares at the Stock Exchanges are taken within six Working Days from the Bid/Offer Closing Date or within such other period as may be prescribed. If our Company does not allot Equity Shares pursuant to the Offer within six Working Days from the Bid/Offer Closing Date or within such timeline as prescribed by SEBI, it shall repay without interest all monies received from Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

The Selling Shareholder undertakes to provide such reasonable support and extend reasonable cooperation as may be requested by our Company and BRLMs, to the extent such support and cooperation is required from such party to facilitate the process of listing and commencement of trading of the Equity Shares on the Stock Exchanges within six working days from the Bid/Offer Closing Date or such other period as may be prescribed.

Consents

Consents in writing of (a) the Selling Shareholder, our Directors, the Chief Financial Officer, the Company Secretary and Compliance Officer, the legal counsel, the Bankers to our Company, Frost and Sullivan, lenders to our Company, independent chartered accountants, the BRLMs and Registrar to the Offer have been obtained; and (b) the Syndicate Members, Bankers to the Offer/ Escrow Bank and Refund Bank to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 26 and 32 of the Companies Act 2013. Further, such consents have not been withdrawn as on the date of this Draft Red Herring Prospectus.

Our Company has received written consent from the Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 28, 2017 and the statement of possible special tax benefits dated September 4, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Expert Opinion

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

Our Company has received written consent from the Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 28, 2017 and the statement of possible special tax benefits dated September 4, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

Offer Expenses

For details of the Offer related expenses, see "*Objects of the Offer*" on page 101.

Fees Payable to the Syndicate

The total fees payable to the Syndicate Members (including underwriting and selling commissions), and reimbursement of their out of pocket expenses, will be as stated in the Syndicate Agreement, a copy of which shall be available for inspection at our Registered and Corporate Office, from 10.00 am to 4.00 p.m. on Working Days from the date of filing the Red Herring Prospectus until the Bid/Offer Closing Date.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer, including fees for processing of Bid cum Application Forms, data entry, printing of Allotment Advice/CAN, refund order, preparation of refund data on magnetic tape and printing of bulk mailing register, will be as per the Registrar Agreement signed among our Company, the Selling Shareholder and the Registrar to the Offer, a copy of which shall be made available for inspection at our Registered and Corporate Office from 10 am to 4 pm on working days from the date of the Red Herring Prospectus until the Bid/Offer closing date. Adequate funds shall be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post or speed post or ordinary post.

Particulars regarding public or rights issues during the last five years

Our Company has not made any public issue or rights issue, during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Commission payable to SCSBs, Registered Brokers, CRTAs and CDPs

For details of the commission payable to SCSBs, Registered Brokers, CRTAs and CDPs, see "*Objects of the Offer*" on page 101.

Commission or brokerage on previous Issues

Since this is the initial public offering of the Equity Shares of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares, since the incorporation of our Company.

Previous issues otherwise than for cash

Except as disclosed in "*Capital Structure*" on page 84, our Company has not issued any Equity Shares for consideration otherwise than for cash.

Capital issues in the preceding three years

Except as disclosed in "*Capital Structure*" on page 84, our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. Further, none of our Subsidiaries are a listed company. Our Company does not have any Group Companies.

Performance vis-à-vis objects

Our Company has not undertaken any public issue since its incorporation and except as disclosed in "*Capital Structure*" on page 84, our Company has not undertaken a rights issue in the 10 years immediately preceding the date of this Draft Red Herring Prospectus. Further, all objects in relation to such rights issue have been met.

Performance vis- à-vis Objects: last issue of Subsidiaries

None of our Subsidiaries have made any public or rights or composite issues in the 10 years immediately preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures, Bonds or Redeemable Preference Shares or other instruments

Our Company does not have any outstanding debentures, bonds or redeemable preference shares or other instruments, as on the date of this Draft Red Herring Prospectus.

Partly paid-up shares

As on the date of this Draft Red Herring Prospectus, there are no partly paid-up Equity Shares.

Stock market data of the Equity Shares

This being the initial public offering of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange as on the date of this Draft Red Herring Prospectus, and accordingly, no stock market data is available for the Equity Shares.

Mechanism for redressal of investor grievances

The Registrar Agreement provides for retention of records with the Registrar to the Offer for a minimum period of three years from the date of listing and commencement of trading of the Equity Shares on the Stock Exchanges, in order to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

Investors may contact the BRLMs for any complaint pertaining to the Offer. All grievances, other than by Anchor Investors, may be addressed to the Registrar to the Offer, with a copy to the relevant Designated Intermediary, with whom the ASBA Form was submitted, quoting the full name of the sole or first Bidder, ASBA Form number, Bidders' DP ID, Client ID, PAN, address of the Bidder, number of Equity Shares applied for, date of ASBA Form, name and address of the relevant Designated Intermediary, where the Bid was submitted and ASBA Account number in which the amount equivalent to the Bid Amount was blocked. Further, the Bidder shall enclose the Acknowledgement Slip or provide the acknowledgement number received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

All grievances of the Anchor Investors may be addressed to the Registrar to the Offer, giving full details such as the name of the sole or first Bidder, Bid cum Application Form number, Bidders DP' ID, Client ID, PAN, date of the Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for, Bid amount paid on submission of the Bid cum Application Form and the name and address of the BRLM where the Bid cum Application Form was submitted by the Anchor Investor.

Our Company has not received any investor complaints during the period of three years immediately preceding the date of this Draft Red Herring Prospectus. Our Company, the Selling Shareholder, BRLMs and the Registrar accept no responsibility for errors, omissions, commission of any acts of the Designated Intermediaries, including any defaults in complying with its obligations under the SEBI ICDR Regulations.

Disposal of investor grievances by our Company

We estimate that the average time required by our Company and/or the Registrar to the Offer for the redressal of routine investor grievances shall be seven Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Praveen Soni, Company Secretary, as the Compliance Officer and he may be contacted in case of any pre-Offer or post-Offer related problems, at the address set forth hereunder.

Praveen Soni
Silver Metropolis, 11th Floor
Jay Coach Compound
Off. Western Express Highway
Goregaon (East)
Mumbai – 400 063
Tel: +91 22 3325 3100
Fax: +91 22 3325 3106
E-mail: cms.ipo@cms.com

The Selling Shareholder has authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Further, our Board has constituted a Stakeholders Relationship Committee comprising our Directors, Jimmy Lachmandas Mahtani, Ashish Agrawal and Rajiv Kaul, which is responsible for redressal of grievances of the security holders of our Company. For more information, see "*Our Management*" on page 176.

Disposal of investor grievances by listed companies under the same management

As on the date of this Draft Red Herring Prospectus, none of our Subsidiaries are listed on any stock exchange Accordingly, the requirement to disclose details of investor grievances by listed companies under the same management as our Company, does not apply.

Changes in Auditors

There has been no change in our statutory auditors during the three years immediately preceding this Draft Red Herring Prospectus.

Capitalisation of reserves or profits

Except for redemption of OCCPS, as disclosed in "*Capital Structure*" on page 85, our Company has not capitalised its reserves or profits at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

Revaluation of assets

Our Company has not revalued its assets at any time during the last five years preceding the date of filing this Draft Red Herring Prospectus.

SECTION VII – OFFER RELATED INFORMATION

OFFER STRUCTURE

The Offer is of 44,400,000 Equity Shares, at an Offer Price of ₹[●] per Equity Share for cash including a premium of ₹[●], aggregating up to ₹[●] million, through an Offer for Sale by the Selling Shareholder. In terms of Rule 19(2)(b) of the SCRR read with Regulation 41 of the SEBI ICDR Regulations, the Offer is being made for at least 10% of the post-Offer paid up equity share capital of our Company. The Offer is being made through the Book Building Process.

Particulars	**QIBs***	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for allocation**	Not more than 22,200,000 Equity Shares	Not less than 6,660,000 Equity Shares or Offer less allocation to QIBs and Retail Individual Investors	Not less than 15,540,000 Equity Shares or Offer less allocation to QIBs and Non-Institutional Investors
Percentage of Offer size available for allocation/ Allotment	Not more than 50% of the Offer shall be available for allocation to QIBs. 5% of the QIB Category, excluding the Anchor Investor Portion, will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation portion will also be eligible for allocation in the remaining QIB Category. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Offer or Offer less allocation to QIBs and Retail Individual Investors	Not less than 35% of the Offer or the Offer less allocation to QIBs and Non-Institutional Investors
Basis of Allotment if respective category is oversubscribed	Proportionate as follows (excluding the Anchor Investor Portion): (a) 444,000 Equity Shares will be available for allocation on a proportionate basis to Mutual Funds; and (b) 8,436,000 Equity Shares will be available for allocation on a proportionate basis to all other QIBs including Mutual Funds receiving allocation as per (a) above. Our Company, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.	Proportionate	Allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For more information, see "*Offer Procedure*" on page 263.
Mode of Bidding	Through ASBA process only (except Anchor Investors)		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount exceeds ₹200,000	[●] Equity Shares and in multiples of [●] Equity Shares thereafter

Particulars	QIBs*	Non-Institutional Investors	Retail Individual Investors
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialised form		
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Who can Apply***	Public financial institutions specified in Section 2(72) of the Companies Act, FPIs (other than category III FPIs), scheduled commercial banks, mutual funds registered with the SEBI, venture capital funds registered with SEBI, FVCIs, VCFs, Alternative Investment Funds, multilateral and bilateral development financial institutions, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with a minimum corpus of ₹250 million, pension funds with a minimum corpus of ₹250 million, the National Investment Fund set up by the Government of India, insurance funds set up and managed by the army, navy, or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.	Resident Indian individuals, HUFs (in the name of Karta), companies, corporate bodies, Eligible NRIs, societies and trusts and any category III FPIs registered with SEBI.	Resident Indian individuals, HUFs (in the name of the Karta) and Eligible NRIs applying for Equity Shares.
Terms of Payment****	***In case of Anchor Investors:*** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids ***In case of all other Bidders***: Full Bid Amount shall be blocked by the SCSBs in the bank account of the Bidders (other than Anchor Investors) that is specified in the ASBA Form at the time of the submission of the Bid cum Application Form		

