DRAFT RED HERRING PROSPECTUS
Dated August 20, 2018
Please read Section 32 of the Companies Act, 2013
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
Book Built Offer

AGS TRANSACT TECHNOLOGIES LIMITED

Our Company was incorporated in Mumbai, Maharashtra on December 11, 2002 as AGS Infotech Private Limited, a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to AGS Transact Technologies Private Limited and the Registrar of Companies, Maharashtra issued a fresh certificate of incorporation dated June 3, 2010. Our Company was then converted into a public limited company and consequently, its name was changed to AGS Transact Technologies Limited and the Registrar of Companies, Maharashtra issued a fresh certificate of incorporation dated July 20, 2010. For further details in relation to changes in the name of our Company, see "*History and Certain Corporate Matters*" on page 167.

Registered Office: 601-602 Trade World, B Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India
Tel: +91 22 6781 2000; **Fax:** +91 22 2493 5384
Corporate Office: 14th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013, Maharashtra, India; **Tel:** +91 22 7181 8181
Contact Person: Ms. Sneha Kadam, Company Secretary and Compliance Officer **Email:** ipo@agsindia.com; **Website:** www.agsindia.com
Corporate Identity Number: U72200MH2002PLC138213

OUR PROMOTERS: MR. RAVI B. GOYAL AND VINEHA ENTERPRISES PRIVATE LIMITED

INITIAL PUBLIC OFFERING OF UP TO [●] EQUITY SHARES OF FACE VALUE OF ₹10 EACH (THE "EQUITY SHARES") OF AGS TRANSACT TECHNOLOGIES LIMITED (THE "COMPANY") FOR CASH AT A PRICE OF ₹[●] PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹[●] PER EQUITY SHARE) (THE "OFFER PRICE") AGGREGATING UP TO ₹10,000 MILLION CONSISTING OF A FRESH ISSUE OF UP TO [●] EQUITY SHARES BY OUR COMPANY AGGREGATING UP TO ₹4,000 MILLION (THE "FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES AGGREGATING UP TO ₹6,000 MILLION COMPRISING AN OFFER FOR SALE OF UP TO [●] EQUITY SHARES BY MR. RAVI B. GOYAL (THE "PROMOTER SELLING SHAREHOLDER") AND UP TO [●] EQUITY SHARES BY THE OTHER SELLING SHAREHOLDERS (AS DEFINED HEREINAFTER, COLLECTIVELY WITH THE PROMOTER SELLING SHAREHOLDER, THE "SELLING SHAREHOLDERS" AND SUCH OFFER OF EQUITY SHARES BY THE SELLING SHAREHOLDERS, THE "OFFER FOR SALE"). THE FRESH ISSUE AND THE OFFER FOR SALE ARE TOGETHER REFERRED TO AS THE "OFFER". THE OFFER WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST-OFFER PAID-UP EQUITY SHARE CAPITAL OF OUR COMPANY.

Our Company and the Promoter Selling Shareholder may consider a pre-Offer placement of up to 5,000,000 Equity Shares for an aggregate amount not exceeding ₹1,250 million at their discretion (the "Pre-IPO Placement"). Our Company and the Promoter Selling Shareholder will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY AND THE PROMOTER SELLING SHAREHOLDER, IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGERS (THE "BRLMs") AND WILL BE ADVERTISED IN ALL EDITIONS OF THE ENGLISH NATIONAL DAILY NEWSPAPER [●], ALL EDITIONS OF THE HINDI NATIONAL DAILY NEWSPAPER [●], AND THE [●] EDITION OF THE MARATHI DAILY NEWSPAPER [●] (MARATHI BEING THE REGIONAL LANGUAGE OF MAHARASHTRA, WHERE OUR REGISTERED OFFICE IS LOCATED), EACH WITH WIDE CIRCULATION, 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 SUCH ADVERTISEMENT SHALL BE MADE AVAILABLE TO BSE LIMITED (THE "BSE") AND NATIONAL STOCK EXCHANGE OF INDIA LIMITED (THE "NSE") FOR THE PURPOSE OF UPLOADING ON THEIR RESPECTIVE WEBSITES.

In case of any revision in the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the websites of the BRLMs and the terminals of the Syndicate Members and by intimation to other Designated Intermediaries (as defined hereinafter).

The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (the "**SCRR**") and in compliance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "**SEBI ICDR Regulations**"), wherein 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**") (the "**QIB Portion**"), provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations (the "**Anchor Investor Portion**"), of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. Further, 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion 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 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 potential investors, other than Anchor Investors, are required to mandatorily utilize the Application Supported by Blocked Amount ("**ASBA**") process by providing details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs to participate in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see "*Offer Procedure*" on page 520.

RISK IN RELATION TO THE FIRST ISSUE

This being the first public issue of our Company, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹10 each and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Offer Price (determined and justified by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, as stated in "*Basis for Offer Price*" on page 113) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares offered in the Offer have not been recommended or approved by the Securities and Exchange Board of India (the "**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 20.

COMPANY'S AND SELLING SHAREHOLDERS' 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 make 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. The Selling Shareholders severally and not jointly accept responsibility that this Draft Red Herring Prospectus contains all information about them as a Selling Shareholder in the context of the Offer for Sale and assume responsibility for statements in relation to them included in this Draft Red Herring Prospectus.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from each of the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be the [●]. 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 that will be 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 591.

BOOK RUNNING LEAD MANAGERS						REGISTRAR TO THE OFFER
ICICI Securities	AXIS CAPITAL	HDFC BANK We understand your world	IIFL	IndusInd Bank	NOMURA	LINK INTIME INDIA PVT LTD
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: ags.ipo@icicisecurities.com Website: www.icicisecurities.com Investor grievance ID: customercare@icicisecurities.com Contact person: Suyash Jain/Anurag Byas SEBI registration number: INM000011179	**Axis Capital Limited** 1st Floor, Axis House C-2, Wadia International Centre P.B. Marg, Worli Mumbai 400 025 Maharashtra, India Tel: + 91 22 4325 2183 Fax : +91 22 4325 3000 E-mail: ags.ipo@axiscap.in Website: www.axiscapital.co.in Investor grievance ID: complaints@axiscap.in Contact person: Kanika Sarawgi Goyal SEBI registration number: INM000012029	**HDFC Bank Limited** Investment Banking Group, Unit No. 401 & 402, 4th floor Tower B, Peninsula Business Park Lower Parel Mumbai 400 013 Maharashtra, India Tel: +91 22 3395 8021 Fax: +91 22 3078 8584 E-mail: ags.ipo@hdfcbank.com Website: www.hdfcbank.com Investor grievance ID: investor.redressal@hdfcbank.com Contact person: Rakesh Bhunatar SEBI registration number: INM000011252	**IIFL Holdings Limited** 10th Floor, IIFL Centre, Kamala City Senapati Bapat Marg Lower Parel (West) Mumbai 400 013 Maharashtra, India Tel: +91 22 4646 4600 Fax: +91 22 2493 1073 E-mail: ags.ipo@iiflcap.com Website: www.iiflcap.com Investor grievance ID: ig.ib@iiflcap.com Contact person: Pranay Doshi / Koustav Pal SEBI registration number: INM000010940	**IndusInd Bank Limited** 11th Floor, One Indiabulls Centre Tower 1, 841 Senapati Bapat Marg Elphinstone Road Mumbai 400 013 Maharashtra, India Tel: +91 22 7143 2208 Fax: +91 22 7143 2270 E-mail: joshi.rahul@indusind.com Website: www.indusind.com Investor grievance ID: investmentbanking@indusind.com Contact person: Rahul Joshi SEBI registration number: INM000005031	**Nomura Financial Advisory and Securities (India) Private Limited** Ceejay House, Level 11 Plot F, Shivsagar Estate, Worli Mumbai 400 018 Maharashtra, India Tel: +91 22 4037 4037 Fax: +91 22 4037 4111 E-mail: agsipo@nomura.com Website: www.nomuraholdings.com/company/group/asia/india/index.html Investor grievance ID: investorgrievances-in@nomura.com Contact person: Vishal Kanjani /Aneesha Chandra SEBI registration number: INM000011419	**Link Intime India Private Limited** C-101, 1st Floor, 247 Park L.B.S. Marg Vikhroli (West) Mumbai 400 083 Maharashtra, India Tel: +91 22 4918 6200 Fax: + 91 22 4918 6195 Email: ags.ipo@linkintime.co.in Website: www.linkintime.co.in Investor grievance ID: ags.ipo@linkintime.co.in Contact person: Shanti Gopalkrishnan SEBI registration number: INR000004058

BID/OFFER PROGRAMME	
BID/OFFER OPENS ON: [●][(1)]	**BID/OFFER CLOSES ON (FOR QIBS)[(2)]: [●]**
	BID/OFFER CLOSES ON (FOR NON-QIBs): [●]

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

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meanings as provided below. References to any legislation, act, regulation, rule, guideline, policy, circular, notification or clarification will be deemed to include all amendments, supplements, re-enactments and modifications thereto from time to time, and any reference to a statutory provision shall include any subordinate legislation made from time to time thereunder. If there is any inconsistency between the definitions given below and the definitions contained in the General Information Document (as defined hereinafter), the following definitions shall prevail.

General Terms

Term	Description
our Company or the Company or the Issuer or AGSTTL	AGS Transact Technologies Limited, a company incorporated under the Companies Act, 1956, whose registered office is situated at 601-602 Trade World, B Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India
we or us or our	Unless the context otherwise indicates or implies, refers to our Company together with its Subsidiaries

Company Related Terms

Term	Description
Articles or Articles of Association	Articles of association of our Company, as amended
Audit Committee	The audit committee of the Board of Directors as described in "*Our Management*" on page 183
Auditors or Statutory Auditors	The statutory auditors of our Company, namely, B S R & Co. LLP, Chartered Accountants
Board or Board of Directors	The board of directors of our Company or a duly constituted committee thereof
Compulsorily Convertible Preference Shares or CCPS or Preference Shares	Compulsorily and fully convertible preference shares of our Company of face value of ₹10 each. There are no outstanding CCPS as of the date of this Draft Red Herring Prospectus
Corporate Office	The corporate office of our Company, located at 14th Floor, Tower 3, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai 400 013, Maharashtra, India
Corporate Social Responsibility Committee	The corporate social responsibility committee of the Board of Directors, as described in "*Our Management*" on page 185
Director(s)	The director(s) of our Company
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP Schemes	The employee stock option schemes instituted by our Company, namely the ESOS 2012 and the ESOS 2015
ESOS 2012	The employee stock option scheme instituted by our Company in 2012, namely, the Employee Stock Option Scheme – ESOS 2012, as amended. For details, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plans*" on page 97
ESOS 2015	The employee stock option scheme instituted by our Company in 2015, namely, the Employee Stock Option Scheme – ESOS 2015. For details, see "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plans*" on page 101
Group Entities	The entities that constitute related parties of our Company under the applicable accounting standards on the basis of the Restated Consolidated Financial Information and any other company considered material by the Board of Directors, as disclosed in "*Our Group Entities*" on page 196

Term	Description
GTSL	Global Transact Services Pte. Ltd.
Independent Director(s)	The non-executive independent director(s) of our Company
IPO Committee	The IPO committee of the Board of Directors as described in "*Our Management*" on page 185
ITSL	India Transact Services Limited
Key Management Personnel	Key managerial personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013, and the senior management personnel as disclosed in "*Our Management*" on page 175
Memorandum or Memorandum of Association	Memorandum of association of our Company, as amended
Nomination and Remuneration Committee	The nomination and remuneration committee of the Board of Directors as described in "*Our Management*" on page 184
Non-executive Director(s)	The non-executive Director(s) of our Company
Novus Cambodia	Novus Technologies (Cambodia) Company Limited
Novus Lanka	Novustech Transact Lanka (Private) Limited
Novus Philippines	Novus Transact Philippines Corporation
Novus SGP	Novus Technologies Pte. Ltd.
Novus SPA	Share purchase agreement dated November 25, 2013 among GTSL, Novus SGP and Mr. Balasubramanian Narayan Iyer
Oriole	Oriole Limited
Promoters	The promoters of our Company, namely Mr. Ravi B. Goyal and Vineha Enterprises Private Limited
Promoter Group	The entities and persons constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations, as disclosed in "*Our Promoters and Promoter Group*" on page 192
Registered Office	The registered office of our Company, located at 601-602 Trade World, B Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India
Registrar of Companies or RoC	The Registrar of Companies, Maharashtra located at Mumbai
Restated Consolidated Financial Information	The restated consolidated financial information of our Company, along with our subsidiaries, for (i) the Financial Years ended March 31, 2018, March 31, 2017 and March 31, 2016 (presented in accordance with Ind AS); and (ii) the Financial Years ended March 31, 2015 and March 31, 2014 (presented in accordance with Indian GAAP), and comprises the restated consolidated summary statement of assets and liabilities, the restated consolidated summary statement of profit and loss (including other comprehensive income (where applicable)), restated consolidated summary statement of changes in equity (where applicable), the restated consolidated summary statement of cash flows and notes to the restated consolidated financial information
Restated Financial Information	The Restated Consolidated Financial Information and the Restated Standalone Financial Information
Restated Standalone Financial Information	The restated standalone financial information of our Company for (i) the Financial Years ended March 31, 2018, March 31, 2017 and March 31, 2016 (presented in accordance with Ind AS); and (ii) the Financial Years ended March 31, 2015 and March 31, 2014 (presented in accordance with Indian GAAP) which comprises the restated standalone summary statement of assets and liabilities, the restated standalone summary statement of profit and loss (including other comprehensive income (where applicable), the restated standalone summary statement of changes in equity (where applicable), the restated standalone summary statement of cash flows and notes to the restated standalone financial information
Risk Management Committee	The risk management committee of the Board of Directors as described in "*Our Management*" on page 185
Shareholders	The holders of the Equity Shares, from time to time

Term	Description
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Board of Directors as described in "*Our Management*" on page 184
Subsidiaries	The subsidiaries of our Company, namely: 1. Securevalue India Limited; 2. India Transact Services Limited; 3. Global Transact Services Pte. Ltd.; 4. Novus Technologies Pte. Ltd.; 5. Novus Technologies (Cambodia) Company Limited; 6. Novus Transact Philippines Corporation; and 7. Novustech Transact Lanka (Private) Limited For details, see "*History and Certain Corporate Matters - Subsidiaries*" on page 167
SVIL	Securevalue India Limited
TPG	TPG Star SF Pte. Ltd.

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot or Allotment or Allotted	Allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to each successful Bidder who has been or is to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, in accordance with the SEBI ICDR Regulations and the Red Herring Prospectus, who has Bid for an amount of at least ₹100 million
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period in terms of the Red Herring Prospectus and the Prospectus, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which shall be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	The day that is one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	The final price at which Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price, but not higher than the Cap Price. The Anchor Investor Offer Price will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs
Anchor Investor Portion	Up to 60% of the QIB Portion or up to [●] Equity Shares, which may be allocated by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and to authorize an SCSB to block the Bid Amount in the ASBA

Term	Description
	Account.
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount specified in such ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder	Any Bidder except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Axis Capital	Axis Capital Limited
Banker(s) to the Offer	The Escrow Collection Bank(s), Refund Bank(s) and Public Offer Account Bank(s)
Basis of Allotment	The basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in "*Offer Procedure*" on page 520
Bid	An indication to make an offer during the Bid/Offer Period by ASBA Bidders pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by the Anchor Investors pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto in accordance with the SEBI ICDR Regulations. The term "Bidding" shall be construed accordingly
Bid Amount	In relation to each Bid, the highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Anchor Investor or blocked in the ASBA Account of the ASBA Bidder, as the case may be, upon submission of such Bid
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the case may be
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries shall not accept any Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, 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
Bid/Offer Opening Date	Except in relation to any Bids received from Anchor Investors, the date on which the Designated Intermediaries shall start accepting Bids, which shall be notified in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	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	The centres at which the Designated Intermediaries shall accept the ASBA Forms, *i.e.*, Designated Branches for SCSBs, Specified Locations for the Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process or Book Building Method	The book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made

Term	Description
Book Running Lead Managers or BRLMs	The book running lead managers to the Offer, namely, ICICI Securities Limited, Axis Capital Limited, HDFC Bank Limited, IIFL Holdings Limited, IndusInd Bank Limited and Nomura Financial Advisory and Securities (India) Private Limited
Broker Centres	The broker centres notified by the Stock Exchanges where ASBA Bidders can submit the ASBA Forms to a Registered Broker. The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
CAN or Confirmation of Allocation Note	A notice or intimation of allocation of the Equity Shares sent to Anchor Investors who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cash Escrow Agreement	The agreement to be entered into among our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, the Syndicate Members, the Escrow Collection Bank(s), the Public Offer Account Bank(s) and the Refund Bank(s) for, *inter alia*, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable, remitting refunds of the amounts collected from Anchor Investors, on the terms and conditions thereof
Cap Price	The higher end of the Price Band, subject to any revision thereto, above which the Offer Price and the Anchor Investor Offer Price will not be finalized and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to a demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of the circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 issued by the SEBI
Cut-off Price	The Offer Price finalized by our Company and the Promoter 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. No other category of Bidders is permitted to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs where ASBA Bidders can submit the ASBA Forms, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time
Designated CDP Locations	Such locations of the CDPs where ASBA Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the CDPs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account(s) and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate after filing of the Prospectus with the RoC
Designated Intermediaries	Syndicate, sub-Syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where ASBA Bidders can submit ASBA Forms to the RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com), as updated from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated August 20, 2018 filed with the SEBI and issued in accordance with the SEBI ICDR Regulations, which does not

Term	Description
	contain complete particulars of the price at which the Equity Shares will be Allotted, including any addenda or corrigenda hereto
Eligible FPI(s)	FPI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Bid cum Application Form and the Red Herring Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares offered thereby
Escrow Account(s)	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit or NACH or NEFT or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Collection Bank(s)	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and with whom the Escrow Account(s) shall be opened, in this case being [●]
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name also appears as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalized and below which no Bids will be accepted
Fresh Issue	The issue of up to [●] Equity Shares aggregating up to ₹4,000 million by our Company, in terms of the Red Herring Prospectus
General Information Document or GID	The General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (No. CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI, as updated to reflect enactments and regulations to the extent applicable to a public issue, including the circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and the circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 issued by the SEBI, as suitably modified and included in "*Offer Procedure*" on page 520
HDFC Bank	HDFC Bank Limited
IIFL	IIFL Holdings Limited
IndusInd	IndusInd Bank Limited
I-Sec	ICICI Securities 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
Monitoring Agency	[●]
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion) or [●] Equity Shares, which shall be available for allocation only to Mutual Funds on a proportionate basis, subject to valid Bids being received at or above the Offer Price
Net Proceeds	The proceeds of the Fresh Issue less our Company's share of the Offer related expenses. For further information regarding use of the Net Proceeds and the Offer expenses, see "*Objects of the Offer*" on page 107
Nomura	Nomura Financial Advisory and Securities (India) Private Limited
Non-Institutional Investors or NIIs	All Bidders (including Category III FPIs) that are not QIBs or Retail Individual Investors 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 Portion	The portion of the Offer being not less than 15% of the Offer, or [●] Equity Shares, which shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price
Offer	The initial public offering of up to [●] Equity Shares for cash at a price of ₹[●]

Term	Description
	per Equity Share, aggregating up to ₹10,000 million comprising the Fresh Issue and the Offer for Sale. Our Company and the Promoter Selling Shareholder may consider a Pre-IPO Placement. Our Company and the Promoter Selling Shareholder will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
Offer Agreement	The agreement dated August 20, 2018 entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to [●] Equity Shares for cash aggregating up to ₹6,000 million by the Selling Shareholders, comprising (i) up to [●] Equity Shares by the Promoter Selling Shareholder; (ii) up to [●] Equity Shares by Mr. Anand Agarwal; (iii) up to [●] Equity Shares by Mr. V.C. Gupte; (iv) up to [●] Equity Shares by Mr. Shailesh Shetty; (v) up to [●] Equity Shares by Mr. Nikhil Patiyat; (vi) [●] Equity Shares aggregating by Mr. Rajesh Shah; and (vii) up to [●] Equity Shares by Mr. Ravindra Deshpande, in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to successful Bidders (except for the Anchor Investors) in terms of the Red Herring Prospectus and the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus and the Prospectus
Other Selling Shareholders	Collectively, Mr. Anand Agarwal, Mr. V.C. Gupte, Mr. Shailesh Shetty, Mr. Nikhil Patiyat, Mr. Rajesh Shah and Mr. Ravindra Deshpande
Pre-IPO Placement	The proposed pre-Offer private placement by our Company and the Promoter Selling Shareholder of up to 5,000,000 Equity Shares for an aggregate amount not exceeding ₹1,250 million at their discretion. Our Company and the Promoter Selling Shareholder will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.
Price Band	Price band of a minimum price of ₹[●] per Equity Share (*i.e.*, the Floor Price) and the maximum price of ₹[●] per Equity Share (*i.e.*, the Cap Price), including any revisions thereof. The Price Band and the minimum Bid Lot for the Offer will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date
Pricing Date	The date on which our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, will finalize the Offer Price
Promoter Selling Shareholder	Mr. Ravi B. Goyal
Prospectus	The prospectus for the Offer to be filed with the RoC on or after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, *inter alia*, the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information, including any addenda or corrigenda thereto
Public Offer Account(s)	'No-lien' and 'non-interest-bearing' bank account(s) opened in accordance with Section 40(3) of the Companies Act, 2013, with the Public Offer Account Bank(s) to receive money from the Escrow Account(s) and the ASBA

Term	Description
	Accounts maintained with the SCSBs on the Designated Date
Public Offer Account Bank(s)	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue, with which the Public Offer Account(s) shall be opened, being [●]
QIB Portion	The portion of the Offer being 50% of the Offer, or [●] Equity Shares, which shall be allocated on a proportionate basis to QIBs, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price or the Anchor Investor Allocation Price, as applicable
Qualified Institutional Buyer(s), QIB(s) or QIB Bidder(s)	Qualified institutional buyer(s) as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The red herring prospectus for the Offer to be issued by our Company 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 will be Allotted, including any addenda or corrigenda thereto. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon registration with the RoC on or after the Pricing Date
Refund Account(s)	'No-lien' and 'non-interest-bearing' bank account opened with the Refund Bank(s) from which refunds (excluding refunds to ASBA Bidders), if any, of the whole or part of the Bid Amount may be made to the Anchor Investors
Refund Bank(s)	The bank(s) which are clearing members and registered with the SEBI as bankers to an issue, with which Refund Account(s) shall be opened, being [●]
Registered Brokers	The 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 the circular (No. CIR/CFD/14/2012) dated October 4, 2012 issued by the SEBI
Registrar Agreement	The agreement dated August 20, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer relating to the Offer
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Individual Investors or RIIs	Individual Bidders who have Bid for Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through the karta and Eligible NRIs) and does not include NRIs (other than Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer, or [●] Equity Shares, which 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
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Amount in their Bid cum Application Forms or any previous Revision Forms. QIBs and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of the quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date
Self-Certified Syndicate Bank(s) or SCSB(s)	The banks registered with the SEBI and offering services in relation to ASBA, a list of which is available on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time
Share Escrow Agent	Share escrow agent appointed pursuant to the Share Escrow Agreement, being [●]
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of

Term	Description
	Equity Shares under the Offer for Sale by the Selling Shareholders and the credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding Centres where the Syndicate will accept ASBA Forms, a list of which is available at the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time
Syndicate or Members of the Syndicate	The BRLMs and the Syndicate Members
Syndicate Agreement	The agreement to be entered into among the BRLMs, the Syndicate Members, the Selling Shareholders and our Company in relation to the collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, being [●]
Underwriters	[●]
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date but prior to the filing of the Prospectus with the RoC
Working Day(s)	All days other than the second and the fourth Saturday of a month or a Sunday or a public holiday on which commercial banks in Mumbai, India are open for business, except with reference to announcement of the Price Band and the Bid/Offer Period, where "Working Day(s)" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, "Working Day(s)" shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016 issued by the SEBI

Technical/Industry Related Terms/Abbreviations

Term	Description
AePS	Aadhaar Enabled Payment System
AFC	Automatic Fare Collection
AMC	Annual Maintenance Contracts
ATM	Automated Teller Machine
BHIM	Bharat Interface for Money
CIT	Cash-in-transit
CPD	Cash Pick-up and Delivery
CUG	Closed User Group
DBT	Direct Benefit Transfers
EFT	Electronic Fund Transfer
EMV	Europay Mastercard Visa
EPS	Electronic Payment and Services
GPS	Global Positioning System
GTV	Gross Transaction Value
IAD	Independent ATM Deployer
iCD	Intelligent Cash Deposit
IMPS	Immediate Payment Service
LAB	Local Area Bank
MDR	Merchant Discount Rate
MMT	Million metric tonnes
MSP	Managed Service Provider
mPOS	Mobile Point of Sale
NFC	Near Field Communication

Term	Description
NFS	National Financial Switch
NPCI	National Payments Corporation of India
PIN	Personal Identification Number
PMJDY	Pradhan Mantri Jan-Dhan Yojana
POS	Point of Sale
PPI	Pre-Paid Payment Instrument
PPI Master Directions	Master Direction on Issuance and Operation of Pre-Paid Payment Instruments dated October 11, 2017
PSAR Act	Private Security Agencies (Regulation) Act, 2005
PSA Rules	Private Security Agencies (Private Security to Cash Transportation Activities) Rules, 2018
PSB	Public Sector Bank
PSU	Public Sector Undertaking
PSS Act	Payment and Settlement Systems Act, 2007
RBI	Reserve Bank of India
RCM	Retail Cash Management
RFID	Radio Frequency Identification
RRB	Regional Rural Bank
SaaS	Software-as-a-Service
SCB	Scheduled Commercial Bank
UCB	Urban Co-operative Bank
UPI	Unified Payment Interface
UPF	Universal Payment Framework
VSAT	Very Small Aperture Terminals
WLA	White Label ATM
WLA Guidelines	The guidelines on WLAs in India issued by the RBI on June 20, 2012

Conventional Terms/Abbreviations

Term	Description
AGM	Annual General Meeting
Alternative Investment Funds or AIFs	Alternative investment funds as defined in, and registered under the SEBI AIF Regulations
AS or Accounting Standards	Accounting Standards issued by the Institute of Chartered Accountants of India
AWPLR	Average Weighted Prime Lending Rate
BSE	BSE Limited
CAGR	Compounded Annual Growth Rate
Category I FPIs	FPIs registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II FPIs	FPIs registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III FPIs	FPIs registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identity Number
Companies Act	The Companies Act, 1956, to the extent in force and the Companies Act, 2013, to the extent notified, as applicable
Companies Act, 2013	The Companies Act, 2013, to the extent notified, read with the rules, regulations, clarifications and notifications thereunder
Companies Act, 1956	The Companies Act, 1956, to the extent in force read with the rules, regulations, clarifications and notifications thereunder
CSR	Corporate social responsibility
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996

Term	Description
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP or Depository Participant	A depository participant as defined under the Depositories Act
DP ID	Depository Participant’s identification number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary General Meeting
EPS	Earnings per share
ESIC Act	Employees’ State Insurance Act, 1948
FCNR Account	Foreign Currency Non-Resident Account, and has the meaning ascribed to the term “FCNR(B) account” under the Foreign Exchange Management (Deposit) Regulations, 2016
FDI	Foreign direct investment
FDI Policy	The ‘Consolidated FDI Policy Circular of 2017’ (No. 5(1)/2017-FC-1) issued by the DIPP, which took effect from August 28, 2017
FEMA	Foreign Exchange Management Act, 1999 read with the rules and regulations thereunder
FEMA Regulations	The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017
Financial Year or Fiscal or Fiscal Year or FY	The period of 12 months ending March 31 of that particular year
FIR	First information report
FPIs	Foreign portfolio investors as defined under the SEBI FPI Regulations
FVCI	Foreign venture capital investors as defined in and registered with the SEBI, under the SEBI FVCI Regulations
GDP	Gross domestic product
GoI or Government or Central Government	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
ICAI	The Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Income Tax Act	The Income-tax Act, 1961
Ind AS	The Indian Accounting Standards referred to and notified in the Ind AS Rules
Ind AS Rules	The Companies (Indian Accounting Standards) Rules, 2015
Indian GAAP	Generally Accepted Accounting Principles in India
IPC	Indian Penal Code, 1860
IPO	Initial Public Offering
IRDAI	Insurance Regulatory and Development Authority of India
IRDAI Investment Regulations	Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016
IST	Indian Standard Time
IT Act	Information Technology Act, 2000
KYC	Know Your Customer
LIBOR	London Interbank Offered Rate
MCA	Ministry of Corporate Affairs, Government of India
MCLR	Marginal Cost of Funds based Lending Rate
MIBOR	Mumbai Interbank Offered Rate
MRTU and PULP Act	Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971
Mutual Fund(s)	Mutual fund(s) registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
N.A. or NA	Not applicable
NACH	National Automated Clearing House
NAV	Net asset value

Term	Description
NBFC	Non-Banking Financial Company
NEFT	National Electronic Fund Transfer
NR or Non-Resident	A person resident outside India, as defined under the FEMA, including Eligible NRIs, FPIs and FVCIs registered with the SEBI
NRI	A person resident outside India, who is a citizen of India or an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB or Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately prior to such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not permitted to invest in the Offer
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number allotted under the Income Tax Act
PAT	Profit After Tax
RoNW	Return on Net Worth
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
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 ESOP Guidelines	Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
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
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
SICA	The erstwhile Sick Industrial Companies (Special Provisions) Act, 1985
Sq. Ft. or sq. ft.	Square feet
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
STT	Securities Transaction Tax
Systemically Important NBFCs	In the context of a Bidder, a non-banking financial company registered with the RBI and having a net worth of more than ₹5,000 million as per its last audited financial statements
TAN	Tax Deduction and Collection Account Number allotted under the Income-

Term	Description
	tax Act
TDS	Tax deducted at source
Trade Marks Act	Trade Marks Act, 1999
US GAAP	Generally Accepted Accounting Principles in the United States of America
VAT	Value added tax
VCFs	Venture capital funds as defined in and registered with the SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Wilful Defaulter(s)	Wilful defaulter as defined under Regulation 2(1)(zn) of the SEBI ICDR Regulations

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

Notwithstanding the foregoing, terms in "*Statement of Tax Benefits*", "*Regulations and Policies*", "*History and Certain Corporate Matters*", "*Financial Statements*", "*Industry Overview*", "*Outstanding Litigation and Material Developments*" and "*Main Provisions of Articles of Association*" on pages 116, 162, 167, 203, 119, 475 and 563, respectively, shall have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references to "India" contained in this Draft Red Herring Prospectus are to the Republic of India, all references to "Cambodia" are to the "Kingdom of Cambodia", all references to "Philippines" are to the Republic of Philippines, all references to "Singapore" are to the Republic of Singapore, all references to "Sri Lanka" are to the "Democratic Socialist Republic of Sri Lanka" and all references to the "U.S.", "United States" or "U.S.A." are to the "United States of America" and its territories and possessions.

Unless otherwise specified, any time mentioned in this Draft Red Herring Prospectus is in Indian Standard Time. Unless indicated otherwise, all references to a year in this Draft Red Herring Prospectus are to a calendar year.

Financial Data

Unless stated or the context requires otherwise, our financial data included in this Draft Red Herring Prospectus is derived from the Restated Financial Information. For further information, see "*Financial Statements*" on page 203.

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 Year, unless stated otherwise, are to the 12 months period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year.

The GoI has adopted the Indian accounting standards ("**Ind AS**"), which are converged with the International Financial Reporting Standards of the International Accounting Standards Board ("**IFRS**") and notified under Section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016 (the "**Ind AS Rules**"). The Restated Financial Information based on financial statements as at and for the Financial Year ended March 31, 2018, have been prepared in accordance with Ind AS as prescribed under Section 133 of Companies Act 2013 read with the Ind AS Rules and other relevant provisions of the Companies Act, 2013 and as at and for the Financial Year ended March 31, 2017, in accordance with Ind AS being the applicable accounting standards for the comparative period; and the financial information as at and for the Financial Year ended March 31, 2016, prepared in accordance with Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 which has been converted into figures as per the Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the Financial Year ended March 31, 2018, (the financial information as at and for the Financial Year ended March 31, 2016 is referred to as the "**Proforma Ind AS Restated Financial Information**"); and the financial information as at and for the Financial Years ended March 31, 2015 and March 31, 2014 have prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP, IndAS, U.S.GAAP and IFRS. The reconciliation of the financial information to IFRS or US GAAP financial statements has not been provided. Our Company has not attempted to also explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus, and it is urged that you consult your own advisors regarding such differences and their impact on our Company's financial data. 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 policies and practices, Ind AS, Indian GAAP, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with these accounting principles and regulations on our financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

All figures in decimals (including percentages) have been rounded off to one or two decimals. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. In this Draft Red Herring Prospectus, (i) the sum or percentage change of certain 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. Any such discrepancies are due to rounding off.

Unless stated or the context requires otherwise, any percentage amounts, as set forth in "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 20, 141 and 447, respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the Restated Financial Information.

Currency and Units of Presentation

All references to "₹", "Rs." or "Rupees" are to Indian Rupees, the official currency of the Republic of India.

All references to "US$" or "USD" are to United States Dollars, the official currency of the United States of America.

All references to "S$" or "SGD" are to the Singapore Dollar, the official currency of the Republic of Singapore.

All references to "KHR" are to the Cambodian Riel, the official currency of the Kingdom of Cambodia.

All references to "PHP" are to the Philippine Peso, the official currency of the Republic of Philippines.

All references to "LKR" are to the Sri Lankan Rupee, the official currency of the Democratic Socialist Republic of Sri Lanka.

Certain numerical information has been presented in this Draft Red Herring Prospectus in "million" units. 1,000,000 represents one million and 1,000,000,000 represents one billion.

Exchange Rates

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

The following table sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	Exchange rate as on				
	March 28, 2018[(1)] (₹)	March 31, 2017 (₹)	March 31, 2016 (₹)	March 31, 2015 (₹)	March 31, 2014 (₹)
1 USD	65.04	64.84	66.33	62.59	60.10
1 LKR	0.42	0.42	0.44	0.46	0.46
1 SGD	49.52	46.40	48.89	45.50	47.45
1 PHP	1.24	1.29	1.43	1.39	1.33
1 KHR	0.02	0.02	0.02	0.02	0.01

(Source: RBI Reference Rate from www.rbi.org.in, www.oanda.com)

(1) The reference rate is not available for March 31, 2018 being a Saturday and March 30, 2018 and March 29, 2018 being public holidays.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources such as reports titled "India ATM Market Outlook to 2023 – By ATM Supply, Managed Services (ATM Repair, Maintenance and Other Services, Transaction Processing, Cash Reconciliation Statement, Content and Electronic General Management) & Cash Management (ATM Replenishment, CIT, CPD)" dated June 2018 ("**India ATM Market Outlook to 2023**") and "India Payment Services Market Outlook to 2023 – by Online Payments, M – Pos, IMPS, AePS, USSD – Bhim Transactions, UPI, M – Wallet, POS Terminal, Payment Gateways, CUG Cards, Payment Security Segment" dated July 2018 ("**India Payment Services Market Outlook to 2023**", and together with "**India ATM Market Outlook to 2023**", the "**Ken Reports**"), prepared by Ken Research Private Limited. The Ken Reports have been commissioned by our Company for the purposes of confirming our understanding of the industry in connection with the Offer. Additionally, certain industry related information in "*Summary of Industry*", "*Summary of Business*", "*Industry Overview*", "*Our Business*", "*Risk Factors*" and

"*Management's Discussion and Analysis of Financial Condition and Results of Operation*" on pages 46, 50, 119, 141, 20 and 447, respectively, has been derived from the Ken Reports.

For details of risks in relation to the Ken Reports, see "*Risk Factors – We have relied on third party industry reports which have been used for industry related data, including commissioned reports, in this Draft Red Herring Prospectus. Prospective investors are advised not to place undue reliance on such information*" on page 38.

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy, adequacy, completeness or underlying assumptions are not guaranteed and their reliability cannot be assured. Although we consider the industry and market data used in this Draft Red Herring Prospectus to be reliable, it has not been independently verified by our Company, our Directors, the Selling Shareholders, the BRLMs or any of their respective affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. 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 and assumptions that may prove to be incorrect. 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 information. There are no standard data gathering methodologies in the industry in which our Company conducts 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 disclosed in "*Risk Factors*" on page 20. Accordingly, no investment decision should be made on the basis of such information.

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward-looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "likely" "objective", "plan", "project", "seek to", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our Company's strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties. Important factors that could cause actual results to differ materially from our Company's expectations include, but are not limited to, the following:

- our reliance on customers in the banking sector in India and any adverse development in the growth of the number of ATMs or the usage of ATMs in India;
- our top customers suffering a deterioration of their business, ceasing to do business with us or substantially reducing their dealings with us;
- continuation of our relationship with Diebold Nixdorf;
- implementation of new regulations or changes to existing laws and regulations impacting our business;
- our ability to implement our business strategies;
- our ability to effectively compete against current and future competitors;
- our ability to manage risks arising from our cash management business;
- our reliance on third parties for certain services and any disruption, deficiency in service or increase in cost of such services;
- our ability to meet obligations under our debt financing arrangements and our ability to raise additional capital;
- our ability to attract and retain key personnel;
- outcome of legal proceedings pending against us;
- risks arising from changes in interest rates, currency fluctuations and inflation; and
- general economic and business conditions in India and other countries.

For further discussion of factors that could cause the actual results to differ from the expectations, see "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 20, 141 and 447, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. None of our Company, our Directors, the Selling Shareholders, the Syndicate or any of their respective affiliates has 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 the SEBI requirements, our Company and the BRLMs will ensure that investors are informed of material developments from the date of the Red Herring Prospectus until the date of Allotment. The Selling Shareholders will severally and not jointly ensure that investors are informed of material developments in relation to the statements and undertakings confirmed by such Selling Shareholder from the date of the Red Herring Prospectus until the date of Allotment.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry, regions and segments in which we currently operate or propose to operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our businesses, results of operations, financial condition and cash flows. If any of the following risks, or other risks that are not currently known or are currently deemed immaterial, actually occur, our businesses, results of operations, financial condition and cash flows could suffer, the trading price of our Equity Shares could decline and you may lose all or part of your investment. To obtain a complete understanding of our Company, prospective investors should read this section in conjunction with "Our Business", "Industry Overview" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 141, 119 and 447, respectively, as well as the financial, statistical and other information contained in this Draft Red Herring Prospectus. 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 risks involved. You should consult your tax, financial and legal advisers about the particular consequences to you of an investment in our Equity Shares.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks, assumptions, estimates 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 details, see "Forward-Looking Statements" on page 19.

This section contains industry-related data and statistics from the reports titled "India ATM Market Outlook to 2023" and "India Payment Services Market Outlook to 2023", prepared by Ken Research Private Limited, which we have commissioned.

Unless specified or quantified in the relevant risk factors below, we are not in a position to quantify the financial or other implications of any of the risks described in this section.

Internal Risk Factors

1. We derive a significant portion of our revenues from our customers in the banking sector in India. Consequently, any adverse development in the growth of the number of ATMs or the usage of ATMs in India could have an adverse effect on our business, results of operations, cash flows and financial condition.

We derive a significant portion of our revenues from our customers in the banking sector in India. Our banking sector operations comprise Banking Automation Solutions, which includes the supply and installation of ATMs and other automated banking products, the ATM site development and the provision of services, including maintenance, software and hardware upgrades and spare parts, and Payment Solutions, which includes ATM outsourcing and managed services, cash management services, intelligent cash deposit machines ("**iCDs**"), transaction switching and digital payment solutions, merchant solutions, toll and transit solutions and agency banking. For the financial years 2018, 2017 and 2016, our aggregate revenue from our customers in the banking sector were 70.9%, 70.9% and 78.2% of our total revenue from operations, respectively. The success of our business thus depends on various factors, including the ability of the banks to grow and maintain their existing ATM network in India, the demand for ATM services, our ability to successfully sell, deploy, operate, maintain and manage ATMs and ATM sites, our relationship and commercial negotiations with banks and financial institutions, consumer spending habits, such as carrying out transactions at ATMs, and macroeconomic conditions in India and globally. Government policies may also affect our business. For example, the Government of India's demonetization of the currency in November 2016 led to a shortage of currency circulation and a decline in the number of transactions on the ATM network, slowing the growth of the ATM managed services market during the financial year 2017. In addition, as new banking licences for potential entrants to the banking industry are difficult to obtain in India, our customer pool may be limited, which could also have an adverse effect on our growth.

Further, under our current arrangements with banks, we either derive our fees on a lump sum basis or on the basis of the number of successful financial and, in certain cases, non-financial transactions at an ATM. In cases where we derive our revenues on a per transaction basis, our transaction fees are determined through negotiations between us and our customers and could be reduced over time due to factors such as increased competition and lower demand for cash-based services and availability of other technology solutions. Further, under certain arrangements with banks, such transaction fees are not automatically adjusted for increases in our costs, including due to inflation.

Consequently, any adverse development in the growth of the number of ATMs in India, reduction in transaction fees or a decline in the usage of the ATMs managed, operated and maintained by us could have an adverse effect on our business, results of operations, cash flows and financial condition.

2. We derive a substantial portion of our revenue from a limited number of customers. If one or more of our top customers were to suffer a deterioration of 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.

The following table sets out revenue derived from certain of our customers, each of which constituted more than 10% of our total revenue, for the periods indicated:

Customers	Financial Year					
	2018		2017		2016	
	Revenue (*₹ in millions)*	% of Total Revenue	Revenue (*₹ in millions)*	% of Total Revenue	Revenue (*₹ in millions)*	% of Total Revenue
ICICI Bank Limited	3,550.48	24.0%	2,949.44	22.1%	2,879.28	23.8%
AXIS Bank Limited	2,027.39	13.7%	2,032.33	15.2%	2,113.77	17.5%

For the financial years 2018, 2017 and 2016, we derived 37.7%, 37.3% and 41.3% of our total revenues, respectively, from our top two customers – ICICI Bank Limited and Axis Bank Limited, and 64.1%, 68.6% and 67.6% of our total revenues, respectively, from our top ten customers. Accordingly, a significant percentage of our future revenues will depend upon the successful continuation of our relationship with these customers.

The loss of any of our major 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 number of ATMs supplied, maintained, operated or managed by us in their locations would result in a decline in our revenues. Further, if any of our major customers' financial conditions were to deteriorate in the future, and as a result, one or more of these customers was required to close their ATMs at a significant number of locations or put their expansion plans on hold, our revenues would be significantly affected.

Additionally, our major customers may elect not to renew their contracts upon expiration. Even if such contracts are renewed, the renewal terms may be less favourable to us than the current contracts. If any of our major customers fails to renew its contract 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 and profits, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

3. Any adverse development or discontinuance of our relationship with Diebold Nixdorf (together with its affiliates, "Diebold"), which contributes substantially to our business, could have an adverse effect on our business, results of operations, cash flows and financial condition.

We have entered into cooperation agreements with Wincor Nixdorf Pte. Ltd. (together with its affiliates, "**Diebold**") pursuant to which we acquired the rights to assemble and distribute ATMs and cash dispensers in India. Under the cooperation agreements, if we fail to procure the specified minimum number of units of semi-knock down kits and cash dispensers by the expiration date of September 30, 2018, we must pay liquidated damages of US$250 per missing unit. For further details of the cooperation agreements with Diebold, please refer to "*Our Business*" on page 141. Further, if Diebold terminates or ceases its relationship with us, supplies its products either directly or to other parties, or appoints another company to assemble its products within India, we may lose some or all of our market share and our business, results of operations, cash flows and financial condition could be adversely affected.

Further, the termination of our arrangement with Diebold may cause us to default on our obligations under our various customer contracts. This may make us liable for breach of contract and damages, and expose us to various legal proceedings, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

4. ***The industries in which we operate are highly regulated by the RBI. Implementation of new regulations or changes to existing laws and regulations regarding our services could have an adverse effect on our business, results of operations, cash flows and financial condition.***

Our business of supply, installation and maintenance of ATMs is highly dependent on the regulatory policies framed by the RBI from time to time. The RBI, pursuant to a circular dated June 12, 2009, permitted banks to open off-site ATMs without RBI approval subject to certain conditions. Any restrictive change in this policy could adversely affect the industry in which we operate and our operations. Under certain of our contracts, we are responsible for the ATM site identification and deployment, installation, ownership and management services for the ATM on behalf of the customer banks. In the event that the RBI either restricts the banks from utilising the assistance of third parties for the installation and maintenance of ATMs, or restricts the number of ATMs which can be set up by the banks, our business, results of operations, cash flows and financial condition could be adversely affected.

The extensive regulatory structure under which we carry out our operations may constrain our flexibility to respond to market conditions, competition or changes in our cost structure. In 2012, the RBI permitted non-banking Indian companies to set-up and operate WLAs in India after obtaining authorisation from the RBI. Pursuant to the terms of such authorization issued to our Company in June 2014 under Scheme A of the WLAs guidelines, our Company was required to deploy 1,000 WLAs in the first year of such authorization, twice the number of WLAs deployed in the first year of operation in our second year and thrice such number in our third year of operation. As of June 30, 2018, we have deployed 93 WLAs under the '*Ongo*' brand name. Failure to comply with the terms of the authorization may result in the RBI revoking the authorization and the RBI imposing penalties for non-compliance in accordance with the Payment and Settlement Systems Act, 2007. In June 2018, the RBI issued certain directions requiring WLAs to implement certain control measures within the prescribed timelines. See "*Regulations and Policies*" and "*Government and Other Approvals*" on pages 162 and 488, respectively.

In addition, various other aspects of our business, such as our electronic payments infrastructure and usage of such networks by our banking, retail and petroleum customers, are highly regulated by the RBI. In December 2017, the RBI rationalized and capped the fees that we are able to charge merchants for debit card and QR code transactions. In addition, the Government of India, pursuant to a notification dated December 27, 2017, decided to reimburse fees for debit and QR code transactions less than or equal to ₹2,000, and we are therefore no longer able to charge fees on such transactions. If we are unable to claim such reimbursements in full, our profit margins may be affected. Further, our subsidiary ITSL also obtained an authorization from the RBI on May 30, 2014 to issue and operate semi-closed pre-paid payment instruments as part of its digital payments operations. Under the applicable RBI regulations, the holder of such authorization is required to comply with various conditions, including ongoing compliance and reporting requirements.

We may not be able to comply with the relevant regulatory requirements and the RBI may impose certain penalties including suspension, revocation or termination of the relevant approvals in the event of a default by us in complying with such terms and conditions. Any such penalty, cancellation or termination could have an adverse effect on our reputation and our ability to operate and manage our business and may have an adverse effect on our business, results of operations, cash flows and financial condition.

See "*Regulations and Policies*" and "*Government and Other Approvals*" on pages 162 and 488, respectively.

5. ***Any changes in interchange fees by the National Payment Corporation of India, or through potential regulatory changes or otherwise, may have an adverse effect on our business, results of operations, cash flows and financial condition.***

Interchange fees, which are the fees charged by one bank for usage of another bank's ATM card on its ATM machines, are set by the National Payments Corporation of India, an organisation established and regulated by the RBI, in consultation with the Indian Banking Association, which operates for the benefit of its member banks and which has been authorized by the RBI in this respect. Banks that outsource their ATM operations to companies such as ours typically pay on a per transaction basis to ATM operators. Such per transaction fee is dependent on the interchange fee, as the banks would typically consider such amount when they negotiate the fee that they would be required to pay an external ATM operator. Further, various electronic funds transfer networks through which the transactions conducted on our devices are routed may also vary the interchange fee with respect to various payment services offered by us.

If there were any decreases in the interchange fee required to be paid by the banks, the transaction fee that banks are willing to pay us may decline as banks may seek to reduce the amount that is paid to ATM operators such as us. Similarly, if some of the networks through which our payment transactions are routed were to reduce the interchange rates paid to us or increase their transaction fees charged to us for routing transactions across their network, our revenues could decline and our future transaction costs could increase. In addition, any potential future network or legislative actions that affect the amount of interchange fees that can be levied on a transaction may adversely affect our revenues. Any of the above may have an adverse effect on our business, results of operations, cash flows and financial condition.

6. ***Our cash management business exposes us to additional risks beyond those experienced by us in the ownership and operation of ATMs and our insurance coverage may not adequately protect us against these risks.***

As of June 30, 2018, we had provided cash management services through our subsidiary SVIL to approximately 28,900 ATMs. Our subsidiary, SVIL has 307 vaults and spoke locations. Our cash management business exposes us to significant risks, including the potential for cash-in-transit losses, employee theft, as well as claims for personal injury, wrongful death, worker's compensation, punitive damages, and general liability. For example, SVIL has filed a number of FIRs against its employees with respect to instances of theft and employee misconduct. For details, see "*Outstanding Litigation and Material Developments*" on page 475. While we seek to maintain appropriate levels of insurance to adequately protect us from these risks, we may incur significant future claims or adverse publicity related thereto. Further, our insurance coverage might not be adequate to cover potential liabilities or the cost of insurance coverage might increase significantly. The availability of quality and reliable insurance coverage is an important factor in our ability to successfully operate this aspect of our operations. A loss claim for which insurance coverage is denied or which is in excess of our insurance coverage could have an adverse effect on our business, results of operations, cash flows and financial condition. Pursuant to certain of our ATM outsourcing contracts, we are liable to make good losses of cash to our clients within a fixed period, regardless of whether such claims are settled by the insurance provider within such period. Accordingly, we would be required to bear the loss of any delays by insurance providers in settling claims, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

Further, our operations, which centre around the management and handling of cash, depend substantially on the integrity of our employees and those of our third-party service providers. In the course of our screening and background check process when hiring employees, we may be supplied with false or incomplete background information. Our third-party service providers may also not conduct substantial background checks on their employees. These situations expose us to risk of thefts, robberies, fraud and other forms of malpractice from our employees and those of our third-party service providers. For example, cash is counted and loaded into our ATMs on site by the employees of our third-party service providers in addition to our own employees. Shortfalls in cash or the loading of counterfeit cash can only be detected by an audit of the ATM by the cash management team at a later date. Our employees or the employees of our third-party service providers may introduce counterfeit currency into ATMs owned, operated or managed by us or work together to siphon off cash from such ATMs or currency shipments, which may not be detected immediately. Our internal controls and protocols may be insufficient to adequately protect us from misconduct by our employees or third-party service providers. The occurrence of any of the above events could therefore adversely affect our reputation, business, results of operations, cash flows and financial condition.