** Our Company and the Selling Shareholder, in consultation with the BRLMs may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis, subject to there being (i) a maximum of two Anchor Investors, where allocation in the Anchor Investor Portion is up to ₹100 million, (ii) minimum of two and maximum of 15 Anchor Investors, where the allocation under the Anchor Investor Portion is more than ₹100 million but up to ₹2,500 million under the Anchor Investor Portion, subject to a minimum Allotment of ₹50 million per Anchor Investor, and (iii) in case of allocation above ₹2,500 million under the Anchor Investor Portion, a minimum of five investors and a maximum of 15 Anchor Investors for allocation up to ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof will be permitted, subject to minimum allotment of ₹50 million per Anchor Investor. An Anchor Investor will make a minimum Bid of such number of Equity Shares, that the Bid Amount is at least ₹100 million. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds, subject to valid Bids being received at or above the price at which allocation is made to Anchor Investors.*

*** This Offer is being made through the Book Building Process wherein not more than 50% of the Offer will be Allotted to QIBs on a proportionate basis, provided that the Anchor Investor Portion may be allocated on a discretionary basis as mentioned above. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors subject to valid Bids being received at or above the Offer Price. Further, not less than 35% of the Offer will be available for allocation to Retail Individual Investors in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, on a proportionate basis, subject to applicable laws. Under-subscription, if any, in any category, except the QIB Category, would be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws.*

**** If the Bid is submitted in joint names, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the depository account held in joint names. The signature of only the first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.*

***** Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Bid cum Application Form, provided that any difference between the price at which allocation is made to the Anchor Investors and the Anchor Investor Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.*

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder, the Underwriters, their respective directors, officers, agents, affiliates and representatives that they are eligible under applicable law, rules, regulations, guidelines and approvals to acquire the Equity Shares.

TERMS OF THE OFFER

The Equity Shares offered and Allotted in the Offer will be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SEBI Listing Regulations, the SCRA, the SCRR, the Memorandum of Association, the Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the abridged prospectus and other terms and conditions as may be incorporated in the CAN, Allotment Advice and other documents and certificates that may be executed in respect of the Offer. The Equity Shares will also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to issue and offer for sale and listing and trading of securities, issued from time to time, by the SEBI, GoI, Stock Exchanges, the RoC, the RBI and/or other authorities to the extent applicable or such other conditions as maybe prescribed by such governmental and/or regulatory authority while granting approval for the Offer.

Ranking of Equity Shares

The Equity Shares being offered and transferred in the Offer will be subject to the provisions of the Companies Act, the Memorandum of Association and the Articles of Association and will rank *pari passu* with the existing Equity Shares, including in respect of dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For more information, see "*Main Provisions of the Articles of Association*" on page 310.

Mode of Payment of Dividend

Our Company will pay dividend, if declared, to our Shareholders, as per the provisions of the Companies Act, the SEBI Listing Regulations, our Memorandum of Association and the Articles of Association, and any guidelines or directives that may be issued by the GoI in this respect. Any dividends declared by our Company, after the date of Allotment (for the entire year), will be payable to the Allottees for the entire year, in accordance with applicable law. For more information, see "*Dividend Policy*" and "*Main Provisions of our Articles of Association*" on pages 198 and 310 of this Draft Red Herring Prospectus, respectively.

Face Value and Price Band

The face value of each Equity Share is ₹10. At any given point of time there will be only one denomination for the Equity Shares.

The Price Band will be decided by our Company and the Selling Shareholder, in consultation with the BRLMs and the minimum Bid Lot size will be determined by our Company in consultation with the BRLMs and published at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located), and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price shall be pre-filled in the Bid-cum-Application Forms available at the website of the Stock Exchanges.

Rights of the Shareholder

Subject to applicable law and our Articles of Association, the Shareholders will have the following rights:

- Right to receive dividend, if declared;
- Right to attend general meetings and exercise voting powers, unless prohibited by law;
- Right to vote on a poll either in person or by proxy and e-voting;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive any surplus on liquidation subject to any statutory and preferential claims being satisfied;
- Right of free transferability of their Equity Shares, subject to applicable law; and
- Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the terms of the SEBI Listing Regulations and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture, lien, transfer, transmission, consolidation and splitting, see "*Main Provisions of the Articles of Association*" on page 310.

Compliance with disclosure and accounting norms

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

Market Lot and Trading Lot

In terms of Section 29 of the Companies Act 2013, the Equity Shares will be Allotted only in dematerialised form.

As per the SEBI ICDR Regulations, the trading of our Equity Shares will only be in dematerialised form.

Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in the Offer shall be only in dematerialised form in multiples of one Equity Share. For the method of Basis of Allotment, see "*Offer Procedure*" on page 263.

Joint Holders

Subject to the provisions of our Articles of Association, where two or more persons are registered as the holders of any Equity Shares, they will be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai.

Period of operation of subscription list

See "– *Bid/Offer Period*" on page 261.

Nomination Facility

In accordance with Section 72 of the Companies Act 2013, read with Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or first Bidder, with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, will vest, to the exclusion of all other person, unless the nomination is varied or cancelled in the prescribed manner. A nominee entitled to the Equity Shares by reason of the death of the original holder(s), will, in accordance with Section 72 of the Companies Act 2013, be entitled to the same benefits to which he or she will be entitled if he or she were the registered holder of the Equity Shares. Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of the holder's death during minority. A nomination shall stand rescinded upon a sale or transfer of Equity Shares by the holder of such Equity Shares. A nomination may be cancelled, or varied by nominating any other person in place of the present nominee, by the holder of the Equity Shares who has made the nomination, by giving a notice of such cancellation or variation to our Company in the prescribed form.

Further, any person who becomes a nominee by virtue of Section 72 of the Companies Act 2013, as amended, will, on the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as holder of Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividend, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the Bidder will prevail. If Bidders want to change their nomination, they are advised to inform their respective Depository Participant.

Minimum Subscription

As the Offer is entirely through Offer for Sale, the requirement of 90% minimum subscription under the SEBI ICDR Regulations is not applicable to the Offer. In the event our Company does not receive the minimum subscription in the Offer as specified under Rule 19(2)(b) of the SCRR and Regulation 41 of the SEBI ICDR Regulations, including through devolvement to the Underwriters, as applicable, within sixty (60) days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. In case of delay, if any, in refund within such timeline as prescribed under applicable laws, our Company shall be liable to pay interest on the application money at the rate of 15% per annum for the period of delay. However, subject to applicable law, the Selling Shareholder shall not be liable to reimburse any expenses towards refund or any interest thereon in respect to Allotment of the Offered Shares or otherwise (in which case our Company shall be responsible for payment of such interest), unless the failure or default or delay, as the case may be, is solely on account of the Selling Shareholder.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Arrangement for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for lock-in of pre-Offer equity shareholding, minimum promoter's contribution and Anchor Investor lock-in, as detailed in *"Capital Structure*" on page 84 and as provided in our Articles as detailed in "*Main Provisions of the Articles of Association*" on page 310, there are no restrictions on transfers and transmission of Equity Shares and or/on their consolidation/splitting.

Option to receive Equity Shares in dematerialised form

Allotment of Equity Shares to successful Bidders will only be in the dematerialised form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialised segment of the Stock Exchanges.

Bid/Offer Period

BID/OFFER OPENS ON*	[●]
BID/OFFER CLOSES ON**	[●]
FINALISATION OF BASIS OF ALLOTMENT WITH THE DESIGNATED STOCK EXCHANGE	[●]
INITIATION OF REFUNDS FOR ANCHOR INVESTORS/UNBLOCKING OF FUNDS	[●]
CREDIT OF EQUITY SHARES TO DEPOSITORY ACCOUNTS OF ALLOTTEES	[●]
COMMENCEMENT OF TRADING OF THE EQUITY SHARES ON THE STOCK EXCHANGES	[●]

** Our Company and the Selling Shareholder, in consultation with the BRLMs may consider participation by Anchor Investors. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid/Offer Opening Date.*
*** Our Company may, in consultation with the BRLMs, decide to close the Bid/ Offer Period for QIBs one Working Day prior to the Bid/ Offer Closing Date.*

This timetable, is indicative in nature and does not constitute any obligation or liability on our Company, the Selling Shareholder, or the members of the Syndicate. While our Company will use best efforts to ensure that listing and trading of our Equity Shares on the Stock Exchanges commences within six Working Days of the Bid/Offer Closing Date, the timetable may be subject to change for various reasons, including extension of Bid/Offer Period by our Company due to revision of the Price Band, any delays in receipt of final listing and trading approvals from the Stock Exchanges, delay in receipt of final certificates from SCSBs, etc. The commencement of trading of the Equity Shares will be entirely at the discretion of the

Stock Exchanges in accordance with applicable law. The Selling Shareholder confirms that it shall extend the reasonable cooperation as may be required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company will apply for only after Allotment and within six Working Days of the Bid/Offer Closing Date; and (ii) the final RoC approval of the Prospectus after it is filed and/or submitted with the RoC and the Stock Exchanges.

Except in relation to Anchor Investors, Bids and any revision in Bids will be accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period at the Bidding Centres, except that on the Bid/Offer Closing Date (which for QIBs may be a day prior to the Bid/Offer Closing Date), Bids will be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. (Indian Standard Time) for Bids by QIBs and Non-Institutional Investors; and (ii) 5.00 p.m. or such extended time as permitted by the Stock Exchanges (Indian Standard Time) in case of Bids by Retail Individual Investors. On the Bid/Offer Closing Date, extension of time may be granted by the Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received up to closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the BRLMs to the Stock Exchanges. Due to limitation of time available for uploading Bids on the Bid/Offer Closing Date, Bidders are advised to submit Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid/Offer Closing Date. If a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public issues, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded on the electronic bidding system will not be considered for allocation in the Offer. It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by the SCSBs would be rejected. Our Company, the Selling Shareholder and the members of Syndicate will not be responsible for any failure in uploading Bids due to faults in any hardware/software system or otherwise. Bids will be accepted only on Working Days. Investors may please note that as per letter no. List/smd/sm2006 dated July 3, 2006 and letter no. NSE/IPO/25101-6 dated July 6, 2006, issued by the BSE and NSE respectively, Bids and any revisions in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges.