7. ***We may face challenges in operating and maintaining the sites we lease for our ATMs, which may adversely affect our business, results of operations, cash flows and financial condition.***

Our ATMs are typically located at sites leased from various landlords. As part of our ATM outsourcing and managed services contracts, we are typically responsible for ATM site identification, entering into agreements with landlords for leasing these ATM sites, making payments for lease and other expenses for such sites and any other obligations that may be imposed on us under the agreements with our landlords. In the event that we are unable to carry out our obligations under the ATM site lease agreements, our landlords may terminate our lease agreements and make claims against us, which may adversely affect our business, results of operations, cash flows and financial condition.

For example, we have received several notices from landlords in connection with the payment of arrears of rent, outstanding security deposits and damage to property. Certain landlords have also filed complaints with the police in relation to these demands. Further, certain landlords have in the past obstructed access to ATMs located in properties owned by them and have prevented us from recovering ATMs and related assets (including the cash in the machine) from such premises. For details, see "*Outstanding Litigation and Material Developments*" on page 475.

Further, certain of our lease agreements with the landlords for our ATM sites have not been registered with local authorities. Consequently, we may not be able to enforce these leases. We may also be required to make additional stamp duty payments or otherwise for certain of our lease agreements with landlords which may be insufficiently stamped, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

8. ***We maintain a significant amount of cash within our Company-owned devices and at our vault locations, which is subject to potential loss due to theft or other events, including natural disasters.***

For the three months ended June 30, 2018, SVIL replenished a daily average amount of ₹8,016.97 million. Any loss of cash from our ATMs or SVIL's vaults or during cash in transit by SVIL is generally our responsibility. If we engage third parties for cash management services, we typically require that our service providers, who either transport the cash or otherwise have access to the ATM safe, maintain adequate insurance coverage in the event cash losses occur as a result of theft, misconduct, or negligence on the part of such providers. However, we cannot assure you that we will be successful in recovering any losses from such service providers and we are liable to indemnify the concerned customer bank for any losses. Cash losses at the ATM occur in a variety of ways, such as natural disasters, including cyclones and hurricanes, fires, vandalism, physical removal of the entire ATM, defeating the interior safe, compromising the ATM's technology components or incorrect dispensing of cash by the ATM. Our ATMs also face exposure to attempts of theft and vandalism. Thefts of cash or replacement with counterfeit currency may be the result of an individual acting alone or as a part of a crime group. While we maintain insurance policies to cover a significant portion of any losses that may occur that are not covered by the insurance policies maintained by our service providers, such insurance coverage is subject to deductibles, exclusions and limitations that may leave us bearing some or all of those losses.

Any increase in the frequency or amounts of theft and other losses could negatively affect our operating results by causing higher deductible payments and increased insurance premiums. Additionally, ATM-related thefts and damage, if extensive and frequent enough in nature, could adversely affect our reputation and negatively affect our relationships with customers and impair our ability to deploy additional ATMs in those existing or new locations of those customers, which may adversely affect our business, results of operations, cash flows and financial condition.

9. ***Our Auditors have included certain qualified statements in the annexure to the audit report on our audited financial statements.***

In the standalone audited financial statements as of and for the financial year 2016, the auditors identified a material weakness in the Company's internal financial controls over recording the receipts and issue of refurbished inventories, which could potentially result in incorrectly accounting for the value of spares consumption and inventories in the financial statements. Accordingly, the auditors issued an opinion that, except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

For further details, see the section "*Summary Financial Information- Auditor Qualifications and Adverse Remarks*" on page 71. 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.

10. We depend on third parties for certain products and services. Any disruption, deficiency in service or increase in cost of such services could adversely affect our business, reputation, results of operations, cash flows and financial condition.

We depend on third parties for a number of products and services, including technology licensors, payment network providers, transaction processors, cash management agencies, and security and housekeeping personnel providers. These third parties enable us to provide card authorization, data capture, cash settlement, cash management and delivery, and maintenance services to our ATMs and our products and services. See "*Our Business*" on page 141.

We expect we will continue to rely on such third-party providers as we expand our business. These third parties may undergo insolvency, file for bankruptcy, experience disruptions, provide lower quality service or increase the prices of their products or services for a number of reasons that are beyond our control. As a result, we cannot be certain that we will continue to receive satisfactory services or products on acceptable terms or at all. There have also been instances where such third-party providers have initiated legal proceedings against us, which may impede our ability to operate or offer our products and services efficiently. See "*Outstanding Litigation and Material Developments"* on page 475. Should we experience a disruption in the supply, or quality, of these services or products, or if such contracts for services expire, we may not be able to find a replacement or renew our contracts, as the case may be, in a timely fashion, on favourable terms or at all, and we could suffer a significant disruption in our business, which could have an adverse effect on our business, reputation, results of operations, cash flows and financial condition.

11. A decrease in the use of cash as a mode of payment 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 maintenance and growth of the ATM network in India and on the use of cash as a mode of payment. While some of our agreements with our banking customers provide for payment on a lump sum basis, we derive our revenues from our other agreements on the basis of the number of transactions at the ATMs that we manage and operate. Consequently, the proliferation of payment options other than cash, including credit cards, debit cards, stored-value cards, mobile payments and on-line purchase activity, could result in a reduced need for cash in the marketplace and a decline in the need for ATMs in the country. The demonetization of the currency in November 2016 also led to a shortage of currency circulation in the short term and adversely affected the ATM managed service market. In the event of a decline in the use of cash as a mode of payment, our banking customers may decide not to expand their ATM network or may downsize their current ATM network. Such decline in the use of cash will also adversely affect our WLA operations.

12. Our new service and product developments may not be successful, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

We are constantly looking to develop new services and products that complement or leverage the underlying design or process technology of our current service and product offerings, such as automatic vehicle fueling, or *Fastlane*, and QR code based payments for various card schemes. We make significant investments in service and product technologies and anticipate expending significant resources for direct consumer-based businesses over the next several years. We have limited experience in developing and implementing direct consumer-based businesses. Thus, we cannot assure you that our service and product development efforts will be successful or that we will be able to successfully market and sell these services and products, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

13. There are outstanding legal proceedings involving our Company, our Group Entities, our Directors, our Subsidiaries and one of our Promoters.

There are outstanding legal proceedings involving our Company, our Group Entities, our Directors, our Subsidiaries and one of our Promoters. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and appellate tribunals. The brief details of such material outstanding litigations are as follows:

Litigation involving our Company

S. No.	Nature of proceedings	No. of outstanding proceedings	Amount involved (in ₹ million)
Litigation by our Company			
1.	Criminal proceedings	2	Not ascertainable
2.	Material civil cases	1	2.82
Litigation against our Company			
1.	Criminal proceedings	2	Not ascertainable
2.	Action taken by statutory and regulatory authorities	43	1.68#
3.	Taxation cases	30	2762.72#
4.	Material civil cases	4	5.21#

 # to the extent ascertainable

Litigation involving our Subsidiaries

S. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Litigation by our Subsidiaries			
1.	Criminal proceedings	26	115
Litigation against our Subsidiaries			
1.	Criminal proceedings	1	Not ascertainable
2.	Action taken by statutory and regulatory authorities	7	1.58#
3.	Taxation cases	2	2.69
4.	Material civil cases	11	20.43#*

 # to the extent ascertainable
**plus additional interest*

Litigation involving our Directors

S. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Litigation against our Directors			
1.	Criminal proceedings	1	Not ascertainable
2.	Material civil cases	*See above for Litigation involving our Company and our Subsidiaries*	-
3.	Taxation cases	1	4.68

Litigation involving our Promoters

S. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Litigation against our Promoters			
1.	Material civil cases	*See above for Litigation involving our Company and our Subsidiaries*	-
3.	Taxation cases	*See above for Litigation involving our Directors*	4.68

Litigation involving our Group Entities

S. No.	Nature of cases	No. of outstanding cases	Amount involved (in ₹ million)
Litigation against our Group Entities			
1.	Taxation cases	3	2.09

One of our subsidiaries, SVIL, has also been named in an FIR filed by the CBI. Please see "*Outstanding Litigation and Material Developments – Litigation involving our Subsidiaries*" on page [●].

In relation to such outstanding litigation matters involving our Company, our Group Entities, Directors, Subsidiaries and Promoter, while the amounts and interests levied thereon to the extent ascertainable and involved in these matters have been mentioned above, the amounts and interests involved in many pending litigations are not ascertainable or quantifiable and are hence not disclosed. Further, our Company does not consider the entire amount involved or unquantifiable amount in respect of outstanding litigations to be a present or a potential liability and hence contingency for the entire amount has not been provided for in the books of our Company. For further details of such outstanding litigation against our Company, our Group Entities, Directors, Subsidiaries and Promoter, see "*Outstanding Litigation and Material Developments*" on page 480.

Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. Further, an adverse outcome in any of these proceedings may affect our reputation, standing and future business, and could have an adverse effect on our business, prospects, results of operations and financial condition. We cannot assure you that any of these proceedings will be decided in favour of our Company, Group Entities, Directors, Subsidiaries or Promoter, or that no further liability will arise out of these proceedings.

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

Any change to the feature of currencies in any of the countries we operate in that may be processed or dispensed from our automated banking products, such as to the size or the addition of tactile features onto notes, could require modifications to our automated banking products. For example, in July 2018, the RBI announced that it would issue new ₹100 denomination bank notes. Any part of the modification costs which we may be required to bear could be substantial, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

15. It is difficult to predict our future performance, or compare our historical performance between periods, as our revenue may fluctuate due to a change in accounting policy.

On March 28, 2018, the MCA notified Ind AS 115, Revenue from Contracts with Customers ("**Ind AS 115**"). Ind AS 115 requires that revenue be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 further requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

We adopted Ind AS 115 effective April 1, 2018 using the cumulative catch-up approach under which Ind AS 115 will be applied retrospectively with cumulative effect. Accordingly, comparative financial data for prior periods will not be retrospectively adjusted. In such an event, our historical revenues may not be comparable to our revenues going forward and period-to-period comparisons of our results of operations may not be meaningful and should not be relied upon as indicative of our future performance.

See "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Recent Accounting Pronouncements*" on page 474.

16. Security breaches could harm our business by compromising our merchant and cardholder information and may cause disruptions in the transaction processed on our terminals or ATMs, thus damaging our relationships with our customers and exposing us to liability.

As part of our payment services, we electronically process and transmit cardholder information. In recent years, companies that process and transmit such information have been specifically and increasingly targeted by sophisticated criminal organizations in an effort to obtain the information and utilize it for fraudulent transactions. The encryption software and the other technologies that we and our partners use to provide security for storage, processing and transmission of confidential customer and other information may not be effective to protect against data security breaches.

The risk of unauthorized circumvention of our security measures has been heightened by advances in computer capabilities and the increasing sophistication of hackers. Unauthorized access to our computer systems, or those of our third-party service providers, and misuse of our confidential or proprietary data, by third parties or our own employees, could result in the theft or publication of the information or the deletion or modification of sensitive records, and could cause interruptions in our operations. Any inability to prevent security breaches could damage our relationships with our customers, cause a decrease in transactions by individual cardholders, expose us to liability which may not be capped or limited under our agreements with our customers and which may include claims for unauthorized purchases, and subject us to penalties. These claims also could result in protracted and costly litigation. If unsuccessful in defending that litigation, we might be forced to pay damages or change our business practices.

Further, additional regulations, prompted by a significant data security breach or changes in data protection laws in India, could impose new and costly compliance obligations. Any material increase in our costs resulting from additional regulatory burdens being imposed upon us or litigation could have an adverse effect on our business, results of operations, cash flows and financial condition.

17. If there are instances of failures of our IT system, the products and services we provide could be delayed or interrupted, which could have an adverse effect on our business, results of operation, cash flows and financial condition.

We are heavily dependent on our information technology ("**IT**") system, which may include third-party infrastructure. To successfully operate our business, we must be able to protect our IT system from interruption, including from events that may be beyond our control. Events that could cause system interruptions include, but are not limited to, fire, natural disasters, unauthorized entry, power loss, telecommunications failure, computer viruses, malicious codes, terrorist acts and war. Significant problems with our IT system, such as telephone or IT system failure, disconnection of VSAT antennae or cyber security breaches, could halt or delay our ability to service our customers, hinder our ability to conduct and expand our business and require significant remediation costs. Any of these events could have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

Our ability to provide reliable service largely depends on the efficient and uninterrupted operations of our transaction processing platform, third-party transaction processors, telecommunications network systems, and other service providers. Accordingly, any significant interruptions could severely harm our business and reputation and result in a loss of revenues. Additionally, if any interruption is caused by us, especially in those situations in which we serve as the primary transaction processor, such interruption could result in the loss of the affected merchants and financial institutions, or damage our relationships with them. While we periodically test and update, as necessary, our internal control systems, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems. Given our high volume of transactions, it is possible that errors may repeat or compound before they are discovered and rectified. Our systems and internal control procedures that are designed to monitor our operations and overall compliance may not identify every instance of non-compliance or every suspicious transaction. If internal control weaknesses are identified, our actions may not be sufficient to fully correct such internal control weakness.

We cannot be certain that any measures we and our service providers have taken to prevent system failures will be successful or that we will not experience service interruptions. We may also come under additional regulatory scrutiny or be the target of enforcement actions, or suffer monetary losses or adverse reputation effects. All of these may have an adverse effect on our business, results of operations, cash flows and financial condition.

18. Any delay or default in client payment could result in the reduction of our profits.

Our operations involve extending credit for extended periods of time to our customers and consequently, we face the risk of the uncertainty regarding the receipt of these outstanding amounts. As a result of such industry conditions, we have and will continue to have high levels of outstanding trade receivables. For the financial years 2018, 2017 and 2016, our total outstanding trade receivables were ₹3,674.91 million, ₹3,331.43 million and ₹3,184.69 million, respectively, which constituted 24.8%, 24.9% and 26.3% of our total revenues from operations for the same periods. If such delays or default in client payments continue or increase in proportion to our total revenues, our profits margins could be adversely affected.

19. The industries in which we operate are highly competitive and such competition may increase, which may adversely affect our business, results of operations, cash flows and financial condition.

Our businesses are and can be expected to remain highly competitive. For our banking sector operations in our Banking Automation Solutions and Payment Solutions business segments, our principal competition comes from independent ATM manufacturers and managed services providers and national and regional financial institutions. We compete with our competitors for the sale, operations and maintenance of ATMs and they could also prevent us from obtaining or maintaining desirable locations for our ATMs, causing a reduction in the revenue generated by transactions at our ATMs and thereby reducing our profits. In addition to our current competitors, additional competitors may enter the market. Our competitors in our Payment Solutions segment include other cash management companies such as CMS Infosystem, commercial banks and other POS and mPOS players. See "*Industry Overview*" on page 119. We cannot assure you that we will be able to compete effectively against these current and future competitors. Increased competition could result in reduction of transaction fees, reduced gross margins and loss of market share, which may adversely affect our business, results of operations, cash flows and financial condition.

20. Our ability to adopt new technology to respond to new and enhanced products poses a challenge in our business. The cost of implementing new technologies for our operations could be significant and could adversely affect our business, results of operations, cash flows and financial condition.

The industries in which we operate are subject to rapid and significant technological changes, with the constant introduction of new and enhanced products and services. As part of our business strategy, we intend to leverage our technological capabilities across various business sectors to develop a payments ecosystem for our customers. Our success will depend in part on our ability to respond to technological advances and emerging standards and practices on a cost effective and timely basis. We cannot assure you that we will be able to successfully make timely and cost-effective enhancements and additions to the technology underpinning our operational platform, keep up with technological improvements in order to meet our customers' needs or that the technology developed by others will not render our services less competitive or attractive. In addition, rapid and frequent technology and market demand changes can often render existing technologies and equipment obsolete, requiring substantial new capital expenditures or write-down of assets. Our failure to successfully adopt such technologies in a cost effective and a timely manner could increase our costs and lead to us being less competitive in terms of our prices or quality of services we provide. Further, implementation of new or upgraded technology may not be cost effective, which may adversely affect our business, results of operations, cash flows and financial condition.

21. We may be held liable for claims from customers on account of any defects in service or manufacturing defects in the products we supply, including penalty for delay in implementation of contracts with customers, which may have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

We have entered into contracts with our customers where we are required to provide a variety of products and services. In the event of any loss caused to our customer on account of an act or omission by us and such act or omission being a breach of the customer agreement, we may be held liable for the same and may be required to make good such losses and pay damages, which in turn could have an adverse effect on our reputation, business, results of operations, cash flows and financial condition.

Further, we may be exposed to warranty and other claims for manufacturing defects in the products supplied under certain customer contracts, including warranty for any software provided by us to our customers. In the event of any of our customers claiming that there are defects in the products, we may be subject to damages and other costs, which may adversely affect our reputation, business, results of operations, cash flows and financial condition.

The contracts for our ATM outsourcing and managed services and petroleum sector-related services with our customers are generally time bound and certain contracts contain provisions which may attract payment of penalty to the customer in the event of a delay or failure in delivery of services or termination of contract with our customer in the event of breach. Failure to adhere to contractually agreed timelines for reasons other than *force majeure* events or failure to maintain specified minimum ATM uptimes could make us liable to pay liquidated damages or lead to forfeiture of security deposits. Such contracts also impose penalties in relation to service deposits, including failure to ensure minimum availability of such ATMs, cash-outs and dispensing counterfeit currency.

Further, under our ATM outsourcing contracts, upon the termination of our agreement with the banks, the banks typically have a right to take over and purchase the ATM and its related assets at a price calculated in accordance with the terms of our agreement. However, one of our agreements provides an option to the bank to take over the ATM and its related assets at zero cost upon the expiry of the agreement. We may not be able to recover our investments made in the installation, maintenance and management of such ATMs where the ATM and the ATM site were purchased at a price unfavourable to us. Such instances may adversely affect our business, results of operations, cash flows and financial condition.

22. We may be subject to claims arising out of accidents or injuries at the sites of ATMs that are operated or maintained by us or involving our security vans. Such claims could subject us to significant disruptions in our business, legal and regulatory actions, costs and liabilities.

We have in the past been subject to claims arising out of accidents or injuries at the sites of ATMs that are operated or maintained by us. For example, in 2013, a security guard died due to an electric shock while working at an ATM operated and maintained by us. We paid compensation to the heirs of the deceased on a no-fault basis and the matter was settled. We are also involved in a number of outstanding legal proceedings claiming compensation for deaths, accidents or injuries from our operations at our ATMs or involving security vans of SVIL. See "*Outstanding Litigation and Material Developments*" on page 475. Any such claims could subject us to significant disruption in our business, legal and regulatory actions, costs and liabilities, which could adversely affect our reputation, business, results of operations, cash flows and financial condition.

23. We face difficulties and incur additional expenses in operating in certain markets, where infrastructure may be limited.

As we expand our network, we may enter certain markets that may have limited or unreliable infrastructure, particularly for IT and road transportation. We may face difficulties and increased costs in operating our devices and business at these markets, including implementing adequate security measures or ensuring continuous operations. As we expand our network in such markets, we may have to bear additional costs, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

24. Our inability to operate our business in international markets successfully will affect our growth which may have an adverse effect on our business, results of operations, cash flows and financial condition.

Expanding into international markets is important to our long-term success and we are currently present in Sri Lanka, Singapore, Cambodia and Philippines. Competing successfully in international markets requires additional management attention and resources to tailor our services to the unique aspects of each country. In increasing our headcount and our revenue generated in foreign countries, we face various risks, including:

- challenges caused by distance, language and cultural differences;
- credit risk and higher levels of payment fraud;
- legal and regulatory restrictions;
- differences in legal and regulatory jurisdictions;
- currency exchange rate fluctuations;
- foreign exchange controls that might prevent us from repatriating cash earned in foreign countries;
- political and economic instability and export restrictions;
- potentially adverse tax consequences; and
- higher costs associated with doing business internationally.

These and other risks could adversely affect our international expansion and growth, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

25. We have a substantial amount of outstanding indebtedness, which requires significant cash flows to service, and limits our ability to operate freely.

As of July 31, 2018, the outstanding principal amount of our total borrowings (long-term borrowings including current maturities and short-term borrowings) was ₹6,436.55 million. Our ability to meet our debt service obligations and repay our outstanding borrowings will depend primarily on the cash generated by our business. Increasing level of our indebtedness also has important consequences to us such as:

- increasing our vulnerability to general adverse economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry;
- limiting our ability to borrow additional funds; and
- increasing our interest expenditure.

We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, results of operation, cash flows and financial condition.

26. Our financing agreements entail interest at variable rates and any increases in interest rates may adversely affect our business, results of operations, cash flows and financial condition.

We are susceptible to changes in interest rates and the risks arising therefrom. Certain of our financing agreements provide for interest at variable rates with a provision for the periodic resetting of interest rates. Further, under certain of our financing agreements, the lenders are entitled to change the applicable rate of interest, which is a combination of a base rate that depends upon the policies of the RBI and a contractually agreed spread. Certain of our lenders may also become entitled to change the applicable rate of interest in the event of an adverse change in our Company's credit risk rating. See "*Financial Indebtedness*" on page 444 for a description of interest payable under our financing agreements. Further, in recent years, the Government of India has taken measures to control inflation, which have included tightening the monetary policy by raising interest rates. As such, any increase in interest rates may have an adverse effect on our business, results of operations, cash flows and financial condition.

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

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

- effecting any change in our capital structure including by way of fresh issuance of Equity Shares;
- amendments to the memorandum and articles of association of the Company or our Subsidiaries, as applicable;
- undertaking guarantee obligations on behalf of any third party;
- formulating any scheme of amalgamation or reconstruction;
- change in the constitution of the Company or our Subsidiaries, as applicable, including shareholding pattern, ownership, controlling interest and control;
- change in the management of the Company or our Subsidiaries, as applicable, including changes in the composition of the board of directors and the key managerial personnel of the Company or our Subsidiaries, as applicable;
- investment by way of share capital or extending loans or advances or placing deposits with any other entity (excluding our group companies and associate companies);
- declaration of dividend except out of profits relating to the financial year;
- carrying out any change of business; and
- making any pre-payment of principal amounts due under the facilities.

Under these agreements, certain of the lenders also have the right to, *inter-alia*, appoint nominee directors to our Board of Directors. Further, any downgrading of the credit rating of our Company by a credit rating agency, any reduction in profits beyond a certain percentage and any qualified opinion from the statutory auditors of our Company may qualify as an event of default under the relevant financing agreements. As security for certain loans and credit facilities, certain of our lenders have created a charge on our assets and default of our loan agreements can potentially lead to our lenders disposing of our assets. Certain financing agreements also provide the banks and financial institutions with the right to convert any outstanding amounts into Equity Shares of our Company at a price to be determined in accordance with applicable laws in the case of default. Further, one of our financing agreements requires that any monies due and payable under a specified ATM outsourcing and managed services contract be deposited in an escrow account created with the relevant lender. Our future borrowings may also contain similar or additional restrictive provisions. If we fail to meet our debt service obligations or covenants provided under the financing agreements, the relevant lenders could, *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. We cannot assure you that, in the event of any such acceleration, we will have sufficient resources to repay the borrowings.

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. See "*Financial Indebtedness*" on page 444. 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.

28. If we are unable to raise additional capital, our business, results of operations, cash flows and financial condition could be adversely affected.

We operate in a capital-intensive industry, which requires substantial levels of funding. We cannot assure you that we will have sufficient capital resources for the proposed increase in number of ATMs supplied, managed or maintained by us or any future expansion plans that we may have. While we expect our cash on hand, cash flow from operations and available borrowings under our credit facilities to be adequate to fund our existing commitments, our ability to pay these amounts is dependent upon the success of our operations. There may also be certain unsecured loans taken by our Company, our Promoters or our Group Entities which may be recalled by the lenders at any time. Additionally, the inability to obtain sufficient financing or the inability of one or more of our lenders to provide committed funding could adversely affect our ability to complete expansion plans. Moreover, we cannot assure you that market conditions and other factors would permit us to obtain future financing on terms acceptable to us, or at all. Our ability to arrange financing and the costs of capital of such financing are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of our operations and other laws that are conducive to our raising capital in this manner. Any downgrade in our credit ratings could increase our borrowing costs, lead to additional restrictive covenants and adversely affect our access to capital. Further, if we decide to raise additional funds through the issuance of equity or equity-linked instruments, your interests as our shareholders will be diluted. If we decide to meet our capital requirements through debt financing, our interest obligations will increase and we may be subject to additional restrictive covenants. If we are unable to raise adequate capital in a timely manner and on acceptable terms, or at all, our business, results of operations, cash flows and financial condition could be adversely affected.

29. We may not be able to implement our business strategies or sustain and manage our growth.

In recent years, we have experienced significant growth, with our total revenue from operations having increased from ₹12,095.54 million for the financial year 2016 to ₹14,813.17 million for the financial year 2018. Our growth strategy includes focusing on developing an integrated payments platform for our customers, focusing on ATM outsourcing and managed services, focusing on cash management services and expanding and growing our banking sector operations outside India. 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.

Our ability to sustain and manage our growth depends significantly upon our ability to manage key issues such as selecting, recruiting, training and retaining key managerial personnel, maintaining effective risk management policies, continuing to offer products and services which are relevant to our customers, maintaining and expanding our customer base, developing and maintaining technical infrastructure and systems, ensuring a high standard of customer service and maintaining our current level of profitability. Failure to do any of the preceding may result in slower growth, loss of business, erosion of customer service quality, diversion of management resources, significant costs and increase in employee attrition rates, any of which could adversely affect our business, results of operations, cash flows and financial condition.

30. 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 require various statutory and regulatory permits, licenses and approvals to carry out our business and operations. See "*Government and Other Approvals*" on page 488. A majority of these approvals are granted for a limited duration and require renewal. While we have applied for certain licences and other approvals, we cannot assure you that such approvals will be issued or granted to us in a timely manner, or at all. For example, SVIL has applied for but not yet obtained licenses under the PSAR Act in the states of Andhra Pradesh, Haryana, Kerala and Punjab. See "*Government and Other Approvals*" on page 488. If we do not receive these licenses and approvals or are not able to renew the approvals in a timely manner, our business and operations may be adversely affected. Moreover, any revocation of the approvals by the relevant regulatory authority would impair our operations and consequently have an adverse effect on our business.

The approvals mentioned above are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. If we fail to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our activities, any of which could adversely affect our business.

31. Our inability to protect or use our intellectual property rights may adversely affect our business, results of operations, cash flows and financial condition.

We have applied for, but not yet obtained registration with respect to certain trademarks, including our existing "AGS" and "AGS Transact Technologies Limited" logos and the "*Fastlane*" trademark under certain classes. We have also applied for, but not yet obtained, certain copyright registrations. We may not be able to prevent infringement of our trademarks and copyrights and a passing off action may not provide sufficient protection until such time that this registration is granted. Certain persons have also filed objections to such applications. For details on the copyrights and trademarks used by us, see "*Government and Other Approvals*" on page 488.

Moreover, the use of our brand name or logo by third parties could adversely affect our reputation which could in turn adversely affect our financial performance and the market price of the Equity Shares. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations, cash flows and financial condition.

While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. For example, a criminal complaint was filed against us by Loyalty HR Benefits Private Limited (through Mr. Ameerul Hasan Siddiqui) alleging trademark infringement and the matter is currently pending. We cannot assure you that any such proceedings will be decided in our favour. If similar claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Further, necessary licenses may not be available to us on satisfactory terms, if at all. Any of the foregoing could have an adverse effect on our business, results of operations, cash flows and financial condition.

32. Our insurance coverage may not adequately protect us against all material hazards.

Our principal types of insurance coverage include transit or marine policy, cash in transit insurance, cash in ATM insurance, ATM site insurance, stock insurance, cash van insurance, comprehensive general liability, directors and officers liability, office package policy, group mediclaim and accident policy, money insurance and erection all risk policy. While we believe that the insurance coverage which we maintain would be reasonably adequate to cover the normal risks associated with the operation of our business, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have taken out sufficient insurance to cover all material losses. Further, we may not have obtained insurance cover for certain of our operations that do not require us to maintain insurance. In addition, our insurance coverage may expire time to time. We apply for the renewal of our insurance coverage in the normal course of our business, but we cannot assure you that such renewals will be granted in a timely manner, or at all.

Notwithstanding the insurance coverage that we carry, we may not be fully insured against some business risks and the occurrence of an event that causes losses in excess of limits specified under the relevant policy, losses arising from events not covered by insurance policies or delays in the settlement of claims under such policies could adversely affect our business, results of operations, cash flows and financial condition. If we are subject to litigation or claims or our operations are interrupted for a sustained period, we cannot assure you that our insurance policies will be adequate to cover the losses that may be incurred as a result of such interruption. If we suffer large uninsured losses or if any insured losses suffered by us significantly exceed our insurance coverage or our insurance claims are rejected, it may adversely affect our business, results of operations, cash flows and financial condition.

To the extent that we suffer loss or damage for which we did not obtain or maintain insurance, and which is not covered by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our business, results of operations, cash flows and financial performance could be adversely affected. See "*Our Business – Insurance*" on page 160.

33. We are dependent on a number of key personnel, including our senior management, and the loss of or our inability to attract or retain such persons with specialized 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 and other key personnel, including our present officers who have specialized technical know-how. The inputs and experience of our senior management and key managerial personnel are valuable for the development of our business and operations strategy. We cannot assure you that we will be able to retain these employees or find adequate replacements in a timely manner, or at all. We may require a long period of time to hire and train replacement personnel when skilled personnel terminate their employment with us. 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 such persons could have an adverse effect on our business, results of operations, cash flows and financial condition.

The continued operations and growth of our business is dependent upon our ability to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified personnel with relevant industry expertise in India is intense. A loss of the services of our key personnel could adversely affect our business, results of operations, cash flows and financial condition.

34. We may be held liable for the payment of wages to the contract labourers engaged indirectly in our operations.

In order to retain flexibility and control costs, we appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations, including providing security. We have obtained registration as a principal employer under the Contract Labour (Regulation and Abolition) Act, 1970 ("**Contract Labour Act**") for certain of our establishments where workmen are employed through contractors or agencies licensed under the Contract Labour Act. See "*Government and Other Approvals*" on page 488. Although we do not engage these labourers directly, in the event of default by any independent contractor, we may be held responsible for any wage payments that must be made to such labourers. Any violation of the provisions of the Contract Labour Act by us is punishable with, *inter-alia*, imprisonment for every person in charge of and responsible for the conduct of the business of our Company at the time of the commission of the offense. For example, we are currently involved in a number of proceedings involving non-payment of minimum wages to employees of our contractors by such contractors. See "*Outstanding Litigation and Material Developments*" on page 475. If we are required to pay the wages of the contracted workmen and subjected to other penalties under the Contract Labour Act, our reputation, results of operations, cash flows and financial condition could be adversely affected.

35. We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.

We have entered into various transactions with related parties. While we believe that all such transactions during the periods of the financial information included in this Draft Red Herring Prospectus have been conducted on an arm's length basis, we cannot assure you that we could not have achieved more favourable terms had such transactions been entered into with unrelated parties. It is likely that we may enter into related party transactions in the future. Such related party transactions may potentially involve conflicts of interest. For details on our related party transactions, see "*Related Party Transactions*" on page 201. For details on the interest of our Promoters, Directors and key management personnel of our Company, other than reimbursement of expenses incurred or normal remuneration or benefits, see "*Our Management – Interest of Directors*" and "*Our Management – Interests of Key Management Personnel*" on pages 181 and 190, respectively. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

36. We have certain contingent liabilities that may adversely affect our business, financial condition and results of operations.

As of March 31, 2018, our contingent liabilities that have not been provided for are as set out in the table below:

(in ₹ millions)

Particulars	Amount
Claims against the Group not acknowledged as debt	13.29
Excise Duty Matters	5.77
Sales Tax Matters	27.29
Service Tax Matters	0.47
Custom Duty Matters	8.46
Total	**55.28**

If a significant portion of these liabilities materialise, it could have an adverse effect on our business, financial condition and results of operations. See "*Financial Statements – Annexure VI – Restated Consolidated Financial Information – Note 39 – Contingent Liabilities and Commitments*" in accordance with the provisions of Indian Accounting Standard - 37 – "Provisions, Contingent Liabilities and Contingent Assets" on page 203.

37. We face foreign exchange risks that could adversely affect our results of operations.

Due to the nature and global scale of operations in our business, we earn revenues in currencies that could be different from the currencies in which we incur expenses. Generally, our sales are denominated in Indian rupees while the supply of certain of our products are denominated in U.S. dollars. Hence, we are exposed to fluctuations in exchange rates between currencies due to timing differences between receipts and payments which could result in an increase in mismatches between currencies. Although we closely follow our exposure to foreign currencies and selectively enter into hedging transactions in an attempt to reduce the risks of currency fluctuations, these activities are not always sufficient to protect us against incurring potential losses if currencies fluctuate significantly.

38. We do not own our Registered Office, our Corporate Office and certain material properties and any revocation of or adverse changes in the terms of our leases may have an adverse effect on our business, results of operations, cash flows and financial condition.

We have entered into leave and license agreements in respect of our Registered Office with Mr. Ravi B. Goyal, one of our Promoters, and Mrs. Anupama R. Goyal, a member of the Promoter Group, which are valid until December 9, 2018 and August 15, 2021, respectively. As of March 31, 2018, we had provided a deposit of ₹25.0 million and ₹2.0 million to Mr. Ravi B. Goyal and Mrs. Anupama R. Goyal, respectively, and the monthly rent currently payable by us to Mrs. Anupama R. Goyal is ₹0.175 million. We also lease other premises from which we operate, including our Corporate Office. If any of the owners of these premises revokes the arrangements under which we occupy the premises or imposes terms and conditions that are unfavourable to us, we may suffer a disruption in our operations or have to pay increased rent, which could have an adverse effect on our business, results of operations, cash flows and financial condition.

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

Following the completion of the Offer, our Promoters will continue to hold [●]% of our outstanding Equity Shares, and therefore will have the ability to significantly influence our operations. This will include the ability to appoint Directors to our Board and the right to approve significant 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 licenses. We cannot assure you that our Promoters 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.

40. We have paid compounding fees for offences in relation to non-compliance with certain corporate law-related and foreign exchanges requirements.

In the past, we paid compounding fees to the Ministry of Corporate Affairs for, *inter-alia*, failure to comply with the requirements of the Companies Act, 1956, including requirements in relation to appointment of a whole-time company secretary, certain related party transactions, appointment of a director of our Company to an office of profit and certain inter-corporate deposits made by our Company to a private company in which a Director of our Company was managing director. We have also paid additional fees for the delayed filing of certain forms under the Company Laws Settlement Scheme, 2010. We also paid compounding fees to the RBI in 2011 for failure to comply with certain overseas direct investment and reporting requirements under the Foreign Exchange Management (Transfer or Offer of any Foreign Security) Regulations, 2004, as amended, including the filing of certain forms in relation to subscription of shares by our Company in our wholly-owned subsidiary, Global Transact Services Pte. Ltd. incorporated in Singapore. Additionally, we have also made delayed filings of Annual Performance Reports in relation to our overseas direct investment in Global Transact Services Pte. Ltd. with the RBI in the past.

We have also recently received a notice dated May 14, 2018 from the office of the RoC alleging that our Company had not made certain filings in relation to our subsidiaries. Although we have filed our reply to the notice, any adverse outcome may require us to pay compounding fees.

See "*Outstanding Litigation and Material Developments*" on page 475.

We cannot assure you that we will be able to comply with relevant regulatory requirements, including with respect to making regulatory filings, in the future within the prescribed timeframe, or at all. We also cannot assure you that that no penal action will be taken against us by the relevant regulators with respect to such non-compliance. In the event that any adverse actions are taken against us, our business, results of operation, cash flows and financial condition could be adversely affected.

41. We and one of our Group Entities have incurred losses in the past.

Our Company, on a restated consolidated basis, incurred losses of ₹215.21 million and ₹173.99 million in financial years 2017 and 2016. For details, see "*Financial Statements*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 203 and 447. We cannot assure you that we will not incur losses in the future, which may have an adverse effect on our reputation, results of operations and the trading price of our Equity Shares.

Further, one of our Group Entities, WOW Foods Brand Private Limited, has incurred losses in the preceding financial year, based on its last available audited financial statements. See "*Our Group Entities*" on page 197. We cannot assure you that our Group Entities will not incur losses in the future, which may have an adverse effect on our reputation and business.

42. Our Company will not receive any proceeds from the Offer for Sale portion and our Company's management will have flexibility in utilizing the Net Proceeds. The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions.

The Offer includes an offer for sale of Equity Shares by the Selling Shareholders. The proceeds from the Offer for Sale will be paid to the Selling Shareholders, in proportion to their respective portions of the Offer for Sale and we will not receive any such proceeds. Mr. Ravi B. Goyal, our Promoter and Managing Director, and Mr. V.C. Gupte, a Key Management Personnel, are two of the Selling Shareholders and will receive a portion of the proceeds from the Offer for Sale.

Our Company intends to primarily use the Net Proceeds for the repayment of certain loans as described in "*Objects of the Offer*" beginning on page 107. The funding plans are based on management estimates and such fund requirements and intended use of proceeds have not been appraised by any bank or financial institution. In terms of Regulation 16 of the SEBI Regulations, we are required to appoint a monitoring agency prior to the date of the Red Herring Prospectus. Our Company may have to revise its management estimates from time to time and consequently its requirements may change. Additionally, various risks and uncertainties, including those set forth in this section "*Risk Factors*", may limit or delay our Company's efforts to use the Net Proceeds to achieve profitable growth in its business.

Further, pursuant to Section 27 of the Companies Act 2013, any variation in the objects would require a special resolution of the Shareholders and our Promoters or controlling Shareholders will be required to provide an exit opportunity to the Shareholders of our Company who do not agree to such proposal to vary the objects, in such manner as may be prescribed in the future by the SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may discourage our Promoters or our controlling shareholders from undertaking steps to vary the proposed utilization of our Net Proceeds, even if such variation is in our interest. Further, we cannot assure you that our Promoters or the controlling shareholders will have adequate resources at their disposal at all times to enable them to provide an exit opportunity to the dissenting shareholders at the price specified in the SEBI ICDR Regulations.

43. We have experienced negative cash flows in relation to our investing and financing activities in recent financial periods. Any negative cash flows in the future would adversely affect our cash flows, business, financial condition and results of operations.

We have in the past, and may in the future, experience negative cash flows. We had a negative cash flow from investing activities of ₹1,613.32 million, ₹2,097.23 million and ₹1,256.19 million on a consolidated basis, in the financial years 2018, 2017 and 2016 respectively. We also had negative cash flows from financing activities of ₹307.06 million and ₹ 306.55 million, on a consolidated basis, in financial year 2018 and 2016, respectively. See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 447. Negative cash flows over extended periods, or significant negative cash flows in the short term, could materially affect our ability to operate our business and implement our construction and growth plans. As a result, our cash flows, business, financial condition and results of operations could be adversely affected.

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

We have not paid any dividends on the Equity Shares in the last five financial years. Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, 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 flows, capital requirements, capital expenditures, business prospects and restrictive covenants under our 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. For further details, see "*Dividend Policy*" on page 202.

45. We have relied on third party industry reports which have been used for industry related data, including commissioned reports, in this Draft Red Herring Prospectus. Prospective investors are advised not to place undue reliance on such information.

We have relied on data from various industry publications for industry related data that has been disclosed in this Draft Red Herring Prospectus, including the industry reports which have been commissioned by us from Ken Research for the purpose of confirming our understanding of the industry in connection with the Offer. Although we believe these sources to be reliable, we cannot assure you that they are complete or reliable and such data has not been independently verified by us, the BRLMs or the Selling Shareholders. Such data may also be produced on a different basis from comparable information compiled with regards to other countries. Therefore, discussions of matters relating to India, the Indian economy, as well as our competitors that are included herein are subject to the caveat that the statistical and other data upon which such discussions are based have not been verified by us and may be incomplete, inaccurate or unreliable. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Due to possibly flawed or ineffective data collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere. Accordingly, investors should not place undue reliance on, or base their investment decision solely on such information.

46. We do not have certain documents evidencing the biographies of two of our Directors in "Our Management" section.

In accordance with the disclosure requirements stipulated under the SEBI ICDR Regulations, the brief biographies of our Directors disclosed in the section "*Our Management*" on page 175 include details of their educational qualifications and professional experience. However, the original documents evidencing such educational qualifications and professional experience are not available with respect to two of our Directors, Mr. Badrinarain K. Goyal and Mrs. Anupama R. Goyal, and we have relied on affidavits executed by such Directors certifying the authenticity of the information. In the absence of original documents, we cannot assure you of the accuracy of all information relating to such Directors included in the section "*Our Management*" on page 175.

47. Our business and results of operations could be adversely affected by any disputes with our employees or our customers.

As of the date of this Draft Red Herring Prospectus, our Company and our Subsidiaries did not have any recognized labour union. However, we cannot assure you that our employees will not form recognized unions in the future. If the employees unionize, it may become difficult to maintain our existing labour policies, and could result in high labour costs, which would adversely affect our business and results of operations. For example, we are currently involved in legal proceedings filed by an unrecognized trade union representing the employees of SVIL, one of our Subsidiaries, including in connection with certain claim petitions and a charter of demand related to wages and other benefits.

While we believe that we maintain good relationships with our employees, we cannot assure you that we will not experience future disruptions to our operations due to disputes or other problems with our work force, which may adversely affect our business and results of operations.

While we also believe that we maintain good relationships with our customers, we cannot assure you that we will not experience future disruptions to our operations and results due to legal disputes or other problems with our customers which may adversely affect our business and results of operations.

External Risks

Risks Relating to India

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

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

49. We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.

We are incorporated in India and we conduct substantially all our corporate affairs and our business in India. Our Equity Shares are to be listed on the BSE and the NSE. Consequently, our business, operations, financial performance and the market price of our Equity Shares will be affected by interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India.

Factors that may adversely affect the Indian economy, and hence our results of operations may include:

- any exchange rate fluctuations, the imposition of currency controls and restrictions on the right to convert or repatriate currency or export assets;
- any scarcity of credit or other financing in India, resulting in an adverse effect on economic conditions in India and scarcity of financing for our expansions;
- prevailing income conditions among Indian customers and Indian corporations;
- epidemic or any other public health in India or in countries in the region or globally, including in India's various neighbouring countries;
- macroeconomic factors and central bank regulation, including in relation to inflation and interest rates movements which may in turn adversely affect our access to capital and increase our borrowing costs;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- decline in India's foreign exchange reserves which may affect liquidity in the Indian economy;
- downgrading of India's sovereign debt rating by rating agencies; and
- difficulty in developing any necessary partnerships with local businesses on commercially acceptable terms or a timely basis.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy or certain regions in India, could adversely affect our business, results of operations and financial condition and the price of the Equity Shares.

50. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, particularly emerging market countries in Asia. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss of investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our business, our future financial performance and the prices of the Equity Shares.

51. Certain companies in India, including us, are required to prepare financial statements under Ind AS. The transition to Ind AS in India is recent.

Our Restated Financial Information as of and for the financial years 2018 and 2017 included in this Draft Red Herring Prospectus has been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended by the Companies (Indian Accounting Standards) Rules, 2016, read with the Companies Act, 2013. The restated financial information as of and for the financial years 2018 and 2017 has been compiled from the audited consolidated financial statements of our Company prepared under Ind AS. Our date of transition to Ind AS was April 1, 2016 and the audited financial statements for the financial year 2018 were the first to be prepared in accordance with Ind AS. The restated financial information as of and for the financial year 2016 has been prepared by making Ind AS adjustments to the audited financial statements prepared under previous generally accepted accounting principles followed in India ("**Indian GAAP**") as of and for the financial year 2016. The restated financial information as of and for the financial years 2015 and 2014 included in this Draft Red Herring Prospectus have been prepared under Indian GAAP.

Except as otherwise provided in the Restated Financial Information with respect to Indian GAAP, no attempt has been made to reconcile any information given in this Draft Red Herring Prospectus to any other accounting principles or to base the information on any other accounting standards. Ind AS differs from other accounting principles with which prospective investors may be familiar, such as Indian GAAP, IFRS and U.S. GAAP. Accordingly, the degree to which the financial statements, which are restated in accordance with the 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 Ind AS.

52. Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business, prospects and results of operations.

The regulatory and policy environment in which we operate is evolving and subject to change. Such changes may adversely affect our business, results of operations and prospects, to the extent that we are unable to suitably respond to and comply with any such changes in applicable law and policy. For example, the Government of India implemented a comprehensive national goods and services tax ("**GST**") regime with effect from July 1, 2017 that combines multiple taxes and levies by the Central and State Governments into a unified tax structure. While the Government of India and certain state governments have announced that all committed incentives will be protected following the implementation of the GST, given that the various rules and regulations regarding the new regime are being evaluated in terms of various implications concerning the GST, we cannot assure you as to this or any other aspect of the tax regime following implementation of the GST including anti-profiteering regulations of the new tax regime and availability of input tax credit.

Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. We may incur increased costs and other burdens relating to compliance with such new requirements, which may also require significant management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current businesses or restrict our ability to grow our businesses in the future.

53. Investors may have difficulty enforcing foreign judgements against our Company or its management.

Our Company is a limited liability company incorporated under the laws of India. In addition, all our directors and most of our key management personnel reside in India, and the principal assets of our Company and such persons are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgements is provided for under Section 13 of the Code of Civil Procedure, 1908 ("**CPC**") on a statutory basis. Section 13 of the CPC provides that foreign judgements shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgement has not been pronounced by a court of competent jurisdiction; (ii) where the judgement has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgement is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgement was obtained were opposed to natural justice; (v) where the judgement has been obtained by fraud; and (vi) where the judgement sustains a claim founded on a breach of any law then in force in India. Under the CPC, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgement, presume that the judgement was pronounced by a court of competent jurisdiction, unless the contrary appears on record. However, under the CPC, such presumption may be displaced by proving that the court did not have jurisdiction.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgements. Section 44A of the CPC provides that where a foreign judgement has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the Indian central government has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgement had been rendered by the relevant court in India. However, Section 44A of the CPC is applicable only to monetary decrees or judgements not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United States and India do not currently have a treaty providing for reciprocal recognition and enforcement of judgements, other than arbitration awards, in civil and commercial matters. Therefore, a final judgement for the payment of money rendered by any federal or state court in the United States on civil liability, whether or not predicated solely upon the federal securities laws of the United States, would not be enforceable in India. However, the party in whose favour such final judgement is rendered may bring a new suit in a competent court in India based on a final judgement that has been obtained in the United States. The suit must be brought in India within three years from the date of the judgement in the same manner as any other suit filed to enforce a civil liability in India.

It is unlikely that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court would enforce a foreign judgement if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy or Indian practice. It is uncertain as to whether an Indian court would enforce foreign judgements that would contravene or violate Indian law. Moreover, a party seeking to enforce a foreign judgement in India is required to obtain approval from the RBI under the Foreign Exchange Management Act, 1999, to execute such a judgement or to repatriate any amount recovered.

54. 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, transfer 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 requirements and fall under any of the exceptions specified by the RBI, then the RBI's prior approval is required. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all.

55. Investors 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 realized on the sale of listed equity shares on a stock exchange held for more than 12 months will not be subject to long term capital gains tax in India if Securities Transaction Tax ("**STT**") is paid on the sale transaction and additionally, as stipulated by the Finance Act, 2017, STT had been paid at the time of acquisition of such equity shares, except in the case of such acquisitions where STT could not have been paid, as notified by the Central Government under notification no. 43/2017/F. No. 370142/09/2017-TPL on June 5, 2017. However, Finance Act, 2018 seeks to tax such long term capital gains exceeding ₹ 100,000 arising from sale of Equity Shares on or after April 1, 2018. Accordingly, you may be subject to payment of long term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized 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.

56. ***Rights of shareholders under Indian laws may be more limited than under the laws of other jurisdictions.***

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder in an Indian company than as shareholder of a corporation in another jurisdiction.

Risks Relating to the Equity Shares and this Offer

57. ***The Equity Shares have never been publicly traded, and, after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of the Equity Shares may be volatile, and you may be unable to resell the Equity Shares at or above the Offer Price, or at all.***

Prior to the Offer, there has been no public market for the Equity Shares, and an active trading market on the Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for the Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price of the Equity Shares may be subject to significant fluctuations in response to, among other factors, variations in the operating results of our Company, market conditions specific to the industry we operate in, developments relating to India, volatility in securities markets in jurisdictions other than India, variations in the growth rate of financial indicators, variations in revenue or earnings estimates by research publications, and changes in economic, legal and other regulatory factors.

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

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

59. ***The Offer Price of the Equity Shares may not be indicative of the market price of the Equity Shares after the Offer.***

The Offer Price of the Equity Shares will be determined by our Company and the Promoter Selling Shareholder in consultation with the BRLMs, and through the Book Building Process. This price will be based on numerous factors, as described under "*Basis for Offer Price*" on page 113 and may not be indicative of the market price for the Equity Shares after the Offer. The market price of the Equity Shares could be subject to significant fluctuations after the Offer, and may decline below the Offer Price. We cannot assure you that the investor will be able to resell their Equity Shares at or above the Offer Price. Further, certain of the BRLMs have previously handled issues wherein the market price of the issued shares declined below the issue price of the shares within 30 days of their listing and in certain cases continued to trade at a price lower than their listing price on the 180^{th} day from listing. For further price information on the past issues handled by the BRLMs, see "*Other Regulatory and Statutory Disclosures*" on page 493.

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

Under the Companies Act, a company incorporated in India must offer its equity shareholders pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages prior to issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the equity shares voting rights on such resolution.

However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights, unless we make such a filing. To the extent that you are unable to exercise pre-emptive rights granted in respect of our Equity Shares, your proportional interests in our Company may be reduced.

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

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

62. ***Any future issuance of Equity Shares by us or sales of our Equity Shares by any of our significant shareholders may adversely affect the trading price of our Equity Shares.***

Any future issuance of our Equity Shares, including pursuant to the ESOP Schemes, by us could dilute your shareholding. Any such future issuance of our Equity Shares or sales of our Equity Shares by any of our significant shareholders including by our Promoters to comply with the minimum public shareholding requirements applicable under SCRR may also adversely affect the trading price of our Equity Shares, and could affect our ability to raise capital through an offering of our securities. We cannot assure you that we will not issue further Equity Shares or that the shareholders will not dispose of, pledge or otherwise encumber their Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

Prominent Notes

1. Initial public offer of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share), aggregating up to ₹10,000 million, consisting of a Fresh Issue of up to [●] Equity Shares aggregating up to ₹4,000 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating up to ₹6,000 million by the Selling Shareholders. The Offer will constitute [●]% of the fully diluted post-Offer paid-up Equity Share capital of our Company.

   Our Company and the Promoter Selling Shareholder may consider undertaking the Pre-IPO Placement. Our Company and the Promoter Selling Shareholder will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

   For further details, see "*The Offer*" on page 77.

2. There has been no change in our Company's name in the three years immediately preceding the date of

filing of the Draft Red Herring Prospectus. For further details in relation to the corporate history of our Company, see "*History and Certain Corporate Matters*" on page 162.

3. As of March 31, 2018, our Company's net worth was ₹4,934.85 million as per the Restated Standalone Financial Information and ₹4,021.02 million as per the Restated Consolidated Financial Information. See "*Financial Statements*" on page 203.

4. As of March 31, 2018, the net asset value per Equity Share was ₹41.64 as per the Restated Standalone Financial Information and was ₹33.93 as per the Restated Consolidated Financial Information. See "*Financial Statements*" on page 203.

5. As on the date of filing of this Draft Red Herring Prospectus, the average cost of acquisition of Equity Shares for our Promoters, Mr. Ravi B. Goyal and Vineha Enterprises Private Limited is ₹nil *# and ₹86.18*, respectively.

   ** As certified by Parikh & Parikh, Chartered Accountants, pursuant to their certificate dated August 20, 2018. # Since average cost of acquisition is negative, it has been considered as nil.*

   For details, see "*Capital Structure*" on page 88.

6. For details of interests of our Group Entities in our Company, see "*Financial Statements*", "*Our Group Entities*" and "*Related Party Transactions*" on pages 203, 196 and 201, respectively. For details of related party transactions entered into by our Company with our Subsidiaries or Group Entities during the Financial Year immediately preceding the date of this Draft Red Herring Prospectus, the nature of transactions and the cumulative value of transactions, see "*Financial Statements*" and "*Related Party Transactions*" on pages 203 and 201, respectively.

7. There have been no financing arrangements whereby members of our Promoter Group, directors of Vineha Enterprises Private Limited, our Directors and their relatives have financed the purchase by any other person of the 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 filing of this Draft Red Herring Prospectus.

8. For any complaints, information or clarifications pertaining to the Offer, investors may contact the BRLMs who have submitted the due diligence certificate to the SEBI as well as the Registrar to the Offer. For details see "*General Information*" on page 79.

SECTION III: INTRODUCTION

SUMMARY OF INDUSTRY

The information contained in this section is derived from industry data sourced from India ATM Market Outlook to 2023 dated June 2018 and India Payment Services Market Outlook to 2023 dated July 2018, both commissioned from Ken Research, and other publicly available sources. Neither we nor any other person connected with this Offer 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 that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

Investors should note that this is only a summary of the industry in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in "Industry Overview", "Our Business" and "Financial Statements" on pages 119, 141 and 203, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see "Risk Factors" on page 20.

Strong Growth in Payments Industry

GDP growth, private consumption and government initiatives have resulted in strong growth in the payments sector. The number of transactions has grown from 7,699 million in financial year 2012 to 26,370 million in financial year 2018. The value of transactions has grown from ₹ 1,621,130 billion in financial year 2012 to ₹ 2,871,583 billion in financial year 2018.

The following table sets forth the number of transactions on the basis of volume, in million:

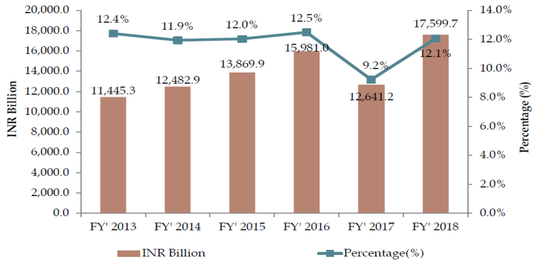
Parameters	Financial Year			
	2012	**2014**	**2016**	**2018**
Usage at ATMs	5,084	6,091	8,079	8,608
Retail Electronic Clearing	512	1,108	3,142	5,467
Usage at POS	647	1,128	1,959	4,721
Prepaid	31	134	748	3,459
Mobile Banking	26	95	389	1,913
Paper Clearing	1,342	1,257	1,096	1,171
UPI	NA	NA	NA	903.4
RTGS/CCIL	57	84	101	128
Total	**7,699**	**9,897**	**15,514**	**26,370**

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Historical Trend of Cash Circulation in India during the Financial Year 2013 to 2018

Despite the growth of cashless transactions, people in India heavily rely upon cash transactions in their day to day life. However, there has been a growth in transactions made through digital applications due to shortages of cash flow observed in the Indian economy. Currency in circulation as a percentage of GDP declined to 9.2% during the financial year 2017 due to the effects of demonetization in the Indian economy.

The following chart sets forth cash in circulation in India and percentage of GDP, during the financial years 2013 to 2018:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Overview of India's ATM Market

The number of ATMs (including white label ATMs) operating in India's ATMs market have increased to 222,247 as of March 31, 2018 from 114,014 as of March 31, 2013 at a CAGR of 14.3%.

The following table sets forth future projections for the number of ATMs (cash dispensers), for the financial years 2019 to 2023:

Parameters	**Financial Year**				
	2019	**2020**	**2021**	**2022**	**2023**
Number of ATMs (Cash Dispensers)	228,914	236,239	245,925	259,697	267,228

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Cash Withdrawals in India, During the Financial Years 2015 to 2018

Cash withdrawal transactions through debit cards increased at a CAGR of 7.1% during the financial years 2015 to 2018 due to the implementation of PMJDY during August 2014 and an increase in personal disposable incomes. Overall contribution by the PMJDY has been significant for the financial sector in India, as it has expanded the market for ATM service management companies due to an increase in the number of account holders in India along with a rise in the issuance of debit card holders which further drives the rising demand for cash withdrawal transactions in India. Coupled with an increase in deposits during demonetisation and through direct benefit transfers ("**DBT**") there has been an increasing need for cash withdrawals and contributed altogether in the number of cash withdrawals in India through debit cards.

The following chart sets forth the cash withdrawals in India from debit cards, from the financial year 2015 to the financial year 2018:

Cash Withdrawal (Debit Cards)	**Financial Year**			
	2015	**2016**	**2017**	**2018**
Number of Transaction (in million)	6,995.80	8,072.50	8,563.10	8,602.30
Amount in ₹ Million	22,208,651.30	25,357,945.50	23,602,725.60	28,987,610.70
Average Amount per Transaction in ₹	3,174.60	3,141.30	2,756.30	3,369.80

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

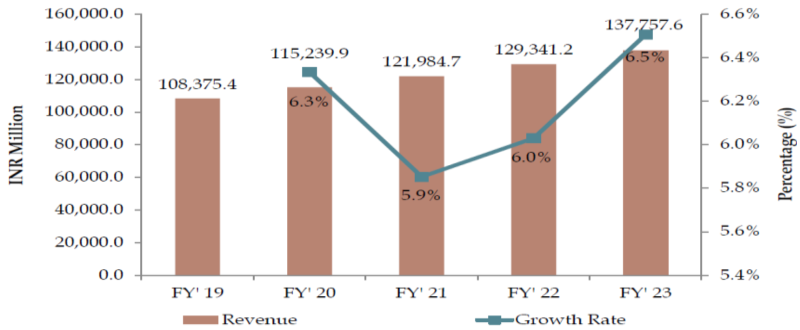
Impact of Demonetisation on the Number of ATM Transactions and its Revival

The post demonetisation period is marked by the recovery of cash in circulation and a robust banking system led by digital transactions. There was an increase in transactions in ATMs due to the activation and usage of PMJDY cards at ATMs. Currency in circulation increased to ₹ 17,599.7 billion, which was 12.1% of the GDP for the financial year 2018.

India's ATM Managed Services Market Future Outlook and Projections

The total revenue for India's ATM managed services market segmentation by service offerings was ₹ 99,701.4 million for the financial year 2018.

The following chart sets forth future projections of India's ATM managed services market size by revenue and growth rate, for the financial years 2019 to 2023:

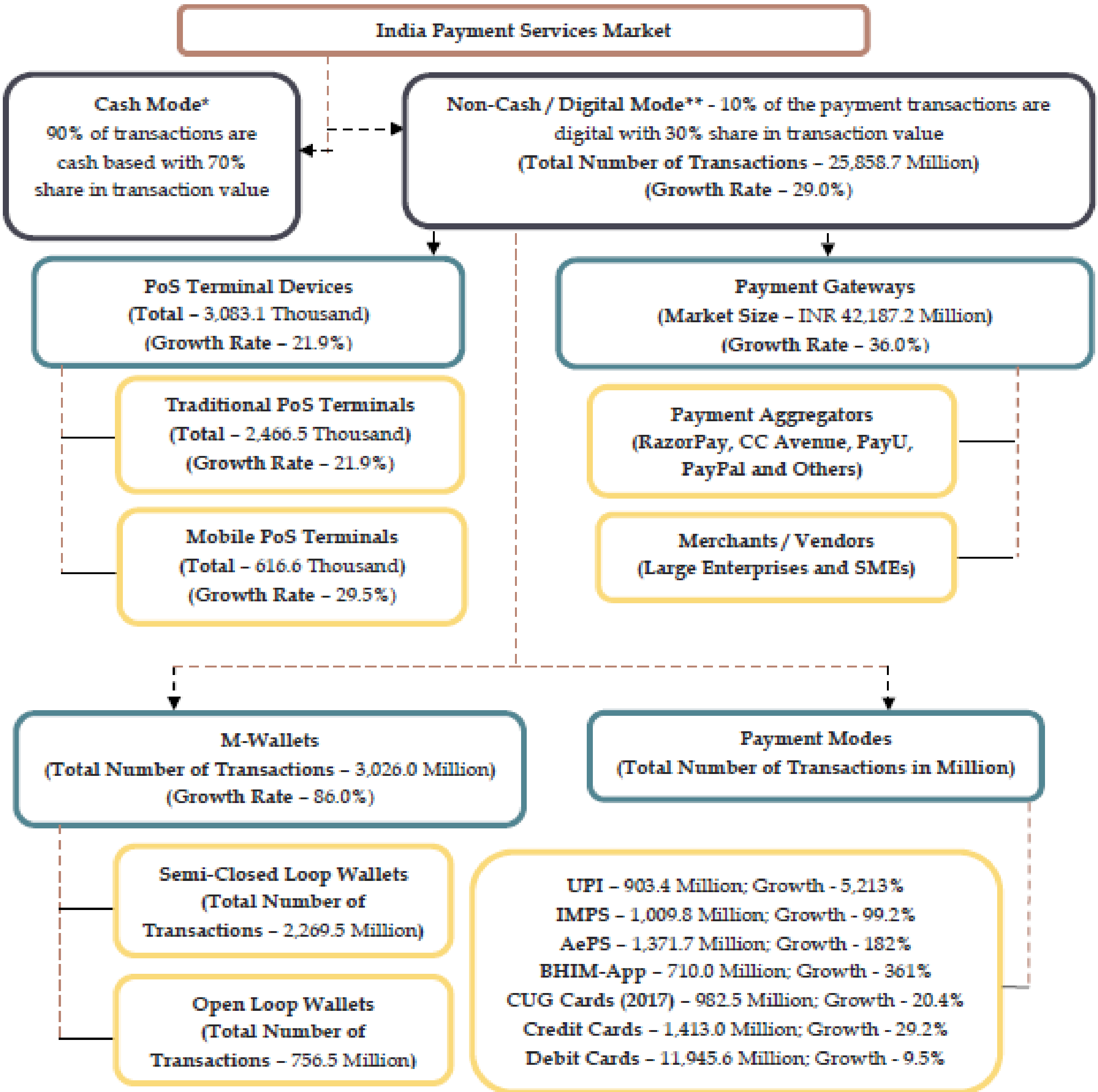


(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India's Payment Services

Market Overview

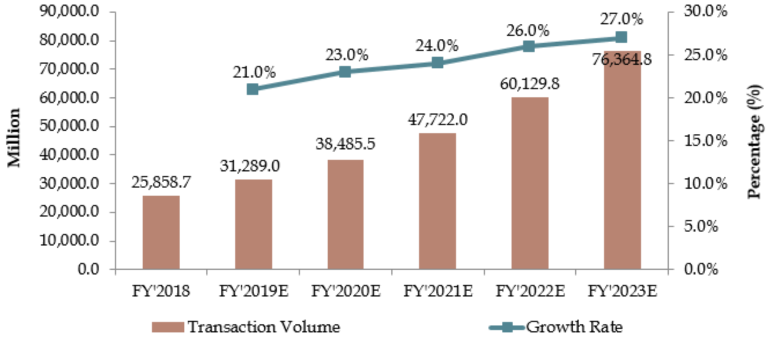
The following chart sets forth India's payment services market, as of March 31, 2018:



*Note: Growth Rate mentioned above is for the financial year 2018. * In overall transactions, cash payments had a proportionate share of 70% in terms of transaction value whereas, in terms of total transaction volume, cash payments were evaluated at 90% in the financial year 2018. **: In overall transactions, non-cash / digital payments had a proportionate share of 30% in terms of transaction value whereas, in terms of total transaction volume, non-cash / digital payments were evaluated at 10% in the financial year 2018. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)*

India's Payments Services Market Size

The following chart sets forth India's payment services market future projections on the basis of transaction volume and growth rate, during the financial year 2018 and estimated for the financial years 2019 to 2023:

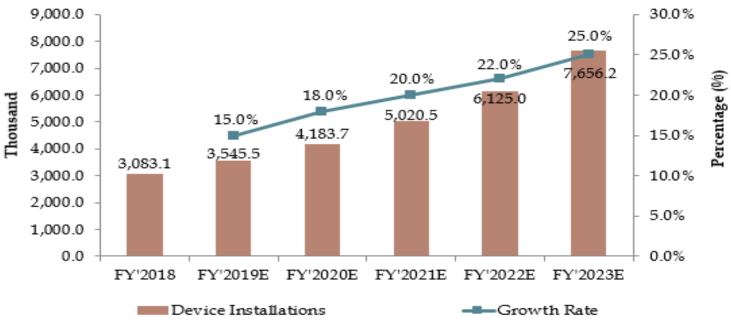


Note: E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's PoS Terminal Market Size

During demonetisation, a demand-supply gap was witnessed in India's PoS terminal market which created a shortage for PoS terminal devices. Therefore, PoS device companies accelerated their pace of hardware production to meet the rising demand for these machines.

The following chart sets forth India's PoS terminal markets future projections on the basis of total number of cumulative device installations and growth rate, for the financial year 2018 and estimated for the financial year 2019 to 2023:



Note: E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

Increased penetration of debit and credit cards, the growing e-commerce sector, rising disposable income coupled with the government's initiative towards promoting a cashless economy will provide a beneficial opportunity for growth of PoS devices in India. Issues with respect to factors like privacy, security, trust and lack of integration of telecom infrastructure may cause a major roadblock for the industry. It is projected that the retail sector will account for the highest volume share due to the increasing awareness among retailers about the benefits of PoS terminals.

SUMMARY OF BUSINESS

Some of the information in the following section, especially information with respect to our plans and strategies, contain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. All figures in this section are derived from our Restated Consolidated Financial Information, unless specified otherwise.

Investors should note that this is only a summary of our business in which we operate and does not contain all information that should be considered before investing in the Equity Shares. Before deciding to invest in the Equity Shares, prospective investors should read this Draft Red Herring Prospectus, including the information in "Industry Overview", "Our Business" and "Financial Statements" on pages 119, 141 and 203, respectively. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with an investment in the Equity Shares, see "Risk Factors" on page 20.

This section also contains information derived from industry data sourced from India ATM Market Outlook to 2023, June 2018 and India Payment Services Market Outlook to 2023, July 2018, both commissioned from Ken Research, and other industry sources.

Overview

We are one of India's leading providers of end-to-end cash and digital payment solutions and automation technology. We provide customised products and services comprising ATM outsourcing and cash management, as well as digital payment solutions including merchant solutions, transaction processing services and mobile wallets. As of March 31, 2018, we were the second largest company in India in terms of number of ATMs managed, revenue from ATM managed services and number of ATMs provided with cash management services, and the fourth largest company in India in terms of revenue from cash management *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. For the financial year 2018, we derived 97.4% of our revenues from India where our business started, although we have expanded internationally to offer automation and payment solutions to banks and financial institutions in other Asian countries such as Sri Lanka, Singapore, Cambodia, and Philippines. Our total revenue from operations was ₹14,813.17 million for the financial year 2018, and our total revenue from operations grew at a CAGR of 10.7% between the financial years 2016 and 2018.

We started providing banking automation solutions in India in 2004. We deployed products from international solution providers such as Diebold Nixdorf and established our own country-wide service infrastructure and automation solutions expertise to provide related services. Beginning 2009, we leveraged our banking automation solutions expertise and service reach to offer ATM outsourcing and managed services by, among other things, entering into a cooperation agreement with Diebold Nixdorf for banking and retail products. As part of our strategy to strengthen our presence in the cash value chain, offer an integrated payments platform and improve our operational efficiencies, we commenced offering transaction switching services in 2011 and cash management services in 2012. In 2014, we expanded our offerings into digital payment solutions, enhancing our integrated digital platform and Software-as-a-Service ("**SaaS**") capabilities. We also entered into an alliance with ACI Worldwide ("**ACI**"), a leading international payments solution provider, in 2016, which has further strengthened our value proposition to customers.

We operate our business in the following segments:

- Payment Solutions;
- Banking Automation Solutions; and
- Other Automation Solutions (for customers in the retail, petroleum and colour sectors).

Our Payment Solutions segment comprises ATM outsourcing and managed services, cash management services, intelligent cash deposit machines ("**iCDs**"), transaction switching and digital payment solutions, merchant solutions, automatic vehicle fuelling (or *Fastlane)*, toll and transit solutions and agency banking. Our customers in the Payment Solutions segment include ICICI Bank Limited, Axis Bank Limited, HDFC Bank Limited, RBL Bank Limited, BTI Payments Private Limited, Hindustan Petroleum Corporation Limited ("**HPCL**"), Indian Oil Corporation Limited ("**IOCL**"), Lanka IOC, Utkarsh Small Finance Bank Limited, and Ly Hour Pay Pro and DaraPay in Cambodia.

- In our ATM outsourcing and managed services businesses, we are responsible for the end-to-end management of ATMs, starting from site identification and development, followed by machine deployment, maintenance and management on behalf of our customers. While we own the ATMs in our outsourcing services business, the ownership of these machines remains with the customers themselves under our managed services business. As of June 30, 2018, our portfolio consisted of 13,329 ATMs and 24,323 ATMs under our outsourcing and managed services businesses, respectively.

- Our subsidiary SVIL's cash management services build on our ATM outsourcing and managed services businesses, and include cash replenishment, cash pick-up, cash-in-transit ("**CIT**"), cash vaulting and cash processing services for ATMs managed by us and by other operators. As of June 30, 2018, we provide cash management services through a fleet of 1,323 cash vans, and 307 vaults and spoke locations, covering approximately 1,400 cities and towns in India. Our subsidiary SVIL was the second largest cash management company in India, by number of ATMs serviced, as of March 31, 2018 *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018*).

- We also provide transaction switching services, where we integrate a variety of payment channels, including internet payment gateways and several mobile payment systems, to route, switch and process electronic transactions even across non-banking segments. This gives us the ability to cater to the needs of banks, retailers, petrol stations and other financial institutions across the payment transactions value chain and to assist our customers in the issuance of new cards, migrating their existing card base and the authorization of cards. Our in-house switch development software team also develops customized switching solutions for our customers.

- To enhance our digital portfolio and address new market segments, we commenced our operations in merchant solutions. Our merchant services include device-based and device-less payment solutions, prepaid and loyalty programs, Cash@POS, payment gateway and remote payment solutions, loans against card receivables and other value added services. As of June 30, 2018, we have approximately 61,000 merchants as clients.

Our Banking Automation Solutions business segment, which commenced in 2004, comprises the supply and installation of ATMs and other automated banking products and the provision of services, including maintenance, software and hardware upgrades and spare parts. As of June 30, 2018, we have supplied and installed approximately 54,000 ATMs and we have approximately 50 banking customers, including ICICI Bank Limited, Axis Bank Limited and HDFC Bank Limited.

Our Other Automation Solutions business segment encompasses our retail, petroleum and colour operations. As part of our Other Automation Solutions segment, we supply automation products and provide implementation services, system integration, remote management and support and help desk services. Customers for our retail sector offerings include Future Retail Limited, while customers for our petroleum sector offerings include HPCL and IOCL. Our colour operations primarily comprise the supply of automatic paint dispensers and related services, and serve customers including Kansai Nerolac Paints Limited and Berger Paints India Limited.

As of June 30, 2018, we had installed, maintained or managed a network of approximately 72,000 ATMs, provided cash management services to approximately 28,900 ATMs through our subsidiary, Securevalue India Limited ("**SVIL**"), installed approximately 71,000 merchant POS and 37,000 cash billing terminals, automated approximately 8,000 petroleum outlets and installed approximately 54,000 colour dispensing machines. For the three months ended June 30, 2018, SVIL replenished a daily average amount of ₹8,016.97 million, and we processed 193.60 million and 427.14 million switching transactions in the three months ended June 30, 2018 and in the financial year 2018, respectively. For the three months ended June 30, 2018, we processed 34.38 million merchant transactions with gross transaction value of ₹13,376.80 million. Our operations covered approximately 2,200 cities and towns, servicing approximately 235,000 machines or customer touch points as of June 30, 2018.

Our Competitive Strengths

Our principal competitive strengths are as follows:

End-to-End Provider of Cash and Digital Payment Solutions

We provide end-to-end solutions and technology across the cash and digital payments value chain, serving diverse industries such as banking, retail, petroleum, toll and transit, cash management and fintech in India and other select countries in Asia. We believe our services help increase the speed and accuracy of cash as well as digital payment transactions. In addition, the size and wide reach of our operational network enables us to realize economies of scale.

As part of our cash payments solutions business, we offer a portfolio of banking services and automated banking products such as ATM outsourcing and managed services, manufacturing and deployment of ATMs and self-service terminals. We also have the ability to customize, integrate, maintain and manage such products for our customers. Since we commenced this business in 2004, we have developed in-house technology and expertise to deal with the entire product life cycle of ATMs and related services, including manufacturing of ATMs, site identification, site build up, deployment, maintenance and operations including monitoring, cash management, first line maintenance and second line maintenance. Our integrated operations are further facilitated by our in-house cash management capabilities and transaction switching services. According to Ken Research, we are the only company in India to provide the full range of services in the ATM managed services market, namely: ATM equipment and supply, maintenance of ATMs, managed services, ATM replenishment and CIT, retail cash management and cash pickup and delivery, and white label ATMs ("**WLAs**") *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. Further, as of March 31, 2018, we were the second largest company in India in terms of number of ATMs managed, revenue from ATM managed services and number of ATMs provided with cash management services, and the fourth largest company in India in terms of revenue from cash management *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. We believe that the size of our operations, experience and overall infrastructure gives us a significant competitive advantage.

As part of our digital payments solutions, we offer a payments platform, customized solutions and related managed services to cater for end-users, merchants, banks, bank agents as well as other ecosystem partners. Our payment platform accepts payments through a broad spectrum of options including magnetic stripe, chip and pin, contactless, Bharat QR, Unified Payment Interface ("**UPI**") and Aadhaar Pay, which we believe makes us a partner of choice for merchants. We also provide device-based solutions such as "Smart POS" GPRS terminals, Digital M-POS terminal and Public Switched Telephone Network ("**PSTN**"). Our device-less portfolio comprises static Bharat QR, payment gateway and remote payment solutions. We also offer customized mobile wallet solutions that can be integrated with existing payment solutions. In addition to offering customized payment solution to merchants, we also process transactions using our switching platform, along with payment and settlement services, which enables faster processing and easy reconciliation to our merchants. Through our technological partnership with ACI, we offer our customers a variety of payment solutions including BASE 24-eps, Universal Payment Framework ("**UPF**"), and fraud management as a service on a pay-per-transaction basis, significantly reducing the complexities associated with adopting these solutions especially for smaller banks and financial institutions. We also provide support services such as a 24x7 call centre, merchant management services, software development, operations services and monitoring services.

We believe that our ability to provide services across the cash and digital value chain from transaction touch points, channel handlers, core processing, settlement and clearing, authorization systems and back office has allowed us to become the preferred partner for cash and digital payment solution needs of our customers. Further, by leveraging our end-to-end capabilities, we believe that we are able to unlock operating efficiencies and synergy benefits.

Customer Driven Portfolio with Strong Capabilities to Develop Customized Solutions In-house

We believe our experience and expertise, coupled with our knowledge of the industries in which our customers operate, enable us to provide them with customized solutions. We regularly interact with customers to understand their requirements and work closely to develop future roadmaps. We believe that the success of this approach is evident in the comprehensive suite of merchant solutions which we have launched over the years such as mobile wallets, financial inclusion applications and agency banking software.

We have developed the following customized solutions in-house:

- voice-guided ATM software and biometric-based solutions for our banking clients;
- check deposit terminal application;
- Novus TRANSACT Switch and Novo YOUPAY mPOS Bio Service;
- a cloud-based software that drives our POS terminals and allows us to keep our merchants updated with the latest services and offerings;
- *Ongo Prepaid++* and *Ongo Rewards++*, which are loyalty programs offered to merchants for enhanced customer retention, additional revenue generation and new customer acquisition, and which can be tailored by us to meet their specific requirements;
- loyalty prepaid platforms for an oil company to support its fleet operators;
- iCDs to facilitate automated retail cash pick-ups in our cash management business;
- solutions such as '*Remote++*' to enable payment through a web link generated by a merchant;
- *Paytrack*, a merchant analytics and engagement application that helps merchants to analyse business parameters relevant to their business; and
- our value-added services portfolio consisting of Cash@POS facility and loans against card receivables to cater to diverse merchant needs.

We believe our ability to innovate and offer customized payment solutions to address the requirements of our customers allows us to deepen our relationships with them and enables us to target a greater share of their payment-services related requirements. For example, given our extensive experience and knowledge of fuel retail automation combined with our deep understanding of the payment solutions business, we were able to integrate the payment solution with retail automation to provide a seamless experience to a petroleum retailer as well as to its customers.

Diversified Product Portfolio, Customer Base and Revenue Streams Leading to Cross-Selling Opportunities

We derive revenues from a variety of products and services catering to customers across diverse industries such as banking, retail, petroleum and colour. In each of these industries, we offer a combination of automation solutions along with payment and maintenance services.

We started providing banking automation solutions in 2004, and have, over the years, diversified into payment solutions. Revenue from our Payment Solutions segment constituted 70.9% of our total revenue from operations for the financial year 2018, representing an increase from 60.9% for the financial year 2016, while revenue from our Banking Automation Solutions segment constituted 14.7% of our total revenue from operations for the financial year 2018, representing a decrease from 25.7% for the financial year 2016. Our customers include approximately 50 banks and 61,000 merchants as of June 30, 2018.

In addition, by having a diversified product portfolio and customer base, we are able to capitalize on cross-selling opportunities as our experience and knowledge allows us to develop integrated payment solutions and technology. In the petroleum sector, we are able to integrate our POS terminals into our fuel automation solutions, giving our customers access to their sales volumes, transaction data and utilisation patterns along with inventory management. Further, we leverage our cash management capabilities to offer cash pick-up services for our retail customers.

Leveraging on the technology, products and cross-sector expertise we introduced in India, we have expanded our business to Asia, namely, Sri Lanka, Singapore, Cambodia and Philippines**.** For the financial year 2018, we derived 2.6% of our total revenue from operations from our overseas operations. We believe that our diversified product and services portfolio, customer base and revenue streams in multiple jurisdictions enable us to mitigate the concentration risks that are associated with operations in a specific segment, industry or geographic region, and present us with many cross-selling opportunities.

Long-Standing Relationships with Technology Providers and Customers

We have long-standing relationships with leading global technology providers, such as Diebold Nixdorf and ACI. We currently have cooperation agreements with Diebold Nixdorf, under which we assemble ATMs and cash dispensers in India. We believe that our long-standing relationship with Diebold Nixdorf has led to effective knowledge sharing and the adoption of global best practices, thereby enabling us to improve and develop our in-house service capabilities. Together with ACI, we have launched a suite of solutions covering processing, and fraud monitoring and reconciliation. Our strong relationship with technology providers has enhanced our market position and enabled us to be the leaders in the payment solutions industry.

Further, we believe we have established relationships with leading Indian financial institutions, such as ICICI Bank Limited, Axis Bank Limited and HDFC Bank Limited, having procured repeat orders from them. Our ATM outsourcing and managed services contracts with leading Indian financial institutions typically range from three to ten years. In our international operations, our contracts with our customers typically range for a period of three to five years.

In addition, we work with leading retail chains such as Future Retail Limited, colour companies such as Kansai Nerolac Paints Limited and Berger Paints India Limited, and petroleum companies, including IOCL and HPCL. We believe that the strength of our relationships with customers and the trust that we have built up from long-standing ties with them put us in an advantageous position for new business and cross-selling opportunities and enhances our market reputation.

Dedicated In-house Infrastructure and Technological Capabilities

Our dedicated in-house infrastructure, skills and capabilities have been critical to the growth of our business.

Our nationwide service infrastructure allows us to effectively and efficiently service our customers. As of June 30, 2018, we were servicing approximately 235,000 customer touch points covering approximately 2,200 cities and towns through our 33 branch offices, 307 vaults and spoke locations, and our work force of 9,925 personnel. Our service infrastructure is a major business enabler for us across several cash and digital initiatives and allows us to leverage economies of scale by having one service team support multiple business units.

Our back-end switching platform allows us to offer a comprehensive ATM outsourcing solution, process transactions on behalf of banks and institutions, drive our POS network, issue prepaid instruments, and offer payment gateway service. Our back-end switching platform processed 193.60 million switching transactions in the three months ended June 30, 2018 and 427.14 million switching transactions during the year ended March 31, 2018.

Our in-house software development team has developed and customized ATM client software and digital applications deployed by our clients, such as Axis Bank Limited's check deposit terminal application, Novus TRANSACT Switch and Novo YOUPAY mPOS Bio Service, applications such as *Cure* to connect our helpdesk and engineers, and *Monitum* to monitor ATMs and various digital merchant solutions such as *Fastlane* and *Paytrack*. A dedicated 24/7 control centre facilitates communication among our divisions as well as between our internal stakeholders and external clients, keeps track of all open issues and collects field data which we use to further improve our operational efficiency.

We believe that the breadth of our dedicated in-house infrastructure and technological capabilities enable us to realize economies of scale and increase our productivity.

Experienced Senior Management

We believe that we have a strong management team with significant industry experience and established relationships with our customers. Mr. Ravi B. Goyal, the promoter of our Company, has over 20 years of experience in the technology sector. Mr. Stanley Johnson, head of the outsourcing and cash business of our Company, has over 23 years of experience in the payments and telecom industry and Mr. Ricardos El Khoury, chief executive officer of our subsidiary, Novus SGP, has approximately 25 years of experience in information technology, serving the retail banking and payments sectors. Mr. Saurabh Lal, chief financial officer of our Company, has over 12 years of experience in the financial service industry and Mr. Mahesh Patel, chief technology officer and head of switching business of our Company, has more than 16 years of experience in the payments and technology sector. Our other key managerial personnel and senior managerial personnel have an average experience of more than 10 years. Our key managerial personnel and senior managerial personnel enable us to identify new opportunities and implement our business strategies in the manner contemplated and to continue to build on our track record of customer service and respond to market opportunities.

We believe that we have created a distinct entrepreneurial structure within our organization, with each of our business divisions being managed as an independent profit centre and led by a separate business head.

Our Strategy

We intend to be a leader in payment solutions by delivering secure, innovative products that engage a customer across the product value chain in a cost effective manner.

The primary elements of our business strategy are as follows:

Focus on Growing our Digital Payment Solutions Business

Increase in usage of mobile internet, 3G and 4G and increasing awareness about alternate payment modes such as POS terminals, M-wallets and UPI, coupled with increasing penetration of debit cards and credit cards in India, are expected to drive the increase in digital payments *(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)*. To capitalize on this growth, we intend to leverage our existing presence in the consumer-oriented sectors to service the growing demand for products and services. For example, India's POS terminal market is expected to increase from 3.08 million device installations in the financial year 2018 to 7.66 million device installations in the financial year 2023 at a CAGR of 20.0% *(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)*.

We intend to grow our digital payments business by focusing on merchant acquisition through our sales force, distributor network, corporate clients and banks. We have a team of approximately 400 "feet on street" personnel, 250 channel partners and 50 bank partnerships catering to the POS and other merchant service needs of small and medium scale retailers. Our all-in-one POS solution allows merchants to accept various modes of payment including card-based (debit and credit cards), RFID, Bharat QR and UPI online acceptance and biometric-based (Aadhar Pay). Our device-less portfolio comprises of payment gateway and remote payment solutions, and we also offer customized mobile wallet solutions that can be integrated with existing payment solutions. We believe that the combination of value added services that help merchants grow their business such as prepaid or loyalty programs and cash@POS, and services that help simplify their operations such as the billing software, merchant analytics application and *Fastlan*e form a unique value proposition for merchants. We also plan to use our transaction platform to provide switching services to other POS and ATM deployers as well as banks. We have created digital solutions on the acquiring side of the payments cycle such as Bharat QR, UPI, cards, Aadhar Pay and contactless cards, and going forward, intend to produce digital solutions as well for the issuing side of the payments cycle.

Focus on ATM Outsourcing and Managed Services

We expect the volume of cash payment transactions, and consequently, the demand for ATMs and ATM-related services, to continue to grow for a number of reasons, including:

- The Government's Direct Benefit Transfer program, under which subsidies and wages are paid electronically to beneficiaries *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*;
- The Government of India's launch in August 2014 of the Pradhan Mantri Jan-Dhan Yojana ("**PMJDY**"), a plan of financial inclusion to provide banking access to all households across the country *(Source: http://www.pmjdy.gov.in);*
- Despite the shortage of currency circulation caused by the Government of India's demonetization of the currency in November 2016, cash in circulation was at ₹17,599.97 billion in financial year 2018, higher than the pre-demonetization level of ₹15,981.0 billion in financial year 2016 *(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)*; and
- Replacement of existing ATMs which drove the increase in revenue share of ATM supply in the ATM managed services market in financial year 2018 *(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)*.

As the volume of cash payment transactions have increased, banks have increasingly outsourced certain functions of the management of ATMs, either partially or wholly, to third parties such as us. These functions include site identification, leasing, maintenance, housekeeping, security and monitoring of ATMs and sites. We believe that banks will increasingly outsource their ATM management functions as they focus on their core business and operations and seek to increase their productivity and reduce costs. As of June 30, 2018, we had 37,652 ATMs under the ATM outsourcing and managed services models. We also intend to continue to focus on our transaction switching capabilities to capture a greater proportion of the ATM value chain.

We intend to increase the share of such outsourced or managed ATMs in our portfolio since it allows us to focus on increasing revenue by facilitating a greater number of transactions on the ATMs through our systems and processes, targeting new revenue streams from the variety of services required in the ATM products life cycle. At the same time, we intend to reduce our costs of operating such ATMs by improving operational efficiency through steps such as a central information management and tracking system and a cash forecasting system for our ATMs. We also intend to leverage the cash management capabilities of SVIL to make our ATM management operations more efficient.

Lastly, we also aim to leverage our market share, which enables us to access sizeable usage data, and our experience, which provides us with expertise in determining ATM sites and making other related business decisions.

Focus on Enhancing our Integrated Technology Payments Platform

We intend to leverage our product and services portfolio to provide additional customized payment solutions as well as develop integrated payments platform for our customers. We have deployed automation solutions across various industries over the years and using our in-house expertise, we have the technical capability to offer our customers with integrated payments solution linked to the existing solutions we have provided such as billing terminals. Since we have automated approximately 8,000 fuel stations in India, we launched *Fastlane* as the first RFID payment for fuel in India. We intend to offer additional customers with integrated payments solution and believe that integrating various technology solutions provides us an edge over our competition as well as allows us to retain the customer for multiple years.

We were among the first company in India to launch QR-code based payments for various card schemes. We believe that by developing mobility-based payment solutions, which enables additional modes of making payments besides cash or card, we are able to develop customized payment solutions (including mobile wallet offerings) for our customers. Through our omni-channel payment processing platform, our customers are able to accept payments in multiple ways. We believe this will enable us to grow our customer touch points, other service offerings and total revenue.

We typically enter into multi-year managed services or outsourcing contracts by bundling these solutions for our customers which provides us visibility and predictability on our future revenue. We also intend to focus on bundling our various products, services and processes to offer end-to-end solutions to our customers.

Focus on Cash Management Services

We launched our cash management business through our subsidiary SVIL in 2012 with the objective of gaining better control over an important component of our ATM outsourcing and managed services business. Having gained scale and operational efficiencies in this business, we intend to grow this business further by leveraging our experience and other factors such as the:

- increasing trend of banks outsourcing their ATM operations and retailers outsourcing cash pick-ups to third parties such as us; and

- expected increase in the number of ATMs in India due to various financial inclusion initiatives of the Indian Government, such as the PMJDY. The number of ATMs is projected to increase to 341,923 ATMs by the financial year 2023 *(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)*.

We also intend to expand the geographical scope of our cash management business and explore opportunities in new cash user segments. We will continue to focus on providing services such as cash pick-up, cash-sorting and cash-deposit services to various establishments, including retail outlets. We intend to offer such services through the use of sophisticated technology, with little or no human intervention, with an objective of enabling these establishments to reduce their working capital cycles.

International Expansion

While we expect India to remain the focus of our future business initiatives and various managed services and outsourcing bundles, we also evaluate opportunities in developing markets in Asia where we have had recent successes in deploying our digital platform and securing multi-year managed services and outsourcing deals. We plan to continue to leverage on the technology and products developed in India and provide these solutions to other countries to facilitate financial inclusion, demonstrating the same cross-sector expertise we have in India, and to further diversify our business. At the same, our international operations provide us experience and give us insights that we believe that we may be able to harness for our India operations.

We currently have local teams in Sri Lanka, Singapore, Cambodia and Philippines. For the financial year 2018, we derived 2.6% of our total revenue from operations from our businesses outside India. We plan to further penetrate these markets by scaling up our existing businesses or offering new products or services where we identify gaps in the market or opportunities for potential growth or consolidation. We will continue to explore opportunities in Asia and ways in which we can leverage our existing network, expertise and the experience of our managerial personnel based out of our overseas offices to expand our business internationally.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Information. The summary financial information presented below should be read in conjunction with "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 203 and 447, respectively.

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AGS Transact Technologies Limited

Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Assets			
Property, plant and equipment	**5,163.44**	4,702.08	4,277.47
Capital work-in-progress	**540.81**	598.91	288.87
Goodwill	**22.91**	22.63	23.43
Other intangible assets	**307.22**	205.94	153.68
Intangible assets under development	**114.65**	82.99	-
Financial assets			
Trade receivables	**9.78**	378.95	449.07
Loans	**632.25**	656.76	677.51
Other financial assets	**33.69**	1.21	16.25
Deferred tax assets (net)	**256.86**	209.78	133.48
Other non-current assets	**507.30**	624.97	652.78
Other non-current tax assets	**547.83**	426.39	239.46
Total non current assets	**8,136.74**	**7,910.61**	**6,912.00**
Current assets			
Inventories	**1,353.55**	1,680.10	1,727.00
Financial assets			
Trade receivables	**3,665.13**	2,952.48	2,735.62
Cash and cash equivalents	**214.01**	178.80	63.33
Bank balances other than 11a above	**66.60**	31.79	41.12
Loans	**105.49**	93.71	110.81
Other financial assets	**1,505.64**	831.42	835.55
Other current assets	**507.26**	478.93	598.53
Total current assets	**7,417.68**	**6,247.23**	**6,111.96**
Total assets	**15,554.42**	**14,157.84**	**13,023.96**
Equity and liabilities			
Equity			
Equity share capital	**1,185.07**	1,185.07	1,185.07
Other equity	**2,835.95**	2,754.71	2,986.34
Equity attributable to owners of the Company	**4,021.02**	**3,939.78**	**4,171.41**
Non-controlling interests	-	-	-
Total equity	**4,021.02**	**3,939.78**	**4,171.41**
Non current liabilities			
Financial liabilities			
Borrowings	**3,517.76**	2,536.47	1,889.06
Other financial liabilities	**71.45**	83.85	90.53
Provisions	**132.18**	102.36	73.85
Other non-current liabilities	**95.91**	57.61	81.31
Total non current liabilities	**3,817.30**	**2,780.29**	**2,134.75**
Current liabilities			
Financial liabilities			
Borrowings	**2,248.26**	2,943.95	2,925.28
Trade payables	**1,973.79**	1,983.62	1,810.89
Other financial liabilities	**3,015.04**	2,065.72	1,710.61
Other current liabilities	**301.16**	285.71	135.22
Provisions	**177.85**	158.77	135.80
Total current liabilities	**7,716.10**	**7,437.77**	**6,717.80**
Total equity and liabilities	**15,554.42**	**14,157.84**	**13,023.96**

AGS Transact Technologies Limited

Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Revenue from operations	**14,813.17**	13,356.16	12,095.54
Other income	**140.53**	166.37	164.64
Total income	**14,953.70**	**13,522.53**	**12,260.18**
Expenses			
Cost of raw materials and components consumed	**2,841.07**	3,097.17	3,035.98
Excise duty	**82.49**	277.56	213.45
Purchase of traded goods	**541.96**	94.72	120.04
Decrease in inventories of finished goods and traded goods	**62.23**	41.15	56.13
Employee benefit expenses	**2,333.44**	2,222.76	1,785.54
Other expenses	**6,898.31**	6,106.96	5,639.65
Total expenses	**12,759.50**	**11,840.32**	**10,850.79**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**2,194.20**	**1,682.21**	**1,409.39**
Finance costs	**827.75**	780.72	714.80
Depreciation and amortisation expense	**1,128.98**	1,004.66	785.37
Profit/(loss) before tax	**237.47**	**(103.17)**	**(90.78)**
Tax expense:			
Current tax	**218.27**	185.42	78.03
Deferred tax (credit)/charge	**(44.01)**	(73.38)	5.18
Total tax expense	**174.26**	**112.04**	**83.21**
Profit/(loss) for the year	**63.21**	**(215.21)**	**(173.99)**
Other comprehensive income			
Items that will not be reclassified to the Restated Consolidated Summary Statement of Profit and Loss in a subsequent period			
Remeasurements of defined benefit plans	**(8.32)**	(8.77)	(5.82)
Income tax relating to the above	**3.07**	2.92	1.97
Items that will be reclassified to the Restated Consolidated Summary Statement of Profit and Loss in a subsequent period			
Gain/(loss) on foreign currency translation	**23.28**	(10.57)	3.18
Income tax relating to the above	-	-	-
Other comprehensive income for the year	**18.03**	**(16.42)**	**(0.67)**
Total comprehensive income for the year	**81.24**	**(231.63)**	**(174.66)**
Earnings per equity share			
Basic earnings per share (Rs.)	**0.53**	(1.82)	(1.47)
Diluted earnings per share (Rs.)	**0.53**	(1.82)	(1.47)

AGS Transact Technologies Limited

Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
A.	**Cash flow from operating activities**			
	Net restated profit/(loss) before tax	**237.47**	**(103.17)**	**(90.78)**
	Adjustments for :			
	Finance costs	**827.75**	780.72	714.80
	Interest income	**(58.28)**	(55.58)	(75.27)
	Depreciation and amortisation expense	**1,128.98**	1,004.66	785.37
	Loss on sale/retirement of property, plant and equipment (net)	**54.98**	21.29	37.13
	Provision for warranty	**7.55**	(15.84)	(1.61)
	Employee stock option scheme expense	**-**	-	20.45
	Inventories written off	**55.65**	44.16	151.19
	Liabilities written back	**-**	-	(0.11)
	Unrealised foreign exchange gain	**(1.42)**	(3.02)	(2.09)
	Operating profit before working capital changes	**2,252.68**	**1,673.22**	**1,539.08**
	Changes in working capital :			
	Decrease / (increase) in inventories	**224.17**	154.17	(252.90)
	(Increase) / decrease in trade receivables	**(502.06)**	(142.87)	473.35
	Decrease / (increase) in loans	**5.05**	188.08	(36.63)
	(Increase) / decrease in other current assets	**(650.78)**	39.25	(387.84)
	Decrease in other non-current assets	**53.19**	50.59	45.51
	Increase in trade payables	**181.51**	187.98	20.48
	Increase in other current liabilities	**706.10**	177.91	229.45
	(Decrease) / increase in other non-current liabilities	**(16.36)**	34.70	(27.76)
	Increase in provisions	**41.33**	67.32	46.80
	Cash generated from operations	**2,294.83**	**2,430.35**	**1,649.54**
	Direct taxes paid (net)	**(339.24)**	(372.35)	(252.38)
	Net cash flow generated from operating activities (A)	**1,955.59**	**2,058.00**	**1,397.16**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital advances and work-in-progress	**(1,550.72)**	(2,108.49)	(1,268.27)
	Interest received	**3.71**	3.25	19.07
	Fixed deposits placed during the year	**(95.37)**	(27.81)	(40.17)
	Proceeds from maturity of fixed deposits	**29.06**	35.82	33.18
	Net cash (used in) investing activities (B)	**(1,613.32)**	**(2,097.23)**	**(1,256.19)**
C.	**Cash flow from financing activities**			
	Proceeds from long-term borrowings	**2,730.09**	1,810.78	641.72
	Repayment of long-term borrowings	**(1,519.53)**	(891.50)	(701.80)
	(Repayment of)/proceeds from short-term borrowings (net)	**(693.14)**	(3.39)	511.35
	Share issue expenses	**-**	-	(48.74)
	Interest paid	**(719.65)**	(670.36)	(637.22)
	Other finance charges paid	**(104.83)**	(90.83)	(71.86)
	Net cash (used in) / generated from financing activities (C)	**(307.06)**	**154.70**	**(306.55)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**35.21**	115.47	(165.58)
	Cash and cash equivalents at the beginning of the year	**178.80**	63.33	228.91
	Cash and cash equivalents at the end of the year	**214.01**	**178.80**	**63.33**

AGS Transact Technologies Limited

Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	31 March 2015	31 March 2014
Equity and liabilities		
Shareholders' funds		
Share capital	1,185.07	295.67
Reserves and surplus	3,143.60	3,859.19
	4,328.67	**4,154.86**
Non-current liabilities		
Long-term borrowings	2,069.39	2,275.32
Other long-term liabilities	78.16	37.88
Long-term provisions	76.11	55.76
	2,223.66	**2,368.96**
Current liabilities		
Short-term borrowings	2,423.02	1,405.51
Trade payables	1,967.46	1,678.62
Other current liabilities	1,448.00	1,432.51
Short-term provisions	112.90	84.63
	5,951.38	**4,601.27**
Total	**12,503.71**	**11,125.09**
Assets		
Non-current assets		
Fixed assets		
Tangible fixed assets	3,417.86	3,306.35
Intangible assets	177.26	166.21
Capital work-in-progress	586.46	373.78
Intangible assets under development	-	29.04
	4,181.58	**3,875.38**
Deferred tax assets (net)	139.11	54.96
Long-term loans and advances	1,330.16	1,541.14
Trade receivables	215.53	-
Other non-current assets	216.37	247.10
	1,901.17	**1,843.20**
Current assets		
Inventories	1,783.26	1,489.53
Trade receivables	3,461.74	2,550.21
Cash and bank balances	261.52	83.87
Short-term loans and advances	424.46	628.09
Other current assets	489.98	654.81
	6,420.96	**5,406.51**
Total	**12,503.71**	**11,125.09**