Our Company and the Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, in accordance with the SEBI ICDR Regulations, provided that the Cap Price will be less than or equal to 120% of the Floor Price and the Floor Price will not be less than the face value of the Equity Shares. Subject to compliance with the foregoing, the Floor Price may move up or down to the extent of 20% of the Floor Price and the Cap Price may be revised accordingly.

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

In case of discrepancy in data entered in the electronic book vis-à-vis data contained in the Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI and updated pursuant to among others the circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 as amended and modified by the circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, the circular (CIR/CFD/DIL/1/2016) dated January 1, 2016 notified by SEBI ("**General Information Document**") included below under sub-section titled " – Part B - General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the SEBI ICDR Regulations and provisions of the Companies Act 2013, to the extent applicable to a public issue and any other enactments and regulations. The General Information Document is also available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer. All Designated Intermediaries in relation to the Offer should ensure compliance with the SEBI circular (CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015, as amended and modified by the SEBI circular (SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, in relation to clarifications on streamlining the process of public issue of equity shares and convertibles.*

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of the Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

The Offer is being made in terms of Rule 19(2)(b) of the SCRR and Regulation 41 of the SEBI ICDR Regulations, through the Book Building Process and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein not more than 50% of the Offer shall be Allotted to QIBs provided that our Company and the Selling Shareholder, in consultation with the BRLMs, may allocate up to 60% of the QIB Category to Anchor Investors, on a discretionary basis, of which one-third shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is made to the Anchor Investors. Further, 5% of the QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Offer Price. Further, not less than 15% of the Offer will be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer will be available for allocation to Retail Individual Investors, in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All Bidders (except Anchor Investors) shall mandatorily participate in this Offer only through the ASBA process, and shall provide details of their respective bank account in which the Bid amount will be blocked by the SCSBs. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill-over from any other category or categories, as applicable, at the discretion of our Company, in consultation with the BRLMs and the Designated Stock Exchange, subject to applicable laws. The Equity Shares, on Allotment, shall be traded only in the dematerialised segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate

Office. The Bid cum Application Forms will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors) must provide bank account details and authorisation by the ASBA bank account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such detail are liable to be rejected.

Further, such Bidders (other than Anchor Investors) shall ensure that the Bids are submitted at the Bidding Centres only on Bid cum Application Forms bearing the stamp of a Designated Intermediary (except in case of electronic Bid-cum-Application Forms) and Bid cum Application Forms not bearing such specified stamp may be liable for rejection. Bidders must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	**Colour of Bid cum Application Form***
Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis^	White
Non-Residents including FPIs and Eligible NRIs, FVCIs and registered bilateral and multilateral development financial institutions applying on a repatriation basis^	Blue
Anchor Investors**	-

** Excluding electronic Bid cum Application Forms*

***Bid cum Application Forms for Anchor Investors will be made available at the office of the BRLMs.*

^ *Electronic Bid cum Application forms will also be available for download on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com).*

Designated Intermediaries (other than SCSBs) shall submit/deliver the Bid cum Application Form to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Bank.

Who can Bid?

In addition to the category of Bidders set forth under the section "*General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 276, any other persons eligible to Bid in the Offer under the applicable laws, rules, regulations, guidelines, and policies are also eligible to invest in the Equity Shares.

Participation by associates and affiliates of the BRLMs and the Syndicate Members, Promoter, Promoter Group and persons related to Promoter/Promoter Group

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, and such Bid subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Promoter, Promoter Group, BRLMs and any persons related to the BRLMs (except Mutual Funds sponsored by entities related to the BRLMs) cannot apply in the Offer under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason therefore. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs applying on a repatriation basis should authorise their SCSBs to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") accounts, and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid amount, at the time of submission of the Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour).

Bids by FPI

In terms of the SEBI FPI Regulations, the issue of equity shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of the post-offer equity share capital of a company. Further, in terms of FEMA, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of a company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up equity share capital of a company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the board of directors followed by a special resolution passed by the shareholders of a company and subject to prior intimation to RBI. In terms of FEMA, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included. The existing individual and aggregate investment limits for an FPI in our Company are not exceeding 10% and 24% of the total paid-up equity share capital of our Company, respectively.

As per the circular issued by SEBI on November 24, 2014, these investment restrictions shall also apply to subscribers of offshore derivative instruments ("**ODIs**"). Two or more subscribers of ODIs having a common beneficial owner shall be considered together as a single subscriber of the ODI. In the event an investor has investments as a FPI and as a subscriber of ODIs, these investment restrictions shall apply on the aggregate of the FPI and ODI investments held in the underlying company. Further, an FPI shall issue ODIs only to those subscribers which meet the eligibility criteria as laid down in Regulation 4 of the SEBI FPI Regulations.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure *inter alia* that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among others, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF or FVCI registered with SEBI in any company should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission. Neither our Company, nor the BRLM's will be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company reserves the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 as amended (the "**Banking Regulation Act**"), and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks' own paid-up share capital and reserves, whichever is less. Further, the aggregate investment by a banking company in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by the SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

Bids by Systemically Important Non-Banking Financial Companies

In case of Bids made by Systemically Important Non-Banking Financial Companies, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof. Systemically Important Non-Banking Financial Companies participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

Insurer companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by the IRDA from time to time to time including the IRDA Investment Regulations.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with minimum corpus of ₹250 million and pension funds with a minimum corpus of ₹250 million, in each case, subject to applicable law and in accordance with their respective constitutional documents a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws as applicable must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and the Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and the Selling Shareholder, in consultation with the BRLMs, may deem fit.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see "*Offer Procedure – Part B – General Information Document for Investing in Public Issues*" on page 273.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason therefor.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the members of Syndicate are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation or as specified in this Draft Red Herring Prospectus.

In accordance with existing regulations, OCBs cannot participate in the Offer.

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act 2013, our Company will, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in [●]

edition of [●] (a widely circulated English national daily newspaper), [●] edition of [●] (a widely circulated Hindi national daily newspaper) and [●] edition of [●] (a widely circulated Marathi newspaper, Marathi also being the regional language of Maharashtra where our Registered and Corporate Office is located). Our Company shall, in the pre-Offer advertisement state the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of Underwriting Agreement and filing of Prospectus with the RoC

Our Company and the Selling Shareholder intend to enter into an Underwriting Agreement with the Underwriters on or immediately after the finalisation of the Offer Price. After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Offer Price, Anchor Investor Offer Price, Offer size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bid(s) during the Bid/ Offer Period and withdraw their Bid(s) until Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date.

***Do's*:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;

2. Ensure that you have Bid within the Price Band;

3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

4. Ensure that the details about the PAN, DP ID and Client ID are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in the dematerialised form only;

5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time;

6. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have an account with an SCSB and have mentioned the correct bank account number of that SCSB in the Bid cum Application Form;

7. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;

8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

9. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

10. Ensure that you request for and receive a stamped acknowledgement in the form of a counterfoil or by specifying the application number for all your Bid options as proof of registration of the Bid cum Application Form from the concerned Designated Intermediary;

11. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;

12. With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid;

13. Submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

14. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the Income Tax Act in the Bid cum Application Form. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;

15. Ensure that the Demographic Details are updated, true and correct in all respects;

16. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;

17. Ensure that the correct investor category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;

18. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents, including a copy of the power of attorney, are submitted;

19. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;

20. Bidders should note that in case the DP ID, Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, Client ID and PAN available in the Depository database, then such Bids are liable to be rejected.

21. Ensure that while Bidding through a Designated Intermediary, the Bid cum Application Form (other than for Anchor Investors) is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in) or such other website as updated from time to time.

22. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don’ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the Bid cum Application Forms to any non-SCSB bank or our Company;
8. Do not Bid on a Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;
9. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
10. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
11. Do not submit your Bid after 3.00 pm on the Bid/Offer Closing Date;
12. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/Offer Closing Date;
13. Instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process until six working days from the Bid/Offer Closing Date.
14. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
15. Do not submit the General Index Register (GIR) number instead of the PAN;
16. Do not submit incorrect details of the DP ID, Client ID and PAN or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
17. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account;
18. Do not submit more than five Bid cum Application Forms per ASBA Account;
19. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor;
20. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
21. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise; and
22. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).

The Bid cum Application Form is liable to be rejected if any of the above instructions or any other condition mentioned in this Draft Red Herring Prospectus, as applicable, is not complied with.

Payment into Escrow Account

Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS or NEFT). The payment instruments for payment into the Anchor Escrow Accounts should be drawn in favour of:

(i) In case of resident Anchor Investors: "[●]"

(ii) In case of non-resident Anchor Investors: "[●]"

Depository Arrangements

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated January 8, 2015 among NSDL, our Company and the Registrar to the Offer.
- Agreement dated July 31, 2017 among CDSL, our Company and Registrar to the Offer.

Undertakings by our Company

Our Company undertakes the following:

(i) That the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

(ii) If Allotment is not made, application monies will be refunded/unblocked in the ASBA Accounts within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;

(iii) That all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date;

(iv) That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

(v) Where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/ Offer Closing Date, or such time period as specified by SEBI, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

(vi) That, except for allotment of Equity Shares pursuant to exercise of options granted under the CEO ESOP 2016 and Employees ESOP 2016, no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/ unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.;

(vii) That if our Company or the Selling Shareholder do not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;

(viii) That if our Company and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with the SEBI, in the event our Company or the Selling Shareholder subsequently decides to proceed with the

Offer thereafter;

(ix) That our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time;

(x) That the allotment of securities/refund confirmation to Eligible NRIs shall be dispatched within specified time; and

(xi) That adequate arrangements shall be made to collect all Bid cum Application Forms.