AGS Transact Technologies Limited

Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Income		
Revenue from operations (gross)	12,026.72	9,717.80
Less: Excise duty	(186.59)	(240.96)
Revenue from operations (net)	**11,840.13**	**9,476.84**
Other income	34.00	32.46
Total income	**11,874.13**	**9,509.30**
Expenses		
Cost of raw materials and components consumed	3,791.97	3,091.52
Purchase of traded goods	556.64	229.74
(Increase) in inventories of finished goods and traded goods	(294.33)	(87.46)
Employee benefit expenses	1,240.52	893.84
Other expenses	4,763.19	4,046.69
Total expenses	**10,057.99**	**8,174.33**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,816.14**	**1,334.97**
Finance costs	671.50	560.10
Depreciation and amortisation expense	822.51	648.01
Profit before tax	**322.13**	**126.86**
Tax expenses		
Current tax		
Pertaining to profits for the current year	241.82	94.76
Deferred tax (credit)	(83.79)	(10.98)
Total tax expenses	**158.03**	**83.78**
Profit for the year before minority interest	**164.10**	**43.08**
Attributable to :		
Equity holders of the parent	164.10	48.35
Minority interest	-	(5.27)
	164.10	**43.08**
Earnings per equity share (nominal value of share Rs. 10)		
Basic earnings per share (Rs.)	1.46	0.48
Diluted earnings per share (Rs.)	1.37	0.36

AGS Transact Technologies Limited

Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
A. Cash flow from operating activities			
Restated net profit before tax		**322.13**	**126.86**
Adjustments for:			
Finance costs		595.30	525.27
Amortisation of premium on forward contracts		76.20	34.83
Interest income		(2.85)	(5.22)
Dividend income		-	(0.09)
Depreciation and amortisation		822.51	648.01
Loss on disposal of fixed assets (net)		13.36	-
Provision for warranty (net)		16.08	18.11
Write back of provision for diminution in value of inventories		-	(42.53)
Employee stock option scheme expense		4.13	-
Inventories written off		87.83	129.25
Liabilities for earlier year written back		(0.20)	-
Bad debts written off		85.00	65.41
Unrealised foreign exchange rate (gain)		(0.10)	(6.19)
Operating profit before working capital changes		**2,019.39**	**1,493.71**
Changes in working capital :			
(Increase) in inventories		(381.82)	(218.93)
(Increase) in trade receivables		(1,212.84)	(295.45)
Decrease / (increase) in deposit given for acquisition of ATMs		88.01	(714.10)
Decrease in loans and advances		159.23	58.24
Decrease / (increase) in other current assets		188.97	(667.51)
Decrease / (increase) in other non-current assets		27.66	(235.12)
Increase in trade payables		462.76	209.46
(Decrease) / increase in other current liabilities		(262.53)	419.76
Increase in other non-current liabilities		40.32	27.47
Increase in provisions		32.61	19.52
Cash generated from operations		**1,161.76**	**97.05**
Direct taxes paid (net)		(97.23)	(97.84)
Net cash generated from / (used in) operating activities	**(A)**	**1,064.53**	**(0.79)**
B. Cash flow from investing activities			
Purchase of fixed assets, capital work-in-progress, advances, etc.		(1,147.23)	(1,881.23)
Sale of current investments		-	8.26
Interest received		2.14	7.69
Dividend received		-	0.09
Fixed deposits matured during the year (net)		1.77	23.32
Net cash used in investing activities	**(B)**	**(1,143.32)**	**(1,841.87)**
C. Cash flow from financing activities			
Proceeds from issuance of equity share capital		94.78	-
Loan given to AGSTTL Employees Welfare Trust		(85.32)	-
Proceeds from long-term borrowings		503.91	2,311.48
Repayment of long-term borrowings		(585.49)	(312.66)
Proceeds from short-term borrowings - secured (net)		1,017.50	408.24
Dividend paid on CCPS including tax		(0.15)	(0.08)
Share issue expenses		(31.62)	-
Interest paid		(552.68)	(517.96)
Other finance charges paid		(113.97)	(34.83)
Net cash flow from financing activities	**(C)**	**246.96**	**1,854.19**
Net increase in cash and cash equivalents	**(A)+(B)+(C)**	**168.17**	**11.53**
Cash and cash equivalents at the beginning of the year		60.74	49.21
Cash and cash equivalents at the end of the year		**228.91**	**60.74**

AGS Transact Technologies Limited

Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Assets			
Non-current assets			
Property, plant and equipment	**3,846.17**	3,706.17	3,631.28
Capital work-in-progress	**347.14**	340.02	233.57
Intangible assets	**305.64**	207.67	151.98
Intangible assets under development	**114.65**	82.99	-
Investments in subsidiaries	**1,422.34**	1,186.78	542.19
Financial assets			
Trade receivables	**9.78**	378.45	449.07
Loans	**576.86**	630.65	656.37
Other financial assets	**33.69**	1.21	0.39
Deferred tax assets (net)	**202.54**	184.45	123.34
Other non-current assets	**432.77**	577.36	638.97
Other non-current tax assets	**528.35**	400.74	188.11
Total non-current assets	**7,819.93**	**7,696.49**	**6,615.27**
Current assets			
Inventories	**1,339.80**	1,670.34	1,705.74
Financial assets			
Trade receivables	**3,533.16**	2,905.30	2,642.93
Cash and cash equivalents	**139.20**	71.86	38.39
Bank balances other than (11a) above	**51.10**	18.76	32.27
Loans	**203.14**	290.04	308.44
Other financial assets	**1,390.54**	706.20	742.14
Other current assets	**400.91**	418.73	540.74
Total current assets	**7,057.85**	**6,081.23**	**6,010.65**
Total assets	**14,877.78**	**13,777.72**	**12,625.92**
Equity and liabilities			
Equity			
Equity share capital	**1,185.07**	1,185.07	1,185.07
Other equity	**3,749.78**	3,559.07	3,506.23
Total equity	**4,934.85**	**4,744.14**	**4,691.30**
Non-current liabilities			
Financial liabilities			
Borrowings	**2,968.51**	2,209.81	1,499.09
Other financial liabilities	**71.45**	83.85	90.53
Provisions	**90.48**	75.92	61.51
Other non-current liabilities	**20.77**	17.23	81.26
Total non-current liabilities	**3,151.21**	**2,386.81**	**1,732.39**
Current liabilities			
Financial liabilities			
Borrowings	**2,089.06**	2,751.13	2,845.16
Trade payables	**1,777.86**	1,949.87	1,744.98
Other financial liabilities	**2,654.22**	1,641.22	1,383.56
Other current liabilities	**143.45**	187.90	112.00
Provisions	**127.13**	116.65	116.53
Total current liabilities	**6,791.72**	**6,646.77**	**6,202.23**
Total equity and liabilities	**14,877.78**	**13,777.72**	**12,625.92**

AGS Transact Technologies Limited

Restated Standalone Summary Statement of Profit and Loss

			(Rs. in million)
Particulars	**Year ended 31 March 2018**	**Year ended 31 March 2017**	**Year ended 31 March 2016 Proforma**
Revenue			
Revenue from operations	**13,171.25**	12,450.49	11,613.42
Other income	**118.02**	131.35	151.03
Total income	**13,289.27**	**12,581.84**	**11,764.45**
Expenses			
Cost of raw materials and components consumed	**2,849.57**	3,176.87	3,046.15
Excise duty	**82.49**	277.56	213.45
Purchase of traded goods	**286.68**	50.13	83.42
Decrease in inventories of finished goods and traded goods	**65.15**	28.29	67.28
Employee benefit expenses	**1,121.36**	990.84	849.48
Other expenses	**6,946.71**	6,423.89	6,020.66
Total expenses	**11,351.96**	**10,947.58**	**10,280.44**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,937.31**	**1,634.26**	**1,484.01**
Finance costs	**742.75**	705.51	655.80
Depreciation and amortisation expense	**873.68**	812.69	687.75
Profit before tax	**320.88**	**116.06**	**140.46**
Tax expense			
Current tax	**146.00**	120.00	55.00
Deferred tax (credit) / charge	**(17.30)**	(59.61)	12.90
Total tax expense	**128.70**	**60.39**	**67.90**
Profit for the year	**192.18**	**55.67**	**72.56**
Other comprehensive income			
Items that will not be reclassified to Restated Standalone Summary Statement of Profit and Loss in subsequent period			
Remeasurements of defined benefit plans	**(2.26)**	(4.33)	(4.17)
Income tax relating to the above	**0.79**	1.50	1.44
Other comprehensive income for the year	**(1.47)**	**(2.83)**	**(2.73)**
Total comprehensive income for the year	**190.71**	**52.84**	**69.83**
Earnings per equity share			
Basic earnings per share (Rs.)	**1.62**	0.47	0.61
Diluted earnings per share (Rs.)	**1.61**	0.47	0.61

AGS Transact Technologies Limited

Restated Standalone Summary Statement of Cash Flows

(Rs. in million)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
A.	**Cash flow from operating activities**			
	Net restated profit before tax	**320.88**	**116.06**	**140.46**
	Adjustments for :			
	Finance costs	**742.75**	705.51	655.80
	Interest income	**(58.70)**	(64.98)	(81.67)
	Corporate guarantee income	**(3.45)**	(3.20)	(2.97)
	Depreciation and amortisation expense	**873.68**	812.69	687.75
	Loss on sale/retirement of property, plant and equipment (net)	**40.08**	21.29	37.13
	Provision for warranty (net)	**7.55**	(15.84)	(1.61)
	Employee stock option scheme expense	**-**	-	20.45
	Inventories written off	**55.65**	44.16	151.19
	Unrealised foreign exchange gain	**(1.42)**	(3.01)	(2.09)
	Operating profit before working capital changes	**1,977.02**	**1,612.68**	**1,604.44**
	Changes in working capital			
	Decrease / (increase) in inventories	**440.23**	237.46	(242.40)
	(Increase) / decrease in trade receivables	**(258.73)**	(198.68)	520.31
	Decrease / (increase) in loans	**171.34**	195.71	(5.91)
	(Increase) / decrease in other current assets	**(654.61)**	97.44	(302.51)
	Decrease in other non-current assets	**53.20**	53.20	53.20
	(Decrease) / increase in trade payables	**(171.01)**	205.30	(362.21)
	Increase in other current liabilities	**842.26**	15.66	328.97
	(Decrease) / increase in other non-current liabilities	**(50.07)**	11.05	(14.13)
	Increase in provisions	**22.50**	41.56	8.28
	Cash generated from operations	**2,372.13**	**2,271.38**	**1,588.04**
	Direct taxes paid (net)	**(273.61)**	(332.63)	(185.87)
	Net cash flow generated from operating activities (A)	**2,098.52**	**1,938.75**	**1,402.17**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital advances and work-in-progress	**(1,296.99)**	(1,467.22)	(926.23)
	Investment in subsidiaries	**(55.38)**	(261.38)	(195.62)
	Interest received	**2.02**	4.41	19.04
	Loan given to subsidiaries	**(287.12)**	(424.81)	(66.33)
	Repayment of loan by subsidiaries	**215.62**	51.20	-
	Fixed deposits placed during the year	**(82.54)**	(17.00)	(29.28)
	Proceeds from maturity of fixed deposits	**18.44**	29.05	33.18
	Net cash used in investing activities (B)	**(1,485.95)**	**(2,085.75)**	**(1,165.24)**
C.	**Cash flow from financing activities**			
	Proceeds from long-term borrowings	**2,264.50**	1,710.50	400.00
	Repayment of long-term borrowings	**(1,355.59)**	(756.90)	(623.88)
	(Repayment of)/ proceeds from short term borrowings (net)	**(659.53)**	(79.28)	526.46
	Share issue expenses	**-**	-	(48.74)
	Interest paid	**(647.88)**	(588.54)	(583.04)
	Other finance charges paid	**(146.73)**	(105.31)	(62.30)
	Net cash (used in) / generated from financing activities (C)	**(545.23)**	**180.47**	**(391.50)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**67.34**	**33.47**	**(154.57)**
	Cash and cash equivalents at the beginning of the year	71.86	38.39	192.96
	Cash and cash equivalents at the end of the year	**139.20**	**71.86**	**38.39**

AGS Transact Technologies Limited

Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	31 March 2015	31 March 2014
Equity and liabilities		
Shareholders' funds		
Share capital	1,185.07	295.67
Reserves and surplus	3,409.33	4,043.63
	4,594.40	**4,339.30**
Non-current liabilities		
Long-term borrowings	1,781.40	2,198.65
Other long-term liabilities	70.81	46.59
Long-term provisions	71.19	54.46
	1,923.40	**2,299.70**
Current liabilities		
Short-term borrowings	2,327.79	1,365.56
Trade payables	1,995.25	1,682.45
Other current liabilities	1,332.47	1,332.00
Short-term provisions	104.74	81.38
	5,760.25	**4,461.39**
Total	**12,278.05**	**11,100.39**
Assets		
Non-current assets		
Fixed assets		
Tangible fixed assets	3,021.17	3,070.51
Intangible assets	144.16	120.15
Capital work-in-progress	525.86	363.59
Intangible assets under development	-	29.04
	3,691.19	**3,583.29**
Non-current investments	341.55	249.09
Deferred tax assets (net)	136.36	54.96
Long-term loans and advances	1,299.09	1,493.90
Trade receivables	215.53	-
Other non-current assets	208.20	247.10
	2,200.73	**2,045.05**
Current assets		
Inventories	1,773.15	1,488.79
Trade receivables	3,396.86	2,557.73
Cash and bank balances	227.69	54.17
Short-term loans and advances	522.77	718.24
Other current assets	465.66	653.12
	6,386.13	**5,472.05**
Total	**12,278.05**	**11,100.39**

Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
Income		
Revenue from operations (gross)	11,858.35	9,720.94
Less: Excise duty	(186.59)	(240.96)
Revenue from operations (net)	**11,671.76**	**9,479.98**
Other income	35.97	32.37
Total income	**11,707.73**	**9,512.35**
Expenses		
Cost of raw materials and components consumed	3,797.63	3,098.44
Purchase of traded goods	534.39	227.91
(Increase) in inventories of finished goods and traded goods	(284.96)	(86.72)
Employee benefit expenses	709.93	682.09
Other expenses	5,188.34	4,187.60
Total expenses	**9,945.33**	**8,109.32**
Earnings before interest, tax, depreciation and amortisation (EBITDA)	**1,762.40**	**1,403.03**
Finance costs	634.35	552.77
Depreciation and amortisation expense	748.28	612.29
Profit before tax	**379.77**	**237.97**
Tax expenses		
Current tax		
Pertaining to profits for the current year	218.90	94.76
Deferred tax (credit)	(81.40)	(10.98)
Total tax expenses	**137.50**	**83.78**
Profit for the year	**242.27**	**154.19**
Earnings per equity share (nominal value of share Rs. 10)		
Basic earnings per share (Rs.)	2.16	1.72
Diluted earnings per share (Rs.)	2.02	1.29

Restated Standalone Summary Statement of Cash Flows

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
			(Rs. in million)
A. Cash flow from operating activities			
Restated net profit before tax		**379.77**	**237.97**
Adjustments for:			
Finance costs		558.15	517.94
Amortisation of premium on forward contracts		76.20	34.83
Interest income		(5.55)	(5.22)
Depreciation and amortisation		748.28	612.29
Loss on disposal of fixed assets (net)		13.36	-
Provision for warranty (net)		16.08	18.11
Write back of provision for diminution in value of inventories		-	(42.53)
Employee stock option scheme expense		4.13	-
Inventories written off		87.83	129.25
Bad debts written off		85.00	65.41
Unrealised foreign exchange rate (gain)		(0.21)	(6.19)
Operating profit before working capital changes		**1,963.04**	**1,561.86**
Changes in working capital :			
(Increase) in inventories		(370.45)	(218.19)
(Increase) in trade receivables		(1,139.54)	(306.91)
Decrease / (increase) in deposit given for acquisition of ATMs		88.01	(714.10)
Decrease in loans and advances		168.80	85.91
Decrease / (increase) in other current assets		219.77	(651.99)
Decrease / (increase) in other non-current assets		27.66	(235.12)
Increase in trade payables		486.47	248.30
(Decrease) / increase in other current liabilities		(229.62)	350.28
Increase in other non-current liabilities		24.22	26.11
Increase in provisions		24.09	15.93
Cash generated from operations		**1,262.45**	**162.08**
Direct taxes paid (net)		(83.82)	(91.19)
Net cash generated from operating activities	**(A)**	**1,178.63**	**70.89**
B. Cash flow from investing activities			
Purchase of fixed assets, capital work-in-progress, advances, etc.		(884.40)	(1,648.38)
Investment in subsidiaries		(92.46)	(148.09)
Interest received		2.14	7.49
Loan given to subsidiaries		(55.98)	(58.06)
Repayment of loan by subsidiaries		47.50	-
Fixed deposits matured during the year (net)		1.77	23.32
Repayment of loan by another company		-	0.85
Net cash used in investing activities	**(B)**	**(981.43)**	**(1,822.87)**
C. Cash flow from financing activities			
Proceeds from issuance of equity share capital		94.78	-
Loan given to AGSTTL Employees Welfare Trust		(85.32)	-
Proceeds from long-term borrowings		217.50	2,212.13
Repayment of long-term borrowings		(556.54)	(307.02)
Proceeds from short-term borrowings - secured (net)		960.73	378.47
Dividend paid on CCPS including tax		(0.15)	(0.08)
Share issue expenses		(31.62)	-
Interest paid		(518.84)	(438.07)
Other finance charges paid		(113.70)	(106.31)
Net cash flow (used in)/generated from financing activities	**(C)**	**(33.16)**	**1,739.12**
Net increase in cash and cash equivalents	**(A)+(B)+(C)**	**164.04**	**(12.86)**
Cash and cash equivalents at the beginning of the year		31.04	43.90
Cash and cash equivalents at the end of the year		**195.08**	**31.04**

Auditor Qualifications and Adverse Remarks

Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the years ended March 31, 2018, March 31, 2017 and March 31, 2016, Companies (Auditor's Report) Order, 2015 ('CARO') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended March 31, 2015 and Companies (Auditor's Report) Order, 2003 ('CARO') issued by the Central Government of India terms of sub-section (4A) of Section 227 of the Companies Act, 1956 for the year ended March 31, 2014. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (*i.e.* CARO), which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented:

Year ended March 31, 2018

AGS Transact Technologies Limited

Clause (vii)(a)
According to the information and explanations given to the Auditors and on the basis of their examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Service tax, Duty of customs, Duty of excise, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of Sales tax, Value added tax and Goods and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases.

According to the information and explanations given to the Auditors, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Value added tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Clause (vii)(b)
According to the information and explanations given to the Auditors, no dues of Income Tax, Sales tax, Value added tax, Service tax, Goods and service tax, Duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under protest (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	2,531.25	Nil	March 2014 to November 2015	Appellate Commissioner
The Customs Act, 1962	Customs Duty	302.36	9.00	F.Y. 2005- 2006 to 2008- 2009	Customs, Excise and Service Tax Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	Nil	FY 2011-13	High Court of Odisha
The Kerala VAT Act, 2003	Value Added Tax	1.36	0.99	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Kerala VAT Act, 2003	Value Added Tax	1.08	0.24	F.Y. 2010-11	High Court
The Central Excise Act,1944	Excise Duty	5.35	Nil	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Excise Act,1944	Excise Duty	0.43	Nil	F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Uttar Pradesh VAT Act, 2008	Sales Tax	2.54	0.63	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	0.50	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	0.16	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	Nil	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level
The Haryana VAT Act, 2003	Value Added Tax and Penalty	0.69	Nil	F.Y. 2012-2013	Tribunal
The Kerala VAT Act, 2003	Central Sales Tax and Interest	4.63	0.75	F.Y. 2013-16	Deputy Commissioner (Appeals)
The Andhra Pradesh VAT Act, 2005	Value Added Tax	2.42	0.30	F.Y. 2012-13	Appellate Deputy Commissioner
The Bihar VAT Act, 2005	Value Added Tax	3.07	3.07	F.Y. 2011-12	Joint Commissioner Appeal
West Bengal VAT Act, 2003	Value Added Tax and Interest	3.36	Nil	F.Y. 2011-12	Joint Commissioner Appeal
West Bengal VAT Act, 2003	Value Added Tax	13.92	1.34	F.Y. 2014-15	Joint Commissioner Appeal
The Customs Act, 1962	Customs Duty	8.41	Nil	F.Y. 2011-12	Commissioner Appeal

Securevalue India Limited

Clause (vii)(a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax and Service tax, Provident fund, Employees' state insurance, Cess and other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of Goods and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases. As explained to us, the Company does not have any dues on account of Sales tax, Value added tax, Duty of customs and Duty of excise during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Service tax, Goods and service tax, Cess and other statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

Clause (x)
During the year, there were cases of misappropriation of cash committed by employees on the Company, aggregating to Rs 47.12 million. The matter was investigated and the concerned employees have been dismissed. The Company has recovered amount aggregating to Rs 29.23 million of the misappropriated funds and has debited the statement of profit and loss with the balance of Rs 17.89 million. We are informed that no fraud was committed by the Company.

India Transact Services Limited

Clause (vii)(a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax and service tax, sales tax, value added tax, duty of customs, cess and other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of goods and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases. As explained to us, the Company does not have any dues on account of duty of excise during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, cess and other statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Year ended March 31, 2017

AGS Transact Technologies Limited

Clause (vii)(b)
According to the records of the Company, the dues outstanding of income-tax, sales-tax, value added tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount demanded(₹ in million)	Amount paid under protest(₹ in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	1,129.00	Nil	March 2014 to November 2015	High Court of Bombay
The Customs Act, 1962	Customs Duty	302.36	9.00	F.Y. 2005- 2006 to 2008- 2009	Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and penalty	16.65	Nil	FY 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	1.36	0.99	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act,1944	Excise Duty	5.35	Nil	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
Uttar Pradesh VAT Act, 2008	Sales Tax	2.54	0.63	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	0.50	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	0.10	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	Nil	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level
The Haryana VAT Act, 2003	Value Added Tax and penalty	0.69	Nil	F.Y. 2012-2013	Tribunal

The Kerala VAT Act, 2003	Central Sales Tax and Interest	4.63	0.75	F.Y. 2013-16	Deputy Commissioner (Appeals)
The Andhra Pradesh VAT Act, 2005	Value Added Tax	2.42	0.30*	F.Y. 2012-13	Appellate Deputy Commissioner
The Bihar VAT Act, 2005	Value Added Tax	3.07	3.07	F.Y. 2011-12	Joint Commissioner Appeal
The Customs Act, 1962	Customs Duty and penalty	8.41	1.25	F.Y. 2011-12	Additional Commissioner

* Amount is paid under protest after 31 March 2017

Securevalue India Limited

Clause (x)

During the year, there were cases of misappropriation of cash committed by employees on the Company, of amounts aggregating to Rs. 47.16 million. The matter was investigated and the concerned employees have been dismissed. The Company has recovered amount aggregating to Rs. 43.97 million of the misappropriated funds and has debited the Statement of Profit and Loss with the balance of Rs. 3.19 million. The Auditors are informed that no fraud was committed by the Company.

Year ended March 31, 2016

AGS Transact Technologies Limited

Clause (vii)(b)

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 Statute	Nature of the dues	Amount demanded (₹ in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	1,129.00	March 2014 to November 2015	High Court of Bombay
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005- 2006 to 2008-2009	Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and penalty	16.65	FY 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	2.24	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act,1944	Excise Duty	5.35	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
Uttar Pradesh VAT Act, 2008	Sales Tax	2.51	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level

Qualified Opinion

Further in addition to the audit opinion on the financial statements, the auditors are required to comment upon the internal financial controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the years ended March 31, 2018, March 31, 2017 and March 31, 2016. Certain statements/comments included in the annexure to the Auditors' report relating to internal financial controls, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below:

According to the information and explanations given to the Auditors and based on their audit, the following material weakness have been identified as at March 31, 2016:

- The Company's internal financial controls over recording the receipts and issue of refurbished inventories in case of spares were not operating effectively which could potentially result in accounting of incorrect value of spares consumption and inventories in the financial statement.

A 'material weakness' is a deficiency or a combination of deficiencies in Internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In the Auditors’ opinion, the Company has maintained in all material respects, adequate internal financial controls over financial reporting and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, such internal financial controls over financial reporting were operating effectively as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

The Auditors also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of AGS Transact Technologies Limited, which comprise the Balance Sheet as at March 31, 2016 and the Related Consolidated Summary Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory Information. This material weakness was considered in determining the nature, timing and extent of audit tests applied in the Auditors' audit of the March 31, 2016 standalone financial statements of AGS Transact Technologies Limited and this report does not affect the Auditors' report dated September 30, 2016, on which they have expressed an unqualified opinion on those financial statements.

Year ended March 31, 2015

AGS Transact Technologies Limited

Clause (vii)(a)
Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of payment of profession tax.

Clause (vii)(b)
According to the information and explanations given to the Auditors, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount demanded(₹ in million)	Period to which amount relates	Due Date	Date of Payment
Profession tax	Profession tax	0.61	Various months	Various	Rs. 0.36 million has been paid till date

Clause (vii)(c)
According to the records of the Company, the dues outstanding of sales-tax, service tax, customs duty, excise duty, value added tax, entry tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount Demanded (₹ in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	454.99	March 2014 to December 2014	Appellate Authority - Upto Commissioner Level
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005-2006 to 2008-2009	Appellate Tribunal
The Orissa VAT Act, 2004	Value Added Tax	16.65	F.Y. 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	6.78	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	5.16	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Sales Tax Act, 1956	Sales Tax	2.51	F.Y. 2007-08	Appellate Authority - Upto Commissioner level
The Orissa Entry Tax Act, 1999	Entry Tax	1.46	F.Y. 2011-13	High Court
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005-2006	Appellate Authority - Upto Commissioner level

Clause (xii)
The Auditors have been informed by the management of certain cases of burglary / thefts of items by third parties at various ATM sites amounting to Rs. 15.83 million. The Company has filed the complaint with the concerned Regulatory authorities and also filed the insurance claims for the recovery of amounts. The Company has charged off losses doubtful of recovery Rs. 1.78 million during the year being the balance amount after recovery from the insurance companies.

Securevalue India Limited

Clause (vii)(a)
Undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of payment of profession tax. The provisions of excise duty, sales tax, wealth-tax, customs duty, value added tax and cess are not applicable to the Company.

Clause (xii)
The Auditors have been informed by management of certain instances of theft / loot by third parties amounting to Rs 4.25 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. The entire losses amounting to Rs 4.25 million have been written off during the year.

India Transact Services Limited

Clause (viii)
The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.

Year ended March 31, 2014

AGS Transact Technologies Limited

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 payment of provident fund, profession tax, work contract tax, tax deducted at source and service tax where there has been delays in certain cases. However, such delays in deposit have not been serious.

Clause (ix)(b)
According to the information and explanations given to the Auditors, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount Demanded (₹ in million)	Periods to which the amount relates	Due date	Date of payment
The Income Tax Act, 1961	Self assessment tax	1.98	April to September 2013	Various due dates	12 September 2014
Profession tax	Profession tax	1.13	Various months	Various due dates	Not paid yet

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 demanded(₹ in million)	Periods to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Demand arising during the course of assessment	4.47	Assessment year 2010-11	Assessing Officer
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005-2006 to 2008-2009	Appellate Tribunal
The Kerala VAT Act, 2003	Value Added Tax	6.78	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	5.16	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Sales Tax Act, 1956	Sales Tax	2.51	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level

The Finance Act, 1994	Service Tax	0.47	F.Y. 2005-2006	Appellate Authority - Upto Commissioner level

Clause (xxi)
The Auditors have been informed by the management of certain cases of attempted burglary / thefts of Items at various ATM sites by third parties amounting to Rs. 5.87 million. The Company has filed the complaint with the concerned Regulatory authorities and also filed the Insurance claims for the recovery of amounts. The Company has charged off the entire amount of losses Rs. 5.87 million in these financial statements.

Securevalue India Limited

Clause (ix)(a)
Undisputed statutory dues including employees' state insurance, income-tax, service tax and other material statutory dues have been regularly deposited with the appropriate authorities except in case of payment of Provident Fund and Profession Tax where there have been serious delays in large number of cases. The provisions of investor education and protection fund, sales-tax, wealth-tax, custom duty, service tax, excise duty and cess are not applicable to the Company.

Clause (xvii)

According to the information and explanations given to the Auditors and on an overall examination of the balance sheet of the Company, the Auditors report that funds amounting to Rs 63.62 million raised on short term basis in the form of creditors and short term loans have been used for long-term investment representing acquisition of fixed assets.

India Transact Services Limited

Clause (ix)(a)
Undisputed statutory dues including employees' state insurance, income-tax, service tax and other material statutory dues have been regularly deposited with the appropriate authorities except in case of payment of Provident Fund and Profession Tax where there have been serious delays in large number of cases. The provisions of investor education and protection fund, sales-tax, wealth-tax, custom duty, service tax, excise duty and cess are not applicable to the Company.

Clause (ix)(b)
According to the information and explanations given by the Company, undisputed dues in respect of provident fund, income-tax, service tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount Demanded (₹ in million)	Periods to which the amount relates	Due date	Date of payments
The Profession Tax Act, 1975	Profession Tax	0.02	April to August 2013	21 May to 21 September 2013	22 April 2014
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	0.13	April to August 2013	15 May to 15 September 2013	7 May 2014

The provisions of sales tax, wealth-tax, custom duty, excise duty and cess are not applicable to the Company.

Clause (x)
The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.

Clause (xvii)
According to the information and explanations given to the Auditors and on an overall examination of the balance sheet of the Company, the Auditors report that funds amounting to Rs 5.57 million raised on short term basis in the form of creditors and short term loans have been used for long-term investment representing acquisition of fixed assets and funding of losses.

THE OFFER

The details of the Offer are disclosed below.

The Offer [(1)]	Up to [●] Equity Shares aggregating to up to ₹10,000 million
Of which:	
Fresh Issue [(1)]	Up to [●] Equity Shares aggregating to up to ₹4,000 million
Offer for Sale [(1)(2)]	Up to [●] Equity Shares aggregating to up to ₹6,000 million
The Offer consists of	
(A) QIB Portion[(3)(4)]	[●] Equity Shares aggregating to up to ₹[●] million
Of which:	
Anchor Investor Portion[(3)]	Up to [●] Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	[●] Equity Shares
Available for allocation only to Mutual Funds (5% of the QIB Portion (excluding the Anchor Investor Portion))	[●] Equity Shares
Balance for all QIBs including Mutual Funds	[●] Equity Shares
(B) Non-Institutional Portion[(4)]	Not less than [●] Equity Shares
(C) Retail Portion[(4)]	Not less than [●] Equity Shares
Pre and Post-Offer Equity Shares	
Equity Shares outstanding prior to the Offer (as on the date of this Draft Red Herring Prospectus)	120,392,576 Equity Shares
Equity Shares outstanding after the Offer	[●] Equity Shares
Use of Proceeds by our Company	See "*Objects of the Offer*" on page 107. Our Company will not receive any proceeds from the Offer for Sale.

(1) *The Fresh Issue has been authorized by a resolution dated June 7, 2018 passed by our Board and a special resolution dated June 7, 2018 passed by our Shareholders.*

Our Company and the Promoter Selling Shareholder may consider undertaking the Pre-IPO Placement. Our Company and the Promoter Selling Shareholder will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

(2) *The Selling Shareholders have consented to include the Equity Shares offered by them in the Offer for Sale, as may cumulatively aggregate up to ₹6,000 million, pursuant to their respective letters as indicated in the table below:*

S. No.	***Name of the Selling Shareholder***	***Date of Consent Letter***
1.	*Mr. Ravi B. Goyal*	*August 18, 2018*
2.	*Mr. Anand Agarwal*	*August 14, 2018*
3.	*Mr. V.C. Gupte*	*August 14, 2018*
4.	*Mr. Shailesh Shetty*	*August 14, 2018*
5.	*Mr. Nikhil Patiyat*	*August 14, 2018*
6.	*Mr. Ravindra Deshpande*	*August 14, 2018*
7.	*Mr. Rajesh Shah*	*August 14, 2018*

(3) *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. The QIB Portion will be accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion will be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In case of under-subscription or non-Allotment in the Anchor Investor Portion, the remaining Equity Shares will be added back to the QIB Portion. 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion will be available for allocation on a proportionate basis to all QIB*

Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Any unsubscribed portion in the Mutual Fund portion will be added to the QIB Portion (excluding the Anchor Investor Portion) and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For further details, see "Offer Procedure" on page 520.

(4) *Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale. For further details, see "Offer Procedure" on page 520.*

Allocation to Bidders in all categories, except the Retail Portion and the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Offer Price. Allocation to Retail Individual Investors shall be not 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 allocated on a proportionate basis. Allocation to Anchor Investors will be on a discretionary basis in accordance with the SEBI ICDR Regulations. For details, see "*Offer Structure*", "*Terms of the Offer*" and "*Offer Procedure*" on pages 517, 512 and 520, respectively.

GENERAL INFORMATION

Our Company was incorporated in Mumbai, Maharashtra on December 11, 2002 as AGS Infotech Private Limited, a private limited company under the Companies Act, 1956. The name of our Company was subsequently changed to AGS Transact Technologies Private Limited and the RoC issued a fresh certificate of incorporation dated June 3, 2010. Our Company was then converted into a public limited company and consequently, its name was changed to AGS Transact Technologies Limited and the RoC issued a fresh certificate of incorporation dated July 20, 2010. For further details on changes in the name of our Company, see "*History and Certain Corporate Matters*" on page 167.

For details of our business, see "*Our Business*" on page 141.

Registered Office

601-602 Trade World, B Wing
Kamala Mill Compound
Senapati Bapat Marg, Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 6781 2000
Fax: +91 22 2493 5384
Email: ipo@agsindia.com
Website: www.agsindia.com
Corporate Identity Number: U72200MH2002PLC138213
Registration Number: 138213

Corporate Office

14th Floor, Tower 3
Indiabulls Finance Centre
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 7181 8181

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, situated at 100, Everest, 5th Floor, Marine Drive, Mumbai 400 002, Maharashtra, India.

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Mr. Ravi B. Goyal	Chairman and Managing Director	01374288	C-3101, 31st Floor, Beau Monde Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India
Mr. Badrinarain K. Goyal	Non-Independent, Non-Executive Director	01679378	C-3101, 31st Floor, Beau Monde Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India
Mrs. Anupama R. Goyal	Non-Independent, Non-Executive Director	02696453	C-3101, 31st Floor, Beau Monde Appasaheb Marathe Marg Prabhadevi

Name	Designation	DIN	Address
			Mumbai 400 025 Maharashtra, India
Mr. Sudip Bandyopadhyay	Independent, Non-Executive Director	00007382	1801, 18th Floor, Ansal Heights Block-B, Worli Naka Mumbai 400 018 Maharashtra, India
Mr. Jagdish Capoor	Independent, Non-Executive Director	00002516	1601 Brooke Ville 359, Mogul Lane Mahim (West) Mumbai 400 016 Maharashtra, India
Mr. Sivanandhan Dhanushkodi	Independent, Non-Executive Director	03607203	B-1803, Ashoka Towers Ambedkar Road, Parel Mumbai 400 012 Maharashtra, India
Mr. Vijay Chugh	Independent, Non-Executive Director	07112794	Flat 1203, Boulevard 3 Wadhava's The Address, L.B.S. Marg Ghatkopar (West) Mumbai 400 086 Maharashtra, India
Mr. Rahul Narain Bhagat	Independent, Non-Executive Director	02473708	B-502, 5th Floor, Vivarea, Sane Guruji Marg Jacob Circle Mumbai 400 011 Maharashtra, India

For further details of our Directors, see "*Our Management*" on page 175.

Company Secretary and Compliance Officer

Ms. Sneha Kadam is the Company Secretary and the Compliance Officer of our Company. Her contact details are as follows:

Sneha Kadam
Indiabulls Finance Centre
14th Floor, Tower 3
Senapati Bapat Marg
Elphinstone (W)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 7181 8181
Fax: +91 22 7151 5210
Email: ipo@agsindia.com

Investor Grievances

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

All Offer related grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary 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 the Bidder, number of Equity Shares applied for, date of submission of the Bid cum Application Form and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted. Further, the Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned above. All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Book Running Lead Managers

ICICI Securities Limited
ICICI Centre
H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: ags.ipo@icicisecurities.com
Website: www.icicisecurities.com
Investor grievance ID:
customercare@icicisecurities.com
Contact person: Suyash Jain/Anurag Byas
SEBI registration number: INM000011179

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

HDFC Bank Limited
Investment Banking Group
Unit No. 401 & 402, 4th floor
Tower B, Peninsula Business Park
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 3395 8021
Fax: +91 22 3078 8584
E-mail: ags.ipo@hdfcbank.com
Website: www.hdfcbank.com
Investor grievance ID:
investor.redressal@hdfcbank.com
Contact person: Rakesh Bhunatar
SEBI registration number: INM000011252

IIFL Holdings Limited
10th Floor, IIFL Centre
Kamala City
Senapati Bapat Marg
Lower Parel (West)
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4646 4600
Fax: +91 22 2493 1073
E-mail: ags.ipo@iiflcap.com
Website: www.iiflcap.com
Investor grievance ID: ig.ib@iiflcap.com
Contact person: Pranay Doshi / Koustav Pal
SEBI registration number: INM000010940

IndusInd Bank Limited
11th Floor, One Indiabulls Centre
Tower 1, 841 Senapati Bapat Marg
Elphinstone Road
Mumbai 400 013
Maharashtra, India
Tel: +91 22 7143 2208
Fax: +91 22 7143 2270
E-mail: joshi.rahul@indusind.com
Website: www.indusind.com
Investor grievance ID:
investmentbanking@indusind.com
Contact person: Rahul Joshi
SEBI registration number: INM000005031

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

Inter-se Allocation of Responsibilities among the BRLMs

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

S. No.	Activity	Responsibility	Co-ordination
1.	Capital structuring with the relative components and formalities such as type of instruments, etc.	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	I-Sec
2.	Due diligence of the Company's operations/management/	I-Sec, Axis Capital, HDFC	I-Sec

S. No.	Activity	Responsibility	Co-ordination
	business plans/legal, etc. Drafting and design of Draft Red Herring Prospectus, Red Herring Prospectus including memorandum containing salient features of the Prospectus. The Book Running Lead Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the Prospectus and filing with the RoC; follow up and coordination till final approval from all regulatory authorities.	Bank, IIFL, IndusInd and Nomura	
3.	Drafting and approval of all statutory advertisement.	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	I-Sec
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in 3. above including media monitoring, corporate advertisement, brochure etc. and filing of media compliance report after the issue.	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	HDFC Bank
5.	Appointment of other intermediaries, such as Registrar, printers, advertising agency and Bankers to the Issue	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	IndusInd Bank
6.	International institutional marketing strategy: • Finalizing the list and division of investors for one-on-one meetings, in consultation with the Company; • Finalizing the International road show schedule and investor meeting schedules	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	Nomura
7.	Preparation of road show marketing presentation and frequently asked questions	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	Nomura
8.	Domestic institutions / banks / mutual funds marketing strategy: • Finalize the list and division of investors for one to one meetings, institutional allocation in consultation with the Company; • Finalizing the list and division of investors for one to one meetings; and • Finalizing investor meeting schedules	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	Axis Capital
9.	Non-Institutional marketing of the Offer, which will cover, *inter alia*: • Formulating marketing strategies for Non-institutional Investors • Finalize Media and PR strategy	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	IIFL
10.	Retail marketing of the Offer, which will cover, *inter alia*: • Formulating marketing strategies, preparation of publicity budget • Finalize Media and PR strategy • Finalizing centers for holding conferences for press and brokers • Finalising collection centres; • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Offer material	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	I-Sec
11.	Coordination with stock exchanges for Book Building software, bidding terminals and mock trading	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	HDFC Bank
12.	Finalizing of Pricing, in consultation with the Company	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	Nomura
13.	Post-issue activities, which shall involve essential follow-up steps including: • Follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the issuer about the closure of the issue, based on correct figures, finalisation of	I-Sec, Axis Capital, HDFC Bank, IIFL, IndusInd and Nomura	Axis Capital

S. No.	Activity	Responsibility	Co-ordination
	the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrars to the issue, bankers to the issue, Self Certified Syndicate Banks etc. including responsibility for underwriting arrangements, as applicable. • Payment of the applicable Securities Transaction Tax ("STT") on sale of unlisted equity shares by the Individual Selling Shareholders and the Investor Selling Shareholders under the Offer for Sale included in the Issue to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004 • Coordination with Stock-Exchanges for payment of 1% security deposit through cash and bank guarantee.		

Syndicate Members

[●]

Legal Advisers to our Company as to Indian Law

S&R Associates
One Indiabulls Centre
1403, Tower 2B
841 Senapati Bapat Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 4302 8000
Fax: +91 22 4302 8001

Legal Advisers to the Book Running Lead Managers as to Indian Law

Cyril Amarchand Mangaldas
5th Floor, Peninsula Chambers
Peninsula Corporate Park
Ganpatrao Kadam Marg
Lower Parel
Mumbai 400 013
Maharashtra, India
Tel: +91 22 2496 4455
Fax: +91 22 2496 3666

International Legal Advisers to the Book Running Lead Managers

Sidley Austin LLP
Level 31
Six Battery Road
Singapore 049909
Tel: +65 6230 3900
Fax: +65 6230 3939

Statutory Auditors of our Company

B S R & Co. LLP, Chartered Accountants
Lodha Excelus
5th Floor Apollo Mills Compound
N. M. Joshi Marg
Mahalaxmi

Mumbai 400 011
Tel: + 91 22 4345 5300
Fax: + 91 22 4345 5399
Email: rajeshmehra@bsraffiliates.com
ICAI Firm Registration number: 101248W /W-100022
Peer Review certificate number: 009060

Registrar to the Offer

Link Intime India Private Limited
C-101, 1st Floor, 247 Park, L.B.S. Marg
Vikhroli (West)
Mumbai 400 083
Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: ags.ipo@linkintime.co.in
Website: www.linkintime.co.in
Investor grievance ID: ags.ipo@linkintime.co.in
Contact person: Ms. Shanti Gopalkrishnan
SEBI registration number: INR000004058

Escrow Collection Bank(s)

[●]

Refund Bank(s)

[●]

Public Offer Account Bank(s)

[●]

Bankers to our Company

Axis Bank Limited
Corporate Banking Branch, 12/A
Mittal Tower
Nariman Point
Mumbai 400021
Maharashtra, India
Tel: +91 22 2289 5137
Fax: +91 22 2289 5216
E-mail: ashokkumar.muvva@axisbank.com
Website: www.axisbank.com
Contact person: Mr. Ashok Kumar Muvva

Citibank N.A.
First International Financial Centre (FIFC)
Plot Nos. C-54 & C-55, G- Block
Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6175 6130
Fax: N.A.
E-mail: deepak1.agrawal@citi.com
Website: www.online.citibank.co.in
Contact person: Mr. Deepak Agrawal

HDFC Bank Limited
Unit No. 401 & 402, 4th Floor
Tower B, Peninsula Business Park
Lower Parel
Mumbai 400 013
Tel: +91 22 3395 8039
Fax: +91 22 3078 8583
Email: pranav.priyadarshi@hdfcbank.com
Website:www.hdfcbank.com
Contact person: Mr. Pranav Priyadarshi

ICICI Bank Limited
ICICI Towers
Bandra Kurla Complex
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4008 6345/ +91 22 4008 6426 / +91 22 2653 7440
Fax: +91 22 2653 1206
E-mail:prabhat.s@icicibank.com/ rohan.kumar@icicibank.com/ praveenlata.saini@icicibank.com
Website: www.icicibank.com

Contact person: Mr. Prabhat Singh / Mr. Rohan Kumar / Ms. Praveenlata Saini

IndusInd Bank Limited
One India Bulls Centre, Tower 1C, 11th Floor
S. B. Marg
Elphinestone West
Mumbai 400013
Maharashtra, India
Tel: +91 22 7143 2000
Fax: +91 22 7143 2278
E-mail: jain.abhishek@indusind.com
Website: www.indusind.com
Contact person: Mr. Abhishek Jain

Karur Vysya Bank Limited
Corporate Business Unit
Andheri
Mumbai 400 093
Maharashtra, India
Tel: +91 22 4970 0515
Fax: +91 22 4970 0515
E-mail: mumbaicbu@kvbmail.com
Website: www.kvb.co.in
Contact person: Mr. K. Ganesan

Kotak Mahindra Bank Limited
12 BKC, 8th Floor, G Block
Bandra Kurla Complex (BKC)
Bandra East
Mumbai 400 051
Maharashtra, India
Tel: +91 22 6218 5858
Fax: N.A.
E-mail: kaustubh.padwal@kotak.com
Contact person: Mr. Kaustubh Padwal

Standard Chartered Bank
Crescenze, 6th Floor, G-Block
BKC, Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4265 8089
Fax: +91 22 2675 9006
E-mail: sameer.sheth@sc.com
Website: www.standardchartered.com
Contact person: Mr. Sameer Sheth

YES Bank Limited
Nehru Centre, 9th Floor
Discovery of India, Dr. A.B. Road
Worli
Mumbai 400 018
Maharashtra, India
Tel: +91 22 6121 9000
Fax: N.A.
E-mail: yestouch@yesbank.in
Website: www.yesbank.in
Contact person: Mr. Rahul Dodeja

The South Indian Bank Limited

Chennai Corporate Brach
110, Raheja Towers 117
Anna Salai
Chennai 600 002
Tamil Nadu, India
Tel: +91 44 2860 3962
Fax: N.A.
E-mail: br0312@sib.co.in
Website: www.southindianbank.com
Contact person: Ms. Rekha VR

Self-Certified Syndicate Banks

The list of banks that have been notified by the SEBI to act as SCSBs for the ASBA process is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time. For details of the branches of the SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediaries, please refer to the abovementioned link. Further, the branches of the SCSBs where the Syndicate at the Specified Locations could submit the Bid cum Application Form is provided on the website of the SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, as updated from time to time.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

CDPs

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and the NSE at www.bseindia.com and www.nseindia.com, respectively, as updated from time to time.

Credit Rating

As the Offer is of Equity Shares, the appointment of a credit rating agency is not required.

IPO Grading

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

Trustees

As the Offer is of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

In terms of Regulation 16(2) of the SEBI ICDR Regulations, our Company will appoint a monitoring agency for the Fresh Issue prior to the filing of the Red Herring Prospectus with the RoC. The requisite details shall be included in the Red Herring Prospectus.

Appraising Agency

The objects of the Offer for which the Net Proceeds will be utilized have not been appraised by any agency.

Experts

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

Our Company has received written consent from the Statutory Auditors, namely, B S R & Co. LLP, Chartered Accountants, to include its name as required under 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 Consolidated Financial Information and the Restated Standalone Financial Information, each dated [●] and the statement of tax benefits dated [●], included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

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 within the Price Band, which will be decided by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, and shall be advertised in [●] editions of the English national daily newspaper [●], [●] editions of the Hindi national daily newspaper [●] and [●] editions of the Marathi daily newspaper [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, and advertised at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, after the Bid/Offer Closing Date.

All Bidders, except Anchor Investors, are mandatorily required to use the ASBA process for participating in the Offer. Anchor Investors are not permitted to participate in the Anchor Investor Portion through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs Bidding in the QIB Portion and Non-Institutional Investors bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bid(s) (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer

Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis. For further details, see "*Offer Structure*" and "*Offer Procedure*" on pages 517 and 520, respectively.

Illustration of Book Building and Price Discovery Process

For an illustration of the Book Building Process and the price discovery process, see "*Offer Procedure – Part B – Basis of Allocation*" on page 551.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to registration of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters in relation to the Equity Shares proposed to be offered through the Offer. The Underwriting Agreement is dated [●]. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to conditions specified therein.

The Underwriters have indicated their intention to underwrite such number of Equity Shares as disclosed below.

(This portion has been intentionally left blank and will be completed before the Prospectus is filed with the RoC)

Name, Address and Contact Details of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in million)
[●]	[●]	[●]

The abovementioned underwriting commitments are indicative and will be finalized after determination of the Offer Price and Basis of Allotment, subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board (based on representations made to our Company by the Underwriters), the resources of each of the abovementioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The 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 commitment disclosed in the table above.

Notwithstanding the above table, the Underwriters will 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 or subscribe to or purchase the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

CAPITAL STRUCTURE

Our Company's share capital, as on the date of this Draft Red Herring Prospectus, is set forth below:

(₹ in million, *except share data*)

		Aggregate value at face value	Aggregate value at Offer Price
A.	**AUTHORIZED SHARE CAPITAL**		
	160,000,000 Equity Shares of face value of ₹10 each	1,600.00	
	Total	1,600.00	
B.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER**		
	120,392,576 Equity Shares of ₹10 each	1,203.93	
C.	**PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Fresh Issue of up to [●] Equity Shares(1)	[●]	Up to 4,000
	Offer for Sale of up to [●] Equity Shares(2)	[●]	Up to 6,000
D.	**ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER**		
	[●] Equity Shares	[●]	
E.	**SECURITIES PREMIUM ACCOUNT**		
	Before the Offer	2,297.77	
	After the Offer(3)	[●]	

(1) The Fresh Issue has been authorized by a resolution dated June 7, 2018 passed by our Board and a special resolution dated June 7, 2018 passed by our Shareholders.

If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR. Details of the Pre-IPO Placement, if undertaken, shall be included in the Red Herring Prospectus.

(2) For details of authorizations by the Selling Shareholders of inclusion of their respective portions of Equity Shares in the Offer for Sale, see "The Offer" on page 77. The Equity Shares to be offered by the Selling Shareholders in the Offer for Sale, have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus in accordance with Regulation 26(6) of the SEBI ICDR Regulations and are accordingly eligible for being offered for sale in the Offer for Sale.

(3) To be included upon determination of the Offer Price.

Changes in the Authorized Share Capital of our Company

For details on changes to the authorized share capital of our Company, see "*History and Certain Corporate Matters - Amendments to the Memorandum of Association*" on page 167.

Notes to Capital Structure

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

Equity Share Capital

The history of the Equity Share capital of our Company is disclosed below.

Date of allotment	Number of Equity Shares Allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for/nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
December 12, 2002	100,000	10	10.00	Cash	Subscription to the Memorandum of	100,000	1,000,000

Date of allotment	Number of Equity Shares Allotted	Face value per Equity Share (₹)	Issue price per Equity Share (₹)	Nature of consideration	Reason for/nature of allotment	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
					Association(1)		
March 1, 2004	900,000	10	10.00	Cash	Preferential allotment(2)	1,000,000	10,000,000
March 31, 2006	4,000,000	10	10.00	Cash	Preferential allotment(3)	5,000,000	50,000,000
June 23, 2010	13,750,000	10	-	Other than cash	Bonus issue in the ratio of 11:4(4)	18,750,000	187,500,000
August 10, 2012	3,674,500	10	444.50	Cash	Preferential allotment(5)	22,424,500	224,245,000
February 6, 2015	7,141,664	10	-	Conversion	Conversion of CCPS(6)	29,566,164	295,661,640
February 9, 2015	491,980	10	156.52	Cash	Preferential – Allotment pursuant to ESOS 2012(7)	30,058,144	300,581,440
February 9, 2015	40,000	10	444.50	Cash	Preferential – Allotment pursuant to ESOS 2012(8)	30,098,144	300,981,440
February 12, 2015	90,294,432	10	-	Other than cash	Bonus issue in the ratio of 3:1(9)	120,392,576	1,203,925,760

(1) *Subscription by Mr. Ravi. B. Goyal (50,000 Equity Shares), Mr. Badrinarain K. Goyal (25,000 Equity Shares) and Mr. Kunjbihari S. Goyal (25,000 Equity Shares).*

(2) *Preferential allotment of 900,000 Equity Shares to Mr. Ravi B. Goyal.*

(3) *Preferential allotment of 4,000,000 Equity Shares to Mr. Ravi B. Goyal.*

(4) *Pursuant to a Shareholders' resolution dated June 23, 2010, bonus shares were allotted to the Shareholders as on a record date of June 23, 2010, namely Mr. Ravi B. Goyal (13,612,485 Equity Shares), Mr. Badrinarain K. Goyal (137,500 Equity Shares), Mrs. Anupama R. Goyal (3 Equity Shares), Mrs. Vimla B. Goyal (3 Equity Shares), Mr. Kiran B. Goyal (3 Equity Shares), Mrs. Nidhi K. Goyal (3 Equity Shares) and Ms. Neha R. Goyal (3 Equity Shares) by capitalizing the general reserves of our Company.*

(5) *Preferential allotment of 3,674,500 Equity Shares to Oriole.*

(6) *Allotment of 6,991,664 Equity Shares to TPG and 150,000 Equity Shares to Oriole upon the conversion of 6,991,664 Compulsorily Convertible Preference Shares – Series A and 150,000 Compulsorily Convertible Preference Shares – Series B held by TPG and Oriole, respectively. In accordance with the terms of the amended and restated shareholders' agreement dated August 6, 2012, the CCPS were converted into Equity Shares in the ratio of 1:1 without payment of any additional conversion price. Accordingly, no additional consideration was paid by TPG and Oriole at the time of conversion of the CCPS into Equity Shares.*

(7) *Preferential allotment to AGSTTL Employees' Welfare Trust (431,500 Equity Shares), Mr. Anand Agarwal (18,480 Equity Shares), Mr. V.C. Gupte (11,500 Equity Shares), Mr. Shailesh Shetty (9,000 Equity Shares), Mr. Vishnu Kamat (4,500 Equity Shares), Mr. Rajesh Shah (4,500 Equity Shares), Mr. Nikhil Patiyat (4,500 Equity Shares), Mr. Subrat Mishra (4,500 Equity Shares) and Mr. Ravindra Deshpande (3,500 Equity Shares) under ESOS 2012.*

(8) *Preferential allotment of 40,000 Equity Shares to the AGSTTL Employees' Welfare Trust under ESOS 2012.*

(9) *Pursuant to a Shareholders' resolution dated February 3, 2015, bonus shares were allotted to the Shareholders as on a record date of February 11, 2015, namely, Mr. Ravi B. Goyal (49,845,234 Equity Shares), Mr. Badrinarain K. Goyal (562,500 Equity Shares), Mrs. Anupama R. Goyal (12 Equity Shares), Mrs. Vimla B. Goyal (12 Equity Shares), Mr. Kiran B. Goyal (12 Equity Shares), Mrs. Nidhi K. Goyal (12 Equity Shares), Ms. Neha R. Goyal (12 Equity Shares), TPG (23,442,639 Equity Shares), Oriole (14,848,059 Equity Shares), AGSTTL Employees' Welfare Trust (1,414,500 Equity Shares), Mr. Shailesh Shetty (27,000 Equity Shares), Mr. V.C. Gupte (34,500 Equity Shares), Mr. Vishnu Kamat (13,500 Equity Shares), Mr. Rajesh Shah (13,500 Equity Shares), Mr. Nikhil Patiyat (13,500 Equity Shares), Mr. Subrat Mishra (13,500 Equity Shares), Mr. Ravindra Deshpande (10,500 Equity Shares) and Mr. Anand Agarwal (55,440 Equity Shares) by capitalizing the securities premium of our Company.*

(b) ***Preference Share Capital***

The history of the Preference Share capital of our Company is disclosed below.

Date of allotment	Number of CCPS allotted	Face value per CCPS (₹)	Issue price per CCPS (₹)	Nature of consideration	Reason for/ Nature of allotment	Cumulative number of CCPS	Cumulative paid-up Preference Share capital (₹)
June 7, 2011	5,140,929	10	243.15	Cash	Preferential allotment(1)	5,140,929	51,409,290
March 3, 2012	1,850,735	10	243.15	Cash	Preferential allotment(2)	6,991,664	69,916,640
August 10, 2012	150,000	10	444.50	Cash	Preferential allotment(3)	7,141,664	71,416,640

(1) Preferential allotment of 5,140,929 Compulsorily Convertible Preference Shares – Series A to TPG.
(2) Preferential allotment of 1,850,735 Compulsorily Convertible Preference Shares – Series A to TPG.
(3) Preferential allotment of 150,000 Compulsorily Convertible Preference Shares – Series B to Oriole.

Pursuant to a Board resolution dated February 6, 2015, an aggregate of 7,141,664 Equity Shares were allotted to TPG and Oriole, the holders of the CCPS, upon the conversion of the CCPS.

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

2. **Issue of Equity Shares for consideration other than cash**

Except as stated below, no Equity Shares have been issued by our Company for consideration other than cash on the date of this Draft Red Herring Prospectus.

Our Company has made bonus issues of Equity Shares in the past. Details of the bonus issues are provided in the following table:

Date of allotment	Number of Equity Shares allotted	Face value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefits accrued to our Company	Source out of which bonus Equity Shares issued
June 23, 2010	13,750,000	10	-	Bonus issue in the ratio of 11:4(1)	-	General reserves
February 12, 2015	90,294,432	10	-	Bonus issue in the ratio of 3:1(2)	-	Securities premium account

(1) Pursuant to a Shareholders' resolution dated June 23, 2010, bonus shares were allotted to the Shareholders as on a record date of June 23, 2010, namely Mr. Ravi B. Goyal (13,612,485 Equity Shares), Mr. Badrinarain K. Goyal (137,500 Equity Shares), Mrs. Anupama R. Goyal (3 Equity Shares), Mrs. Vimla B. Goyal (3 Equity Shares), Mr. Kiran B. Goyal (3 Equity Shares), Mrs. Nidhi K. Goyal (3 Equity Shares) and Ms. Neha R. Goyal (3 Equity Shares) by capitalizing the general reserves of our Company.

(2) Pursuant to a Shareholders' resolution dated February 3, 2015, bonus shares were allotted to the Shareholders as on a record date of February 11, 2015, namely, Mr. Ravi B. Goyal (49,845,234 Equity Shares), Mr. Badrinarain K. Goyal (562,500 Equity Shares), Mrs. Anupama R. Goyal (12 Equity Shares), Mrs. Vimla B. Goyal (12 Equity Shares), Mr. Kiran B. Goyal (12 Equity Shares), Mrs. Nidhi K. Goyal (12 Equity Shares), Ms. Neha R. Goyal (12 Equity Shares), TPG (23,442,639 Equity Shares), Oriole (14,848,059 Equity Shares), AGSTTL Employees' Welfare Trust (1,414,500 Equity Shares), Mr. Shailesh Shetty (27,000 Equity Shares), Mr. V.C. Gupte (34,500 Equity Shares), Mr. Vishnu Kamat (13,500 Equity Shares), Mr. Rajesh Shah (13,500 Equity Shares), Mr. Nikhil Patiyat (13,500 Equity Shares), Mr. Subrat Mishra (13,500 Equity Shares), Mr. Ravindra Deshpande (10,500 Equity Shares) and Mr. Anand Agarwal (55,440 Equity Shares) by capitalizing the securities premium of our Company.

3. **Issue of Equity Shares out of Revaluation Reserves**

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

4. **Details of Build-up, Contribution and Lock-in of Promoters' Shareholding**

As on the date of this Draft Red Herring Prospectus, our Promoters hold 117,514,576 Equity Shares, constituting 97.61% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) *Capital build-up of our Promoters' equity shareholding in our Company:*

Date of allotment/ transfer	Number of Equity Shares	Face Value per Equity Share (₹)	Issue/ Transfer price per Equity Share (₹)	Nature of Consideration	Nature of Acquisition /Allotment/ Transfer	Percentage (%) of Pre-Offer Equity Share Capital	Percentage (%) of Post-Offer Equity Share Capital
Mr. Ravi B. Goyal							
December 12, 2002	50,000	10	10.00	Cash	Subscription to the Memorandum of Association	0.04	[●]
March 1, 2004	900,000	10	10.00	Cash	Preferential allotment	0.75	[●]
March 31, 2006	4,000,000	10	10.00	Cash	Preferential allotment	3.32	[●]
May 31, 2010	(5)	10	10.00	Cash	Transfer of 1 Equity Share each to Mrs. Anupama R. Goyal, Mrs. Vimla B. Goyal, Mr. Kiran B. Goyal, Mrs. Nidhi K. Goyal and Ms. Neha R. Goyal	Negligible	**[●]**
June 23, 2010	13,612,485	10	-	Other than cash	Bonus issue in the ratio of 11:4	11.31	**[●]**
August 11, 2011	(822,549)	10	243.15	Cash	Transfer to TPG	(0.68)	**[●]**
August 9, 2012	(1,124,853)	10	444.50	Cash	Transfer to Oriole	(0.93)	**[●]**
February 12, 2015	49,845,234	10	-	Other than cash	Bonus issue in the ratio of 3:1	41.40	**[●]**
Total	**66,460,312**					**55.20**	**[●]**
Vineha Enterprises Private Limited							
April 12, 2018	19,797,412	10	86.18	Cash	Transfer from Oriole	16.45	**[●]**
April 12, 2018	31,256,852	10	86.18	Cash	Transfer from TPG	25.96	**[●]**
Total	**51,054,264**					**42.41**	**[●]**

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition/allotment of such Equity Shares.

As on the date of this Draft Red Herring Prospectus, 88,514,576 Equity Shares held by our Promoters, which constitute 73.52% of the pre-Offer paid-up Equity Share capital of our Company, have been pledged with Catalyst Trusteeship Limited as security in respect of secured redeemable non-convertible debentures issued by Vineha Enterprises Private Limited. Such Equity shares shall be released prior to the filing of the RHP and shall be subject to lock-in requirements in accordance with SEBI ICDR Regulations.

(b) *Details of Promoters' contribution locked in for three years:*

Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of at least 20% of the fully-diluted post-Offer Equity share capital of our Company held by our Promoters will be considered as the minimum Promoters' contribution and is required to be locked-in for a period of three years from the date of Allotment.

The Equity Shares that are being locked-in are not 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 towards minimum Promoters' contribution have not been acquired during the three immediately preceding years (a) for consideration other than cash and revaluation of assets or capitalization of intangible assets, or (b) arising from bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from a bonus issue against Equity Shares, which are otherwise ineligible for computation of minimum Promoters' contribution;

(ii) The Equity Shares offered towards minimum Promoters' contribution have not been acquired by our Promoters during the year immediately preceding the date of this Draft Red Herring Prospectus at a price lower than the Offer Price; and

(iii) The Equity Shares offered towards minimum Promoters' contribution are not pledged with any creditor.

Our Company has not been formed by the conversion of a partnership firm into a company. All Equity Shares held by our Promoters and members of our Promoter Group are in dematerialized form as at the date of this Draft Red Herring Prospectus.

The details of the Equity Shares held by one of our Promoters, Mr. Ravi B. Goyal, locked-in as minimum Promoters' contribution are given below:

Name of the Promoter	**No. of Equity Shares**	**Date of allotment/transfer of Equity Shares and when made fully paid-up**	**Nature of Transaction**	**Face Value per Equity Share (₹)**	**Issue/ Acquisition Price per Equity Share (₹)**	**Percentage (%) to Pre-Offer Paid-up Capital**	**Percentage (%) to Post-Offer Paid-up Capital**	**Date up to which the Equity Shares are subject to Lock-in**
Mr. Ravi B. Goyal	[●]	[●]	[●]	[●]	[●]	[●]	[●]	For a period of three years from the date of Allotment

** Table to be filled in at Prospectus stage*

The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and has been contributed by the persons defined as promoters under the SEBI ICDR Regulations.

(c) *Details of share capital locked-in for one year:*

In addition to the Equity Shares proposed to be locked-in as part of the minimum Promoters' contribution as stated above, as prescribed under the SEBI ICDR Regulations, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment of Equity Shares in the Offer except the following: (i) any Equity Shares held by the employees of our Company (who continue to be the employees of our Company as on the date of Allotment) which have been allotted to them under the ESOP Schemes prior to the Offer (it is clarified that consultants and employees of our Group Entities who hold Equity Shares shall not be exempt from the lock-in requirements); and (ii) the Equity Shares transferred pursuant to the Offer for Sale and any other Shareholders that are exempt from such lock-in under the SEBI ICDR Regulations. Further, 1,858,000 Equity Shares held by AGSTTL Employees' Welfare Trust will be permitted to be transferred to our employees upon exercise of vested options and such transferred Equity Shares will not be subject to any lock-in in the hands of our employees, subject to the SEBI ESOP Regulations. The Equity Shares received by employees from AGSTTL Employees' Welfare Trust pursuant to exercise of options shall be exempt from lock-in under Regulation 37 of the SEBI ICDR Regulations, subject to the SEBI ESOP Regulations.

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

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked-in Equity Shares held by our Promoters may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial bank or public financial institution, provided that specified conditions under the SEBI ICDR Regulations are complied with.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters, which are locked-in in accordance with Regulation 36 of the SEBI ICDR Regulations, may be transferred to and among our Promoters and any member of the Promoter Group, or to a new promoter or persons in control of our Company subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by Shareholders other than our Promoters, which are locked-in in accordance with Regulation 37 of the SEBI ICDR Regulations, may be transferred to any other person holding Equity Shares which are locked-in, subject to continuation of the lock-in in the hands of the transferee for the remaining period and compliance with the SEBI Takeover Regulations, as applicable.

(e) *Lock-in of Equity Shares Allotted to Anchor Investors:*

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

5. **Shareholding Pattern of our Company**

The table below presents the equity shareholding of our Company as on the date of this Draft Red Herring Prospectus:

Category (I)	Category of Shareholder (II)	Number of Shareholders (III)	Number of Fully Paid-up Equity Shares Held (IV)	Number of Partly Paid-up Equity Shares Held (V)	Number of Shares Underlying Depository Receipts (VI)	Total Number of Equity Shares Held (VII) =(IV)+(V)+ (VI)	Shareholding as a % of Total number of Equity Shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in Each Class of Securities (IX)				Number of Shares Underlying Outstanding Convertible Securities (including Warrants) (X)	Shareholding, as a % Assuming Full Conversion of Convertible Securities (as a Percentage of Diluted Share Capital) (XI)= (VII)+(X) As a % of (A+B+C2)	Number of locked-in shares (XII)		Number of Shares Pledged or Otherwise Encumbered* (XIII)		Number of Equity Shares held in Dematerialized Form (XIV)
								No of Voting Rights			Total as a % of (A+B + C)			Number (a)	As a % of total shares held (b)	Number (a)	As a % of total share s held (b)	
								Class, e.g. equity	Class, e.g. others	Total								
(A)	**Promoter and Promoter Group**	5	118,264,656	-	-	118,264,656	98.23	118,264,656	-	118,264,656	98.23	-	98.23	-		88,514,576	73.52	118,264,656
(B)	**Public**	9	269,920	-	-	269,920	0.23	269,920	-	269,920	0.23	-	0.23	-		-		269,920
(C)	**Non Promoter-Non Public**	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C1)	**Shares underlying DRs**	-	-	-	-	-	-	-	-	-	-	-	-	-		-		-
(C2)	**Shares held by Employee Trusts**	1	1,858,000	-	-	1,858,000	1.54	1,858,000	-	1,858,000	1.54	-	1.54	-		-		1,858,000
	Total	15	120,392,576	Nil	Nil	120,392,576	100	100	Nil	100	100	Nil	100		Nil	88,514,576	73.52	120,392,576

Our Company will file the shareholding pattern in the form prescribed under Regulation 31 of the SEBI Listing Regulations one day prior to the listing of the Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the respective websites of the Stock Exchanges before the commencement of trading of the Equity Shares.

6. **Details of the Shareholding of our Promoters, Members of our Promoter Group and Directors of Vineha Enterprises Private Limited**

Except as disclosed below, none of our Promoters, members of our Promoter Group and directors of Vineha Enterprises Private Limited hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

Name of the Shareholder	**Number of Pre-Offer Equity Shares**	**Percentage of Pre- Offer capital (%)**	**Percentage of Post-Offer Capital (%)**
Promoters			
Mr. Ravi B. Goyal	66,460,312	55.20	[●]
Vineha Enterprises Private Limited	51,054,264	42.41	
Total Holding of the Promoters (A)	**117,514,576**	**97.61**	**[●]**
Promoter Group			
Mr. Badrinarain K. Goyal	750,000	0.62	[●]
Mrs. Anupama R. Goyal	16	Negligible	
Trinity Ventures (represented by its partners, Mr. Kiran B. Goyal and Mr. Vinayak R. Goyal)	64	Negligible	
Total Holding of Promoter Group (other than the Promoters) (B)	**750,080**	**0.62**	**[●]**
Total Holding of Promoters and Promoter Group (A) + (B)	**118,264,656**	**98.23**	**[●]**

7. **Details of the Shareholding of our Directors and Key Management Personnel as on the date of filing of this Draft Red Herring Prospectus**

None of our Directors and Key Management Personnel holds any Equity Shares as on the date of filing of this Draft Red Herring Prospectus other than as disclosed below.

Name	**Number of Pre-Offer Equity Shares**	**Percentage of Pre- Offer Capital (%)**	**Percentage of Post-Offer Capital (%)**
Directors			
Mr. Ravi B. Goyal	66,460,312	55.20	[●]
Mr. Badrinarain K. Goyal	750,000	0.62	
Mrs. Anupama R. Goyal	16	Negligible	
Total Holding of Directors (A)	**67,210,328**	**55.82**	[●]
Key Management Personnel			
Mr. V.C. Gupte	46,000	0.04	[●]
Total Holding of Key Management Personnel (B)	**46,000**	**0.04**	**-**
Total Holding of Directors and Key Management Personnel (A+B)	**67,256,328**	**55.86**	**[●]**

8. There are no securities of our Company that have been purchased or sold by our Promoters, directors of Vineha Enterprises Private Limited, members of our Promoter Group and/or our Directors and/or the immediate relatives of our Directors within the six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI other than as disclosed below.

Date of Transfer	**Name of Transferor**	**Name of Transferee**	**Number of Equity Shares Transferred**	**Price per Equity Share (₹)**	**Aggregate Consideration (₹ million)**	**Percentage of the Pre-Offer Capital (%)**
April 12, 2018	Oriole	Vineha Enterprises Private Limited	19,797,412	86.18	1,706.14	16.44
April 12, 2018	TPG	Vineha Enterprises Private Limited	31,256,852	86.18	2,693.71	25.96

9. **Equity Shares Held by the Ten Largest Shareholders**

(a) On the date of this Draft Red Herring Prospectus:

S. No.	**Name of the Shareholder**	**Number of Equity Shares**	**Percentage of Pre-Offer capital (%)**	**Percentage of Post-Offer capital (%)**
1.	Mr. Ravi B. Goyal	66,460,312	55.20	[●]
2.	Vineha Enterprises Private Limited	51,054,264	42.41	[●]
3.	AGSTTL Employees Welfare Trust	1,858,000	1.54	[●]
4.	Mr. Badrinarain K. Goyal	750,000	0.62	[●]
5.	Mr. Anand Agarwal	73,920	0.06	[●]
6.	Mr. V C Gupte	46,000	0.04	[●]
7.	Mr. Shailesh Shetty	36,000	0.03	[●]
8.	Mr. Rakesh Kumar	28,000	0.02	[●]
9.	Mr. Nikhil Patiyat	18,000	0.01	[●]
	Mr. Rajesh Shah	18,000	0.01	[●]
	Mr. Subrat Mishra	18,000	0.01	[●]
	Mr. Vishnuu Kamat	18,000	0.01	[●]
10.	Mr. Ravindra Deshpande	14,000	0.01	[●]
TOTAL		**120,392,496**	**99.97**	[●]

(b) Ten days prior to the date of this Draft Red Herring Prospectus:

S. No.	**Name of the Shareholder**	**Number of Equity Shares**	**Percentage of Pre-Offer capital (%)**	**Percentage of Post-Offer capital (%)**
1.	Mr. Ravi B. Goyal	66,460,312	55.20	[●]
2.	Vineha Enterprises Private Limited	51,054,264	42.41	[●]
3.	AGSTTL Employees Welfare Trust	1,858,000	1.54	[●]
4.	Mr. Badrinarain K. Goyal	750,000	0.62	[●]
5.	Mr. Anand Agarwal	73,920	0.06	[●]
6.	Mr. V C Gupte	46,000	0.04	[●]
7.	Mr. Shailesh Shetty	36,000	0.03	[●]
8.	Mr. Rakesh Kumar	28,000	0.02	[●]
9.	Mr. Nikhil Patiyat	18,000	0.01	[●]

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Pre-Offer capital (%)	Percentage of Post-Offer capital (%)
	Mr. Rajesh Shah	18,000	0.01	**[●]**
	Mr. Subrat Mishra	18,000	0.01	**[●]**
	Mr. Vishnuu Kamat	18,000	0.01	**[●]**
10.	Mr. Ravindra Deshpande	14,000	0.01	**[●]**
TOTAL		**120,392,496**	**99.97**	**[●]**

(c) Two years prior to the date of this Draft Red Herring Prospectus:

S. No.	Name of the Shareholder	Number of Equity Shares	Percentage of Pre-Offer capital (%)	Percentage of Post-Offer capital (%)
1.	Mr. Ravi B. Goyal	66,460,312	55.20	**[●]**
2.	TPG	31,256,852	25.96	**[●]**
3.	Oriole	19,797,412	16.44	**[●]**
4.	AGSTTL Employees Welfare Trust	1,886,000	1.57	**[●]**
5.	Mr. Badrinarain K. Goyal	750,000	0.62	**[●]**
6.	Mr. Anand Agarwal	73,920	0.06	**[●]**
7.	Mr. V C Gupte	46,000	0.04	**[●]**
8.	Mr. Shailesh Shetty	36,000	0.03	**[●]**
9.	Mr. Nikhil Patiyat	18,000	0.01	**[●]**
	Mr. Rajesh Shah	18,000	0.01	**[●]**
	Mr. Subrat Mishra	18,000	0.01	**[●]**
	Mr. Vishnuu Kamat	18,000	0.01	**[●]**
10.	Mr. Ravindra Deshpande	14,000	0.01	**[●]**
TOTAL		**120,392,496**	**99.97**	**[●]**

10. **Employee Stock Option Plans**

The employee stock options of our Company have been granted under the ESOS 2012 and ESOS 2015.

(a) **ESOS 2012**

Our Company instituted the ESOS 2012 pursuant to resolutions passed by the Board and the Shareholders, each dated February 29, 2012, and as amended pursuant to resolutions passed by the Board and the Shareholders each dated July 27, 2018. The SEBI ESOP Guidelines and the SEBI ESOP Regulations were not applicable to our Company at the time when ESOS 2012 was implemented. Subsequently, ESOS 2012 was amended and currently, the ESOS 2012 is compliant with the SEBI ESOP Regulations.

Pursuant to a Shareholders' resolution dated February 3, 2015, bonus shares were allotted in the ratio of 3:1 to the Shareholders as on a record date of February 11, 2015. Pursuant to the adjustment made as a result of such bonus issue, pursuant to a resolution passed by the Board, dated March 12, 2015, the total number of options that can be granted under ESOS 2012 is 2,319,588. 269,920 options were granted under the ESOS 2012 in the ratio of 1:1. Further 1,858,000 vested options were transferred to AGSTTL Employees' Welfare Trust on behalf of employees of our Company or our Subsidiaries, of which 718,000 vested options were added back to the ESOS 2012 pool upon their lapse.

Pursuant to a resolution passed by the Nomination and Remuneration Committee dated August 16, 2018, 881,000 options were granted to certain employees of our Company or our Subsidiaries, including certain Key Management Personnel, under ESOS 2012. Such options are convertible into not more than 881,000 Equity Shares, which represents 0.73% of the pre-Offer paid-up Equity Share Capital of our Company. ESOS 2012 is administered by the AGSTTL Employees' Welfare Trust. Pursuant to a Shareholders' resolution dated February 3, 2015, our Company approved the grant of an interest free unsecured loan of up to ₹92,000,000 to AGSTTL Employees Welfare Trust, in one or more tranche(s), to be utilized for the purpose of purchasing the Equity Shares of our Company under ESOS 2012, and such shares to be allocated to the employees of our Company upon the exercise of options under ESOS 2012. The following table sets forth the particulars of the options granted under the ESOS 2012 as on the date of filing of this Draft Red Herring Prospectus:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on the date of this Draft Red Herring Prospectus, our Company has granted 3,143,000 options, the details of which grants are disclosed below.
<table>
<tr><th>Financial Year</th><th>Total No. of Options Granted</th></tr>
<tr><td>2012</td><td>1,870,000</td></tr>
<tr><td>2013</td><td>50,000</td></tr>
<tr><td>2015</td><td>342,000</td></tr>
<tr><td>2019</td><td>881,000</td></tr>
<tr><td>Total</td><td>3,143,000</td></tr>
</table></td></tr>
<tr><td>Pricing formula</td><td>• Financial year 2012: 1,870,000 options were granted at fair market value
• Financial year 2013: 50,000 options were granted at 21.74% discount to fair market value
• Financial year 2015: 160,000 options, were granted at 27.11% discount to fair market value and 182,000 options were granted at 74.33% discount to fair market value
• Financial year 2018: 881,000 options were granted at 59.72% discount to fair market value</td></tr>
<tr><td>Options vested</td><td>1,140,000</td></tr>
<tr><td>Options exercised</td><td>269,920</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>2,021,000</td></tr>
<tr><td>Options lapsed</td><td>852,080</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>10,561,970</td></tr>
<tr><td>Total number of options in force</td><td>2,021,000</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>i. Senior managerial personnel</td><td>Refer note 1</td></tr>
<tr><td>i. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Refer note 2</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>Nil</td></tr>
<tr><td>Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard</td><td>Diluted EPS as per the Restated Consolidated Financial Information as at March 31, 2018: 0.53</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td>Our Company has followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations and the impact on profits, Basic EPS and Diluted EPS is as follows:

For Financial Year 2018: 0
For Financial Year 2017: 0
For Financial Year 2016: 0</td></tr>
<tr><td>Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options</td><td>Financial year 2016
Impact on profit: Profit would be less by 3,860,878
Impact on EPS:
<table>
<tr><td>Basic EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.50)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.50)</td></tr>
</table>
Financial year 2017
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
</table>
Financial year 2018
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS</td><td></td></tr>
<tr><td>- As reported</td><td>0.53</td></tr>
<tr><td>- Proforma</td><td>0.53</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>0.53</td></tr>
<tr><td>- Proforma</td><td>0.53</td></tr>
</table></td></tr>
<tr><td>Impact on the profits of the Company and on the EPS arising due to the difference of the fair value of stock options over the intrinsic value of the stock options</td><td>Financial year 2016
Impact on profit: Profit would be less by 3,860,878
Impact on EPS:
<table>
<tr><td>Basic EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.50)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.50)</td></tr>
</table>
Financial year 2017
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td></td><td>Financial year 2018
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS</td><td></td></tr>
<tr><td>- As reported</td><td>0.53</td></tr>
<tr><td>- Proforma</td><td>0.53</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>0.53</td></tr>
<tr><td>- Proforma</td><td>0.53</td></tr>
</table></td></tr>
<tr><td>Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock</td><td>Financial year 2012
Weighted average exercise price (as on the date of grant) – ₹39.13
Weighted average fair value (as on the date of grant) – ₹8.40
Financial year 2013
Weighted average exercise price (as on the date of grant) – ₹39.13
Weighted average fair value ₹7.77
Financial year 2015
Weighted average exercise price (as on the date of grant):
Grant I – ₹39.13
Grant II - ₹111.13
Weighted average fair value (as on the date of grant):
Grant I - ₹121.26
Grant II - ₹62.30
Financial year 2019
Weighted average exercise price (as on the date of grant) - ₹39.13
Weighted average fair value (as on the date of grant) – ₹66.12</td></tr>
<tr><td>Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option</td><td>Weighted Average Market price – ₹93
Weighted Average Expected Life – 4.52 years
Weighted Average Volatility – 33.39%
Weighted Average Risk free rate – 7.87%
Weighted Average Exercise Price – ₹39.13</td></tr>
<tr><td>Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer</td><td>Refer note 1</td></tr>
<tr><td>Intention to sell Equity Shares arising out of the ESOS 2012 within three months after the listing of Equity Shares pursuant to the Offer by directors, senior managerial personnel and employees having Equity Shares arising out of ESOS 2012 amounting to more than 1% of the issued capital of our Company (excluding outstanding warrants and conversions)</td><td>Not applicable</td></tr>
</table>

Note 1:

Name of Key Managerial Person	Total number of Options Granted	Total number of options forfeited	Total number of options outstanding	Intention to sell
Mr. Stanley Johnson	204,000	-	204,000	75,000
Mr. George Trelawney	123,000	-	123,000	41,000

Name of Key Managerial Person	Total number of Options Granted	Total number of options forfeited	Total number of options outstanding	Intention to sell
Mr. Rajnarayan K.	82,000	-	82,000	46,000
Mr. Mehernosh Parekh	18,000	-	18,000	18,000
Mr. Sanjiv Tewari	85,000	-	85,000	-
Mr. Satish Zope	139,000	-	139,000	-
Captain Partha Samai	51,000	-	51,000	-
Mr. Saurabh Lal	102,000	-	102,000	14,000
Mr. Mahesh Patel	40,000	-	40,000	-
Mr. Ashish Mehta	38,000	-	38,000	-

Note 2:

Name of Employee	No. of Option Granted – Post Bonus
Financial Year 2012	
Mr. Stanley Johnson	112,000
Mr. Anand Agarwal*	112,000
Financial Year 2013	
Mr. Ravindra Deshpande	14,000
Mr. Rajesh Shah	18,000
Mr. Subrat Mishra	18,000
Financial Year 2015	
Mr. Amit Majumdar*	160,000
Mr. Saurabh Lal	28,000
Mr. Ankur Sharma*	20,000
Mr. Stanley Johnson	20,000
Mr. Vijay Iyer*	20,000
Financial Year 2019	
Mr. Satish Zope	75,000
Mr. Saurabh Lal	74,000
Mr. Stanley Johnson	72,000
Mr. Shailesh Shetty	62,000

**no longer an employee*

(b) **ESOS 2015**

Our Company instituted the ESOS 2015 on January 30, 2015 pursuant to resolutions dated January 30, 2015 and February 3, 2015 passed by the Board and Shareholders, respectively, and was amended pursuant to resolutions, each dated July 27, 2018, passed by the Board and the Shareholders. The ESOS 2015 is compliant with the SEBI ESOP Regulations.

Pursuant to a Shareholders' resolution dated February 3, 2015, bonus shares were allotted in the ratio of 3:1 to the Shareholders as on a record date of February 11, 2015. Pursuant to the adjustments made as a result of such bonus issue, pursuant to a resolution passed by the Board, dated March 21, 2015, the total number of options that can be granted under ESOS 2015 is 1,216,000, convertible into 1,216,000 Equity Shares. Pursuant to a resolution passed by the Nomination and Remuneration Committee dated August 16, 2018, 1,216,000 options were granted to certain employees of our Company or our Subsidiaries, including certain Key Management Personnel, under ESOS 2015. Such options are convertible into not more than 1,216,000 Equity Shares, which represents 1.01% of the pre-Offer paid-up Equity Share Capital of our Company. ESOS 2015 is administered by the AGSTTL Employees' Welfare Trust. The following table sets forth the particulars of the options granted under the ESOS 2015 as on the date of filing of this Draft Red Herring Prospectus:

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Options granted</td><td>As on the date of this Draft Red Herring Prospectus, our Company has granted 1,216,000 options, the details of which grants are disclosed below.

<table><tr><th>Financial Year</th><th>Total No. of Options ranted</th></tr><tr><td>2019</td><td>1,216,000</td></tr><tr><td>Total</td><td>1,216,000</td></tr></table></td></tr>
<tr><td>Pricing formula</td><td>1,216,000 options were granted at 57.92% discount to fair market value</td></tr>
<tr><td>Options vested</td><td>Nil</td></tr>
<tr><td>Options exercised</td><td>Nil</td></tr>
<tr><td>The total number of Equity Shares arising as a result of exercise of options</td><td>1,216,000</td></tr>
<tr><td>Options lapsed</td><td>Nil</td></tr>
<tr><td>Variation of terms of options</td><td>Nil</td></tr>
<tr><td>Money realized by exercise of options</td><td>Nil</td></tr>
<tr><td>Total number of options in force</td><td>1,216,000</td></tr>
<tr><td>Employee-wise detail of options granted to</td><td></td></tr>
<tr><td>i. Senior managerial personnel</td><td>Refer Note 1</td></tr>
<tr><td>ii. Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year</td><td>Mr. Ricardos El Khoury – 75,000 options</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>Nil</td></tr>
<tr><td>Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard</td><td>Diluted EPS as per Restated Consolidated Financial Information as at March 31, 2018: 0.53</td></tr>
<tr><td>Impact on profit and EPS of the last three years if the accounting policies prescribed in the SEBI ESOP Regulations had been followed</td><td>Our Company has followed the accounting policies specified in Regulation 15 of the SEBI ESOP Regulations and the impact on profits, Basic EPS and Diluted EPS is as follows:

For Financial Year 2018: 0
For Financial Year 2017: 0
For Financial Year 2016: 0</td></tr>
</table>

<table>
<tr><th>Particulars</th><th>Details</th></tr>
<tr><td>Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options</td><td>Financial year 2016
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS (Consolidated)</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.47)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.47)</td></tr>
</table>
Financial year 2017
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS (Consoldiated)</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
</table>
Financial year 2018
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS (Consolidated)</td><td></td></tr>
<tr><td>- As reported</td><td>0.53</td></tr>
<tr><td>- Proforma</td><td>0.53</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>0.53</td></tr>
<tr><td>- Proforma</td><td>0.53</td></tr>
</table></td></tr>
<tr><td>Impact on the profits of the Company and on the EPS arising due to the difference of the fair value of stock options over the intrinsic value of the stock options</td><td>Financial year 2016
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS (Consolidated)</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.47)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
<tr><td>- As reported</td><td>(1.47)</td></tr>
<tr><td>- Proforma</td><td>(1.47)</td></tr>
</table>
Financial year 2017
Impact on profit: Profit would be less by nil
Impact on EPS:
<table>
<tr><td>Basic EPS (Consolidated)</td><td></td></tr>
<tr><td>- As reported</td><td>(1.82)</td></tr>
<tr><td>- Proforma</td><td>(1.82)</td></tr>
<tr><td>Diluted EPS</td><td></td></tr>
</table></td></tr>
</table>

Particulars	Details
	- As reported (1.82) - Proforma (1.82) **Financial year 2018** Impact on profit: Profit would be less by nil Impact on EPS: Basic EPS (Consolidated) - As reported 0.53 - Proforma 0.53 Diluted EPS - As reported 0.53 - Proforma 0.53
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	Weighted average exercise price (as on the date of grant) – ₹39.13 Weighted average fair value (as on the date of grant) – ₹66.12
Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option	Weighted Average Market price – ₹93 Weighted Average Expected Life – 4.52 years Weighted Average Volatility – 33.39% Weighted Average Risk free rate – 7.87% Weighted Average Exercise Price – ₹39.13
Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer	N.A. – the options are not yet vested
Intention to sell Equity Shares arising out of the ESOS 2015 within three months after the listing of Equity Shares pursuant to the Offer by directors, senior managerial personnel and employees having Equity Shares arising out of ESOS 2015 amounting to more than 1% of the issued capital of our Company (excluding outstanding warrants and conversions)	N.A. – the options are not yet vested

Note 1:

Name of Key Managerial Person	Total number of Options Granted	Total number of options forfeited	Total number of options outstanding	Intention to sell
Mr. Ricardos El Khoury	75,000	-	75,000	-
Mr. Sunil Khosla	47,000	-	47,000	-
Mr. Mehernosh Parekh	26,000	-	26,000	-
Mr. Prasad Desai	26,000	-	26,000	-
Mr. Sudheer Parappurath	23,000	-	23,000	-

11. Our Company, our Directors, the Selling Shareholders and the BRLMs have not entered into any buy-back and/or standby arrangements or any safety net arrangement for purchase of Equity Shares to be Allotted pursuant to the Offer.

12. Our Company has not issued any Equity Shares during the one year immediately preceding the date of this Draft Red Herring Prospectus at a price, which may be lower than the Offer Price.

13. No financing arrangements have been entered into by the members of our Promoter Group, the directors of Vineha Enterprises Private Limited, our Directors, or their relatives for the purchase by any other person of the securities of our Company other than in the normal course of business of the financing entity during a period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus.

14. As at the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares in terms of any scheme approved under Sections 391 to 394 of the Companies Act, 1956 and Sections 230 to 232 of the Companies Act, 2013.

15. Neither the BRLMs nor any associates (determined as per the definition of "associate company" under Section 2(6) of the Companies Act, 2013) of the BRLMs hold any Equity Shares in our Company as on the date of this Draft Red Herring Prospectus. The BRLMs and their affiliates may engage in transactions with and perform services for our Company in the ordinary course of business or may, in the future, engage in commercial banking and investment banking transactions with our Company and/or our Subsidiaries, for which they may in the future receive customary compensation. See "*Other Regulatory and Statutory Disclosures - Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs*" on page 505.

16. Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus. All Equity Shares Allotted in the Offer will be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

17. Other than pursuant to the ESOP Schemes and the Pre-IPO Placement, there will not be any 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 submission of this Draft Red Herring Prospectus with the SEBI until the Equity Shares have been listed on the Stock Exchanges or all application monies have been refunded, as the case may be, other than in connection with the Offer.

18. As on the date of this Draft Red Herring Prospectus, other than 3,265,668 outstanding stock options convertible into 3,265,668 Equity Shares (including 1,858,000 shares issued to AGSTTL Employees' Welfare Trust on behalf of the employees of our Company and our Subsidiaries) under the ESOP Schemes as disclosed hereinabove, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into Equity Shares.

19. Our Company presently does not intend or propose to alter the 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, Equity Shares) on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placement; provided, however, that the foregoing restrictions do not apply to the issuance of any Equity Shares pursuant to the Fresh Issue and issuance of Equity Shares pursuant to exercise of any stock options under any of the ESOP Schemes. However, during such period or at a later date, our Company may, subject to necessary approvals, issue Equity Shares, convertible securities or other equity linked securities in relation to any acquisition, merger, joint venture or strategic alliance or for regulatory compliance or for any scheme of arrangement.

20. The Offer is being made through the Book Building Process, in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations, wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs, provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis only to Mutual Funds, and the remainder of the QIB Portion 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. 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.

21. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company and the Promoter Selling Shareholder, in consultation with the BRLMs and the Designated Stock Exchange.

22. Oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearest multiple of minimum allotment lot while finalizing the Basis of Allotment.

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

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

25. A Bidder cannot make a Bid for more than the number of Equity Shares offered in the Offer and will be subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

26. As on the date of filing of this Draft Red Herring Prospectus, the total number of Shareholders is 15.

27. Our Promoters and members of our Promoter Group will not participate in the Offer, except that Mr. Ravi B. Goyal shall offer Equity Shares in the Offer for Sale.

28. Our Company will ensure that transactions in Equity Shares by our Promoters and members of our 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 are reported to the Stock Exchanges within 24 hours of the transaction.

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

OBJECTS OF THE OFFER

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

Offer for Sale

The Selling Shareholders will be entitled to the proceeds of the Offer for Sale of the Equity Shares offered by them in the Offer for Sale, net of their respective share of the Offer related expenses. Our Company will not receive any proceeds from the Offer for Sale.

Fresh Issue

Our Company proposes to utilize the Net Proceeds raised through the Fresh Issue for the following objects:

1. Repayment or pre-payment of certain loans granted by certain banks and financial institutions; and
2. General corporate purposes (collectively, referred to as the "**Objects**")

In addition, our Company expects to realise the benefits of listing of the Equity Shares on the Stock Exchanges, enhancement of our Company's brand name and creation of a public market for the Equity Shares in India.

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

Offer Proceeds and Net Proceeds

Particulars	Amount (₹ in million)(1)
Gross proceeds of the Fresh Issue	4,000
(Less) Offer related Expenses in relation to the Fresh Issue(1)(2)	[●]
Net Proceeds	[●]

(1) To be finalized upon determination of the Offer Price.
Includes proceeds, if any, received pursuant to the Pre-IPO Placement. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilize the proceeds from the Pre-IPO Placement towards any of the objects of the Offer as set out in this section.
(2) The fees and expenses relating to the Offer shall be shared in the proportion mutually agreed between the Company and the Selling Shareholders in accordance with applicable law.

Requirement of Funds, Utilization of Net Proceeds and Means of Finance

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

Particulars	Amount Proposed to be Utilized from Net Proceeds(₹ in million)
Repayment or pre-payment of certain loans granted by certain banks and financial institutions	3,000
General corporate purposes(1)	[●]
Total Net Proceeds	[●]

(1) To be finalized upon determination of the Offer Price.

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

The fund requirements for the Objects are based on management estimates and financing and other agreements entered into by our Company. In case of a shortfall in raising requisite capital from the Net Proceeds towards meeting the Objects, we may explore a range of options including utilizing our internal accruals and seeking additional debt from existing and future lenders. We may have to revise our funding requirements and deployment on account of variety of factors such as our financial condition, business and strategy, including external factors such as market conditions, competitive environment, interest or exchange rate fluctuations and finance charges, which may not be within the control of the management of our Company.

In the event of any increase in the actual utilization of funds earmarked for the Objects, such additional funds for a particular activity will be met by way of means available to our Company, including from internal accruals and any additional equity and/or debt arrangements. If the actual utilization towards any of the Objects is lower than the proposed deployment such balance will be used for future growth opportunities, including funding existing objects, if required, and for general corporate purposes.

Schedule of Deployment of the Net Proceeds

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

(in ₹million)

Particulars	Amount to be funded from the Net Proceeds[(1)]	Estimated Utilization of Net Proceeds (Financial Year 2019)	Estimated Utilization of Net Proceeds (Financial Year 2020)*
Repayment or pre-payment of certain loans granted by certain banks and financial institutions	3,000	3,000	-
General corporate purposes[(1)]	[●]	[●]	[●]
Total	[●]	[●]	[●]

(1) To be finalized upon determination of the Offer Price

** In the event that the Offer is not completed in Financial Year 2019, the utilization of Net Proceeds shall occur in Financial Year 2020.*

Details of the Objects of the Fresh Issue

1. Repayment or pre-payment of certain loans granted by certain banks and financial institutions

Our Company has entered into various financing arrangements with banks and other lenders. We intend to utilize up to ₹3,000 million from the Net Proceeds towards repayment/prepayment of certain of our outstanding loans as identified below.

The loans identified and listed below are in no particular order of priority. The selection of debt facilities and the quantum to be repaid or prepaid shall be based on various factors including, but not limited to, (i) conditions attached to such loans restricting our ability to prepay the borrowings and time taken to fulfil such requirements, (ii) receipt of consent/no-objection for prepayment or waiver from any conditions attached to such prepayment from our lenders, (iii) terms and conditions of such consents/no-objections and waivers, (iv) provisions of any laws, rules or regulations governing such borrowings and (v) other commercial considerations such as interest rate and tenor of the debt, applicability of any prepayment penalty and its quantum and other market conditions. Payment of interest, prepayment penalty or premium, if any, and other related costs shall be made by us out of the Net Proceeds.

S. No.	Lender	Nature of Borrowing	Amount Sanctioned (₹ in million)	Amount outstanding as of July 31, 2018 (₹ in million)[(1)]	Rate of Interest as of July 31, 2018 (per annum)	Repayment/Pre-payment Interest or Penalty
1.	Clix Finance India Private Limited	Term Loan	650	29.26	SBI Base Rate +245 bps	1.25% of the amount being pre-paid
2.	The South	Term Loan -I	500	149.77	1 year MCLR + 150 bps	2.00% of the amount

S. No.	Lender	Nature of Borrowing	Amount Sanctioned (₹ in million)	Amount outstanding as of July 31, 2018 (₹ in million)(1)	Rate of Interest as of July 31, 2018 (per annum)	Repayment/Pre-payment Interest or Penalty
	Indian Bank Limited					outstanding and any undisbursed limit
3.	The South Indian Bank Limited	Term Loan -II	500	323.68	1 year MCLR + 115 bps	2.00% of the amount outstanding and any undisbursed limit
4.	HDFC Bank Limited	Term Loan -I	225	65.80	Base Rate + 180 bps	As negotiated with HDFC Bank Limited at the time of prepayment
5.	HDFC Bank Limited	Term Loan -II	800	562.57	3 year MCLR + 195 bps	2.00% of the principal outstanding together with applicable taxes and cess
6.	Kotak Mahindra Bank Limited	Term Loan	400	224.16	Base Rate + 115 bps	-
7.	IndusInd Bank Limited	Term Loan-I	600	438.75	MIBOR + 438 bps	As stipulated by IndusInd Bank Limited
8.	IndusInd Bank Limited	Term Loan-II	1,200	1,044.35	3 months MCLR + 5 bps	Nil
9.	Karur Vysya Bank Limited	Term Loan	500	438.10	1 year MCLR + 140 bps	2.00% of the amount prepaid
10.	Axis Bank Limited	Working Capital	850	Cash Credit: 233.16 Buyer's Credit: 24.26	Cash Credit: 3 months MCLR + 220 bps Buyer's Credit: LIBOR + applicable spread	Prepayment will be allowed at the discretion of Axis Bank
11.	Citibank N.A., Mumbai	Working Capital	200	Cash Credit: 14.68 Working Capital Demand Loan: 150.09	Cash Credit : 12.00% Working Capital Demand Loan: 11.40%	2.00% of sanction amount or principal outstanding, whichever is higher, at the discretion of Citibank N.A.
12.	HDFC Bank Limited	Working Capital	550	Cash Credit: 479.87	Cash Credit: 1 year MCLR + 190 bps	-
13.	ICICI Bank Limited	Working Capital	1,000	Cash Credit: 457.46 Buyer's Credit: 30.25	Cash Credit: 6 months MCLR + 185 bps Buyer's Credit: LIBOR + applicable spread	1.00% on principal amount
14.	Standard Chartered Bank	Working Capital	1,300	Cash Credit: 322.00	Cash Credit: 11.30%	Prepayment charges (to be calculated based on interest differential and/or as agreed by Standard Chartered Bank) or break costs
15.	Yes Bank Limited	Working Capital	500	Cash Credit: 105.38	1 year MCLR + 240 bps	-

S. No.	Lender	Nature of Borrowing	Amount Sanctioned (₹ in million)	Amount outstanding as of July 31, 2018 (₹ in million)[(1)]	Rate of Interest as of July 31, 2018 (per annum)	Repayment/Pre-payment Interest or Penalty
TOTAL			**9,775**	**5,093.60**		

(1) *Includes interest accrued but not due, as of July 31, 2018. Transaction costs in relation to long term borrowings have been adjusted.*

Buyer's Credit in USD is converted into INR using the exchange rate of USD1= INR 68.6068 as at July 31, 2018, based on the reference rate released by the RBI.

Pursuant to a certificate dated August 20, 2018, Parikh & Parikh, Chartered Accountants, have certified that the above loans were utilized for the purposes for which they were sanctioned.

For further details on the terms and conditions of these financing arrangements, see "*Financial Statements*" on page 203]. See also, "*Financial Indebtedness*" on page 444.