Undertakings by the Selling Shareholder

The Selling Shareholder, undertakes the following in respect of itself and the Offered Shares:

(i) The Offered Shares are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or encumbrances and have been held by the Selling Shareholder for a period of at least one year prior to the date of this Draft Red Herring Prospectus and shall continue to be in dematerialised form at the time of transfer.

(ii) The Selling Shareholder is the legal and beneficial owners of and have full title to the Offered Shares.

(iii) That it shall provide all reasonable cooperation as requested by our Company and the BRLMs in relation to the completion of the Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders (as applicable) to the requisite extent of the Offered Shares;

(iv) The Selling Shareholder specifically confirms that it shall not have any recourse to the proceeds of the Offer, until final listing and trading approvals have been received from the Stock Exchanges;

(v) The Selling Shareholder shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid in the Offer, and shall not make any payment, direct or indirect, in the nature of discounts, commission, allowance or otherwise to any person who makes a Bid in the Offer, except as permitted under applicable law;

(vi) The Selling Shareholder will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer; and

(vii) The Selling Shareholder will take all such steps as may be required to ensure that the Offered Shares are available for transfer in the Offer.

The Selling Shareholder has authorised the Compliance Officer of our Company and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Utilisation of Offer Proceeds

The Selling Shareholder and our Company, severally and not jointly, specifically confirm and declare that all monies received from the Offer for Sale shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act 2013.

Withdrawal of the Offer

Our Company and the Selling Shareholder in consultation with the BRLMs, reserve the right to not proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If our Company and the Selling Shareholder withdraw the Offer, our Company will issue a public notice within two days from the Bid/Offer Closing Date or such time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The BRLMs, through the Registrar to the Offer, will instruct the SCSBs to unblock the ASBA Accounts within one Working Day from the day of receipt of such instruction. The notice of withdrawal will be issued in the same newspapers where the pre-Offer advertisements have appeared and the Stock Exchanges will also be informed promptly.

If our Company and the Selling Shareholder, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a public offering of Equity Shares, a fresh draft red herring prospectus will be filed and/or submitted with SEBI and the Stock Exchanges.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, and on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the SEBI ICDR Regulations.

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus ("**RHP**")/ Prospectus filed by the Issuer with the Registrar of Companies. Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India ("**SEBI**") at www.sebi.gov.in.

For the definitions of capitalised terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, the Companies Act 2013 (to the extent notified and in effect), the Companies Act 1956 (to the extent applicable), the SCRR, industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, an Issuer can either determine the Offer Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Offer ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-offer advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Offer Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 OFFER PERIOD

The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

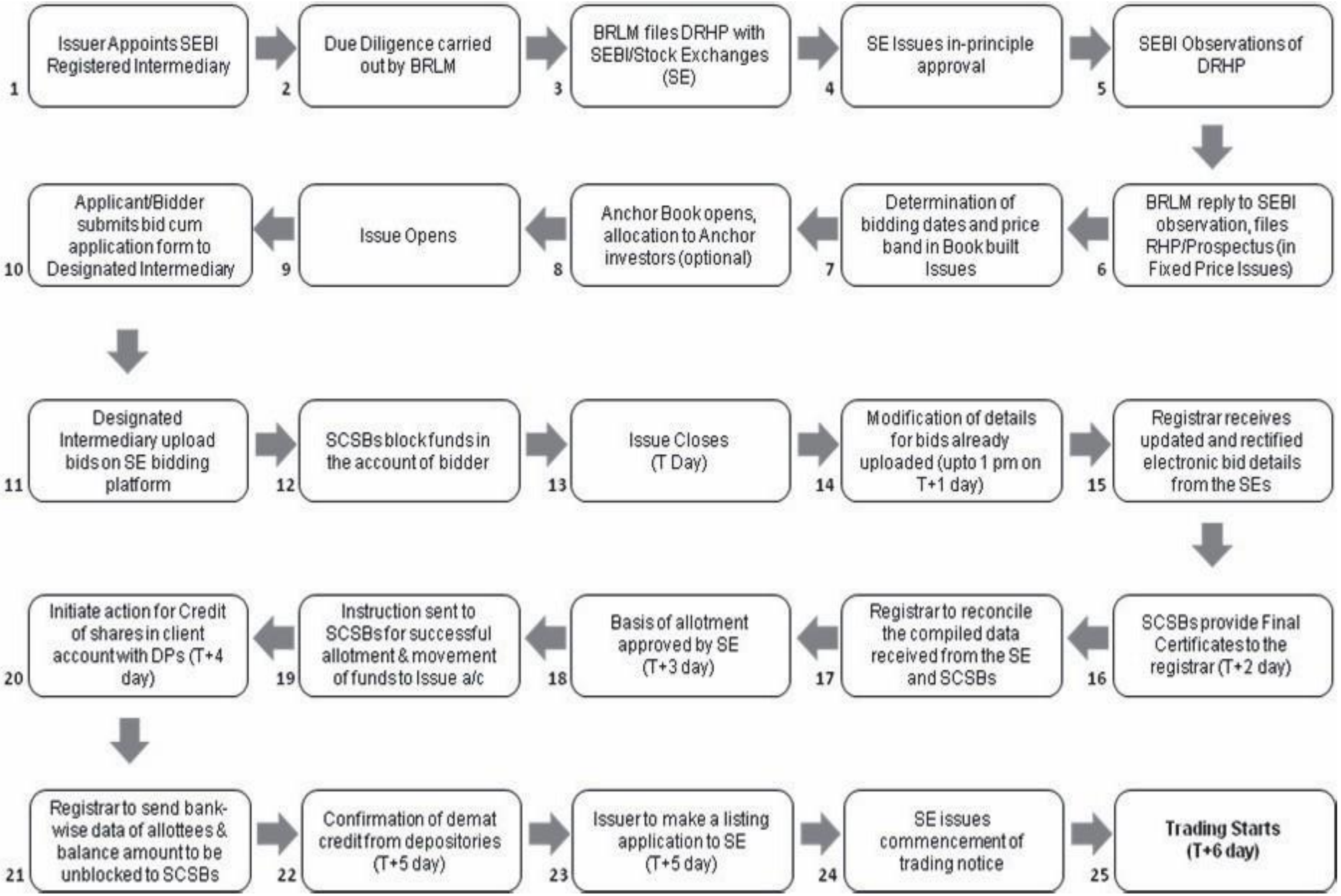
In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Offer Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs.:

- In case of Offer other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  i. Step 7: Determination of Offer Date and Price
  ii. Step 10: Applicant submits Bid cum Application Form with Designated Intermediaries.


1 Issuer Appoints SEBI Registered Intermediary
2 Due Diligence carried out by BRLM
3 BRLM files DRHP with SEBI/Stock Exchanges (SE)
4 SE Issues in-principle approval
5 SEBI Observations of DRHP
6 BRLM reply to SEBI observation, files RHP/Prospectus (in Fixed Price Issues)
7 Determination of bidding dates and price band in Book built Issues
8 Anchor Book opens, allocation to Anchor investors (optional)
9 Issue Opens
10 Applicant/Bidder submits bid cum application form to Designated Intermediary
11 Designated Intermediary upload bids on SE bidding platform
12 SCSBs block funds in the account of bidder
13 Issue Closes (T Day)
14 Modification of details for bids already uploaded (upto 1 pm on T+1 day)
15 Registrar receives updated and rectified electronic bid details from the SEs
16 SCSBs provide Final Certificates to the registrar (T+2 day)
17 Registrar to reconcile the compiled data received from the SE and SCSBs
18 Basis of allotment approved by SE (T+3 day)
19 Instruction sent to SCSBs for successful allotment & movement of funds to Issue a/c
20 Initiate action for Credit of shares in client account with DPs (T+4 day)
21 Registrar to send bank-wise data of allottees & balance amount to be unblocked to SCSBs
22 Confirmation of demat credit from depositories (T+5 day)
23 Issuer to make a listing application to SE (T+5 day)
24 SE issues commencement of trading notice
25 Trading Starts (T+6 day)

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law. Furthermore, certain categories of Bidders/Applicants, such as NRIs, FII's, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to hold and invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations and other laws, as applicable);
- FPIs registered with SEBI, provided that any FII who holds a valid certificate of registration shall be deemed to be an FPI until the expiry of the block of three years for which fees have been paid as per the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals Bidding only under the Non-Institutional Investors (NIIs) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- National Investment Fund set up by resolution no. F. No. 2/3/2005-DD-II dated November 23, 2005 of the GoI published in the Gazette of India;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form bearing stamp of a Designated Intermediary as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus. For Anchor Investors, Bid cum Application Forms shall be available at the offices of the BRLM.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the Designated Intermediary as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non-repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialised form in accordance with Section 29 of the Companies Act 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialized subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/ APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

Application Form – For Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✓ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VCF
☐ Alternative Investment Funds - AIF
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with individual)

7. PAYMENT DETAILS — PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Application Form – For Non – Residents

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR Address : .... Contact Details: .... CIN No	FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 3 | 2 | 1	Retail Discount 3 | 2 | 1	Net Price 3 | 2 | 1	"Cut-off" (Please ✔ tick)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

NRI	Non-Resident Indian(s) (Repatriation basis)
FII	FII or Sub-account not a Corporate/Foreign Individual
FIISA	FII Sub-account Corporate/Individual
FVCI	Foreign Venture Capital Investor
FPI	Foreign Portfolio Investors
OTH	Others (Please Specify)________

7. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐

Amount paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE/ FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ________	3)	

TEAR HERE

LOGO

XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

4.1.1 FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications (including letters notifying the unblocking of the bank accounts of Bidders (other than Anchor Investors) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act 2013 which is reproduced below:

"*Any person who:*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under Section 447.*"**

The liability prescribed under Section 447 of the Companies Act 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act 2013. In case of Allotment of the Equity Shares in dematerialised form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted

Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of the PAN, DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for any correspondence(s) related to an Offer.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs. 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed Rs. 200,000.