Our Company will approach the lenders after completion of the Offer for repayment/prepayment of certain of the above loans. In the event that we choose to prepay our loans, we may be required to pay an additional prepayment premium to our lenders. Such repayment or prepayment will help in reducing our outstanding indebtedness and debt servicing costs, which in turn will assist in maintaining a favourable debt-equity ratio in the near future. In addition, our leverage capacity will improve to raise further funds in the future for purposes of potential business expansion opportunities.

In addition to the loans mentioned above, our Company may, from time to time, enter into further financing arrangements and draw down funds under such financing arrangements. We may utilize the Net Proceeds towards prepayment, repayment or redemption (earlier or scheduled) of such additional indebtedness that may be incurred by us, details of which shall be provided in the Red Herring Prospectus.

Our Company may utilize a portion of the Net Proceeds to repay/prepay, in part or full, certain loans and facilities that our Company has availed from (i) ICICI Bank Limited which is related to I-Sec, one of the BRLMs; (ii) Axis Bank Limited which is related to Axis Capital, one of the BRLMs; (iii) HDFC Bank, one of the BRLMs; and (iv) IndusInd, one of the BRLMs. However, on account of such relationship, I-Sec, Axis Capital, HDFC Bank and IndusInd do not qualify as "associates" of our Company in terms of Regulation 21(A)(1) of the SEBI Merchant Bankers Regulations. ICICI Bank Limited, Axis Bank Limited, HDFC Bank and IndusInd have sanctioned such loans and facilities to our Company as part of their normal commercial lending activity.

2. General Corporate Purposes

Our Company proposes to deploy the balance Net Proceeds aggregating ₹[●] million towards general corporate purposes, subject to such utilization not exceeding 25% of the Gross Proceeds, in compliance with Regulation 4(4) of the SEBI ICDR Regulations. The general corporate purposes for which our Company proposes to utilize the Net Proceeds include, without limitation, funding working capital requirements, strengthening marketing capabilities and brand-building exercises, strategic initiatives, partnerships and joint ventures, meeting exigencies which our Company may face in the ordinary course of business, meeting expenses incurred in the ordinary course of business and any other purpose as may be approved by the Board or a duly appointed committee from time to time, subject to compliance with the necessary provisions of the Companies Act. The quantum of utilization of funds towards each of the above purposes will be determined by our Board, based on the amount actually available under this head and the business requirements of our Company, from time to time. Our Company's management, in accordance with the policies of the Board, will have flexibility in utilizing any surplus amounts, if any. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Appraising Entity

The fund requirements for the Objects have not been appraised by any bank or financial institution or other independent agency.

For further details, see "*Risk Factors - Our Company will not receive any proceeds from the Offer for Sale portion and our Company's management will have flexibility in utilizing the Net Proceeds. The objects of the Fresh Issue for which the funds are being raised have not been appraised by any bank or financial institutions.*" on page 37.

Bridge Financing Facilities

Our Company has not raised any bridge loan from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which is proposed to be repaid from the Net Proceeds. However, depending on its business requirements, our Company may consider raising bridge financing facilities, pending receipt of the Net Proceeds.

Interim Use of Net Proceeds

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

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

Offer Related Expenses

The Offer related expenses consist of listing fees, selling commission and brokerage, fees payable to the BRLMs, legal counsels, Registrar to the Offer, including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges.

Other than listing fees, expenses in relation to the legal counsel of our Company and in relation to corporate advertisements which will be paid by our Company, all costs, fees and expenses with respect to the Offer shall be shared between our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in proportion to the number of Equity Shares issued under the Fresh Issue and transferred under the Offer for Sale, respectively, upon completion of the Offer. Further, the Selling Shareholders shall reimburse our Company for all expenses, incurred by our Company in relation to the Offer for Sale on their behalf in accordance with applicable law, in proportion to the Equity Shares transferred under the Offer for Sale.

The break-down of the estimated Offer expenses is disclosed below.

Activity	**Amount(1) (₹ in million)**	**As a % of Total Estimated Offer Related Expenses(1)**	**As a % of Offer size(1)**
Payment to the members of the Syndicate (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Brokerage and selling commission for Registered Brokers, RTAs and CDPs(2)	[●]	[●]	[●]

Activity	Amount[1] (₹ in million)	As a % of Total Estimated Offer Related Expenses[1]	As a % of Offer size[1]
Commission and processing fees for SCSBs[2]	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Printing and stationery expenses; iv. Advertising and marketing expenses for the Offer; v. Fees payable to legal counsels; and vi. Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalized at the time of filing the Prospectus with the RoC and upon finalization of the Offer Price and other details.
(2) Details of selling commission and processing fees will be finalized prior to filing the Red Herring Prospectus.

Monitoring of Utilization of Funds

Our Company shall appoint a monitoring agency for monitoring the utilization of the Net Proceeds prior to the registration of the Red Herring Prospectus with the RoC. Our Board and the Monitoring Agency shall monitor utilization of the Net Proceeds and the Monitoring Agency shall submit a report to our Board as required under the relevant SEBI regulations. Our Company shall comply with the requirements in this respect under the SEBI ICDR Regulations and the SEBI Listing Regulations.

Variation in Objects

In accordance with Section 13(8) and Section 27 of the Companies Act, 2013, our Company shall not vary the objects of the Fresh Issue without our Company being authorized to do so by the Shareholders in a general meeting by way of a special resolution. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013.Our Promoters or controlling Shareholders will be required to provide an exit opportunity to such Shareholders who do not agree to such proposal to vary the objects, at a price and in such manner as may be prescribed by the SEBI in Chapter VI-A of the SEBI ICDR Regulations.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Directors, our Key Management Personnel or our Group Entities. There are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, our Directors, our Key Management Personnel or our Group Entities. However, one of our Promoters, Mr. Ravi B. Goyal, and one of our Key Management Personnel, Mr. V.C. Gupte, will receive the proceeds of the Offer for Sale net of their respective share of the Offer expenses pursuant to the sale of the Equity Shares being offered by them through the Offer for Sale.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares determined through the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times of the face value at the lower end of the Price Band and [●] times of the face value at the higher end of the Price Band.

Qualitative Factors

We believe we have the following principal competitive strengths:

1. End-to-End Provider of Cash and Digital Payment Solutions
2. Customer Driven Portfolio with Strong Capabilities to Develop Customized Solutions In-house
3. Diversified Product Portfolio, Customer Base and Revenue Streams Leading to Cross-Selling Opportunities
4. Long-Standing Relationships with Technology Providers and Customers
5. Dedicated In-house Infrastructure and Technological Capabilities
6. Experienced Senior Management

For further details regarding the qualitative factors which form the basis for computing the Offer Price, see "*Our Business*" and "*Risk Factors*" on pages 141 and 20, respectively.

Quantitative Factors

Information presented in this section is derived from our Restated Consolidated Financial Information and Restated Standalone Financial Information prepared in accordance with the Companies Act and the SEBI ICDR Regulations.

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

1. **Basic and Diluted Earnings per Share** ("**EPS**"):

According to our Company's Restated Standalone Financial Information:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	1.62	1.61	3
March 31, 2017	0.47	0.47	2
March 31, 2016	0.61	0.61	1
Weighted Average	**1.07**	**1.06**	

According to our Restated Consolidated Financial Information:

Year ended	Basic EPS (₹)	Diluted EPS (₹)	Weight
March 31, 2018	0.53	0.53	3
March 31, 2017	(1.82)	(1.82)	2
March 31, 2016	(1.47)	(1.47)	1
Weighted Average	**(0.59)**	**(0.59)**	

Notes:

1. *The EPS calculations have been done in accordance with the Ind AS 33 accounting standard and rule 7 of the Companies (Accounts) Rules, 2014.*
2. *The face value of each Equity Share is ₹10.*
3. *Basic Earnings per share (₹) = Restated net profit after tax and adjustments, available for equity shareholders/Weighted average number of equity shares outstanding during the year*
4. *Diluted Earnings per share (₹) = Restated profit for the year/Weighted average number of diluted potential equity shares outstanding during the year.*
5. *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.

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

Particulars	Standalone	Consolidated
P/E ratio based on Basic EPS for Fiscal 2018 at the Floor Price:	[●]	[●]
P/E ratio based on Diluted EPS for Fiscal 2018 at the Floor Price:	[●]	[●]
P/E ratio based on Basic EPS for Fiscal 2018 at the Cap Price:	[●]	[●]
P/E ratio based on Diluted EPS for Fiscal at the Cap Price:	[●]	[●]
Industry P/E	NA	
Highest	NA	
Lowest	NA	
Industry Composite	NA	

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

According to our Company's Restated Standalone Financial Information:

Year ended	RONW (%)	Weight
March 31, 2018	3.89%	3
March 31,2017	1.17%	2
March 31,2016	1.55%	1
Weighted Average	**2.59%**	

According to our Restated Consolidated Financial Information:

Year ended	RONW (%)	Weight
March 31, 2018	1.57%	3
March 31, 2017	(5.46)%	2
March 31, 2016	(4.17)%	1
Weighted Average	**(1.73)%**	

RoNW (%)=	Restated net profit after tax and adjustments, available for equity shareholders
	Restated net worth at the end of the year

Net worth includes Equity share capital + Other equity (including Securities premium, General reserve, Employee Stock Options outstanding, Retained earning (and Foreign currency translation reserve in case of Consolidated Net Worth).

4. Minimum Return on Total Net Worth after Offer needed to maintain pre-Offer EPS for the Financial Year 2018:

Particulars	Standalone (%)		Consolidated (%)	
	Pre-Issue Basic EPS	Pre-Issue Diluted EPS	Pre-Issue Basic EPS	Pre-Issue Diluted EPS
At the Floor Price	[●]	[●]	[●]	
At the Cap Price	[●]	[●]	[●]	

5. Net Asset Value per Equity Share:

According to our Company's Restated Financial Information:

Net Asset Value per Equity Share	Standalone (₹)	Consolidated (₹)
As on March 31, 2018	41.64	33.93
After the Offer	[●]	[●]

Net asset value is defined as Restated net worth at the end of the year/Number of equity shares outstanding at the end of the year

6. Comparison with industry peers:

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

7. The Offer Price is [●] times the face value of the Equity Shares.

The Offer Price of ₹[•] has been determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, on the basis of the demand from investors for the Equity Shares determined through the Book Building Process and is justified based on the above accounting ratios. For further details, see "*Risk Factors*" and "*Financial Statements*" on pages 20 and 203], respectively. The trading price of the Equity Shares of our Company could decline including due to the factors mentioned in "*Risk Factors*" on page 20 and you may lose all or part of your investment.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO OUR COMPANY AND ITS SHAREHOLDERS

To,
The Board of Directors
AGS Transact Technologies Limited
601 – 602, B-Wing, Trade World
Kamala City, Senapati Bapat Marg
Lower Parel (W)
Mumbai – 400 013

Date: 20 August 2018

Dear Sirs,

Subject: Statement of possible special tax benefits ("the Statement") available to AGS Transact Technologies Limited ("the Company") and its shareholders prepared in accordance with the requirement in Schedule VIII – Clause (VII) (L) of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("the Regulations")

This report is issued in accordance with the Engagement Letter dated 2 August 2018.

We hereby report that the enclosed Annexure prepared by the Company, initialled by us and the Company for identification purpose, states the possible special tax benefits available to the Company and to its shareholders under the Income-tax Act, 1961 ("**the Act**"), and Income tax Rules, 1962, including amendments made by Finance Act 2018 (together "**the Direct Tax Law**"), presently in force in India as on the signing date. These possible special tax 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 or its shareholders to derive these possible special tax benefits is dependent upon their fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company or its shareholders may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover the possible special tax benefits available to the Company and its shareholders. Further, the preparation of the enclosed Annexure and its contents is the responsibility of the management of the Company. We were informed that the 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 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 equity shares of the Company comprising a fresh issue of Equity Shares and an offer for sale of equity shares by certain shareholders (the "**Proposed Offer**") 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 possible special tax benefits, which an investor can avail. Neither we are suggesting nor advising the investors to invest money based on the Statement.

We conducted our examination in accordance with the "Guidance Note on Reports or Certificates for Special Purposes (Revised 2016)" ("**Guidance Note**") issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with ethical requirements of the Code of Ethics issued by the Institute of Charted Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial information, and Other Assurance and Related Services Engagements.

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

i) the Company or its shareholders will continue to obtain these possible special tax benefits in future; or

ii) the conditions prescribed for availing the possible special tax benefits where applicable, have been/would be met with.

The contents of this Statement are based on the information, explanation and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

We hereby give consent to include this Statement in the draft red herring prospectus, red herring prospectus, the prospectus and in any other material used in connection with the Proposed Offer, and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **B S R & Co. LLP**
Chartered Accountants
ICAI firm registration number: 101248W /W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date: 20 August 2018

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE INCOME TAX ACT, 1961, AND THE INCOME-TAX RULES, 1962 (TOGETHER "THE DIRECT TAX LAW")

Outlined below are the possible special tax benefits available to the Company and its shareholders under the Direct Tax Law in force in India (*i.e.* applicable for the Financial Year 2018-19 relevant to Assessment Year 2019-20). These possible special tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the Direct Tax Law. Hence, the ability of the Company or its shareholders to derive the possible special tax benefits is dependent upon fulfilling such conditions, which are based on business imperatives it faces in the future, it may or may not choose to fulfill.

UNDER THE INCOME TAX ACT, 1961 ("THE ACT")

A. Special tax benefits available to the Company

There are no special tax benefits available to the Company under the Act.

B. Special tax benefits available to Shareholders

There are no special tax benefits available to the Shareholders under the Act.

NOTES:

1. The above is as per the current Direct Tax Law prevalent as on the date of issuance of this certificate.

2. This Statement does not discuss any tax consequences in any country outside India of an investment in the shares. The shareholders / investors in any country outside India are advised to consult their own professional advisors regarding possible income tax consequences that apply to them under the laws of such jurisdiction.

SECTION IV: ABOUT OUR COMPANY

INDUSTRY OVERVIEW

The information contained in this section is derived from industry data sourced from India ATM Market Outlook to 2023 dated June 2018 and India Payment Services Market Outlook to 2023 dated July 2018, both commissioned from Ken Research, and other publicly available sources. Neither we nor any other person connected with this Offer 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 that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information.

Overview of the Indian Economy

The Indian economy is the fourth largest economy by purchasing power parity. For the year 2017, India's gross domestic product ("**GDP**") per capita on purchasing power parity basis was estimated at USD 7,200. *(Source: Central Intelligence Agency, the World Factbook accessed on August 13, 2018 at https://www.cia.gov/library/publications/the-world-factbook/geos/in.html)* The world economy grew by 3.2% and 3.8% in 2016 and 2017, respectively, and is expected to increase to 3.9% in 2018 and 2019. Despite a slowdown in the pace of growth, the Indian economy expanded by 7.1% and 6.7% in 2016 and 2017, respectively. This makes India one of the fastest growing large economies in the world, along with China. India is forecasted to increase its economy by 7.4% and 7.8% in 2018 and 2019, respectively due to strong private consumption, diminishing effects of demonetisation and implementation of GST. *(Source: International Monetary Fund, World Economic Outlook Database, April 2018 accessed on August 13, 2018 at https://www.imf.org/en/Publications/WEO/Issues/2018/03/20/world-economic-outlook-april-2018*

Strong Growth in Payments Industry

GDP growth, private consumption and government initiatives have resulted in strong growth in the payments sector. The number of transactions has grown from 7,699 million in financial year 2012 to 26,370 million in financial year 2018. The value of transactions has grown from ₹ 1,621,130 billion in financial year 2012 to ₹ 2,871,583 billion in financial year 2018.

The following table sets forth the number of transactions on the basis of volume, in million:

Parameters	**Financial Year**			
	2012	**2014**	**2016**	**2018**
Usage at ATMs	5,084	6,091	8,079	8,608
Retail Electronic Clearing	512	1,108	3,142	5,467
Usage at POS	647	1,128	1,959	4,721
Prepaid	31	134	748	3,459
Mobile Banking	26	95	389	1,913
Paper Clearing	1,342	1,257	1,096	1,171
UPI	NA	NA	NA	903.4
RTGS/CCIL	57	84	101	128
Total	**7,699**	**9,897**	**15,514**	**26,370**

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following table sets forth the number of transaction on the basis of value, in ₹ billion:

Parameters	**Financial Year**			
	2012	**2014**	**2016**	**2018**
RTGS/CCIL	1,485,862	19,665	1,842,922	2,542,234
Retail Electronic Clearing	20,576	47,856	91,408	191,011
Paper Cleaning	99,102	2,494	81,861	81,893
Usage at ATMs	14,010	81	25,402	29,017

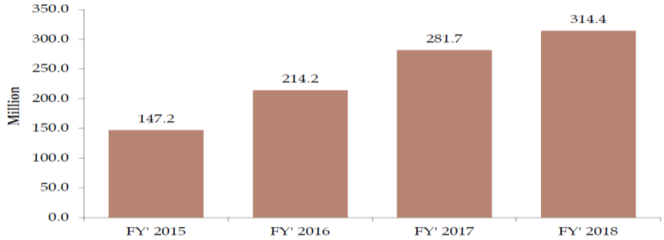
Parameters	Financial Year			
	2012	2014	2016	2018
Mobile Banking	18	224	4,041	14,759
Usage at POS	1,500	93,316	3,996	9,157
Prepaid	62	NA	488	1,416
UPI	NA	1,526,538	NA	1,096
Total	**1,621,130**	**1,692,189**	**2,050,118**	**2,871,583**

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Introduction of Pradhan Mantri Jan Dhan Yojna and its impact during financial years 2015 to 2018

Pradhan Mantri Jan-Dhan Yojana ("**PMJDY**") is the scheme implemented by the government focusing on India's national mission for financial inclusion by providing access to various services such as savings and deposit accounts, credit, insurance, pension fund and others, especially to the unbanked population. Overall contribution by the PMJDY has been significant for the financial sector in India, as it has expanded the market for ATM service management companies due to an increase in the number of account holders in India along with a rise in the issuance of debit card holders which further drives the rising demand for cash withdrawal transactions in India.

The following chart sets forth the Jan Dhan account holders in million, as of March 31, 2015 to March 31, 2018:



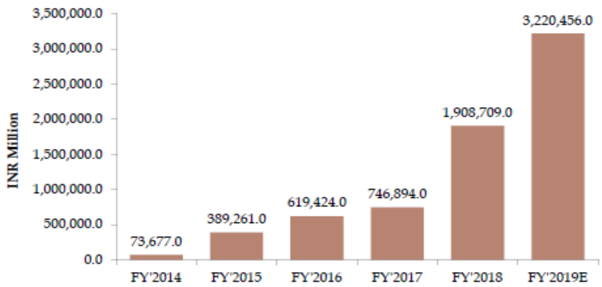
Note: Statistics as of March 31. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Direct Benefit Transfer

DBT is a high priority focus area for the Indian Government in the financial year 2018. Increasing use of DBT has led to an increase in the number of beneficiaries to 1,239 million as of March 31, 2018 from 108 million as of March 31, 2014. Fund transfers have also increased to approximately ₹ 1,908.7 billion as of March 31, 2018 from approximately ₹ 73.7 billion as of March 31, 2014 due to increasing the use of the Aadhar card for identity proof, an increase in Jan Dhan account's in India and increasing growth in the number of DBT schemes. In India, schemes under DBT have increased to 437 as of March 31, 2018 from 28 in the March 31, 2014.

DBT is expected to bring more people who receive the benefit amount directly into their accounts. Money circulation is expected to increase which can further lead to significant growth in the GDP and it is further expected to increase cash withdrawal from the ATMs.

The following chart sets forth fund transfers from the financial year 2014 to the financial year 2018 and estimated fund transfers for the financial year 2019, in ₹ million:

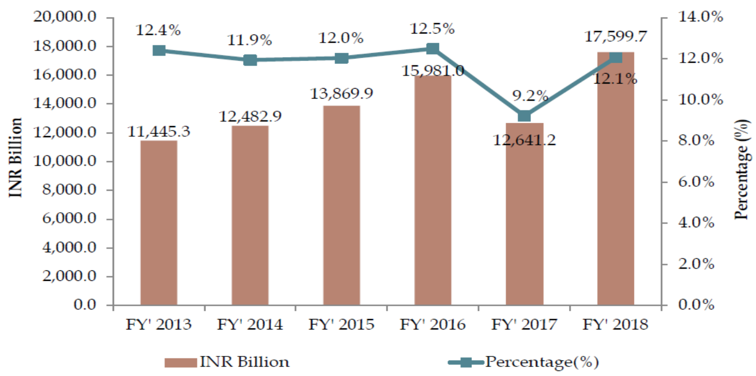


(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Historical Trend of Cash Circulation in India during the Financial Years 2013 to 2018

Despite the growth of cashless transactions, people in India heavily rely upon cash transactions in their day to day life. However, there has been a growth in transactions made through digital applications due to shortages of cash flow observed in the Indian economy. Currency in circulation as a percentage of GDP declined to 9.2% during the financial year 2017 due to the effects of demonetization in the Indian economy.

The following chart sets forth cash in circulation in India and percentage of GDP, during the financial years 2013 to 2018:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following table sets forth the currency in circulation in various countries as a percentage of GDP from the calendar year 2012 to the calendar year 2016:

Countries	2012	2013	2014	2015	2016
Hong Kong SAR	14.8%	15.9%	15.6%	15.5%	16.9%
Japan	17.1%	17.5%	16.8%	19.6%	18.5%
Singapore	8.3%	8.3%	8.5%	9.3%	9.9%
United Kingdom	3.7%	3.7%	3.4%	3.6%	3.6%
United States	7.2%	7.4%	7.7%	7.9%	8.1%

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Overview of India's ATM Market

In India, over the last five years, the number of ATMs (excluding white-label ATMs) installed has increased to 207,052 as of March 31, 2018 from 114,014 as of March 31, 2013. The number of ATMs (including white label ATMs) operating in India's ATMs market have increased to 222,247 as of March 31, 2018 from 114,014 as of March 31, 2013 at a CAGR of 14.3%.

ATMs are popular in developing countries since people prefer payment through cash when making low-value payments, for personal budgeting reasons and to maintain anonymity in transactions. Also, significant portions of the population mostly operate outside and are unbanked or under-banked prefer cash payments. Therefore, the sizeable unbanked population in these countries is representative of the strong potential for new ATM users in the future. The global ATM industry is therefore positioned to grow, due to an increasing proportion of the population availing financial services and a subsequent rise in number of ATMs being set up in these developing nations.

The following table sets forth a cross comparison of major countries based on total number of ATMs, growth in ATMs, ATM penetration, ATM density and Industry Stage, as of December 2016:

Regions	Total Number of ATMs[4]	ATM Penetration[2]	ATM Density[3]
Brazil	175,947	847	20.6
China	924,200	670	96.3
India[1]	**222,475**	**168**	**67.9**

Regions	Total Number of ATMs[4]	ATM Penetration[2]	ATM Density[3]
Japan	136,810	1,077	362.9
Russia	201,396	1,396	11.7
UK	70,000	1,067	289.3
US[5]	480,000	1,484	48.8

Notes: 1) As of March 31, 2017. 2) ATM penetration is number of ATMs per million people. 3) ATM density is number of ATMs per 1,000 sq. km. 4) Number of ATMs for countries other than India and US is as of December 31, 2016 5) Number of ATMs and other parameters for the US is as of March 31, 2017. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following table sets forth the country-wise cash withdrawal transactions in millions from 2012 to 2016:

Regions	2012	2013	2014	2015	2016
Brazil	3,250.8	3,385.2	3,529.1	3,628.3	3,449.0
China	11,452.6	12,874.5	13,715.1	14,568.4	15,692.8
Germany	2,127.6	2,115.0	2,031.3	2,164.7	2,182.2
India	**5,525.4**	**6,087.3**	**7,059.9**	**8,071.5**	**8,561.3**
Russia	2,743.7	3,085.0	3,215.7	3,264.6	3,449.5
UK	2,915.0	2,899.0	2,830.0	2,818.0	NA

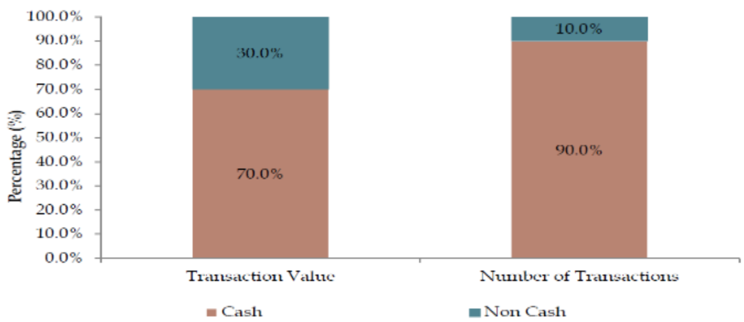
Note: The data is reported on the basis of the calendar year running from January to December every year. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Cash Withdrawals in India, During the Financial Years 2015 to 2018

Cash withdrawal transactions through debit cards increased at a CAGR of 7.1% during the financial years 2015 to 2018 due to the implementation of PMJDY during August 2014 and an increase in personal disposable incomes. Coupled with an increase in deposits during demonetisation and through direct benefit transfers ("**DBT**") there has been an increasing need for cash withdrawals and contributed altogether in the number of cash withdrawals in India through debit cards.

Cash withdrawals in India increase during the crop harvest season, which is usually between March and April, and again during the festival season in October.

The following chart sets forth the share of cash transactions in overall transactions on the basis of transaction value and number of transaction in percentage (%), in the financial year 2018:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following chart sets forth the cash withdrawals in India from debit cards, from the financial year 2015 to the financial year 2018:

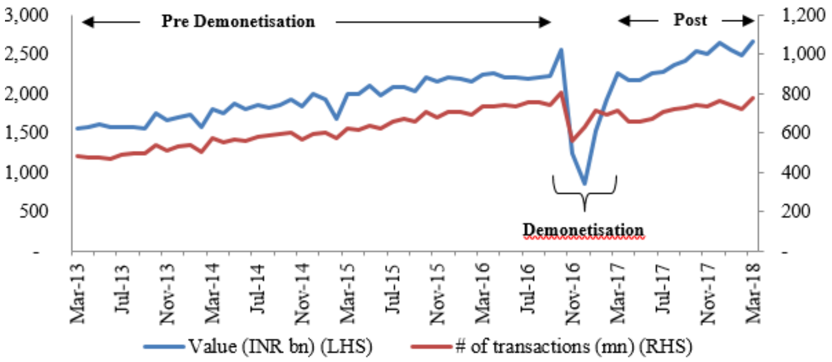
Cash Withdrawal (Debit Cards)	Financial Year			
	2015	2016	2017	2018
Number of Transaction (in million)	6,995.80	8,072.50	8,563.10	8,602.30
Amount in ₹ Million	22,208,651.30	25,357,945.50	23,602,725.60	28,987,610.70
Average Amount per Transaction in ₹	3,174.60	3,141.30	2,756.30	3,369.80

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Impact of Demonetisation on the Number of ATM Transactions and its Revival

The post demonetisation period is marked by the recovery of cash in circulation and a robust banking system led by digital transactions. There was an increase in transactions in ATMs due to the activation and usage of PMJDY cards at ATMs. Currency in circulation increased to ₹ 17,599.7 billion, which was 12.1% of the GDP for the financial year 2018.

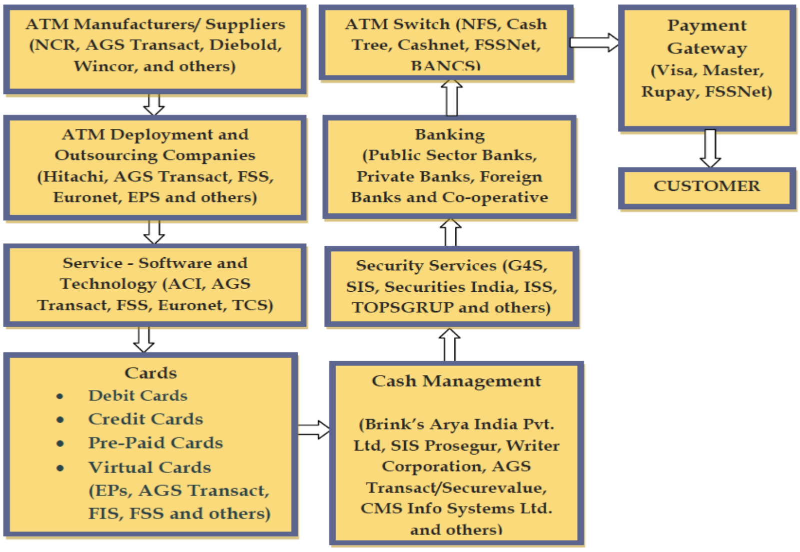
The following chart sets forth a trend in the number of cash transactions and transaction values at ATMs, from March 2013 to March 2018:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Ecosystem for India's ATM Managed Services Market

The following chart set forth the ecosystem for India's ATM managed services market:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Current ATM Management Models

The number of ATMs in India has been increasing, which can be attributable to the ease in setting up ATMs under the managed services and brown-label management models. The number of ATMs being managed by banks has been continually decreasing due to the advantages offered by other ATM management models. The contribution of ATMs managed by banks in the total number of ATMs in India decreased from 20.6% in the financial year 2012 to 15.0% as of March 31, 2018.

The following table sets forth the number of ATMs under the current ATM management models, as of March 31, 2018:

Type of ATMs	**Number of ATMs**
Managed Services (MSPs)	105,000

Type of ATMs	Number of ATMs
Brown-label ATM/ Completely Outsourcing (IADs)	75,000
Completely Managed by Banks	27,052
White-label ATM	15,195
Total	**222,247**

Note: The figures above do not include cash recyclers, which are completely managed by banks. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

Brown-Label ATM Model

The bank contracts the deployment of its ATMs to a vendor or service provider. This is also known as complete outsourcing or end-to-end deployment of ATMs. Upon winning and entering into a contract with the bank, the service provider takes the responsibility of searching for suitable ATM sites, surveying for the same and ultimately leasing the sites. A typical ATM site is a minimum of a 100 square feet area with rent ranging between ₹ 9,000 to ₹ 25,000.

An ATM machine is priced between ₹ 240,000 to ₹ 285,000 and is the major cost component while setting up an ATM. Further, the vendor looks at the décor or building works of the ATM site and electricity supply, and sets up a very small aperture terminal ("**VSAT**") terminal and lease lines.

The bank is responsible for providing cash and its brand name on the ATM along with the upgradation of the ATM machines. The service provider is paid per transaction or through a monthly fee within the brown-label or completely outsourced model (transactions done by the bank's customers on its ATMs). The major services for which the bank pays the service providers are cash management, network monitoring, security services and housekeeping.

The following table sets a profitability analysis of offsite brown-label ATMs (variable pay on the capital expenditure model) in India:

Parameter	Value in ₹
Cost per transaction	7.3
Revenue per transaction	10.5
Profit per transaction	3.2
Number of transactions for break-even per day	87
Coverage of investment after years	2.8

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

ATMs through Managed Services

In the managed services model, a bank leases the site and owns the required equipment. However, the banks contract the servicing of the ATM to a third-party service provider or vendor. After outsourcing services, the bank is only involved in providing cash for the ATM or providing cash settlements. The bank pays the vendor for its services either through a fixed fee per month, or on a pay per use or per transaction fee.

ATMs under managed services generally follow the fixed fee model wherein the bank pays a fixed amount for every service availed by the bank.

White-Label ATMs

Within the white-label ATM scheme, non-bank entities can own and operate ATMs under their own brand. As of March 31, 2018, 15,195 white-label ATMs are operating in India.

The following table sets a profitability analysis of white-label ATMs in India:

Parameters	Value in ₹
Cost per transaction (an average basis on 60 to 80 transaction per day)	11.7
Revenue per transaction	12.5
Profit per transaction	0.8
Number of transactions for break-even per day	65

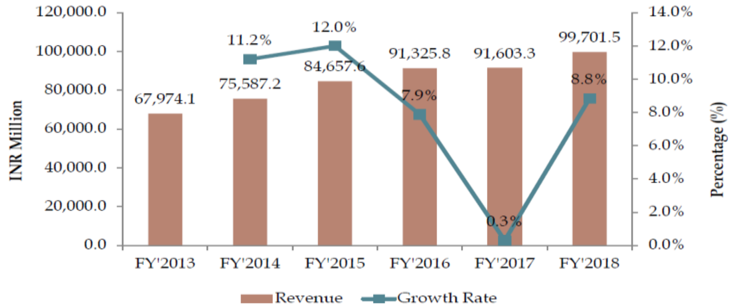
(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India's ATM Managed Services Market Size by Revenues

As of March 31, 2018, approximately 85.0% of the ATMs are being outsourced by banks, while approximately 15.0% of ATMs are managed by banks. This high proportion of ATMs outsourced by banks has been a major reason for the increase in revenue of the ATM managed services market.

The Government of India announced demonetisation of the currency in November 2016 under which old currency notes that valued ₹ 500 and ₹ 1,000 ceased from being the legal tender. This led to a shortage of currency circulation in the short term and impacted the ATM managed service market largely due to the decline in number of transaction at an ATM per day due to a decreased availability of the cash. This impacted the ATM managed services market growth during the financial year 2017, which was 0.3% in terms of revenues. However, the financial year 2018 saw a quick recovery of cash in circulation, which is now higher than pre-demonetisation levels.

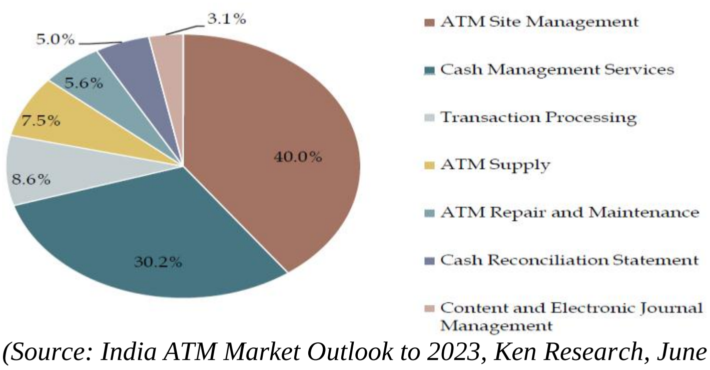
The following chart sets forth India's ATM managed services market size on the basis of revenue and growth rate, during the financial years 2013 to 2018:



Notes: FY is financial year ending March. India's 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. The chart also included revenues generated from ATM supply. AMC charges have not been considered as a part of revenues from ATM supply. The expenses incurred by banks in case of ATMs which they manage on their own have not been taken into consideration, while the sale of ATM made to direct banks has been considered. The market includes cash management services as well which includes ATM replenishment, Cash-In-Transit, Retail Cash Management and other cash management services. The cost is considered at the contract level and subcontracting of services is considered as well. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India's ATM Managed Services Market Segmentation by Service Offerings for the Financial Year 2018

The following chart sets forth India's ATM managed services market segmentation by service offerings on the basis of revenue in percentage share, for the financial year 2018:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The total revenue for India's ATM managed services market segmentation by service offerings was ₹ 99,701.4 million for the financial year 2018.

ATM Site Management

ATM site management contributes approximately 40.0% share in generating revenue for the ATM managed service providers. Site Management services include services such as man guarding, payment of rent, network services and services such as ATM deployment, management and the operationalization of ATMs.

Cash Management Services

Cash management services have contributed the second highest share to the ATM managed services category in India. ATM replenishment market in terms of revenue has increased from ₹ 11.8 billion in the financial year 2017 to ₹ 11.9 billion in the financial year 2018. The number of ATMs outsourced to cash management companies has increased from 151,650 as of March 31, 2017 to 152,000 as of March 31, 2018.

Transaction Processing

Transaction processing has been recorded as the third largest category, which contributed 8.6% in revenues share to the ATM managed services market. Transaction processing refers to the switch cost which a bank pays to the gateway companies on a per transaction basis. On average the processing transaction cost is ₹ 0.10 on a per transaction basis as of the financial year 2018.This service is generally provided by the banks but some banks outsource the service as well.

ATM Supply

Revenue generated through ATM supply during the financial year 2018 was ₹ 7,500 million, which accounted for 7.5% of the revenues share in the ATM management service market due to an increase in the number of replacement ATM machines. Majority of the new ATM machines are getting installed in rural areas after the introduction of PMJDY during the year 2014. Urban areas have seen lower installations of new ATM machines as compared to rural areas. Most of the installations of new machines in urban areas are in the form of replacements of existing machines. The Indian Government has issued a circular to replace the old ATMs which are running on Windows XP to latest operating system Windows 10. This has increased the number of ATMs replaced due to improved hardware requirement as of the financial year 2018.

ATM Repair and Maintenance

First Level of Maintenance ("**FLM**") generates approximately 15.0 to 20.0% of the service contract value as it generally involves basic identification of faults to reduce downtimes occurred due to cash jamming, card jamming, network issues, paper jamming and others. Second level maintenance ("**SLM**") contributes approximately 80.0% to 85.0% of the service contract value. SLM generally involves the repairing of an ATM machine, resolving of a technical issue, regular maintenance of an ATM machine and resolving problems related to network issue in an ATM. Banks pay for the spares which are being replaced in an ATM machine during the SLM.

Cash Reconciliation Statement

The cash reconciliation statement contributed a 5.0% revenues share to the ATM managed services market during the financial year 2018. Cash reconciliation is persuaded through the e-reconciliation software which helps maintain the track records of cash replenishments and withdrawals made from an ATM among other transactions. This helps ATM management companies manage the flow of cash in an ATM as ordering excess cash leads to extra cost of running an ATM if the ATM is outsourced. In cases where the bank is operating the ATM, they generally outsource the ATM for this service so that cash flow can be maintained efficiently.

Content and Electronic Journal Management

The least amount of revenue is generated through content and electronic journal management services, as banks generally manage these services on their own. If banks outsource an ATM then the amount charged for this service is approximately lower than that of other services. Majority of the ATM managed companies focus on providing repair and maintenance services to the banks along with content and electronic journal management services to broaden their services portfolio and widen their presence in the market.

Competition Scenario in India's ATM Managed Services Market

The following table sets forth the heat map of major players operating in India's ATM managed services market:

Heat Map	ATMs Equipment Supply	Maintenance of ATM (First Line Maintenance and Second Line Maintenance)	ATM Managed Services	ATM Replenishment and Cash in Transit	RCM/CPD	White-Label ATMs
AGS Transact	✓	✓	✓	✓	✓	✓
Brinks	x	x	x	✓	✓	x
CMS Info System	✓	✓	✓	✓	✓	x
Diebold Nixdorf	✓	✓	✓	x	x	x
Euronet	✓	✓	✓	x	x	x
FIS	x	✓	✓	x	x	x
FSS	x	✓	✓	x	x	x
Hitachi Payments	✓	✓	✓	x	x	✓
NCR Corporation	✓	✓	✓	x	x	x
OKI	✓	x	x	x	x	x
SIS India	x	✓	x	✓	✓	x
SIS Prosegur	x	x	x	✓	✓	x
TCPS	✓	✓	✓	x	x	✓
Writer Corporation	x	✓	x	✓	✓	x

Note: ✓ indicates company provides that service. x indicates that company does not provide that service.
(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following table sets forth the market share of major players in ATM supply/deployment market on the basis of revenues in ₹ million, in the financial year 2018:

Company	Revenues in ₹ million
NCR Corporation	3,600.0
Diebold Nixdorf	1,216.2
AGS Transact	1,093.1
Nautilus	450.0
Hitachi Payments	375.0
Vortex Engineering	289.3
Euronet	150.0
Others	326.4
Total	7,500.0

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India's ATM Managed Services Market Future Outlook and Projections

The following table sets forth future projections for the number of ATMs (cash dispensers) and outstanding debit cards, for the financial years 2019 to 2023:

Parameters	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023
Number of ATMs (Cash Dispensers)	228,914	236,239	245,925	259,697	267,228

Parameters	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023
Outstanding Debit Cards (in Millions)	964.4	1,094.6	1,255.0	1,426.5	1,613.1

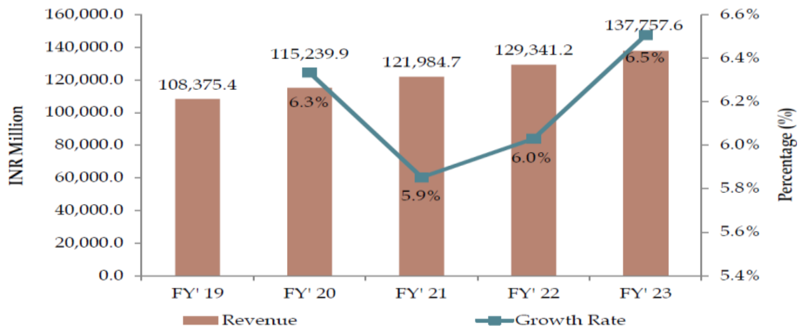
(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following table sets forth future projections for financial and non-financial transactions in millions, for the financial years 2018 to 2023:

Parameters	Financial Year 2018	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023
Financial Transactions	8,610.1	8,997.5	9,285.4	9,805.4	10,403.6	10,944.5
Non-Financial Transactions	2,152.5	2,165.7	2,149.8	2,079.9	2,011.2	1,946.6
Total	**10,762.6**	**11,163.2**	**11,435.3**	**11,885.4**	**12,414.7**	**12,891.1**

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following chart sets forth future projections of India's ATM managed services market size by revenue and growth rate, for the financial years 2019 to 2023:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India ATM Managed Services Market Size by Service Offerings

In the future, it is expected that a majority of the revenue through ATM managed services will be generated from ATM site management such as man guarding, payment of rent, network services and others. A decrease in ATM rollout could lead to better revenue from existing ATMs through an increase in the average number of transactions per ATM.

Cash in circulation is still expected to increase in the future which will further contribute to growth in number of transactions performed in ATMs. Cash management services are expected to generate revenue at a CAGR of 6.8% during the financial years 2018 to 2023.

The following table sets forth India's ATM managed services market segmentation by service offerings on the basis of revenue in percentage share, for the financial years 2019 to 2023:

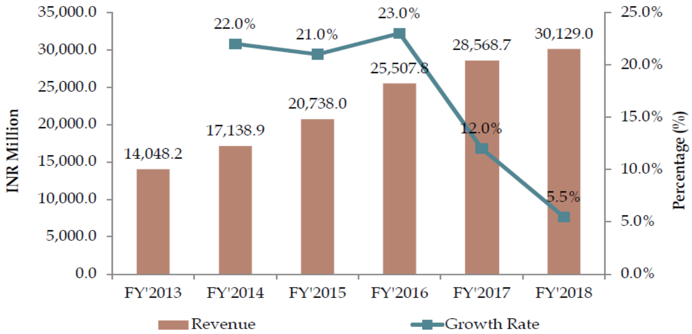
Service Offerings	Financial Year 2019	Financial Year 2020	Financial Year 2021	Financial Year 2022	Financial Year 2023
ATM Site Management	40.1%	40.2%	40.4%	40.3%	40.5%
Cash Management Services	30.3%	30.4%	30.6%	30.5%	30.4%
Transaction Processing	8.6%	8.3%	8.4%	8.9%	8.9%
ATM Supply	7.2%	7.1%	7.0%	6.9%	7.0%
ATM Repair and Maintenance	5.7%	5.8%	5.4%	5.3%	5.2%
Cash Reconciliation Statement	5.1%	5.2%	5.1%	5.1%	5.0%
Content and Electronic Journal Management	3.1%	3.0%	3.1%	3.0%	2.9%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India's ATM Cash Management Services Market and Market Size

Cash management is the process of collecting, managing and replenishing cash in an ATM which is outsourced by banks to MSPs. Major services offered by cash management companies include ATM replenishment, cash-in-transit ("**CIT**"), retail cash management ("**RCM**") or cash pick-up and delivery ("**CPD**") and others. There are instances where a managed services provider does not deal in cash management. In this case the service provider will further outsource cash management services to a third party. Services related to cash management costs ₹ 6,500 per month for managing cash replenishment in an ATM. However, the final cost depends on the number of trips.

The following chart sets forth India's cash management services market on the basis of revenue, in ₹ million and growth rate, in percentage, during the financial years 2013 to 2018:



(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

India's Cash Management Services Market Segmentation by Services

The following table sets forth India's ATM cash management services market segmentation by type of services on the basis of revenue, during the financial years 2017 to 2018:

Types of Services	**Financial Year 2017**		**Financial Year 2018**	
	Revenue Share (in %)	**Revenues (in ₹ million)**	**Revenue Share (in %)**	**Revenues (in ₹ million)**
ATM Replenishment	41.4%	11,828.7	39.4%	11,856.0
CIT	19.3%	5,500.0	21.8%	6,573.0
CPD	21.8%	6,240.0	21.2%	6,400.0
Others	17.5%	5,000.0	17.6%	5,300.0
Total	**100.0%**	**28,568.7**	**100.0%**	**30,129.0**

(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

ATM Replenishment

In the future, it is expected that market share of ATM replenishment will further increase as growth of new ATMs installations in rural areas increases in order to increase the number of banking facilities across India. Therefore, the requirement of maintaining effective network facility will significantly increase.

Cash-in-Transit

In the financial year 2017, CIT's contribution in terms of revenues under cash management services was due to an increase in the licensing of new bank branches. CIT service development is directly connected to an expansion in the number of bank branches and since the number of bank branches is expected to grow, the demand for CIT services is expected to grow.

Cash Pickup and Delivery/ Retail Cash Management

Retail points served by cash management companies increased from 130,000 as of March 31, 2017 to 140,000 as of March 31, 2018. There was an increase in retail customer base which has driven the demand of cash management companies as these customers deal in large volume of cash transfers.

Others

Cash management services provide other services such as vaulting services, bullion management and cash processing. It is expected that the share of the outsourcing of currency chest to cash management companies will increase significantly as through this banks can save approximately 35.0 to 50.0% of their expenditure which is incurred on maintaining the currency chest. In the financial year 2017, ₹ 5,000 million of revenue for cash management companies was generated through other services, which increased to ₹ 5,300 million in the financial year 2018.

Competition Scenario in India's Cash Management Services Market

The market of cash management services in India is moderately fragmented. There are few players which have global presence while some of the players are in plans to expand themselves on a PAN India level.

Brink's Arya, CMS Infosystem, Logicash, Radiant Cash, Securevalue, SIS Prosegur and Writer Safeguard are the major players which constitute around 80% of the overall cash management market.

Trends and Developments in India's ATM Deployment Market

Increasing Number of ATMs

The ATM industry has grown during the past decade. Economic advancement, increase in income levels generally in urban areas due to growth in job opportunities and evolution to mass banking from class banking have driven the market for the ATM industry in recent years.

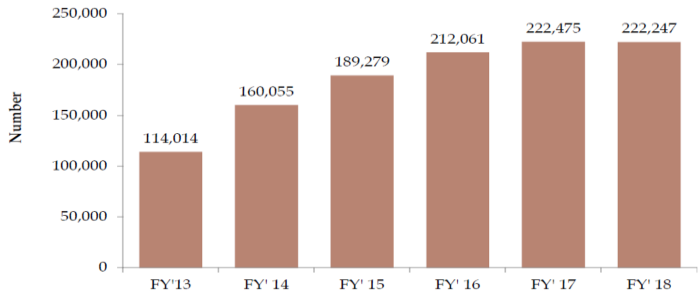
Significant growth observed in ATMs was primarily due to the rural spread and activation of the PMJDY scheme. The growth in on-site ATMs is primarily due to the fact that people prefer to use ATMs which are closer to their bank branches. However, there has been a growth in offsite ATMs due to an increase in contracts offered to MSPs with an aim to garner higher penetration in the market and improve retail banking for the customers.

The following table sets forth the number of onsite and offsite ATMs (excluding white-label ATMs):

ATM Type	Financial Year					
	2013	2014	2015	2016	2017	2018
Onsite	55,760	83,379	89,061	101,950	109,809	106,776
Offsite	58,254	76,676	92,337	97,149	98,545	100,276
Total	**114,014**	**160,055**	**181,398**	**199,099**	**208,354**	**207,052**

Note: The data was recorded as on March 31 of every financial year. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

The following chart sets forth the number of ATMs in India, from March 31, 2013 to March 31, 2018:



Note: Number of ATMs includes all three On-Site ATMs, off Site ATMs and White-label ATMs but does not include cash recyclers. (Source: India ATM Market Outlook to 2023, Ken Research, June 2018)

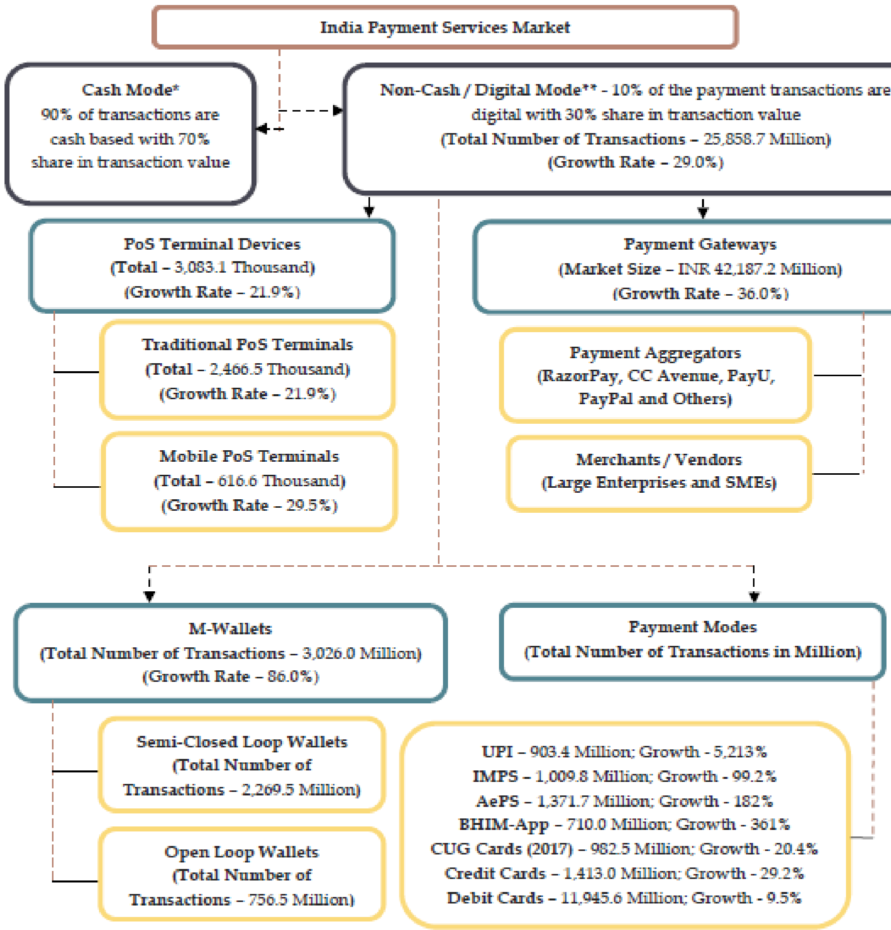
Growth in Branchless Banking

ATMs are currently concentrated in cities and urban areas, with very low penetration in rural areas and skewed toward the most developed states. The Indian Government is looking to bridge these gaps and provide broader access to local residents. 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.