In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to Rs. 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise or withdraw their bids until Bid/Offer Closing Date. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to Rs. 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least Rs.10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Offer Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Offer Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Offer size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Offer portion in public category.

ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and allotment in the Offer are RIIs, NIIs and QIBs.

(b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked based on the authorisation provided in the Bid cum Application Form. If the Discount is applicable in the Offer, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) RIIs who Bid at Cut-off price shall be blocked on the Cap Price.

(c) All Bidders (except Anchor Investors) can participate in the Offer only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheque, demand draft, through money order or through postal order.

4.1.7.1. **Instructions for Anchor Investors:**

(a) Anchor Investors may submit their Bids with a Book Running Lead Manager.

(b) Payments should be made either by RTGS or NEFT.

(c) The Anchor Escrow Bank(s) shall maintain the monies in the Anchor Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for Bidders (other than Anchor Investors)**

(a) Bidders may submit the Bid cum Application Form either

i. in electronic mode through the internet banking facility offered by an SCSB authorising blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

ii. in physical mode to any Designated Intermediary.

(b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by a Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Bidders should submit the Bid cum Application Form only at the Bidding Centres, i.e. to the respective member of the Syndicate at the Specified Locations, the SCSBs, the Registered Broker at the Broker Centres, the CRTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(g) **Bidders bidding through Designated Intermediaries** other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.

(h) **Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be rejected.

(l) Upon submission of a completed Bid cum Application Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorised the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected. Bidders bidding through a member of the Syndicate should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified Locations. Bidders should also note that Bid cum Application Forms submitted to the Syndicate at the Specified Locations may not be accepted by the member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI).

4.1.7.1.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, (iv) the amount to be unblocked, if any in case of partial allotments and (v) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.7.2 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Offer may block for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder (other than employees) may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.

(c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form.

(b) All communications in connection with Bids/Applications made in the Offer should be addressed as under:

i. In case of queries related to Allotment, non-receipt of Allotment Advice, credit of Allotted Equity Shares, unblocking of funds, the Bidders/Applicants should contact the Registrar to the Issue.

ii. In case of Bids submitted to the Designated Branches of the SCSBs, the

Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

iii. In case of queries relating to uploading of Syndicate ASBA Bids, the Bidders/Applicants should contact the relevant Syndicate Member.

iv. In case of queries relating to uploading of Bids by a Designated Intermediary, the Bidders/Applicants should contact the relevant Designated Intermediary.

v. Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

(c) The following details (as applicable) should be quoted while making any queries –

i. full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

ii. name and address of the Designated Intermediary, where the Bid was submitted or

iii. Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

(a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their Bids or withdraw their bids until Bid/Offer Closing date.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R Address : .... Contact Details: .... CIN No...........	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS

LOGO

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE

ISIN : ....

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	**ESCROW BANK/SCSB BRANCH STAMP & CODE**
BANK BRANCH SERIAL NO.	**SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER

Mr. /Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (AS PER LAST BID OR REVISION)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures): Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 7 6 5 4 3 2 1	3 2 1	3 2 1	3 2 1	
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

6. PAYMENT DETAILS PAYMENT OPTION : FULL PAYMENT PART PAYMENT

Additional Amount Paid (₹ in figures) (₹ in words)

ASBA Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID REVISION FORM GIVEN OVERLEAF.

7A. SIGNATURE OF SOLE/ FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date :	3)	

TEAR HERE

LOGO

XYZ LIMITED BID REVISION FORM - INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3**: **NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed Rs. 200,000. In case the Bid Amount exceeds Rs. 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding will be unblocked.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) at the time of submitting the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(b) Bidder/Applicant, Bidder/Applicant may Offer instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds Rs. 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that no additional amount is required for blocking Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(d) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the Lead Manager to the Offer (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 10,000 to Rs. 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs**,** Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed Rs. 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds Rs. 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Offer size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:

i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Offer portion in public category.

ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations for the purpose of Bidding, allocation and Allotment in the Offer are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations. For details of any reservations made in the Offer, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Offer

(b) Application Amount cannot be paid in cash, cheques or demand drafts through money order or through postal order or through stock invest.

4.3.5.1 **Payment instructions for Applicants**

(a) Applicants may submit the Application Form in physical mode to the Designated Intermediaries.

(b) Applicants must specify only such Bank Account number maintained with the SCSB in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each Applicant may be deemed to have agreed to block the entire Application Amount and authorised the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Offer Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Offer must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Offer Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Offer Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Offer Account, and (iv) details of rejected Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful Application to the Public Offer Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Offer may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within six Working Days of the Offer Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Offer may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	To the Book Running Lead Managers at the Specified Locations mentioned in the Bid cum Application Form
All Applications (other than Anchor Investors)	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the CRTAs at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorised the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid-cum-Application Form will be considered as the application form.

SECTION 5: OFFER PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediary to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).

(c) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The Designated Intermediaries are given till 1:00 pm on the day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Offer Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Offer Closing Date. In case a RII wishes to withdraw the Bid, the same can be done by submitting a request for the same to the concerned Designated Intermediary, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finalisation of basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to

i. the Bids accepted by the Designated Intermediary;

ii. the Bids uploaded by the Designated Intermediary; and

iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediaries.

(b) The BRLM and their affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLM and their affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs & RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications of Bidders (other than Anchor Investors) accompanied by cash, draft, cheques, money order or any other mode of payment other than amounts blocked in the Bidders' ASBA Account maintained with an SCSB;

(c) Bids/Applications by OCBs;

(d) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(e) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(f) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(g) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(h) Bids/Applications by persons in the United States, that are not "qualified institutional buyers" (as defined under Rule 144A of the U.S. Securities Act);

(i) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(j) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(k) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(l) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(m) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;

(n) Bids/Applications at Cut-off Price by NIIs and QIBs;

(o) The amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(p) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(q) Submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(r) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(s) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(t) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Offer Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(u) Bank account mentioned in the Bid cum Application Form may not be an account maintained by SCSB. Inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(v) In case of Anchor Investors, Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Anchor Escrow Bank;

(w) Where no confirmation is received from SCSB for blocking of funds;

(x) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;

(y) Bid cum Application Form submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Anchor Escrow Bank (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Offer;

(z) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(aa) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in any category (except QIB category) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Net Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Net Issue. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes Bidding by Anchor Investors.*

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Offer the desired number of equity shares is the price at which the book cuts off, i.e., Rs. 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the Offer Price at or below such cut-off price, i.e., at or below Rs. 22.00. All bids at or above this Offer Price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (**"Alternate Book Building Process"**).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: OFFER PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Offer Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

ASBA Applicants may submit an Application Form either in physical form to the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (**"ASBA Account"**). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Issue, allocation in the offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot **("Maximum RII Allottees")**. The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Offer is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Offer is more than Maximum RII Allottees, the RIIs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIIs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations or RHP / Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer subject to compliance with the following requirements:

i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to Rs.10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 10 crores and up to Rs. 250 crores subject to minimum allotment of Rs. 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than Rs. 250 crores and an additional 10 Anchor Investors for every additional Rs. 250 crores or part thereof, subject to minimum allotment of Rs. 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Offer Price is higher than the Anchor Investor Offer Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Offer Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Offer Price is lower than the Anchor Investor Offer Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIIs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorised according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid Lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Anchor Escrow Bank shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Anchor Escrow Accounts, as per the terms of the Cash Escrow Agreement, into the Public Offer Account with the Bankers to the Offer. The balance amount after transfer to the Public Offer Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Cash Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Offer Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/ Offer Closing Date. The Issuer also ensures the credit of shares to the successful Applicant’s depository account is completed within five Working Days from the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON-RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act 2013, the Issuer may be punishable with a fine which shall not be less than Rs. 5 lakhs but which may extend to Rs. 50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than Rs. 50,000 but which may extend to Rs. 3 lakhs, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith may take steps to refund, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

If such money is not refunded to Bidders within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON-RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, as applicable, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/ Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. This is further subject to the compliance with Rule 19(2)(b) of the SCRR. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay or unblock the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of prescribed time period under applicable laws, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations but fails to Allot at least 75% of the Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

1. **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.

2. **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.

3. In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Bid cum Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

i. **NACH—**National Automated Clearing House is a consolidated system of ECS. Payment of refunds would be done through NACH for Anchor Investors having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refunds through NACH is mandatory for Anchor Investors having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

ii. **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine- digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

iii. **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account; and

iv. **RTGS**—Anchor Investors having a bank account with a bank branch which is RTGS enabled as per the information available on the website of RBI and whose refund amount exceeds ₹0.2 million, shall be eligible to receive refund through RTGS, provided the Demographic Details downloaded from the Depositories contain the nine digit MICR code of the Anchor Investor's bank which can be mapped with the RBI data to obtain the corresponding IFSC. Charges, if any, levied by the Anchor Escrow Bank for the same would be borne by our Company. Charges, if any, levied by the Anchor Investor's bank receiving the credit would be borne by the Anchor Investor.

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres etc. Bidders/Applicants may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the six Working Days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/ Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time. In case of inconsistency in the description of a term mentioned herein below and the description ascribed to such term in this Draft Red Herring Prospectus, the description as ascribed to such term in this Draft Red Herring Prospectus shall prevail.

Term	**Description**
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	A Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Escrow Account	Account opened with the Anchor Collection Bank and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid
Anchor Escrow Bank	Refer to definition of Banker(s) to the Offer
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations and the Red Herring Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by Bidders/Applicants, other than Anchor Investors, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant

Term	Description
Banker(s) to the Offer/Anchor Escrow Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Anchor Escrow Account(s) for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/ Offer Date by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	The date on which the Designated Intermediaries may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/ Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/ Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations. Applicants/Bidders may refer to the RHP/Prospectus for the Bid/Offer Period
Bid cum Application Form	An application form, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean a Bidder/Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Saturday (except 2nd and 4th Saturday of a month and public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account

Term	Description
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Collecting Registrar and Share Transfer Agents or CRTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes.
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the Bid cum Application Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Anchor Escrow Bank from the Anchor Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries /Collecting Agent	Syndicate Members, sub-syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and CRTAs, who are authorised to collect Bid cum Application Forms from the Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the CRTAs where Bidders can submit the Bid cum Application Forms to CRTAs. The details of such Designated RTA Locations, along with names and contact details of the CRTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations and including, in case of a new company, persons in the permanent and full-time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Cash Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Anchor Escrow Bank and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof

Term	Description
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RII Allottees	The maximum number of RIIs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price. The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)

Term	Description
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Offer Account	An account opened with the Banker to the Offer to receive monies from the Anchor Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/ Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹200,000 (including HUFs applying through their karta and eligible NRIs and does not include NRIs other than Eligible NRIs.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum Bid Lot, subject to availability in RII category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992

Term	**Description**
SEBI ICDR Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI which offers the facility of ASBA and the list of which is available on the website of the http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms, a list of which is included in the Bid cum Application Form
Stock Exchanges	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of Bid cum Application Forms by Syndicate Members
Syndicate Member(s)	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	Any day, other than the second and fourth Saturdays of each calendar month, Sundays and public holidays, on which commercial banks in Mumbai are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean any day, excluding all Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of the Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Consolidated FDI Policy and FEMA. The government bodies responsible for granting foreign investment approvals are the concerned ministries/departments of the Government of India and the RBI. The Union Cabinet has recently approved phasing out the FIPB, as provided in the press release dated May 24, 2017. Accordingly, pursuant to the office memorandum dated June 5, 2017, issued by the Department of Economic Affairs, Ministry of Finance, approval of foreign investment under the FDI policy has been entrusted to concerned ministries/departments. Subsequently, the DIPP issued the Standard Operating Procedure (SOP) for Processing FDI Proposals on June 29, 2017 (the "**SOP**"). The SOP provides a list of the competent authorities for granting approval for foreign investment for sectors/activities requiring Government approval. For sectors or activities that are currently under automatic route but which required Government approval earlier as per the extant policy during the relevant period, the concerned administrative ministry/department shall act as the competent authority (the "**Competent Authority**") for the grant of *post facto* approval of foreign investment. In circumstances where there is a doubt as to which department shall act as the Competent Authority, the DIPP shall identify the Competent Authority.

The DIPP has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendment to FEMA. In case of any conflict FEMA prevails. The Consolidated FDI Policy consolidates the policy framework in place as on August 27, 2017.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

The Equity Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) pursuant to Rule 144A or another available exemption from the registration requirements of the U.S. Securities Act, and (ii) outside the United States only in offshore transactions in reliance on Regulation S under the U.S. Securities Act and pursuant to the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholder and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII – MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Capitalised terms used in this section have the meaning that has been given to such terms in the Articles of Association of our Company. Pursuant to Schedule I of the Companies Act, 2013 and the SEBI ICDR Regulations, the main provisions of the Articles of Association of our Company are detailed below.

The Articles of our Company comprises of two parts, Part A and Part B, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part A and Part B, the provisions of Part B shall prevail and be applicable; however, Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares on a stock exchange in India pursuant to an initial public offering of the Equity Shares without any further action by our Company or by the Shareholders.

Main provisions of Part A

Alteration of share capital and issue of shares

Article 11 - Subject to the provisions of the Act and these Articles, the Company shall have the power to issue or re-issue preference shares in one or more series, whether convertible into Shares or not, and whether liable to be redeemed or otherwise, and on such terms and conditions, and to such persons, as may be specified in the resolution authorizing the same.

Article 12 - Subject to the provisions of the Act and these Articles, the Board may, if it thinks fit, allot and issue Shares as payment for any property brought into, or transferred to, or for services rendered to, the Company, in the conduct of its business and any such Shares shall be issued as fully paid up Shares.

Article 13 - Subject to the provisions of the Act and these Articles, the Company shall have the power to issue fully paid up bonus Shares to the Shareholders out of: (i) free reserves; (ii) the securities premium account; and (iii) the capital redemption reserve account.

Article 14 - Subject to applicable law and these Articles, the Company shall have the power, by passing a special resolution at a general meeting, to undertake a reduction of its (a) Share Capital, or (b) any capital redemption reserve account or (c) any share premium account, in each case, on the terms and conditions and in the manner specified in such resolution.

Further issue of capital

Article 15 - Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered:

(a) to persons who, at the date of the offer, are holders of Shares of the Company in proportion, as nearly as circumstances admit, to the paid-up share capital on those shares by sending a letter of offer subject to the following conditions, namely:

   (i) the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;

   (ii) the offer aforesaid shall be deemed-to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause (i) above shall contain a statement of this right;

   Provided that the Board may, without assigning any reason therefor, decline to allot any Shares to any Person in whose favour any Member may renounce Shares offered to such Member, in accordance with applicable laws.

   (iii) after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;

(b) to employees under a scheme of employees' stock option, subject to special resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under the law;

(c) to any persons, if it is authorized by a Special Resolution, whether or not those Persons include the persons referred to in clause (a) or clause (b) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to law;

(d) the notice referred to in clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.

(e) nothing in these Articles shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option or to the conversion of such debentures or loans into shares of the Company as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such debentures or loan containing such an option have been approved before the issue of such debentures or the raising of loan by a Special Resolution passed by the Company in a general meeting.

(f) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act and other applicable provisions of the Act and rules framed thereunder.

Borrowing and Financial Matters

Article 22 - Subject to the provisions of the Act and these Articles, the Board may, from time to time, at its discretion, borrow, raise or secure the payment of any sum of money for and on behalf the Company (including, by way of issue of debentures or other instruments representing such borrowings, whether secured or unsecured, and whether redeemable or convertible into Shares) in such manner and upon such terms and conditions as it may think appropriate, with the power to secure the payment or repayment of such money by creation of an encumbrance upon the whole or any part of the assets, property and/or revenue of the Company (present and future).

Article 23 - Any bonds, debentures, debenture-stock or other securities may if permissible in law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Shares shall not be issued except with, the consent of shareholders of the Company in a general meeting thereof, accorded by passing a Special Resolution.

Buy Back

Article 24 - Subject to the provisions of the Act and these Articles, the Company may purchase its own Shares, subject to such limits, upon such terms and conditions, and subject to such approvals, as may be required under applicable law, or as may be specified in the resolution authorizing the same.

Calls on Shares

Article 25- If the calls in respect of any monies unpaid on Shares are not made payable at fixed times by the conditions of allotment of such Shares, the Board may, from time to time, as may be deemed fit, make calls upon the members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium). A call may be revoked or postponed at the discretion of the Board, provided that the option or right to call on shares shall not be given to any person except with the sanction of the Company in a general meeting.

Article 26- A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and shall be required to be paid in the manner prescribed by the Board.

Article 27- In the event that a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, such Share may be forfeited by the Company in accordance with the provisions of the Act and these Articles.

Article 28- Any unpaid sum on the Shares which by the terms of issue of the Shares becomes payable on allotment or at any fixed date, shall be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to consequences of non-payment of calls, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

Article 29- The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him, provided that the money paid in advance of calls on any share may carry interest but shall not in respect thereof confer a right to dividend and participate in profits or any excess or advancement of voting rights. The Directors may at any time repay the amount so advanced. The provisions shall apply mutatis mutandis to debentures of the Company.

Lien

Article 30 - The Company shall have the first and paramount lien –

(a) on every Share (not being a fully paid Share) for all monies (whether presently payable or not) called or payable at a fixed time in respect of the Shares;

Article 31 - The Company’s lien, if any, on a Share shall extend to all dividends payable and bonuses declared from time to time in respect of such shares.

Article 32 - The Company may sell, in such manner as the Board thinks fit, any shares on which the company has a lien.

(a) To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.

(b) The purchaser of such Shares shall be registered as the holder of the Shares comprised in any such transfer.

(c) The purchaser and shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Article 33 -

(a) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.

(b) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the shares before the sale, be paid to the person entitled to the shares at the date of the sale.

Forfeiture of shares

Article 34- If a member fails to pay any call, or instalment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, by adopting a resolution to that effect and serving a notice on such member pursuant thereto, declare that the Shares respect of which the calls or instalment was not paid, stand forfeited, and such Shares shall accordingly stand forfeited.

Article 35- A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

Article 36- A Shareholder whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares and shall have no further rights with respect to the Company, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by him to the Company in respect of the Shares. The liability of such person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares (whether from such Shareholder or any subsequent holder of such Shares).

Article 37- The provisions of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, as if the same had been payable by virtue of a call duly made and notified.

Transfer of shares

Article 38 –

(a) The instrument of transfer of any share in the Company shall be duly executed by or on behalf of both the transferor and the transferee.

(b) The transferor shall be deemed to remain a holder of the share until the name of the transferee is entered in the register of members in respect thereof.

Article 39 - A common form of transfer shall be used. The instrument of transfer shall be in writing and all the provisions of the Act, the Rules and applicable laws shall be duly complied with in respect of transfer of shares and registration thereof.

Article 40 - Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the Transfer of, or the transmission by operation of Law of the right to, any Securities or interest of a Shareholder in the Company. The Company shall, within the time required under the law applicable at the time, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.

If the Company has not effected transfer of securities within 15 days or where the Company has failed to communicate to the transferee(s) any valid objection to the transfer, within the stipulated time period of 15 days, the Company shall compensate the aggrieved party for the opportunity losses caused during the period of the delay. Further, in relation to the aforementioned period of delay the Company shall provide all benefits, which have accrued, to the holder of securities in terms of provisions of Section 126 of Companies Act, 2013, and Section 27 of the Securities Contracts (Regulation) Act, 1956.

Article 41 - However, the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company in any manner and on any account whatsoever. Provided however registration of transfer may be refused if the Company has a lien on the shares that are proposed to be transferred or if such shares are not fully paid.

Meetings

Article 43 - **Annual General Meetings**

Subject to and in accordance with the provisions of the Act, the Company shall in each year hold, in addition to other meetings, a general meeting which shall be styled as its "Annual General Meeting" in accordance with the provisions of Section 96 of the Act.