India's Payment Services

Market Overview

The following chart sets forth India's payment services market, as of March 31, 2018:



*Note: Growth Rate mentioned above is for the financial year 2018. * In overall transactions, cash payments had a proportionate share of 70% in terms of transaction value whereas, in terms of total transaction volume, cash payments were evaluated at 90% in the financial year 2018. **: In overall transactions, non-cash / digital payments had a proportionate share of 30% in terms of transaction value whereas, in terms of total transaction volume, non-cash / digital payments were evaluated at 10% in the financial year 2018. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)*

The following table sets forth India's payment services market overview and genesis:

Particulars	Description
Market Evolution	**Traditional India to Digital India:** The Indian economy has traditionally been dominated by cash, where 95.0% of the consumers pay via cash or means of cheques. However, increasing internet penetration coupled with rising availability of smartphones have led many Indian consumers to shift to digital payment modes such as paying for goods and services through any electronic medium. **Digital Payment Methods:** o Mobile Banking: Money can be accessed through bank applications and all transaction can take place through debit cards, credit cards and net banking. In addition, money can be transferred through National Electronic Funds Transfer ("**NEFT**"), Real Time Gross Settlement ("**RTGS**") and Immediate Payment Service ("**IMPS**"). o Consumer Mobile Wallets: Mobile wallets are usually maintained through smartphones application for payments and transfer of money. o Person to Person Fund Transfers: Money is transferred through prepaid cards, RuPay,

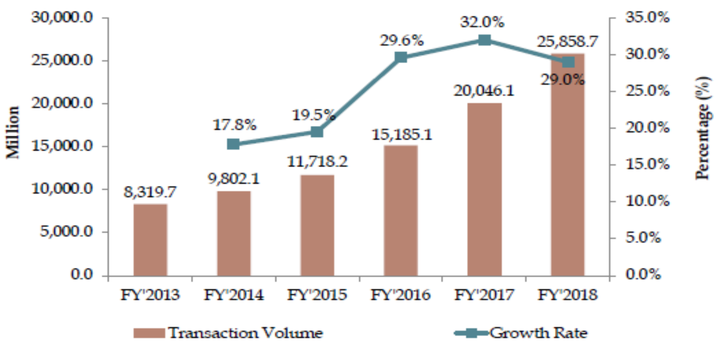
Particulars	Description
	AePS, Unstructured Supplementary Service Data – Bharat Interface for Money (“**USSD-BHIM**”), Unified Payment Interface (“**UPI**”) and others. Introduction of these digital modes has provided ease to customers as well as merchants or vendors. Additionally, the Government of India has been taking initiatives to make the Indian economy cashless over the long term.
Market Structure	**Demonetisation:** The payments industry in India has experienced growth and advancement in terms of both value and volume post demonetisation. **Consumer need for Convenience**: For customer’s convenience and a faster checkout process, several companies such as M-Swipe, India Transact Services Ltd. – wholly owned subsidiary of AGS Transact Technologies Ltd., Ingenico and Verifone have deployed multiple point of sales (“**PoS**”) and mobile point of sales (“**mPoS**”) Terminal solutions. This coupled with surging usage of M-wallets in India have created a positive impact on the country’s total number of digital transactions. **Competition Scenario:** Aggressive competition in the payments industry has compelled many M-wallet players to offer certain cash backs and discount schemes in order to attract maximum number of people for downloading and use their wallet services.
Emerging Market Trends	The Government of India has been planning initiatives for educating and spreading awareness regarding digital payment modes to the sub-urban and rural population.

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India’s Payments Services Market Size

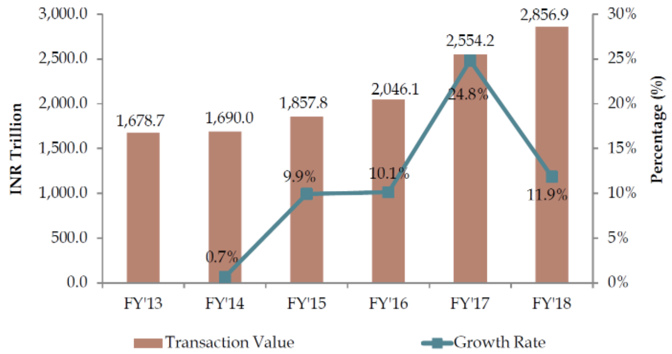
Factors like PMJDY, Aadhaar enabled Payment System (“**AePS**”), rising smartphone penetration, and more recently demonetisation have created favorable conditions for wider adoption of digital payment systems in India. Technological advancements in the Indian digital payment services ecosystem are providing fast transfers, convenience and faster check-out options to Indian consumers. UPI was further augmented with the introduction of Bharat Interface for Money (“**BHIM**”) application which has enabled high volume cashless payments through smartphones.

The following chart sets forth India’s payments services market size on the basis of transaction volume and growth rate, during the financial years 2013 to 2018:



Note: India’s payment services market has been defined in terms of total transaction volume and total transaction value done through RTGS, CCIL, Paper clearing, retail electronic clearing, net banking, debit and credit cards, prepaid instruments, AePS, IMPS and UPI through offline and online mode. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

The following chart sets forth India’s payments services market size on the basis of transaction value and growth rate, during the financial years 2013 to 2018:



(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's Payment Services Market Future Outlook and Projections

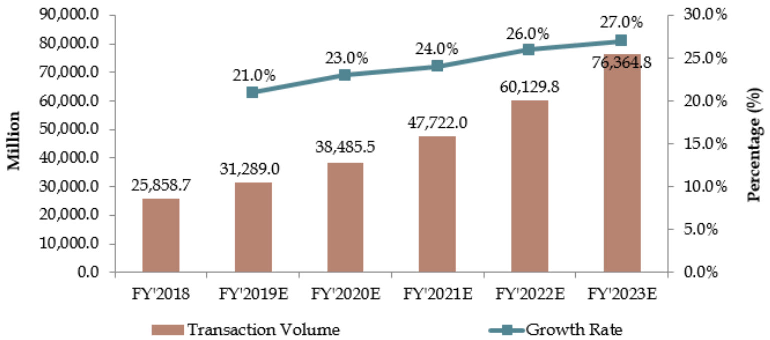
Multiple factor behavioral trends such as increasing internet and smartphone penetration seem to be powering India's transition towards a cashless economy.

One of the key requirements for long-term growth and a faster adoption of Fintech solutions at last-mile touch points is the customers trust over digital payment modes.

The Indian Government's support of digital and online payments is making the space affordable and interoperable; it is further expected to benefit both end-users and businesses on a large scale.

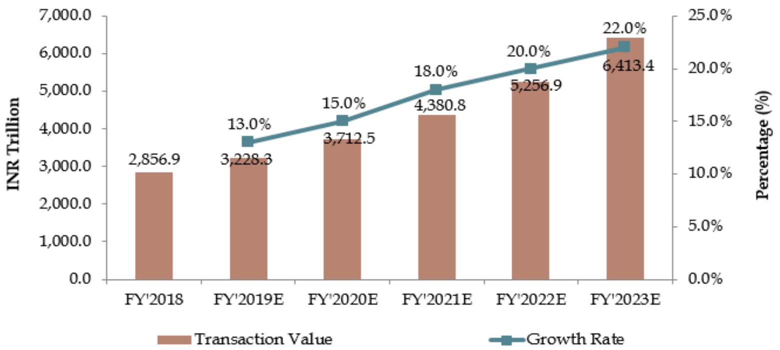
Consumers are able to leverage M-wallets for services such as travel, ticketing, E-commerce transactions and others. It is anticipated that it will have same impact and growth in the future.

The following chart sets forth India's payment services market future projections on the basis of transaction volume and growth rate, during the financial year 2018 and estimated for the financial years 2019 to 2023:



Note: E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

The following chart sets forth India's payment services market future projections on the basis of transaction value and growth rate, during the financial year 2018 and estimated for the financial years 2019 to 2023:



Note: E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India PoS Terminal Market

Market Structure

PoS terminal is a computerized replacement for cash register where customers can make a digital transaction with the help of their debit and credit cards. A customer needs to enter their security pin in order to execute a transaction using a PoS terminal. All accounts are settled when the merchant does the batch settlement at the end of the day and respective amount after deducting bank charges is credited to the merchant's account.

PoS terminal companies earn their revenue through three channels; first is through initial device set up fees, second is through MDR and third is through per month rental income which is preferably ₹ 100 to 350 for mPoS devices and ₹ 400 to 750 for traditional POS devices.

Merchant discount rate ("**MDR**") paid by the merchant is divided among three entities, the issuer bank which issues the debit card, the acquirer which installs the PoS and the switch network. Additionally, the issuer bank gets the maximum share of the MDR.

Market Evolution

India's PoS terminal market is at the growing stage due to an increasing penetration of credit and debit cards coupled with rising E-commerce growth in India. Additionally, changing customer preferences towards high volume of cashless transactions has been driving the demand for PoS terminal devices in India. Furthermore, the retail merchants are making attempts to enhance customer experience by offering flexible payment solutions with advanced payment options at the PoS terminal.

The increasing usage of smartphones and tablets in India are further anticipated to drive the demand for mPoS solutions, especially in the retail sector. For instance, in shopping malls, mPoS devices aid merchants in taking the final checkout process to the consumer itself, therefore enabling vendors to assist shoppers from anywhere in the store.

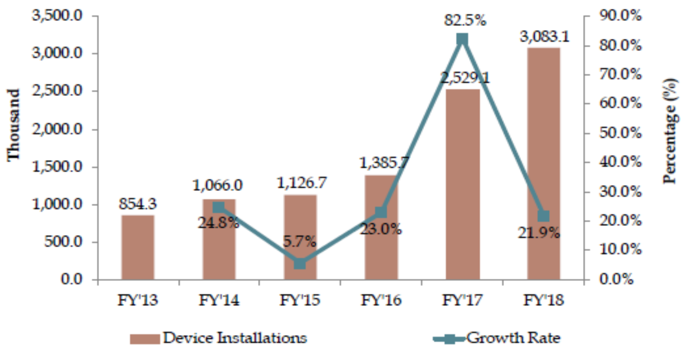
Emerging Market Trends

Along with the introduction of new payment methods such as Near Field Communication ("**NFC**") technology and QR codes bases systems in India, the retailers are expected to either upgrade or install new devices to abide by these technologies.

India's PoS Terminal Market Size

During demonetisation, a demand-supply gap was witnessed in India's PoS terminal market which created a shortage for PoS terminal devices. Therefore, PoS device companies accelerated their pace of hardware production to meet the rising demand for these machines.

The following chart sets forth India's PoS terminal market size by volume on the basis of total number of cumulative device installations and growth rate for the financial year 2018 and estimated for the financial years 2019 and 2023:



Note: India's PoS terminal market is defined as the total number of PoS terminal devices installed across India by all players (supplier, manufacturer and assembler) either through retail / channel sales or through direct sales channel. It includes sales being made on a one-time sale or rental basis. Both active and inactive terminals have been taken into consideration. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India PoS Terminals Market Future Outlook and Projections

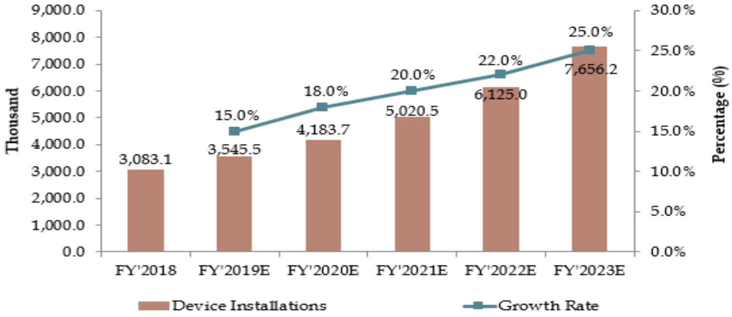
Increased penetration of debit and credit cards, the growing e-commerce sector, rising disposable income coupled with the government's initiative towards promoting a cashless economy will provide a beneficial opportunity for growth of PoS devices in India. Issues with respect to factors like privacy, security, trust and lack of integration of telecom infrastructure may cause a major roadblock for the industry. It is projected that the retail sector will account for the highest volume share due to the increasing awareness among retailers about the benefits of PoS terminals.

The following table sets forth the rationale and description for India's PoS terminal markets future projections on the basis of total number of device installations, in thousand:

Outlook Period	Rationale
During the financial year 2018 and predicted for the financial years 2019 to 2023	**Gradual Increase in Debit and Credit Card Usage:** As India is making efforts towards increasing plastic cash over physical cash, the sale of PoS terminal devices is projected to increase due to the rising penetration of debit and credit cards. India's PoS terminal market is anticipated to reach 3,545.5 thousand PoS terminals cumulatively in terms of device installations by the financial year ending 2019. **Wireless PoS Terminals are Gaining Popularity:** Wireless PoS devices have been growing rapidly and are further expected to support the PoS terminal market due to its easy usage. **PoS Solutions:** Major companies are further expected to focus on PoS solutions such as bill generation, sales analytics, inventory management software and others, which would attract more merchants in future.
Key Opportunities	**Indian Railways to Introduce Billing through PoS terminals in Trains:** In order to ensure smooth catering services within railways, the Indian Railway Catering and Tourism Corporation has been planning to introduce billing system through PoS machines, therefore limiting the food vendors from overcharging the passengers. **Acceptance Development Fund:** In order to give a boost to the country's card infrastructure, the Government of India proposed an acceptance development fund in 2016 which will be funded by card issuers by segregating a certain proportion (%) of their transaction revenue into the fund. Later on, the government can withdraw from the collected fund and use it towards expanding the card acceptance payment infrastructure including PoS terminals. **RuPayKisan Cards:** The central government along with its National Bank for Agriculture and Rural Development scheme is planning to support the rural regional banks and cooperative banks to issue RuPayKisan cards to Kisan Credit Card holders, thus enabling them to make digital transactions through PoS machines in future.

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

The following chart sets forth India's PoS terminal markets future projections on the basis of total number of cumulative device installations and growth rate, for the financial year 2018 and estimated for the financial year 2019 to 2023:



Note: E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

Credit Card Coverage

The following table sets forth the number of credit card transactions in India's payment services market by PoS and ATMs, in million:

Particulars	Financial Year					
	2013	2014	2015	2016	2017	2018
PoS	396.7	509.1	615.0	785.7	1,087.1	1,405.2
ATMs	2.5	3.0	4.3	6.0	6.4	7.8
Total	**399.2**	**512.0**	**619.3**	**791.7**	**1,093.5**	**1,413.0**

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

The following table sets forth credit card transaction value by PoS and ATMs in ₹ billion:

Particulars	Financial Year					
	2013	2014	2015	2016	2017	2018
PoS	1,229.8	1,539.9	1,899.2	2,406.6	3,283.8	4,589.6
ATMs	14.4	16.9	23.5	30.4	28.4	36.7
Total	**1,244.2**	**1,556.8**	**1,922.7**	**2,437.0**	**3,312.2**	**4,626.3**

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

Debit Card Coverage

The following table sets forth the number of debit card transactions in India's payment services market by PoS and ATMs, in millions:

Number of Debit Card Transactions	Financial Year					
	2013	2014	2015	2016	2017	2018
PoS (in million)	460.6	583.0	864.9	1,089.0	2,399.3	3,343.4
ATMs (in million)	5,311.5	6,088.0	6,995.8	8,072.5	8,563.0	8,602.3
Total (in million)	**5,772.0**	**6,671.0**	**7,860.7**	**9,161.5**	**10,962.3**	**11,945.7**

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

The following table sets forth India's payment services market debit card transaction value by PoS and ATMs, in ₹ billions:

Debit Card Transaction Value	Financial Year					
	2013	2014	2015	2016	2017	2018
PoS (in ₹ billion)	742.8	954.5	1,213.3	1,591.3	3,299.1	4,600.7
ATMs (in ₹ billion)	16,692.8	19,648.4	22,208.7	25,357.9	23,602.7	28,987.6

Debit Card Transaction Value	Financial Year					
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
Total (in ₹ billion)	**17,435.7**	**20,602.9**	**23,422.0**	**26,949.3**	**26,901.8**	**33,588.3**

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

Number of PoS Terminals

The following table sets forth the number of PoS terminals in India's payment services market by type of terminal:

Terminal Type	Financial Year					
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
Online	840,983.00	1,050,323.00	1,126,389.00	1,385,342.00	2,526,342.00	3,083,067.00
Offline	13,307.00	15,661.00	346	326	2,799.00	N.A.
Total	**854,290.00**	**1,065,984.00**	**1,126,735.00**	**1,385,668.00**	**2,529,141.00**	**3,083,067.00**

Note: 1) N.A. refers to Not Available. 2) The data was recorded as on March 31 of every financial year. 3) Offline POS refers to a POS machine which works on offline cache, when the offline POS terminal reconnects to the primary server, all transaction information, including all manually entered customer data that took place in the offline state, is replicated to the primary server and can be viewed in the Electronic Journal Viewer. This machine can perform basic transaction processing functions while being disconnected from any other system/network. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

Number of Outstanding Cards in India's Payment Services Market

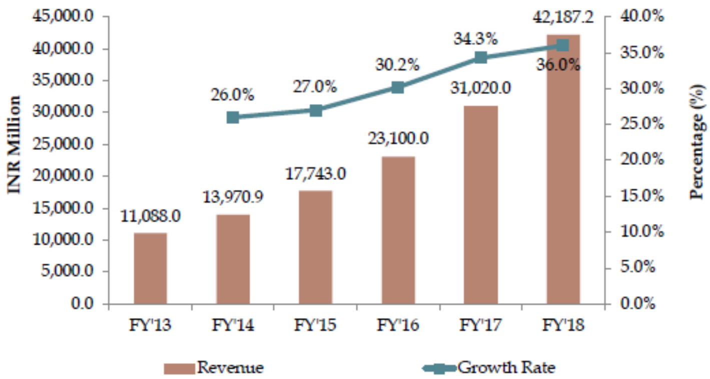
The following table sets forth the number of outstanding cards in India's payment services market, in millions:

Card Type	Financial Year					
	2013	**2014**	**2015**	**2016**	**2017**	**2018**
Debit Cards	331.2	394.4	553.5	661.8	771.6	861.1
Credit Cards	19.5	19.2	21.1	24.5	29.8	36.9
Total	**350.7**	**413.6**	**574.6**	**686.3**	**801.5**	**898.0**

Note: 1) The data was recorded as on March 31 of every financial year. 2) Total number of debit cards and credit cards issued outstanding are after adjusting the number of cards withdrawn or cancelled. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's Payment Gateway Market Size

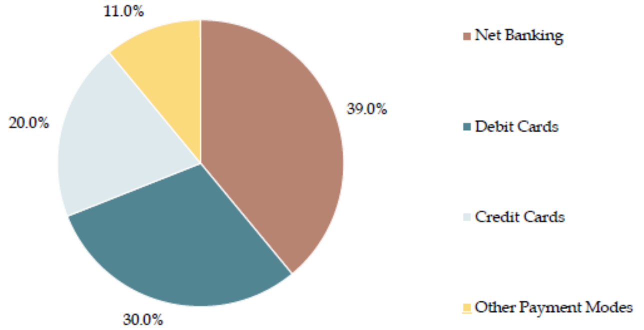
The following chart sets forth India's payment gateway market size on the basis of revenue and growth rate:



Note: India's payment gateway market is defined as the summation of total revenues generated by all international as well as domestic payment gateway companies operating in India. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's Payment Gateway Market Segmentation by Type of Payment Modes

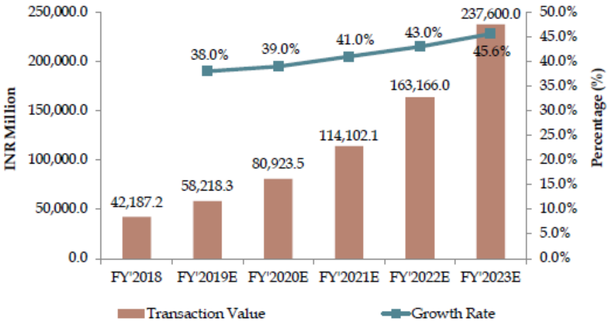
The following chart sets forth India's payment gateway market segmentation by type of payment modes on the basis of transaction volume in percentage (%), for the financial year 2018:



Note: Other payment modes include IMPS, NEFT, UPI and others. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's Payment Gateway Market Future Outlook and Projections

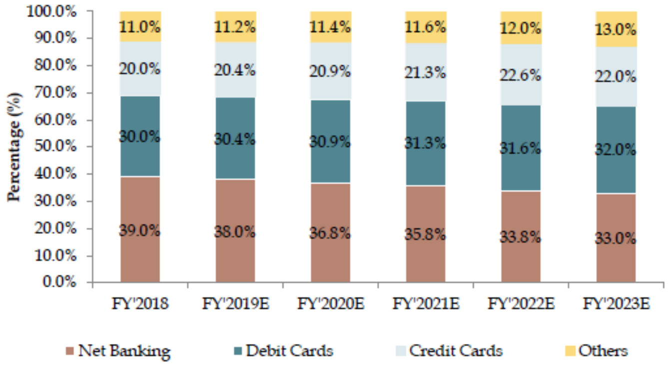
The following chart sets forth India's payment gateway markets future projections on the basis of transaction value and growth rate, for the financial year 2018 and estimated for the financial years 2019 to 2023:



Note: E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's Payment Gateway Markets Future Projections by Type of Payment Modes

The following chart sets forth India's payment gateway markets future projections by type of payment modes on the basis of transaction volume, for the financial year 2018 and estimated for the financial years 2019 to 2023:



Note: 1) Other Payment Modes include IMPS, NEFT, UPI and others. 2) E refers to Estimated Numbers. (Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

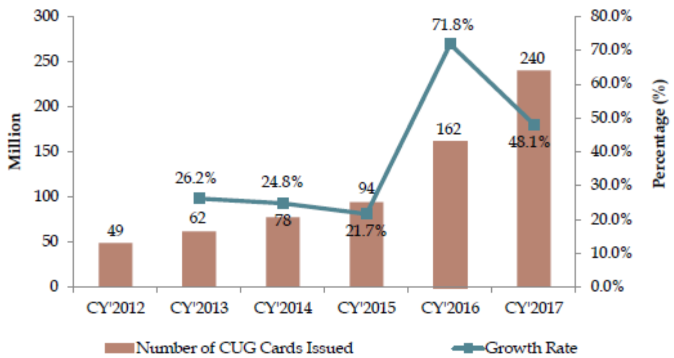
Closed User Group Cards and Prepaid Closed Loop Cards

The following table sets forth the working model of closed user group ("**CUG**") cards in India's payment services market:

Particulars	Description
Definition	A CUG based prepaid card issuance and management is specifically designed for specific target groups for instance campus cards, employee food coupons, gift cards, KCC, Joint Liability Groups, Self Help Groups or any kind of loan disbursement on its own or in collaboration with non-banking financial institutions ("**NBFC**"s).
Benefits	• Deposit or withdrawal by right beneficiary • Ease of maintenance • Alternate channel to sell product offerings • Allows the card issuer to control the entire value chain of CUG ecosystem in India • Provides flexibility to the card issuing company in terms of setting pricing and fee structure. Additionally, an issuer does not have to rely on any retail merchant or financial institution.
Service Offerings	• Instant card issuance and management welcome kit • GPRS/PSTN PoS terminals such as procurement and terminal application development • Field services to deploy and manage PoS terminals with merchants and vendors • Switching and other transaction processing services • Call center services • Hosted Network Access Control services
Issues and Challenges	• Restricted to a particular target customer base • Requires independent merchant infrastructure

Note: PoS Solutions (PSTN/GPRS) refers to both wired (PSTN) and wireless forms (GPRS). These terminals are equipped with clear display, backlit keypad and lateral keys thereby making it ideal for retail environment.
(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

The following chart sets forth the number of CUG cards issued in India's payment services market on the basis of volume, in million, during the cyclical years 2012 to 2017:



(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India Cloud Security Services Market

The following table sets forth cloud security services for banks in India:

Particulars	Description
Market Overview	• Cloud technology enables banks to adopt a new model at a lower cost for delivering innovative channels, reduced turnaround time to market new offerings, meeting customer expectations and complies with regulatory guidelines. Cloud based solutions deliver a higher value proposition of IT solutions and services in rapidly changing technical paradigms. • The cloud services market in India is small but growing rapidly. Research firm Gartner estimates that the market is estimated to reach approximately USD 2.0 billion by 2018 from around USD 750 million in 2015.

Particulars	Description
Emerging Trends	• In India, the newly licenses small finance banks and payment banks favor cloud computing for their core and surround banking solutions. It is not only helping them to reduce the capital expenses to start the business but also aiding flexibility to scale the infrastructure in the future based on the growth of the business. • Vertical cloud solutions like SaaS (software as a service) thrive in highly regulated industries such as financial services.
Recent Developments in Cloud Services Market for Banks/Financial Institutions	• Business software maker Oracle has planned to open a local data centre, primarily to tap banks and financial services organizations. • Microsoft, which already has local data centres for its cloud-based solutions such as Dynamics 365, has started expanding their cloud services among a good number of banks, wealth management, asset management (companies). They have clients such as HDFC Bank, ICICI Lombard, IDFC, and Kotak Mahindra Bank. • IBM India is also planning to expand its client base specifically in m-wallet and payment banks with advantage of its local data storage facility meeting data security specifications governed by current local data center policy

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

India's Payment Security Services Market

The following table sets forth India's payment security services market:

Particulars	Description
Market Overview	• Increasing threat of card data breaches and growing traction in mobile payments (NFC / QR code-based payments) have increased the need for a future-proof security system. Europay, MasterCard and Visa- compliance and major card networks have released technical standards for payment tokenization solutions, which are expected to become hygiene factors in any payments service. • Encryption, tokenization, and fraud detection and prevention play a vital role in securing consumer card data by converting the name and digits into various tokens or encrypting it through algorithms. Fraud detection and prevention is the most widely used payment security solution.
Emerging Trends	• Growth in the number of digital payments such as credit and debit payments, mobile wallets and online payments is expected to aid the payment security market. • Payment Card Industry Data Security Standard guidelines, government initiatives towards promoting the cashless mode of payments and increasing awareness among end users towards payment security. • The popularity of online shopping is increasing in the retail industry. Retail merchants regularly face a challenge in managing consumer's sensitive data related to payment cards and complying with the regulations. This vertical is one of the most targeted verticals by cyber-attackers because of the potential payouts and huge number of monetary transactions made through payment processing networks. This necessitates substantial investments in payment security solutions by this vertical, making it the highest contributor in the payment security market.
Competition Landscape	Trend Micro has approximately a 70% to 75% share in banking customers in India. Trend Micro has six large banks as its clients out of the top 10 banks in India, increasing its market share in the endpoint and server security segment

(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)

OUR BUSINESS

This section contains information derived from industry data sourced from India ATM Market Outlook to 2023, June 2018 and India Payment Services Market Outlook to 2023, July 2018, both commissioned from Ken Research, and other industry sources.

Overview

We are one of India's leading providers of end-to-end cash and digital payment solutions and automation technology. We provide customised products and services comprising ATM outsourcing and cash management, as well as digital payment solutions including merchant solutions, transaction processing services and mobile wallets. As of March 31, 2018, we were the second largest company in India in terms of number of ATMs managed, revenue from ATM managed services and number of ATMs provided with cash management services, and the fourth largest company in India in terms of revenue from cash management *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. For the financial year 2018, we derived 97.4% of our revenues from India where our business started, although we have expanded internationally to offer automation and payment solutions to banks and financial institutions in other Asian countries such as Sri Lanka, Singapore, Cambodia, and Philippines. Our total revenue from operations was ₹14,813.17 million for the financial year 2018, and our total revenue from operations grew at a CAGR of 10.7% between the financial years 2016 and 2018.

We started providing banking automation solutions in India in 2004. We deployed products from international solution providers such as Diebold Nixdorf (and established our own country-wide service infrastructure and automation solutions expertise to provide related services. Beginning 2009, we leveraged our banking automation solutions expertise and service reach to offer ATM outsourcing and managed services by, among other things, entering into a cooperation agreement with Diebold Nixdorf for banking and retail products. As part of our strategy to strengthen our presence in the cash value chain, offer an integrated payments platform and improve our operational efficiencies, we commenced offering transaction switching services in 2011 and cash management services in 2012. In 2014, we expanded our offerings into digital payment solutions, enhancing our integrated digital platform and Software-as-a-Service ("**SaaS**") capabilities. We also entered into an alliance with ACI Worldwide ("**ACI**"), a leading international payments solution provider, in 2016, which has further strengthened our value proposition to customers.

We operate our business in the following segments:

- Payment Solutions;
- Banking Automation Solutions; and
- Other Automation Solutions (for customers in the retail, petroleum and colour sectors).

Our Payment Solutions segment comprises ATM outsourcing and managed services, cash management services, intelligent cash deposit machines ("**iCDs**"), transaction switching and digital payment solutions, merchant solutions, automatic vehicle fuelling (or *Fastlane)*, toll and transit solutions and agency banking. Our customers in the Payment Solutions segment include ICICI Bank Limited, Axis Bank Limited, HDFC Bank Limited, RBL Bank Limited, BTI Payments Private Limited, Hindustan Petroleum Corporation Limited ("**HPCL**"), Indian Oil Corporation Limited ("**IOCL**"), Lanka IOC, Utkarsh Small Finance Bank Limited, and Ly Hour Pay Pro and DaraPay in Cambodia.

- In our ATM outsourcing and managed services businesses, we are responsible for the end-to-end management of ATMs, starting from site identification and development, followed by machine deployment, maintenance and management on behalf of our customers. While we own the ATMs in our outsourcing services business, the ownership of these machines remains with the customers themselves under our managed services business. As of June 30, 2018, our portfolio consisted of 13,329 ATMs and 24,323 ATMs under our outsourcing and managed services businesses, respectively.
- Our subsidiary SVIL's cash management services build on our ATM outsourcing and managed services businesses, and include cash replenishment, cash pick-up, cash-in-transit ("**CIT**"), cash vaulting and cash processing services for ATMs managed by us and by other operators. As of June 30,

2018, we provide cash management services through a fleet of 1,323 cash vans, and 307 vaults and spoke locations, covering approximately 1,400 cities and towns in India. Our subsidiary SVIL was the second largest cash management company in India, by number of ATMs serviced, as of March 31, 2018 *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018*).

- We also provide transaction switching services, where we integrate a variety of payment channels, including internet payment gateways and several mobile payment systems, to route, switch and process electronic transactions even across non-banking segments. This gives us the ability to cater to the needs of banks, retailers, petrol stations and other financial institutions across the payment transactions value chain and to assist our customers in the issuance of new cards, migrating their existing card base and the authorization of cards. Our in-house switch development software team also develops customized switching solutions for our customers.

- To enhance our digital portfolio and address new market segments, we commenced our operations in merchant solutions. Our merchant services include device-based and device-less payment solutions, prepaid and loyalty programs, Cash@POS, payment gateway and remote payment solutions, loans against card receivables and other value added services. As of June 30, 2018, we have approximately 61,000 merchants as clients.

Our Banking Automation Solutions business segment, which commenced in 2004, comprises the supply and installation of ATMs and other automated banking products and the provision of services, including maintenance, software and hardware upgrades and spare parts. As of June 30, 2018, we have supplied and installed approximately 54,000 ATMs and we have approximately 50 banking customers, including ICICI Bank Limited, Axis Bank Limited and HDFC Bank Limited.

Our Other Automation Solutions business segment encompasses our retail, petroleum and colour operations. As part of our Other Automation Solutions segment, we supply automation products and provide implementation services, system integration, remote management and support and help desk services. Customers for our retail sector offerings include Future Retail Limited, while customers for our petroleum sector offerings include HPCL and IOCL. Our colour operations primarily comprise the supply of automatic paint dispensers and related services, and serve customers including Kansai Nerolac Paints Limited and Berger Paints India Limited.

As of June 30, 2018, we had installed, maintained or managed a network of approximately 72,000 ATMs, provided cash management services to approximately 28,900 ATMs through our subsidiary, Securevalue India Limited ("**SVIL**"), installed approximately 71,000 merchant POS and 37,000 cash billing terminals, automated approximately 8,000 petroleum outlets and installed approximately 54,000 colour dispensing machines. For the three months ended June 30, 2018, SVIL replenished a daily average amount of ₹8,016.97 million, and we processed 193.60 million and 427.14 million switching transactions in the three months ended June 30, 2018 and in the financial year 2018, respectively. For the three months ended June 30, 2018, we processed 34.38 million merchant transactions with gross transaction value of ₹13,376.80 million. Our operations covered approximately 2,200 cities and towns, servicing approximately 235,000 machines or customer touch points, as of June 30, 2018.

Our Competitive Strengths

Our principal competitive strengths are as follows:

End-to-End Provider of Cash and Digital Payment Solutions

We provide end-to-end solutions and technology across the cash and digital payments value chain, serving diverse industries such as banking, retail, petroleum, toll and transit, cash management and fintech in India and other select countries in Asia. We believe our services help increase the speed and accuracy of cash as well as digital payment transactions. In addition, the size and wide reach of our operational network enables us to realize economies of scale.

As part of our cash payments solutions business, we offer a portfolio of banking services and automated banking products such as ATM outsourcing and managed services, manufacturing and deployment of ATMs and self-service terminals. We also have the ability to customize, integrate, maintain and manage such products for our customers. Since we commenced this business in 2004, we have developed in-house technology and expertise to deal with the entire product life cycle of ATMs and related services, including manufacturing of ATMs, site identification, site build up, deployment, maintenance and operations including monitoring, cash management, first line maintenance and second line maintenance. Our integrated operations are further facilitated by our in-house cash management capabilities and transaction switching services. According to Ken Research, we are the only company in India to provide the full range of services in the ATM managed services market, namely: ATM equipment and supply, maintenance of ATMs, managed services, ATM replenishment and CIT, retail cash management and cash pickup and delivery, and white label ATMs ("**WLAs**") *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. Further, as of March 31, 2018, we were the second largest company in India in terms of number of ATMs managed, revenue from ATM managed services and number of ATMs provided with cash management services, and the fourth largest company in India in terms of revenue from cash management *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. We believe that the size of our operations, experience and overall infrastructure gives us a significant competitive advantage.

As part of our digital payments solutions, we offer a payments platform, customized solutions and related managed services to cater for end-users, merchants, banks, bank agents as well as other ecosystem partners. Our payment platform accepts payments through a broad spectrum of options including magnetic stripe, chip and pin, contactless, Bharat QR, Unified Payment Interface ("**UPI**") and Aadhaar Pay, which we believe makes us a partner of choice for merchants. We also provide device-based solutions such as "Smart POS" GPRS terminals, Digital M-POS terminal and Public Switched Telephone Network ("**PSTN**"). Our device-less portfolio comprises static Bharat QR, payment gateway and remote payment solutions. We also offer customized mobile wallet solutions that can be integrated with existing payment solutions. In addition to offering customized payment solution to merchants, we also process transactions using our switching platform, along with payment and settlement services, which enables faster processing and easy reconciliation to our merchants. Through our technological partnership with ACI, we offer our customers a variety of payment solutions including BASE 24-eps, Universal Payment Framework ("**UPF**"), and fraud management as a service on a pay-per-transaction basis, significantly reducing the complexities associated with adopting these solutions especially for smaller banks and financial institutions. We also provide support services such as a 24x7 call centre, merchant management services, software development, operations services and monitoring services.

We believe that our ability to provide services across the cash and digital value chain from transaction touch points, channel handlers, core processing, settlement and clearing, authorization systems and back office has allowed us to become the preferred partner for cash and digital payment solution needs of our customers. Further, by leveraging our end-to-end capabilities, we believe that we are able to unlock operating efficiencies and synergy benefits.

Customer Driven Portfolio with Strong Capabilities to Develop Customized Solutions In-house

We believe our experience and expertise, coupled with our knowledge of the industries in which our customers operate, enable us to provide them with customized solutions. We regularly interact with customers to understand their requirements and work closely to develop future roadmaps. We believe that the success of this approach is evident in the comprehensive suite of merchant solutions which we have launched over the years such as mobile wallets, financial inclusion applications and agency banking software.

We have developed the following customized solutions in-house:

- voice-guided ATM software and biometric-based solutions for our banking clients;
- check deposit terminal application;
- Novus TRANSACT Switch and Novo YOUPAY mPOS Bio Service;
- a cloud-based software that drives our POS terminals and allows us to keep our merchants updated with the latest services and offerings;
- *Ongo Prepaid++* and *Ongo Rewards++*, which are loyalty programs offered to merchants for enhanced customer retention, additional revenue generation and new customer acquisition, and which can be tailored by us to meet their specific requirements;
- loyalty prepaid platforms for an oil company to support its fleet operators;
- iCDs to facilitate automated retail cash pick-ups in our cash management business;
- solutions such as '*Remote++*' to enable payment through a web link generated by a merchant;

- *Paytrack*, a merchant analytics and engagement application that helps merchants to analyse business parameters relevant to their business; and
- our value-added services portfolio consisting of Cash@POS facility and loans against card receivables to cater to diverse merchant needs.

We believe our ability to innovate and offer customized payment solutions to address the requirements of our customers allows us to deepen our relationships with them and enables us to target a greater share of their payment-services related requirements. For example, given our extensive experience and knowledge of fuel retail automation combined with our deep understanding of the payment solutions business, we were able to integrate the payment solution with retail automation to provide a seamless experience to a petroleum retailer as well as to its customers.

Diversified Product Portfolio, Customer Base and Revenue Streams Leading to Cross-Selling Opportunities

We derive revenues from a variety of products and services catering to customers across diverse industries such as banking, retail, petroleum and colour. In each of these industries, we offer a combination of automation solutions along with payment and maintenance services.

We started providing banking automation solutions in 2004, and have, over the years, diversified into payment solutions. Revenue from our Payment Solutions segment constituted 70.9% of our total revenue from operations for the financial year 2018, representing an increase from 60.9% for the financial year 2016, while revenue from our Banking Automation Solutions segment constituted 14.7% of our total revenue from operations for the financial year 2018, representing a decrease from 25.7% for the financial year 2016. Our customers include approximately 50 banks and 61,000 merchants as of June 30, 2018.

In addition, by having a diversified product portfolio and customer base, we are able to capitalize on cross-selling opportunities as our experience and knowledge allows us to develop integrated payment solutions and technology. In the petroleum sector, we are able to integrate our POS terminals into our fuel automation solutions, giving our customers access to their sales volumes, transaction data and utilisation patterns along with inventory management. Further, we leverage our cash management capabilities to offer cash pick-up services for our retail customers.

Leveraging on the technology, products and cross-sector expertise we introduced in India, we have expanded our business to Asia, namely, Sri Lanka, Singapore, Cambodia and Philippines**.** For the financial year 2018, we derived 2.6% of our total revenue from operations from our overseas operations. We believe that our diversified product and services portfolio, customer base and revenue streams in multiple jurisdictions enable us to mitigate the concentration risks that are associated with operations in a specific segment, industry or geographic region, and present us with many cross-selling opportunities.

Long-Standing Relationships with Technology Providers and Customers

We have long-standing relationships with leading global technology providers, such as Diebold Nixdorf and ACI. We currently have cooperation agreements with Diebold Nixdorf, under which we assemble ATMs and cash dispensers in India. We believe that our long-standing relationship with Diebold Nixdorf has led to effective knowledge sharing and the adoption of global best practices, thereby enabling us to improve and develop our in-house service capabilities. Together with ACI, we have launched a suite of solutions covering processing, and fraud monitoring and reconciliation. Our strong relationship with technology providers has enhanced our market position and enabled us to be the leaders in the payment solutions industry.

Further, we believe we have established relationships with leading Indian financial institutions, such as ICICI Bank Limited, Axis Bank Limited and HDFC Bank Limited, having procured repeat orders from them. Our ATM outsourcing and managed services contracts with leading Indian financial institutions typically range from three to ten years. In our international operations, our contracts with our customers typically range for a period of three to five years.

In addition, we work with leading retail chains such as Future Retail Limited, colour companies such as Kansai Nerolac Paints Limited and Berger Paints India Limited, and petroleum companies, including IOCL, HPCL and Lanka IOC. We believe that the strength of our relationships with customers and the trust that we have built up from long-standing ties with them put us in an advantageous position for new business and cross-selling opportunities and enhances our market reputation.

Dedicated In-house Infrastructure and Technological Capabilities

Our dedicated in-house infrastructure, skills and capabilities have been critical to the growth of our business.

Our nationwide service infrastructure allows us to effectively and efficiently service our customers. As of June 30, 2018, we were servicing approximately 235,000 customer touch points covering approximately 2,200 cities and towns through our 33 branch offices, 307 vaults and spoke locations, and our work force of 9,925 personnel. Our service infrastructure is a major business enabler for us across several cash and digital initiatives and allows us to leverage economies of scale by having one service team support multiple business units.

Our back-end switching platform allows us to offer a comprehensive ATM outsourcing solution, process transactions on behalf of banks and institutions, drive our POS network, issue prepaid instruments, and offer payment gateway service. Our back-end switching platform processed 193.60 million switching transactions in the three months ended June 30, 2018 and 427.14 million switching transactions during the year ended March 31, 2018.

Our in-house software development team has developed and customized ATM client software and digital applications deployed by our clients, such as Axis Bank Limited’s check deposit terminal application, Novus TRANSACT Switch and Novo YOUPAY mPOS Bio Service, applications such as *Cure* to connect our helpdesk and engineers, and *Monitum* to monitor ATMs and various digital merchant solutions such as *Fastlane* and *Paytrack*. A dedicated 24/7 control centre facilitates communication among our divisions as well as between our internal stakeholders and external clients, keeps track of all open issues and collects field data which we use to further improve our operational efficiency.

We believe that the breadth of our dedicated in-house infrastructure and technological capabilities enable us to realize economies of scale and increase our productivity.

Experienced Senior Management

We believe that we have a strong management team with significant industry experience and established relationships with our customers. Mr. Ravi B. Goyal, the promoter of our Company, has over 20 years of experience in the technology sector. Mr. Stanley Johnson, head of the outsourcing and cash business of our Company, has over 23 years of experience in the payments and telecom industry and Mr. Ricardos El Khoury, chief executive officer of our subsidiary, Novus SGP, has approximately 25 years of experience in information technology, serving the retail banking and payments sectors. Mr. Saurabh Lal, chief financial officer of our Company, has over 12 years of experience in the financial service industry and Mr. Mahesh Patel, chief technology officer and head of switching business of our Company, has more than 16 years of experience in the payments and technology sector. Our other key managerial personnel and senior managerial personnel have an average experience of more than 10 years. Our key managerial personnel and senior managerial personnel enable us to identify new opportunities and implement our business strategies in the manner contemplated and to continue to build on our track record of customer service and respond to market opportunities.

We believe that we have created a distinct entrepreneurial structure within our organization, with each of our business divisions being managed as an independent profit centre and led by a separate business head.

Our Strategy

We intend to be a leader in payment solutions by delivering secure, innovative products that engage a customer across the product value chain in a cost effective manner.

The primary elements of our business strategy are as follows:

Focus on Growing our Digital Payment Solutions Business

Increase in usage of mobile internet, 3G and 4G and increasing awareness about alternate payment modes such as POS terminals, M-wallets and UPI, coupled with increasing penetration of debit cards and credit cards in India, are expected to drive the increase in digital payments *(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)*. To capitalize on this growth, we intend to leverage our existing presence in the consumer-oriented sectors to service the growing demand for products and services. For example, India's POS terminal market is expected to increase from 3.08 million device installations in the financial year 2018 to 7.66 million device installations in the financial year 2023 at a CAGR of 20.0% *(Source: India Payment Services Market Outlook to 2023, Ken Research, July 2018)*.

We intend to grow our digital payments business by focusing on merchant acquisition through our sales force, distributor network, corporate clients and banks. We have a team of approximately 400 "feet on street" personnel, 250 channel partners and 50 bank partnerships catering to the POS and other merchant service needs of small and medium scale retailers. Our all-in-one POS solution allows merchants to accept various modes of payment including card-based (debit and credit cards), RFID, Bharat QR and UPI online acceptance and biometric-based (Aadhar Pay). Our device-less portfolio comprises of payment gateway and remote payment solutions, and we also offer customized mobile wallet solutions that can be integrated with existing payment solutions. We believe that the combination of value added services that help merchants grow their business such as prepaid or loyalty programs and cash@POS, and services that help simplify their operations such as the billing software, merchant analytics application and *Fastlan*e form a unique value proposition for merchants. We also plan to use our transaction platform to provide switching services to other POS and ATM deployers as well as banks. We have created digital solutions on the acquiring side of the payments cycle such as Bharat QR, UPI, cards, Aadhar Pay and contactless cards, and going forward, intend to produce digital solutions as well for the issuing side of the payments cycle.

Focus on ATM Outsourcing and Managed Services

We expect the volume of cash payment transactions, and consequently, the demand for ATMs and ATM-related services, to continue to grow for a number of reasons, including:

- The Government's Direct Benefit Transfer program, under which subsidies and wages are paid electronically to beneficiaries *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*;
- The Government of India's launch in August 2014 of the Pradhan Mantri Jan-Dhan Yojana ("**PMJDY**"), a plan of financial inclusion to provide banking access to all households across the country *(Source: http://www.pmjdy.gov.in);*
- Despite the shortage of currency circulation caused by the Government of India's demonetization of the currency in November 2016, cash in circulation was at ₹17,599.97 billion in financial year 2018, higher than the pre-demonetization level of ₹15,981.0 billion in financial year 2016 *(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)*; and
- Replacement of existing ATMs which drove the increase in revenue share of ATM supply in the ATM managed services market in financial year 2018 *(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)*.

As the volume of cash payment transactions have increased, banks have increasingly outsourced certain functions of the management of ATMs, either partially or wholly, to third parties such as us. These functions include site identification, leasing, maintenance, housekeeping, security and monitoring of ATMs and sites. We believe that banks will increasingly outsource their ATM management functions as they focus on their core business and operations and seek to increase their productivity and reduce costs. As of June 30, 2018, we had 37,652 ATMs under the ATM outsourcing and managed services models. We also intend to continue to focus on our transaction switching capabilities to capture a greater proportion of the ATM value chain.

We intend to increase the share of such outsourced or managed ATMs in our portfolio since it allows us to focus on increasing revenue by facilitating a greater number of transactions on the ATMs through our systems and processes, targeting new revenue streams from the variety of services required in the ATM products life cycle. At the same time, we intend to reduce our costs of operating such ATMs by improving operational efficiency through steps such as a central information management and tracking system and a cash forecasting system for our ATMs. We also intend to leverage the cash management capabilities of SVIL to make our ATM management operations more efficient.

Lastly, we also aim to leverage our market share, which enables us to access sizeable usage data, and our experience, which provides us with expertise in determining ATM sites and making other related business decisions.

Focus on Enhancing our Integrated Technology Payments Platform

We intend to leverage our product and services portfolio to provide additional customized payment solutions as well as develop integrated payments platform for our customers. We have deployed automation solutions across various industries over the years and using our in-house expertise, we have the technical capability to offer our customers with integrated payments solution linked to the existing solutions we have provided such as billing terminals. Since we have automated approximately 8,000 fuel stations in India, we launched *Fastlane* as the first RFID payment for fuel in India. We intend to offer additional customers with integrated payments solution and believe that integrating various technology solutions provides us an edge over our competition as well as allows us to retain the customer for multiple years.

We were among the first company in India to launch QR-code based payments for various card schemes. We believe that by developing mobility-based payment solutions, which enables additional modes of making payments besides cash or card, we are able to develop customized payment solutions (including mobile wallet offerings) for our customers. Through our omni-channel payment processing platform, our customers are able to accept payments in multiple ways. We believe this will enable us to grow our customer touch points, other service offerings and total revenue.

We typically enter into multi-year managed services or outsourcing contracts by bundling these solutions for our customers which provides us visibility and predictability on our future revenue. We also intend to focus on bundling our various products, services and processes to offer end-to-end solutions to our customers.

Focus on Cash Management Services

We launched our cash management business through our subsidiary SVIL in 2012 with the objective of gaining better control over an important component of our ATM outsourcing and managed services business. Having gained scale and operational efficiencies in this business, we intend to grow this business further by leveraging our experience and other factors such as the:

- increasing trend of banks outsourcing their ATM operations and retailers outsourcing cash pick-ups to third parties such as us; and

- expected increase in the number of ATMs in India due to various financial inclusion initiatives of the Indian Government, such as the PMJDY. The number of ATMs is projected to increase to 341,923 ATMs by the financial year 2023 *(Source: India ATM Market Outlook to 2023, Ken Research, June 2018)*.