Article 44 - **Extra-Ordinary General Meetings**

All general meetings other than Annual General Meeting shall be called Extraordinary General Meetings.

Article 45 - **Proceedings at General Meetings**

(a) No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business and throughout the meeting. The quorum for the general meeting shall be as provided in the Act.

(b) The chairperson of the Board shall be entitled to preside as the chairperson at every general meeting of the

Company.

(c) In the event that the Chairperson he is not present within 60 (sixty) minutes from the time appointed for holding the general meeting, or is unwilling to act as the chairperson of the meeting, the Directors present shall elect one of their members to be the Chairperson of the meeting.

(d) If at a meeting no Director is willing to act as the Chairperson or if no Director is present within 60 (sixty) minutes after the time appointed for holding the meeting, the members present shall choose one of them to be the Chairperson of the meeting.

Article 47 - **Convening of Meetings**

(a) Subject to and in accordance with the provisions of the Act, the Board may convene a meeting of the Shareholders by providing at least 21 (twenty-one) clear days prior written notice, in the manner prescribed under applicable law. However, a meeting of the Shareholders may be held at shorter notice, with the consent of the requisite majority of Shareholders as required in this regard under applicable law.

(b) Upon a requisition being made in writing by any Shareholder or a group of Shareholders who collectively hold at least 10% of the fully – paid up Shares of the Company, carrying voting rights, the Board shall give notice of, convene and hold a meeting of the Shareholders on the date specified in the notice of such requisition. If the date specified is less than 21 days from the date of the notice of such requisition, then such meeting shall be held subject to the consent of the requisite majority of Shareholders as required in this regard under applicable law being obtained. The agenda for such meeting of the Shareholders shall be as specified by such Shareholders who collectively hold at least 10% of the fully – paid up Shares of the Company, carrying voting rights, in the notice of such requisition.

Article 49 - **Voting Rights**

(a) Subject to any rights or restrictions for the time being attached to any class or classes of Shares, and the provisions of these Articles:

    (i) on a show of hands, every member of the Company entitled to vote and present in person, or by attorney or by proxy or being a corporation is present by a representative or proxy; and

    (ii) on a poll**,** every member of the Company who being an individual is present in person or by attorney or by proxy or being a corporation is present by a representative or proxy shall, in each case, have a voting right in proportion to his or its share of the paid-up capital of the Company.

(b) A member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.

(c) No member shall be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the company have been paid.

(d) In the case of joint holders, the vote of the senior of the joint holders, who tenders a vote, whether in person or through a representative or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.

Article 50 - **Proxies**

(a) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarized copy of that power or authority, shall be deposited at the registered office of the company not less than 48 (forty-eight) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote. If the instrument of proxy is not deposited in accordance with the provisions of this Article, the same shall not be treated as valid.

(b) An instrument appointing a proxy shall be in the form as prescribed in the Act and the rules made under Section 105 of the Act.

The Board

Article 51 - Subject to the provisions of the Act and these Articles, the control of the Company shall vest in the Board of Directors who may exercise all powers of the Company subject nevertheless to such regulations not inconsistent with the aforesaid provisions as may be prescribed by the Company in a general meeting but no such regulation shall invalidate any prior act of the Directors if otherwise valid.

Article 52 - **Board Composition**

(a) The Board shall consist of a minimum of three (3) directors and a maximum of fifteen (15) directors.

(b) Subject to (i) applicable law, (ii) these Articles and (iii) approval of the shareholders of the Company by way of special resolution subsequent to the date of listing of the Shares on stock exchange(s), Sion shall have the right to nominate two Directors on the Board and the directors nominated by Sion shall be non-executive directors who may or may not be required to retire by rotation as per applicable provisions, till such time Sion is a Shareholder. Sion shall have the power, by serving a notice in writing upon the Company, to withdraw or replace such nominee directors of Sion.

(c) Subject to (a) and (b), the Company shall have the power to appoint directors in accordance with applicable law.

(d) Directors of the Company shall not be required to hold qualification shares.

Article 53 - All cheques, promissory notes, drafts, hundis, bills of exchange and other negotiable instruments, and all receipts for monies paid to the company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, by such person and in such manner as the Board shall from time to time by resolution determine.

Article 54 - **Alternate Directors**

(a) Subject to the provisions of the Act and these Articles, the Board of Directors may appoint an alternate Director to act for a Director (hereinafter in this Article called "**the original Director**") at his suggestion or otherwise, during his absence for a period of not less than 3 (three) months from India.

(b) An alternate Director appointed pursuant to this Article shall not hold office as such for a period longer than permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to India.

(c) If the term of office of the original Director is determined before he so returns India, any provision for the automatic reappointment of the retiring Directors in default of another appointment shall apply to the original and not to the Alternate Director.

Article 55 - **Additional Directors**

(a) Subject to the provisions of the Act, these Articles, the Board shall have power at any time, and from time to time, to appoint a person as an additional Director, provided the number of the Directors and additional Directors together shall not at any time exceed the maximum strength fixed for the Board by the Articles.

(b) Such person shall hold office only up to the date of the next annual general meeting of the company but shall be eligible for appointment by the company as a Director at that meeting subject to the provisions of the Act.

Article 56- **Remuneration**

(a) The remuneration payable to Directors, shall, subject to the applicable provisions of the Act and of these Articles and of any contract between the Director and the Company, be fixed by the Company in a general meeting, and may be by way of fixed salary and/or perquisites or commission on profits of the Company or participation in such profits, or by any or all these modes not expressly prohibited by the Act.

(b) The fees payable to a Director for attending a meeting of the Board or Committee thereof shall be as decided by the Board of Directors from time to time and subject to such ceiling as may be prescribed by the Act or the Central Government.

The Directors may, subject to applicable law, and pursuant to resolution passed by the Board, be payable a sitting fee for all meetings of the Board.

(c) In addition to the remuneration or fee payable to them, the Directors may be reimbursed by the Company for travel, lodging and other out-of-pocket costs and expenses incurred by them, on the basis of actual expenditure, in the manner and to the extent as may be prescribed and approved by the Board.

Proceedings of Director's meetings

Article 60 - **Quorum**

(a) The quorum for meeting of the Board of Directors of the Company shall be one third of its total strength (any fraction contained in that one-third being rounded off as one) or 2 (two) Directors whichever is higher.

(b)If a meeting of the Board could not be held for want of quorum, then, unless the Directors present at such meeting otherwise decide, the meeting shall automatically stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday at the same time and place. The quorum for such adjourned meeting of the Board of Directors of the Company shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or 2 (two) Directors whichever is higher.

(c)In case of equality of votes, the chairperson of the Board shall have a second or casting vote.

(d) Subject to the provisions of the Act, Directors may participate in relevant meetings by telephone or video conferencing or audio-visual means or any other means of contemporaneous communication, provided that each Director must acknowledge his presence for the purpose of the meeting. Any Director attending a meeting other than in person shall conclusively be presumed to have been present and formed part of the quorum at all times during the meeting unless such Director has previously notified the Board of its intent to leave the meeting.

Article 62 - **Chairman**

The Board shall appoint one of the Directors as the Chairman of the Board and such appointment shall require the affirmative vote of a three fourth majority of the Directors present at a duly constituted meeting of the Board. In the event of any equality of votes, the Chairman of the Board shall have a second or casting vote.

Article 63 - **Committee**

(a) The Board may constitute such committees as it may deem fit and proper to assist with the management of specific aspects of the business of the Company ("**Committees**") and to ensure compliance with the applicable provisions of the Act.

(b) The meetings of each Committee shall be convened at such frequency as the members of such Committee / Board of Directors may decide from time to time.

(c) The provisions of these Articles in so far as they apply to the meetings of the Board shall apply *mutatis mutandis* to the meetings of the Committees.

(d) Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board.

Article 64 - All acts done in any meeting of the Board or of a Committee or by any person acting as a Director shall, notwithstanding that it may be afterwards discovered that that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such Director or person had been duly appointed and was qualified to be a Director.

Article 65 - Save as otherwise expressly provided in the Act, and subject to the provisions of these Articles, a resolution in writing, signed by all the members of the Board or of a committee thereof, for the time being entitled to receive notice of a meeting of the Board or committee, shall be valid and effective as if it had been passed at a meeting of the Board or committee, duly convened and held.

Notices

Article 66- The notice for each Board Meeting shall be required to be given to each Director of the Company, whether residing in India or abroad, at the address given, by such Director to the Company.

Article 67- The notice for each general meeting shall be given to all Shareholders, whether in India or abroad, existing on the date of such notice and whose name appears in the register of members. Such notice shall be given to all Shareholders, at the address specified in the Register, or at such other address as the Shareholder may have specified in writing to the Company.

Article 68- The notices mentioned above may be sent by registered post, courier, facsimile, telex or any other form of electronic communication capable of making a written record.

Dividends and Reserve

Article 69 - Subject to the provisions of the Act and to these Articles, the Company may by ordinary resolution declare dividends in accordance with the respective rights of the members, but no dividend shall exceed the amount recommended by the Board.

Article 70 - Subject to the provisions of the Act and these Articles, the Board may, from time to time, pay such interim dividends as appear to it to be justified by the distributable profits of the Company.

Article 71 - The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, thinks fit.

Article 72 - The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.

Article 73 - Subject to the rights of persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.

Article 74 - Notwithstanding anything contained in these Articles, the dividends paid by the Company shall at the discretion of the Board be paid to the Shareholder in proportion to the amount called and paid up on each Share, and not on any amounts uncalled but advanced by members.

Article 75 - **Unclaimed Dividend**

(a) The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.

(b) If the Company has declared a dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of Dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank to be called the "**Unpaid Dividend of CMS Info Systems Limited**".

(c) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund established under sub-section (1) of section 125 of the Act, viz. "Investors Education and Protection Fund".

(d) There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.

Main provisions of Part B

Article 86 - Definitions:

"**Sion**" shall mean Sion Investment Holdings Pte Limited.

Article 87 –

(a) The quorum required for a general meeting shall be 3 (three) members, which must include at least 1 (one) authorised representative or authorized proxy- holder of Sion, unless such requirement has been waived in writing by Sion.

(b) The authorized representative, or authorized proxy-holder of Sion shall be the Chairperson of the meeting, and shall preside over the general meeting.

Article 88 -

(a) A meeting of the Shareholders may be held at shorter notice, with the consent of the three fourth majority of Shareholders, which must include the prior written consent of Sion, unless such requirement has been waived in writing by Sion.

(b) Upon a requisition being made in writing by Sion, the Board shall give notice of, convene and hold a meeting of the Shareholders on the date specified in the notice of such requisition. If the date specified is less than 21 days from the date of the notice of such requisition, then such meeting shall be held subject to the consent of three fourth majority of Shareholders, and the notice of requisition shall be deemed to constitute the grant of consent by Sion for this purpose. The agenda for such meeting of the Shareholders shall be as specified by Sion in the notice of such requisition.

Article 89 - The Chairperson may adjourn a meeting with the consent of the majority of the Shareholders present at any meeting at which the quorum is present (which must include the written consent of Sion, unless such requirement has been waived in writing by Sion). The quorum required for such adjourned general meeting shall be 3 (three) members, which must include at least 1 (one) authorised representative or authorized proxy-holder of Sion, unless such requirement has been waived in writing by Sion.

Article 90 -

(a) Subject to Article 52(a), at least 2 (two) directors shall be nominated by Sion ("Sion Nominees"), and the Sion nominees shall be non-executive directors who may or may not be required to retire by rotation as per applicable provisions. Sion shall have the power, by serving a notice in writing upon the Company, to withdraw or replace such Sion Nominees, and the office of the relevant Sion Nominee shall be deemed to have been vacated immediately upon receipt of such a notice by the Company.

(b) Subject to Article 87, the Company shall have the power to appoint directors in accordance with applicable law.

Article 91 - A Board Meeting can be held at a shorter notice, with the prior written consent of a three fourth majority of Directors (which must include the consent of at least one of the Sion Nominees, unless such requirement has been waived in writing by Sion).

Article 92 - The quorum for meeting of the Board of Directors of the Company must include at least one of the Sion Nominees, unless such requirement has been waived in writing by Sion; provided that where Sion has waived the requirement of quorum including at least one of the Sion Nominees, the Board shall not consider, discuss or vote upon any matters other than matters set out in agenda for such meeting as provided to Sion (or the Sion Nominees).

Article 93 - The quorum for an adjourned meeting of the Board of Directors of the Company which must include at least one of the Sion Nominees, unless such requirement has been waived in writing by Sion; provided that where Sion has waived the requirement of quorum including at least one of the Sion Nominees, the Board shall not consider, discuss or vote upon any matters other than matters set out in agenda for such meeting as provided to Sion (or the Sion Nominees).

Article 94 - Where any resolution, action or decision of the Board does not receive an affirmative vote from either of the Sion Nominees, the Board and / or the Company shall not act on, or take any steps in respect of, such resolution, action or decision, and such resolution, action or decision shall be referred to, and voted on by, the Shareholders at a duly constituted general meeting of the Company.

Article 95 - The appointment of the Chairman of the Board of Directors shall require the affirmative vote of at least one of the Sion Nominees.

Article 96 - Sion shall have the right to inspect any corporate records of the Company, and for this purpose, shall have the right to authorize its representatives or advisers to conduct such inspection, and the Company shall provide full co-operation, and take all actions necessary for, facilitating such inspection.

Article 97 - The Shareholders shall be entitled to enter into agreements or arrangements restricting their ability to transfer Shares or other securities issued by the Company, and such agreement or arrangement shall be binding on the Company if: (i) the Company is a party to the agreement or arrangement; or (ii) the agreement or arrangement has been notified to the Company in writing (along with a copy thereof), by a Shareholder (each a "**Transfer Restriction**"). The terms of such Transfer Restrictions shall be deemed to have been incorporated in these Articles.

Article 98 - Any transfer of Shares or other securities by any Shareholder in violation of a Transfer Restriction, shall be null and void ab initio, and the Company shall not be obligated to register any such transfer.

Article 99 - The right to appoint an additional director of the Board shall require the prior written consent of Sion.

Article 100 - Notwithstanding anything stated in Article 77, Sion shall have the right to inspect any accounts or books or documents of the Company, and for this purpose, shall have the right to authorise its representatives or advisers to conduct such inspection, and the Company shall provide full co-operation, and take all actions necessary for, facilitating such inspection.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Draft Red Herring Prospectus) which are, or may be deemed material, have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus delivered to the RoC for registration, and also the documents for inspection referred to hereunder may be inspected at our Registered and Corporate Office, from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Material Contracts to the Offer

1. Offer Agreement dated September 27, 2017 entered into among our Company, the Selling Shareholder and the BRLMs.
2. Registrar Agreement dated September 27, 2017 entered into among our Company, the Selling Shareholder and the Registrar to the Offer.
3. Escrow Agreement dated [●] entered into among our Company, the Selling Shareholder, the BRLMs, Escrow Bank(s), Refund Bank and the Registrar to the Offer.
4. Share Escrow Agreement dated [●] entered into among the Selling Shareholder, our Company and a share escrow agent.
5. Syndicate Agreement dated [●] entered into among the members of the Syndicate, our Company, the Selling Shareholder and the Registrar to the Offer.
6. Underwriting Agreement dated [●] entered into among our Company, the Selling Shareholder, the BRLMs and Syndicate Members.

Other Material Contracts in relation to our Company

1. Employment agreement between our Company and Rajiv Kaul, Executive Vice Chairman, Chief Executive Officer and Whole Time Director of our Company, dated September 16, 2017.
2. Business Transfer Agreement between our Company, Clover Transactions Systems Private Limited and Sienna Systems Resources Private Limited dated August 2, 2016, as amended by amendment agreements dated September 15, 2016, November 22, 2016 and January 17, 2017.

Material Documents

1. Certified copies of our Memorandum of Association and Articles of Association as amended until date.
2. Certificate of incorporation dated March 26, 2008.
3. Board resolution of our Company dated August 19, 2017, authorising the Offer and other related matters.
4. Board resolution of Sion Investment Holdings Pte. Limited passed at the meeting dated September 7, 2017, proposing 44,400,000 Equity Shares for sale by way of the Offer for Sale.
5. Resolution passed by the members of Sion Investment Holdings Pte. Limited in their meeting dated September 7, 2017, authorising the sale of 44,400,000 Equity Shares by way of the Offer for Sale.
6. Consent letter of the Selling Shareholder dated September 25, 2017, authorising its participation in the Offer for Sale.
7. Copies of annual reports for the five Fiscal years, i.e., Fiscals 2017, 2016, 2015, 2014 and 2013.
8. The examination reports of the Statutory Auditors dated August 28, 2017, on our Restated Financial Statements included in this Draft Red Herring Prospectus.
9. Copies of auditor's reports and director's reports of our Company for Fiscals 2017, 2016, 2015, 2014 and 2013.
10. Consent dated September 27, 2017, from the Statutory Auditors namely, S. R. Batliboi & Associates LLP, Chartered Accountants, to include their name as required under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus and as an "expert" as defined under Section 2(38) of the Companies Act, 2013, in respect of the reports of the Statutory Auditors on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 28, 2017 and the statement of possible special tax benefits dated September 4, 2017, included in this Draft Red Herring Prospectus and such consent has not been withdrawn as on the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert" as defined under the U. S. Securities Act.

11. Consents of Bankers to our Company, the BRLMs, Syndicate Members, Registrar to the Offer, Bankers to the Offer, Escrow Banks, Refund Banks, legal counsel, industry data provider, Directors of our Company, Company Secretary and Compliance Officer, Chief Financial Officer as referred to act, in their respective capacities.
12. The reports on the Restated Unconsolidated Financial Statements and Restated Consolidated Financial Statements, each dated August 28, 2017 and the report on statement of possible special tax benefits dated September 4, 2017.
13. In-principle listing approvals dated [●] and [●] from BSE and NSE, respectively.
14. SEBI final observation letter dated [●] and our *in-seriatim* reply dated [●].
15. Tripartite Agreement dated January 8, 2015 among our Company, NSDL and the Registrar to the Offer.
16. Tripartite Agreement dated July 31, 2017 among our Company, CDSL and the Registrar to the Offer.
17. Due diligence certificate to SEBI from the BRLMs, dated September 27, 2017.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION BY SION INVESTMENT HOLDINGS PTE. LIMITED, AS THE SELLING SHAREHOLDER

Sion Investment Holdings Pte. Limited confirms and certifies that all statements and undertakings specifically made or confirmed by it in this Draft Red Herring Prospectus, about or in relation to itself and the Equity Shares offered by it through the Offer for Sale, are true and correct. Sion Investment Holdings Pte. Limited assumes no responsibility for any other statements, including, any of the statements made or confirmed by or relating to the Company in this Draft Red Herring Prospectus.

For and on behalf of Sion Investment Holdings Pte. Limited

Name: **Jimmy Lachmandas Mahtani**

Designation: Director

Date: September 27, 2017

Place: Singapore

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government of India, or the rules, regulations or guidelines issued by the Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, the Securities and Exchange Board of India Act, 1992, each as amended or the rules, regulations or guidelines issued thereunder, as the case may be. We further certify that all the statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Krzysztof Wieslaw Jamroz
(Chairman and Independent Director) ______________________________

Rajiv Kaul
(Executive Vice Chairman, Chief Executive Officer and Whole-time Director) ______________________________

Jimmy Lachmandas Mahtani
(Non-Executive Director) ______________________________

Ashish Agrawal
(Non-Executive Director) ______________________________

Lai Peng Wong
(Non-Executive Director) ______________________________

Gopal Krishna Pillai
(Independent Director) ______________________________

SIGNED BY CHIEF FINANCIAL OFFICER

____

Pankaj Khandelwal
(President and Chief Financial Officer)

Date: September 27, 2017

Place: Mumbai