We also intend to expand the geographical scope of our cash management business and explore opportunities in new cash user segments. We will continue to focus on providing services such as cash pick-up, cash-sorting and cash-deposit services to various establishments, including retail outlets. We intend to offer such services through the use of sophisticated technology, with little or no human intervention, with an objective of enabling these establishments to reduce their working capital cycles.

International Expansion

While we expect India to remain the focus of our future business initiatives and various managed services and outsourcing bundles, we also evaluate opportunities in developing markets in Asia where we have had recent successes in deploying our digital platform and securing multi-year managed services and outsourcing deals. We plan to continue to leverage on the technology and products developed in India and provide these solutions to other countries to facilitate financial inclusion, demonstrating the same cross-sector expertise we have in India, and to further diversify our business. At the same, our international operations provide us experience and give us insights that we believe that we may be able to harness for our India operations.

We currently have local teams in Sri Lanka, Singapore, Cambodia and Philippines. For the financial year 2018, we derived 2.6% of our total revenue from operations from our businesses outside India. We plan to further penetrate these markets by scaling up our existing businesses or offering new products or services where we identify gaps in the market or opportunities for potential growth or consolidation. We will continue to explore opportunities in Asia and ways in which we can leverage our existing network, expertise and the experience of our managerial personnel based out of our overseas offices to expand our business internationally.

DESCRIPTION OF OUR BUSINESS

We provide end-to-end cash and digital payment solutions and technology for the banking, retail, petroleum, e-commerce and fintech sectors in India, Sri Lanka, Singapore, Cambodia and Philippines. We operate in three broad business segments:

- Payment Solutions, which comprises ATM outsourcing and managed services, cash management services, iCDs, transaction switching and digital payment solutions, merchant solutions, automatic vehicle fuelling (or *Fastlane)*, toll and transit solutions and agency banking;

- Banking Automation Solutions, which comprises supply and installation of ATMs and other automated banking products and the provision of services, including maintenance, software and hardware upgrades and supply of spare parts; and

- Other Automation Solutions, which comprises sale of machines and related services to customers in the retail, petroleum and colour sectors.

The following table sets out our revenue for the various business segments in which we operate for the periods indicated:

Segment	**Financial Year**		
	2018	**2017**	**2016**
	(₹ in millions)		
Payment Solutions	10,508.41	8,199.45	7,360.37
Banking Automation Solutions	2,176.24	2,978.66	3,109.36
Other Automation Solutions	2,128.52	2,178.05	1,625.81

The combination of our Payment Solutions, Banking Automation Solutions, and Other Automation Solutions business segments enables us to provide end-to-end solutions and technology to banks, retail chains, small and medium scale retailers, service providers, petroleum retailers and financial institutions, thereby equipping them to offer a complete payments ecosystem to their end customers. The payment ecosystem that we seek to service is represented below:

Payment Solutions

Our Payment Solutions segment comprises cash solutions which consist of ATM outsourcing and managed services, cash management and iCD, and digital solutions which consist of transaction switching and electronic payment solutions, merchant solutions, automatic vehicle fueling, or *Fastlane*, toll and transit solutions, and agency banking services.

Cash Solutions

ATM Outsourcing and Managed Services

The following diagram sets out the various components of ATM outsourcing and managed services:

In our ATM outsourcing services business, we offer an end-to-end ATM outsourcing model where we are generally responsible for sourcing sites and owning, deploying, maintaining and managing the ATMs and related assets set up by us. The deployment process for an ATM begins with its site identification and selection. We have a dedicated site selection team, including a channel management sub-team, field operations sub-team and sourcing and implementation sub-team, of approximately 154 employees spread across India who identify, visit and shortlist suitable sites. We source and select sites in consultation with our bank customers, which is often based on the deployment formats of the banks. We enter into lease agreements with the landlords of the sites, then install the ATMs and related assets. In this model, we retain the proprietary and beneficial interest in the ATM and its related assets during the term of our agreement with our customers.

Under our ATM managed service business, while we are generally responsible for services in respect of the ATMs and the sites, the banks own the ATMs and are responsible for site sourcing, switching and transaction processing.

In both businesses, we are responsible for the maintenance of the ATMs (through first line and second line maintenance), along with cash management services such as cash forecasting, cash reconciliation, cash replenishment and upkeep of the site. We also ensure the ATMs are connected to the applicable host customer's switch to enable the driving, switching, authorization and processing of transactions by the host customer. We also monitor sites from both an operational and profitability perspective, and we relocate ATMs if and when required.

In both businesses, our payment terms for our services are either on a fixed monthly fee basis or on a per transaction basis. Under our contracts, a transaction could be financial, non-financial, on-us (by a card holder of the same bank or financial institution as the ATM), off-us (by a card holder of a different bank or financial institution as the ATM), or a combination of these categories. Certain of our contracts also provide for a minimum guaranteed payment to us. Under our outsourcing services contracts, upon the expiry of our agreement with the banks, the banks generally have a right to take over and purchase the ATM and its related assets at a price calculated in accordance with the terms of our agreement. In a few of our outsourcing services and managed services contracts, we are also required to pay an upfront fee to our customer, which is amortized over the duration of the contract.

Under our outsourcing and managed services contracts, we are generally responsible for the following at the site:

- ownership of the ATM(s) and related assets (in complete outsourcing contracts only), including:
    - an uninterrupted power supply unit with batteries;
    - the very small aperture terminals and modems;
    - the air-conditioner(s);
    - furniture and fixture;
    - video surveillance, if applicable;
- site sourcing and the expenses involved with it (applicable for outsourcing contracts only);
- leasing of the entire site;
- rent deposits or rents in advance;
- electricity expenses;
- ATM monitoring (uptime) and maintenance;
- help desk management;
- incident management;
- cash reporting and reconciliation;
- consumables replenishment;
- MIS reporting;
- vendor management;
- insurance of sites, ATM(s) and related assets;
- cash forecasting, management and replenishment; and
- switching services, if required by the bank.

We usually outsource the repairs and maintenance of the physical site, housekeeping and security services to other agencies. Cash management services, including cash replenishment and reconciliation services, are either sub-contracted to our subsidiary SVIL or to another service provider. Under some managed service contracts we provide select services such as cash management service or monitoring services.

The following map shows the locations of the 12,536 ATMs which we operate under our outsourcing contracts and 24,323 ATMS under our managed services contracts in India, as of June 30, 2018:

The following table sets out usage data for ATMs under our outsourcing and managed services contracts:

	Three Months Ended June 30, 2018	Financial Year 2018	Financial Year 2017	Financial Year 2016
Number of Revenue Generating Transactions (in millions)	133.23	499.456	465.68	463.29

As of June 30, 2018, 60% and 40% of our ATMs under our outsourcing and managed services business had the fixed monthly and per transaction fee structure (including hybrid models), respectively.

We were authorized by the RBI on June 30, 2014 to operate as a WLA operator, where we install, own and operate white-label ATMs. As of June 30, 2018, we have deployed 93 White Label ATMs under the '*Ongo*' brand name. We have engaged RBL Bank Limited to act as a sponsor bank to provide cash and settlement related services and for resolving customer grievances in compliance with RBI's WLA guidelines.

Cash Management

We undertake cash management services through our wholly-owned subsidiary, SVIL, which commenced its commercial operations in April 2012. SVIL specializes in ATM cash replenishment, CIT, retail cash management or doorstep banking, complete line maintenance and cash processing and vaulting services.

The services offered by SVIL, which are on a fixed or variable fee basis, include:

- ATM Services: The ATM services offered by SVIL include ATM cash replenishment, first line maintenance, deposit pick-up and cash processing. We also train SVIL employees in providing first and elements of second line maintenance for our ATM hardware, thereby enabling SVIL to provide complete line maintenance of ATMs for our cash management customers and thereby minimizing ATM downtimes. As of June 30, 2018, SVIL provided cash replenishment for approximately 28,900 ATMs, and for the three months ended June 30, 2018, replenished a daily average amount of ₹8,016.97 million. We typically charge our services based on the number of ATM replenishments.

- Cash Pick-up Services and Doorstep banking: Cash pick-up services comprises picking up cash from our customers' outlets, which include bank vaults and entities who handle large volumes of cash as part of their day-to-day operations, such as large retailers and petrol stations. SVIL picks up cash from such outlets in a safe and secure manner, processes the cash, and deposits it at the customer's designated location, such as the customer's bank. As of June 30, 2018, SVIL serviced approximately 3,000 cash pick-up and doorstep banking points.

- Cash in Transit Services: As part of its CIT services, SVIL provides for the safe transport of cash. The cash is carried in armoured vehicles from bank vaults to bank branches or via vault to vault movements, which are monitored through an in-house GPS tracking system. The vehicles are guarded by armed security personnel and are equipped with speed jammers and geo-fencing devices.

- Cash Processing and Vault Services: Cash processing services offered by SVIL include counting and sorting services and reconciliation services. SVIL has trained personnel and facilities to handle large volumes of cash and ensure cash processing speed and accuracy. Cash vault services enable better management of cash operations and delivers a complete cash processing outsourcing solution for financial institutions. Cash vault services include currency inventory management, including maintaining currency in secure vaults and managing the inventory for cash shipment and consolidation and branch deposit processing. As of June 30, 2018, SVIL had approximately 307 vaults and spoke locations covering approximately 1,400 cities and towns in India.

- Dedicated Cash Vans: We offer dedicated cash vans to our customers. These cash vans are used by banks and financial institutions to transport cash and other valuables as per their requirements.

As of June 30, 2018, SVIL employed approximately 5,600 personnel in India. SVIL's employees go through a rigorous background check, which is carried out by an independent third-party service provider, to verify the credentials and background of employees that deal directly with cash. Due to the risks involved in its operations, SVIL maintains cash in vault, CIT and crime and errors and omissions insurance coverage.

Intelligent Cash Deposit

iCDs are self-service terminals that handle cash deposits for the retail industry. These machines are used to deposit cash by the retailer, significantly reducing the time taken for cash pick-up. iCDs are manufactured by us. iCDs can also identify fraudulent banknotes at the time of deposit with real-time transaction update using remote monitoring. The deposited notes are then sealed and securely stored in a vault or bag housed inside the machine before being deposited in the customer's bank. Our iCD contracts have terms ranging from three to five years, and we are paid for our services based typically on the amount of cash collected.

Digital Solutions

Transaction Switching and Electronic Payment Solutions

Our transaction switching services enable us to offer an outsourced platform for providing integrated payments processing, card management and merchant solutions. Switching a transaction involves authorisation, clearing and settlement of such transaction. A switch is software which performs these functions across multiple devices and payment networks and systems. We assist our customers in routing and processing electronic transactions and also assist banks in migrating their existing card base, issuing new cards and authorizing cards. We started providing transaction switching services with the acquisition of a licence for the Postilion switch from an affiliate of ACI in 2011. For the three months ended June 30, 2018 and the financial year 2018, we processed 193.60 million and 427.14 million switching transactions, respectively. Our transaction switching services customers include banks and financial institutions such as RBL Bank Limited and BTI Payments Private Limited.

Our transaction switching services include the following functions:

- setting up an interface with the networks, including Mastercard, Visa, American Express, Cash Tree, NFS, banks ATM networks and customer services;
- integration with payment gateway portals;
- setting up an interface with the device handlers, including with ATM manufacturers and POS terminals;
- displaying marketing messages;
- setting up single PIN features across various banking channels;
- ATM monitoring;
- encrypting PINs and transactions;
- card embossing;
- customizing transaction slips;
- multi-currency support;
- POS management; and
- reconciliation of various transactions along with the issuing and acquiring transactions.

We also provide electronic payment solutions, where we integrate a variety of payment channels, including internet payment gateways and several mobile payment systems, to route, switch and process electronic transactions. Our transaction switch acts as the backbone of our electronic payment solutions offering, which is also offered through our wholly-owned subsidiary, India Transact Services Limited ("**ITSL**").

In 2016, we extended our relationship with ACI to offer our customers a variety of payment solutions including BASE 24-eps, Universal Payment Framework ("**UPF**"), and fraud management as a service on pay per-transaction basis, significantly reducing the complexities associated with adopting these solutions especially for smaller banks and financial institutions.

In both transaction switching services and digital payment solutions, our payment terms for our services are either on a fixed monthly fee basis or on a per transaction basis.

Merchant Solutions

To focus our efforts on digital payments and penetrating the market, we decided to commence our operations in this area through our subsidiary ITSL in 2013. Our merchant services include device-based and device-less payment solutions, prepaid and loyalty programs, Cash@POS, payment gateway and remote payment solutions, loans against card receivables and other value added services.

- <u>Payment Acceptance</u>: We provide both device-based and device-less payment acceptance options. Our solutions span across numerous industries and cater to diverse merchant needs. Enabled with a seamless payment technology, we provide acceptance solutions for all forms of digital payments including card-based (debit and credit cards), RFID, Bharat QR and UPI online acceptance and biometric-based (Aadhar Pay). Our payment acceptance contracts have terms ranging from three to five years, and we are paid an initial setup fee, and either a monthly fixed fee or as a percentage of total Gross Transaction Value ("**GTV**"), or a combination of both.

  The table below shows our financial and operational metrics for our merchant services:

	Three Months Ended June 30, 2018	**Financial Year 2018**	**Financial Year 2017**	**Financial Year 2016**
Number of Terminals	68,605	56,688	18,361	1,135
Number of Merchants	58,497	47,770	15,255	1,012
Number of Transactions (in million)	34.38	29.72	6.34	0.16
Total Gross Transaction Value (GTV) (in ₹ million)	13,377	24,993	6,987	408

- <u>Payment Gateway & Remote++</u>: Our payment gateway enables merchants to receive payments by authorizing credit cards or direct payment processing for e-businesses, online retailers or traditional retailers. Remote++ is an extended version of Payment Gateway service which enables merchants to transact and successfully accept payments without having a website.

- Prepaid and Loyalty Programs: We have introduced technology to assist SMEs in launching their own loyalty programs. *Ongo* Prepaid++ and Rewards++ programs offer flexibility to the merchant for defining programs and also provide customized solutions enhancing their brand proposition. We also provide customized mobile wallets and prepaid programs for large organisations, such as a fleet program for an oil company. As part of these services, we are typically paid a percentage of total loading value.

  The table below shows total loading values for Closed User Group (CUG) cards under the prepaid and loyalty programs run on our platform:

	Three Months Ended June 30, 2018	Financial Year 2018	Financial Year 2017
Total Loading Value (in ₹ million)	10,674	31,928	8,926

  As of June 30, 2018, we had issued 238,593 prepaid cards.

- Payment Integration with Petroleum Automation: We have developed an integrated payments proposition for petroleum retail outlets in which the POS is connected with the existing fuel automation, to provide control over transactions on the POS device. We are paid a percentage of GTV under these arrangements.

- Cash@POS: Cash@POS facility allows debit card holders to withdraw cash by swiping their cards at the merchant's POS terminals.

- Merchant Application and Portal: Our application *Paytrack* allows the merchant to manage multiple stores and POS machines, view transaction trends, charge slips, settlement status, raise service requests, and sign up for the latest offerings.

- Mobile Content Management: We have partnered with *Mobik* for providing a content management platform to our small and medium merchants.

- Loans against card receivables: We assist merchants to make secured and paperless applications for loans through our tie-ups with financial institutions.

Fastlane

Our *Fastlane* solution is a cashless, contactless and paperless payment technology which utilizes advanced radio frequency identification ("**RFID**") technology. Vehicles are fitted with an RFID tag near the fuel tank inlet and the nozzle of the fuel dispenser is equipped with a RFID reader. This system enables fleet operators to ensure that vehicles are filled with the right grade and quantity of fuel, to keep track of fuel consumption and expenses per vehicle on a real-time basis (through online reports) and to reduce the risk of pilferage. The payment is carried out through a prepaid wallet on a mobile application on which the amount of fuel is preset. Our *Fastlane* solution also includes a loyalty and rewards program that provides cashback to our customers. We are paid for our services both on a fixed fee basis and based on the value of transactions.

Toll and Transit

We offer transit business solutions to foster smart card-based travel by integrating Automatic Fare Collection ("**AFC**") into leading travel infrastructure systems. AFC is a complex framework of hardware and software solutions for fare collection at entry and exit touch points at public transport networks such as metro trains, bus rapid transit system enabled buses and boats. We have successfully deployed and launched this completely automated smart ticketing system at Punjab Bus Metro Society at Amritsar. Our toll and transit contracts have terms ranging from three to ten years, and we are paid for our services both on a fixed fee basis and based on the value of transactions.

Agency Banking

We connect customers to our partner banks and retailers, creating complementary or alternative digital distribution channels. Retailers would have access to affordable and efficient digital payment instruments such as QR payments, banks would leverage on the customer's agents as alternative distribution channels in remote and rural areas, and the customer would secure additional revenue streams from transaction fees. We equip the customer with the appropriate technology, run the same on its behalf and participate in the revenue generation model. Our agency banking contracts have terms ranging from three to five years, and we are paid for our services on a fixed fee basis or based on the value of transactions.

Banking Automation Solutions

Our Banking Automation Solutions segment covers sale of products, including sale of ATM and recycler machines, currency technology products and self-service terminals, and sale of services related to hardware and software.

Products

We sell ATMs including cash dispensers and recyclers and other self-service terminals, such as check deposit kiosks and multi-functional information kiosks. We also sell our own brand of banking hardware products, such as note sorters. We sell our Banking Automation Solutions products to banks and financial institutions.

Our banking automation product offerings include:

- ATMs and Cash Dispensers: ATMs and cash dispensers enable customers to access their bank accounts to make cash withdrawals (or credit card cash advances), cash deposits, fund transfers, check account balances and print statements. ATMs can also be used for other value-added services, which vary from bank to bank. In line with the dynamic needs of the banking industry, we offer ATM hardware and software solutions in India with varying designs, cash management and dispensing configurations, security solutions, such as finger print sensors, and software and hardware architecture. In 2015, through cooperation agreements with Wincor Nixdorf (now Diebold Nixdorf), we began assembling ATMs and cash dispensers in our Daman facility. We also develop sites, supply related assets and carry out site interior construction work. Since we signed the cooperation agreements with Diebold Nixdorf and as of June 30, 2018, we have assembled approximately 7,700 ATMs. For the three months ended June 30, 2018 and the financial years 2018, 2017 and 2016, we sold 1,174, 3,240, 5,107 and 4,656 ATMs, cash dispensers and cash recyclers, respectively.

- Cash Recyclers: Cash recyclers allow a bank's customer to make deposits which are sorted into various denominations and are used for cash dispensing. All successful transactions are instantly credited and clients are issued an advice slip as a confirmation of the transaction. Cash recycling machines lower the cash handling cost by recycling the deposited cash and optimizing the cash replenishment and pick-up process.

  As of June 30, 2018, we have installed approximately 54,000 ATMs and cash recyclers. The following map shows the locations of our 35,500 ATMs and cash recyclers under service in India as of June 30, 2018:

- Banking Transaction Terminals: Banking transaction terminals are a variety of automated self-service banking platforms that include:

    - automated cheque deposit terminals, where cheques can be instantly scanned and deposited or cashed; and
    - multifunction self-service kiosks, where non-cash financial transactions such as balance inquiry, mini-statement and PIN change can be conducted.

- Note Sorters: Note sorters are widely used during the collection and sorting of large amounts of banknotes. They can simultaneously authenticate and classify banknotes, and can perform functions such as note counting, value counting and sorting notes by denomination, fitness, orientation and face. Note sorters can also check for counterfeits by using an optical array utilizing visible infrared, as well as a mechanical system of thickness checking, to inspect notes.

Services

We provide the following banking service offerings to our customers:

- Annual Maintenance: We supply and install ATMs for our customers, who then engage us to provide maintenance on such ATMs after their respective warranty periods have expired. Under our annual maintenance contracts ("**AMCs**") with these customers, we provide second line maintenance for their ATMs, including the provision of remedial hardware maintenance, replacement parts, and preventative maintenance. We are generally required to maintain a minimum uptime for our customers' ATMs. The duration of our AMCs range between one to three years, renewable at the option of the parties, and we are paid a fixed AMC fee, in annual, semi-annual or quarterly instalments. As of June 30, 2018, we provided maintenance for approximately 35,500 ATMs, cash dispensers and cash recyclers.

- Upgrades and Software: We provide our customers with hardware as well as software upgrade services for a fixed, one-time fee. Hardware upgrades include the addition of certain components or modules to installed ATMs such as anti-skimming devices, biometric modules, one-time code locks and other hardware upgrades. Software upgrades include service offerings on ATMs such as terminal security, chip card licenses, operating system upgrade and other software upgrades. We also assist our customers in customizing the base ATM software, including the determining of interface and functions.

- Spare Parts**:** We stock spare parts for the repair of ATMs and other automated banking hardware products for a fixed, one-time fee. Unless under warranty, spare parts used in the repair of our customers hardware systems are charged to them.

Other Automation Solutions

We also provide technology solutions to customers in the banking, retail, petroleum and colour sectors in our Other Automation Solutions business segment that enables them to provide technology-driven automated payments and dispensing solutions to their end customers.

Retail Sector Operations

Our retail sector offerings include cash and card billing hardware and software, store automation peripherals, store automation solutions and kiosks. We offer our retail sector clients products and services for automating the cash and card billing terminals at their establishments, enabling them to manage their customer check-out lanes and customer billing processes in an automated manner. Our retail sector billing solutions are designed to be integrated with multiple modes of payment systems providing payment flexibility to our retail sector clients' customers. We also offer products for the management of digital signage. We provide annual maintenance services for our customers.

Products

Our retail sector product offerings include:

- Cash Billing Terminals: We offer Diebold Nixdorf's cash billing terminals and solutions to our retail customers. The configuration of the cash billing terminals depends on the type of establishment, such as supermarket, single-brand retail stores or multiplex. As of June 30, 2018, we have installed approximately 37,000 cash billing terminals

- Digital Signage Software: We provide digital signage and related software, which can be used for managing digital signage, scheduling, customized marketing and information messages through these signages, managing designs, generating logs and alerts. Our key product offering in digital signage software delivers targeted messages to end customers at our customer's business location. It is a feature that captures animated content, real-time text ticker and video jukebox to make it engaging and interactive for the customers while displaying entertainment and information content.

Services

As part of our retail sector service offerings, we provide maintenance services, software customization, hardware upgrades and spare parts for repairs of POS terminals and other automation equipment. We also provide managed services to our retail sector customers, where we manage the network of retail outlets, which include managing the retailer's information technology infrastructure in retail stores and warehouses to enable them to serve their clients.

Petroleum Sector Operations

Our petroleum sector operations involve the automation of downstream supply chain operations of petroleum companies, including outlet automation. Our offerings at the petroleum outlet are aimed at assisting oil companies in implementing their quality and quantity assurance initiatives for customers, and providing an infrastructure to cater to various demands of the customers.

Our customers in this sector include petroleum companies such as IOCL and HPCL. As of June 30, 2018, we have automated approximately 8,000 petroleum outlets across India.

Products

The key component of our petroleum outlet automation system deployed at an outlet is a forecourt controller, which interfaces with various dispensers and tanks in the outlet. In addition to wet-stock reconciliation, this system has additional functions such as remote site monitoring, central price changes, RFID-based attendant tagging, enabling credit and debit card transactions from the forecourt, automatic indenting of products and aggregation of data for a network of outlets into a centralized system.

Services

Our service offerings to oil companies comprise:

- operational, implementation and support services;
- maintenance support services;
- helpdesk and remote support services; and
- software upgrade and customization services.

Colour Sector Operations

Our colour sector offerings include automatic paint dispensers capable of delivering the right shade of colour, which we supply to paint companies. Paint companies have shifted to the manufacture of only white base paints and pigment concentrates, also known as colorants. We manage the entire life cycle of these machines including deployment, implementation, and maintenance. We also provide operational and software training for our customers. Our customers include Kansai Nerolac Paints Limited and Berger Paints India Limited.

We have entered into an agreement with Fast and Fluid Management B.V. for the manufacture and licensing of technology with respect to XSmart, a model of paint dispenser, and have the right to purchase and resell XSmart and parts for XSmart in India, Sri Lanka, Nepal, and Bangladesh. As of June 30, 2018, we have installed approximately 54,000 colour dispensing machines across India.

Our International Operations

We also provide products and services under our Banking Automation Solutions and Payment Solutions segments to Southeast Asian countries, such as Singapore, Cambodia and Philippines, and Sri Lanka. We conduct our international operations through our Singapore subsidiary, Novus Technologies Pte. Ltd. ("**Novus Singapore**"). Our Cambodia operations are conducted through our subsidiary Novus Technologies (Cambodia) Company Limited, our Sri Lanka operations are conducted through our subsidiary Novustech Transact Lanka (Private) Limited and our Philippine operations are conducted through Novus Transact Philippines Corporation.

In Sri Lanka, we provide a total outsourcing solution for up to 1,000 machines in newly-built self-service branches comprising ATMs, recyclers and kiosks, as well as switching services and 24/7 monitoring. As of June 30, 2018, we provided outsourcing solutions for 729 ATMs. Under the terms of contract, we are paid both on a fixed fee and on a per ATM basis.

In Philippines, we provide our agency banking platform and POS deployment enabling rural banking to a bank. In Cambodia, we have entered into an agreement to provide agency banking software, POS terminals with on-premise managed services and switching services. We charge Ly Hour Pay Pro ("**LHPP**") based on the number of devices deployed. LHPP operates a network of approximately 3,000 agents across all 25 provinces of Cambodia. We have also entered into an agreement to provide agency banking and merchant payments platform to DaraPay, a joint venture between Canadia Investment Holding Plc and Fullerton Capital Pte. Ltd., a subsidiary of Fullerton Financial Holdings of Singapore. We provide device-less solutions to DaraPay for agent banking solutions to approximately 1,800 agents. We charge DaraPay monthly based on user brackets and a share per transaction.

Our Suppliers and Technology Partners

Over the years, we have partnered with leading global players such as ACI and Diebold Nixdorf.

We have a long-standing relationship with Diebold Nixdorf since 2004 and until July 2015, we offered their ATMs, cash deposit machines, cash re-cycling machines and banking transaction terminals. We entered into two cooperation agreements with Diebold Nixdorf on July 15, 2015 (each a "**Cooperation Agreement)**", pursuant to which we started manufacturing our own cash dispensers in India. Each Cooperation Agreement is effective from July 15, 2015 and will expire on September 30, 2018.

We also entered into an agreement with ACI Worldwide Solutions Private Limited and ACI Worldwide (Ireland) Limited on November 3, 2016 ("**ACI Agreement**") to provide switching, fraud and risk management systems as a service. Under the ACI Agreement, we have the exclusive right in India to co-sell and co-market to our end users, in the manner contemplated in the ACI Agreement, ACI's products such as BASE 24-eps, UPF, and fraud management covered in the ACI Agreement. ACI will charge us monthly fees based on transactions or active account subscription fees for each licensed software product, and we will in turn offer such services to our end users bundled with our offerings. If we receive an offer from a third party to provide products not covered by the ACI Agreement, ACI has a right of first refusal to provide these products to us under the same terms and conditions offered by the third party. The ACI Agreement has an initial term of seven years, and may be pre-terminated for material breach of one party or by mutual written consent.

Our Infrastructure Facilities

We have approximately 47,044 square feet facility at Daman where we assemble, stage and conduct the testing of ATMs and other products. Our Daman facility has the capacity to manufacture up to 1,500 ATMs every month. The facility also acts as a warehousing facility for our ATMs.

We have set up a 3,400 square feet innovation centre in Mumbai where we demonstrate our end-to-end capabilities of designing, installing and integrating the hardware and software solutions that we provide. We have also set up an in-house testing and repair centre in Navi Mumbai to support all our business sectors and a technology support which is operational round-the-clock to assist our customers. We also have a central warehouse facility at Kalamboli, Maharashtra totalling 19,785 square feet.

Our office premises, 'AGS House', in Mahape, Navi Mumbai, has six floors and covers a total built-up area of over 8,000 square metres. These premises house our technical support and operational teams, monitoring centres, software lab, and the related infrastructure. In addition, we have a 24x7 call centre located in Mahape that provides support to our customers.

Enterprise Resource Planning

We use an information management system to facilitate the flow of information among all our business functions, thereby ensuring quick decision making of key business processes and other routine functions. We aim to avoid the duplication of efforts across different departments and thereby facilitating faster processing of work, payments and invoices. We also use our information management system to assist in day-to-day management, support strategic planning and help reduce operating costs by facilitating operational coordination across functional departments. It has also helped us to streamline production, and forecast raw material and finished goods requirements. We have implemented SAP system to help facilitate this.

Human Resources

As of June 30, 2018, including our subsidiaries, we have 33 branch offices across India and an employee base of approximately 9,900 personnel, including approximately 1,700 engineers and 3,400 ATM officers, engaged in our core operations. Our employees are not unionized.

We are committed to providing continuous training and development in order to enhance the skills and competencies of our entire workforce. Employees are monitored by supervisors and supervisors can refer employees for training. The aim of training is to ensure that all the employees are given the necessary help to develop the knowledge, skills and attitude that they require to carry out their jobs efficiently and to provide every opportunity of career development. Our programmes are directed towards identifying individual motivation and linking individual aspiration to our Company's goal. We also have in place various programmes such as an employee stock option plan, internal awards and recognitions and town hall meetings, where employees and senior management can exchange ideas and grievances, to motivate and build the loyalty of our employees. We have also implemented a human resource management system that allows us to manage attendance and performance.

The following table provides the breakdown of our employees by department as of June 30, 2018:

Department/Type of Personnel	**As of June 30, 2018**
Management	24
ATM Officers	3,471
Service Engineers	1,711
Operations & Support	3,045
Technology Development Team	164
Corporate Function	192
Help Desk	176
Site Sourcing and Rollout	256
Sales and Marketing	509
Cash Forecasting & Monitoring	377
Total	**9,925**

Note: Approximately 5,400 of our personnel are on roll employees (i.e., on our payroll).

Sales and Marketing

Our Sales and Marketing strategy focuses on enhancing revenue streams by leveraging established relationships and building competitive advantage through a wide range of product offerings. We regularly participate in trade fairs and exhibitions in India and overseas to gain recognition in the industry and to build relationships. We have an innovation centre designed as a virtual branch in Mumbai where we pitch and demonstrate our capabilities to our potential customers. Understanding the needs of our customers, developing a better understanding of their requirements and promoting our services to address the gaps is a core sales and marketing strategy that we have followed.

We have strengthened our presence in the digital payment industry through our sales team comprising personnel based in India and overseas. This team has been expanding since December 2015 and spans across direct sales channel, distributor/aggregator/channel partner model, synergies through bank relationships and key accounts. We have a team of approximately 400 personnel, 250 channel partners and 50 bank partnerships catering to the POS and other merchant service needs of small and medium scale retailers. Our teams cater to the growing demand for digital payment solutions in both urban and rural markets. We are particularly keen on securing long-term contractual arrangements and pursuing strategic relationships with our customers.

Health and Safety

We aim to comply with 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 and the people working on our sites 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 our employees. We have implemented work safety measures to ensure a safe working environment at our facilities and to the general public. Such measures include general guidelines for road safety and health and safety at our offices and factory, such as accident reporting, wearing safety equipment, maintaining clean and orderly work locations and looking out for and reporting of hazardous situations to supervisors as part of accident prevention. We believe that we are in compliance with applicable health and safety laws and regulations.

Insurance

Our operations are subject to certain hazards such as infidelity of our employees, 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. Our principal types of insurance coverage include professional liability insurance, cash in iCD machine policy, merchant fraud policy, transit/marine insurance, cash insurance, ATM site insurance, stock insurance, ATM van insurance, comprehensive general liability insurance, directors and officers liability insurance, office package policy, group medical claim and accident policy, money insurance, erection all risk policy and workmen's compensation policy. Our policies may expire in the normal course of our operations and we typically renew our insurance policies periodically. Our insurance policies may not be sufficient to cover our economic loss. See "*Risk Factors – Our insurance coverage may not adequately protect us against all material hazards.*" on page 34.

Intellectual Property

We own 211 trademarks and three copyrights which we use across our operations. For further details of the intellectual property owned by us, see the section "*Government and Other Approvals – Intellectual Property*" on page 492.

Competition

The level of competition in the ATM, cash management and PoS sectors in India is considerably high. The charge of services by service providers fluctuates on regular intervals. This is largely done in order to remain competitive in the market. See "*Industry Overview*" on page 119.

Property

We have entered into leave and license agreements in respect of our Registered Office with Mr. Ravi B. Goyal and Mrs. Anupama R. Goyal, which are valid until December 9, 2018 and August 15, 2021, respectively. For further details, see the section "*Our Management*" on page 175. Our Corporate Office is also located on leased premises.

We also have 33 branch offices across India and facilities at Daman, Kalamboli and Navi Mumbai.

REGULATIONS AND POLICIES

The following description is a summary of certain key regulations and policies prescribed by the Government which are applicable to our Company and the Subsidiaries in India. The information detailed in this section has been obtained from publications available in the public domain. The regulations set out below may not be 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 information in this section is based on the current provisions of applicable law that are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions in India.

Payment and Settlement Systems Act, 2007 (the "PSS Act")

The PSS Act and the rules made thereunder regulate and supervise the payment and settlement systems in India. Under the PSS Act, a "payment system" means a system that enables payment to be effected between a payer and a beneficiary, involving clearing, payment or settlement services or all of them and includes systems which enable credit or debit or smart card operations, money transfer operations or similar operations and a "system provider" means a person who operates an authorized payment system. The PSS Act is not applicable to stock exchanges or the clearing corporations of the stock exchanges.

Any person who wishes to operate a payment system is required to apply for an authorization from the RBI under the PSS Act. If a system provider fails to comply with the provisions of the PSS Act, the terms of the authorization and orders or directions issued by the RBI, then the RBI may revoke the authorization given to such system provider. The RBI may also impose fines and initiate criminal prosecution in case of any such non-compliance.

Further, pursuant to notifications dated April 6, 2018, the RBI has (i) prescribed certain minimum standards for the service providers and sub-contractors engaged by the banks for cash management logistics; (ii) prohibited all entities regulated by it from dealing in virtual currencies or providing services for facilitating any person or entity in dealing with or settling virtual currencies; and (iii) directed all system providers to ensure that the data relating to payment systems operated by them are stored in a system only in India. However, such data may also be stored in the foreign country, if required, for the foreign leg of the transaction, if any.

Guidelines on White Label ATMs

In June 2012, the RBI permitted non-bank entities incorporated in India under the Companies Act, 1956 to set up, own and operate ATMs in India, subject to compliance with certain conditions, including obtaining an authorization certificate from the RBI under the PSS Act.

The guidelines on White Label ATMs in India issued by the RBI on June 20, 2012, as amended (the "**WLA Guidelines**") prescribe the following eligibility criteria for WLA operators:

- The memorandum of association of the applicant entity is required to cover the proposed activity of operating WLAs.
- In case of any FDI in the applicant entity, necessary approval from the competent authority as required under the policy notified by DIPP under the consolidated policy on FDI and regulations framed under the FEMA are required to be submitted while seeking authorization.
- Non-bank entities are required to have a net worth of at least ₹1,000 million as per the last audited balance sheet.
- A net worth of at least ₹1,000 million is required to be maintained at all times.

The authorization for setting up a WLA operation under the WLA Guidelines was initially valid for a period of one year. The scheme and number of WLAs sought to be installed is required to be indicated at the time of application. The details of the schemes are as set forth below:

<u>Scheme A</u>

- Year one: minimum of 1,000 WLAs;
- Year two: minimum of twice the number of WLAs installed in year one; and
- Year three: minimum of three times the number of WLAs installed in year two.

The ratio of 3:1 would be applicable under this scheme, *i.e.*, for every three WLAs installed in Tier III to VI centres, one WLA can be installed in Tier I to II centres. Out of the three WLAs installed in Tier III to VI centres, a minimum of 10% should be installed in Tier V and VI centres.

Scheme B

A minimum of 5,000 WLAs is required to be installed every year for three years.

The ratio of 2:1 would be applicable under this scheme, *i.e.*, for every two WLAs installed in Tier III to VI centres, one WLA can be installed in Tier I to II centres. Out of the WLAs installed in Tier III to VI centres, a minimum of 10% should be installed in Tier V and VI centres.

Scheme C

A minimum of 25,000 WLAs in the first year and at least another 25,000 in the next two years are required to be installed.

The ratio of 1:1 would be applicable under this scheme. Out of the WLAs installed in Tier III to VI centres, a minimum of 10% should be installed in Tier V and VI centres.

Certain other conditions relating to the schemes include the following:

- The authorization issued to a WLA operator cannot be assigned or transferred without prior approval of the RBI.

- No switchover of schemes is permissible. The date for determining the time line for implementation would commence 30 days after issuance of the authorization.

- WLA operators would need to seek extension of their authorization, if required, three months prior to the completion of one year for continued operation of the system.

The WLA Guidelines state that the above targets will form part of the terms and conditions of the authorization given under Section 7 of the PSS Act and are expected to be complied with. Necessary certificates indicating adherence to annual targets and ratios would be submitted by the WLA operator to the RBI within a month of completion of one year.

The WLA Guidelines also provide, *inter-alia*, that:

- WLA operators are not permitted to accept deposits;
- WLA operators are permitted to tie up with other commercial banks to supply cash at WLAs. While such cash would be owned by the WLA operator, the responsibility of ensuring the quality and genuineness of cash loaded at such WLAs would be that of the cash supplier bank;
- WLA operators are not entitled to charge any fee from the card issuer-bank other than the interchange fee that is payable to the acquirer bank, with respect to bank owned ATMs;
- while WLA operators are entitled to receive a fee from the banks for the use of ATM resources by the banks' customers, they are not permitted to charge bank customers directly for the use of WLAs;
- general guidelines governing the operation of the bank operated ATMs as well as the regulatory guidelines relating to compensation for failed transactions at bank ATMs would apply to the transactions effected at such WLAs; and
- WLAs are permitted to accept international credit, debit or prepaid cards, subject to certain conditions.

The WLA Guidelines further indicate certain roles and responsibilities of the stakeholders (the WLA operator, the sponsor bank, network operators) which include, *inter-alia*, the following:

- Taking over of ATMs operated by banks are not permitted.
- WLA operators are permitted to have more than one sponsor bank. All the transactions of WLAs services by a sponsor bank would be settled through it. WLA operators are required to ensure that there are no operational constraints particularly with reference to security and customer service while considering multiple sponsor bank relationship.

- Cash management at the WLAs will be the responsibility of the sponsor bank. While the cash would be owned by the WLA operator, the responsibility of ensuring the quality and genuineness of the cash loaded at such WLAs would be that of the sponsor bank.

In addition, the RBI has permitted the WLA operators to source cash from retail outlets, subject to the following conditions:

- WLA operators shall be solely responsible for the quality and genuineness of currency notes dispensed through their ATMs. Only ATM fit notes shall be used for this purpose.
- WLA operators may enter into bilateral arrangement with retail outlets from where they desire to source cash based on their board approved policy.
- Liabilities and disputes arising out of such arrangements shall be the responsibility of the WLA operators.
- WLA operators shall be responsible for resolving customer disputes and shall make good any loss incurred by any customer including those due to fake notes.
- 60% of the cash sourced using such arrangement(s) shall be dispensed through WLAs located in rural and semi-urban areas.

The RBI has issued a circular dated June 21, 2018 which requires WLAs to initiate immediate action in implementing certain control measures, including (a) implementing security measures such as Basic Input Output System password, disabling USB ports, disabling auto-run facility, applying the latest patches of operating system and other softwares, terminal security solution, time-based administrator access, etc., (b) implementing anti-skimming and white-listing solution and (c) upgrading ATMs with supported versions of operating system. The above measures are required to be implemented in a phased manner, within the prescribed timelines.

Issuance and Operation of Pre-Paid Payment Instruments

Issuance and operation of pre-paid payment instruments ("**PPI**") is currently regulated by the master direction on policy guidelines on issuance and operation of pre-paid payment instruments in India issued by the RBI on October 11, 2017, as amended (the "**PPI Master Direction**").

The PPI Master Direction defines PPIs to mean payment instruments that facilitate the purchase of goods and services, including financial services and remittance facilities against the value stored on such instruments. PPIs that can be issued in India are classified under three categories: (i) closed system PPIs (instruments which facilitate the purchase of goods and services from the issuer of such instrument but do not facilitate payments or settlement for third party services and do not permit cash withdrawal); (ii) semi-closed system PPIs (instruments which can be used for purchase of goods and services, including financial services and remittance facilities at a group of clearly identified merchant locations or establishments which have a specific contract with the issuer (or a contract through a payment aggregator or payment gateway) to accept the PPIs as payment instruments and do not permit cash withdrawal); and (iii) open system PPIs (instruments which are issued only by banks and can be used at any merchant location for purchase of goods and services, including financial services and remittance facilities and also permit cash withdrawal at ATMs). The issuance of closed system PPIs is not classified as a payment system that requires authorization from the RBI. Non-bank entities which comply with the criteria prescribed by the RBI are permitted to issue only semi-closed system PPIs, after obtaining authorization to do so by the RBI.

The PPI Master Direction sets forth certain eligibility criteria and conditions for the operation of a payment system involving PPIs in India. The PPI Master Direction also contains a framework for the regulation and supervision of persons operating such payment systems. A non-bank entity seeking authorization for issuing PPIs is required to be incorporated in India and have a minimum positive net worth of ₹50 million as per its latest audited balance sheet at the time of submitting the application. The application is then processed by RBI on the basis of this net-worth which is required to be maintained at all times. By the end of the third financial year from the date of receiving final authorisation, the entity is required to achieve a minimum positive net worth of ₹150 million. The PPI Master Direction also specifies, *inter-alia*, limits with respect to the value that can be stored on various categories of PPIs, co-branding of PPIs and applicable KYC norms.

Off-site ATMs

Pursuant to a circular dated June 12, 2009, the RBI has permitted scheduled commercial banks to install off-site ATMs without the prior approval of the RBI, subject to compliance with certain conditions. Pursuant to the master circular on branch authorization issued by the RBI on July 1, 2014, as amended ("**Branch Authorization Master Circular**"), read with Rationalisation of Branch Authorisation Policy – Revision of Guidelines dated May 18, 2017, such conditions include, *inter-alia*, the following:

- The business transacted at such ATMs is required to be recorded in the books of the respective branch, base branch, or centralized data centre;
- Banks are permitted to post suitable staff member(s) to provide guidance to the customers at such ATMs;
- The bank is required to make adequate stand-by arrangements to meet the cash requirements of such ATMs;
- The bank is required to ensure that only properly sorted and examined notes are put into circulation through such ATMs;
- Third party advertisement on the screen or network of such ATMs, including any display of products of other manufacturers, dealers or vendors is not permitted. Banks are however permitted to use such ATM screens to display their own products;
- ATMs installed in SEZs are permitted to dispense or collect only Indian Rupees; and
- The bank is required to report complete details of such ATMs to the RBI within two weeks of operationalizing such ATMs.

Banks are permitted to provide a range of services through such ATMs, including cash deposits or withdrawals, PIN changes, request for cheque books, statement of accounts, balance enquiries, inter-account transfers within the bank, inter-bank fund transfers, mail facilities to send written communication to the bank, utility payments and provide product information.

Private Security Agencies (Regulation) Act, 2005 (the "PSAR Act")

The PSAR Act, 2005 and the rules made thereunder by State Governments regulate the operation of the private security agencies in India.

Under the PSAR Act, "private security" is defined as security provided by an individual, other than a public servant, to protect or guard any person or property and includes the provision of armoured car service and any person or body of persons other than a government agency, department or organisation providing such services is termed as a "private security agency". The PSAR Act makes it mandatory to hold a license in order to carry out the business of a private security agency and stipulates, *inter-alia,* that a company, firm or an association of persons shall not be considered for issue of a license under the PSAR Act, if, it is not registered in India, or does not have a proprietor or a majority shareholder, partner or director, who is a citizen of India.

Private Security Agencies (Private Security to Cash Transportation Activities) Rules, 2018 (the "PSA Rules")

Pursuant to a notification dated August 8, 2018, the Government of India notified the PSA Rules, which seeks to specify, among others, certain standard operating procedures for providing security by private security agencies to cash transportation activities, and shall be conformed by the State Governments while framing specific rules under the PSAR Act. The PSA Rules will come into effect six months after the date of notification of such rules (i.e., with effect from February 8, 2019).

Under the PSA Rules, a private security agency will not be permitted to provide security for cash transportation activities, unless such agency holds a valid license under the PSAR Act. Further, such cash transportation activity will be required to be carried out in a secured cash van whose designs and specifications are compliant with the PSA Rules. Each secured cash van will mandatorily be required to have a minimum of two armed security guards and two ATM officers or custodians. The PSA Rules also require every private security agency, as defined under PSAR Act, to conduct mandatory KYC checks on the personnel engaged in cash transportation services, as well as obtain police clearance certificate, resident verification and credit history check for such personnel. Under the PSA Rules, no cash van will be allowed to carry cash of more than ₹50 million per trip, and no ATMs will be allowed to be replenished with cash after 9:00 p.m. IST in urban areas and after 6:00 p.m. IST in rural areas.

Information Technology Act, 2000 (the "IT Act")

The IT Act provides legal recognition to electronic records and creates a mechanism for the authentication of electronic documentation through digital signatures. The IT Act also provides for civil and criminal liability including compensation, fines and imprisonment for various computer related offences. These include offences relating to unauthorized access to computer systems, damaging such systems or modifying their contents without authorization, unauthorized disclosure of confidential information and committing of fraudulent acts through computers. 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 & 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.

Foreign Ownership of Indian Securities

Under 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 the provisions of the Foreign Exchange Management Act, 1999 along with the rules, regulations and notifications made by the Reserve Bank of India thereunder, foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Laws Relating to Employment

Our operations are subject to compliance with certain additional labor and employment laws in India. These include, but are not limited to, the following:

- the Contract Labour (Regulation and Abolition) Act, 1970;
- the Employee's Compensation Act, 1923;
- the Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- the Employees' State Insurance Act, 1948;
- the Equal Remuneration Act, 1976;
- the Maternity Benefit Act, 1961;
- the Minimum Wages Act, 1948;
- the Payment of Bonus Act, 1965;
- the Payment of Gratuity Act, 1972;
- the Payment of Wages Act, 1936;
- the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013; and
- the shops and establishments legislations of various States.

Safety and Environmental Laws

Our operations are also subject to certain safety and environmental legislations, including but not limited to the following:

- the Environment (Protection) Act, 1986;
- the Air (Prevention and Control of Pollution) Act, 1981;
- the Water (Prevention and Control of Pollution) Act, 1974;
- the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016; and
- the Public Liability Insurance Act, 1991.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated in Mumbai, Maharashtra, as AGS Infotech Private Limited on December 11, 2002 under the Companies Act, 1956. Pursuant to a special resolution of the Shareholders at an extraordinary general meeting held on April 1, 2010, the name of our Company was changed to AGS Transact Technologies Private Limited to reflect the scope of services offered by our Company, *i.e.*, provision of information technology services for all types of transactions and activities. A fresh certificate of incorporation was issued by the RoC on June 3, 2010. Subsequently, pursuant to a special resolution of the Shareholders at an extraordinary general meeting held on June 22, 2010, our Company became a public limited company and the word "private" was deleted from its name. A fresh certificate of incorporation was issued by the ROC on July 20, 2010.

Our Company has 15 Shareholders, as on the date of filing of this Draft Red Herring Prospectus. For further information, see "*Capital Structure*" on page 88.

Changes in Registered Office

Our Registered Office is located at 601-602 Trade World, B Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

There has been no change in the registered office of our Company since incorporation.

Main Objects of our Company

The main objects of our Company contained in its Memorandum of Association are as follows:

"1. To carry on in India or abroad the business of Deploying and Performing Outsourced Managed Services in relation to third party Automated Teller Machines (ATMs), operating White-Label ATMs owned by our Company, Software Designing, Developing, Marketing, Purchasing, Selling, Importing, Exporting, Franchising, Research and Development of Graphics, Web Designing, Business Portal Development, ECommerce, M-Commerce and Businesses related to Coaching, Consultancy, Research and Development and Training and Opening Training Centres relating to Computer Hardwares and Softwares in India or Elsewhere and to Manufacture, Market, Purchase, Sell, Import, Export, Franchise or to act as Stockiest, Distributors, Agents, Traders in Graphic Equipments, Computer Parts, Components, Inputs and Peripherals, Electrical and Electronic Equipments and Machines in India or elsewhere."

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

Amendments to the Memorandum of Association

Date of Shareholders' Resolution	Nature of Amendment
December 29, 2003	Authorized share capital increased from ₹1,000,000 divided into 100,000 Equity Shares of ₹10 each to ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each
March 20, 2006	Authorized share capital increased from ₹10,000,000 divided into 1,000,000 Equity Shares of ₹10 each to ₹50,000,000 divided into 5,000,000 Equity Shares of ₹10 each
April 1, 2010	The name of our Company was changed to "AGS Transact Technologies Private Limited"
June 22, 2010	The word 'Private' was deleted from the name of our Company pursuant to conversion of our Company from a private limited company to a public limited company
June 23, 2010	Authorized share capital increased from ₹50,000,000 divided into 5,000,000 Equity Shares of ₹10 each to ₹350,000,000 divided into 35,000,000 Equity Shares of ₹10 each
May 28, 2011	Re-classification of authorized share capital from existing ₹350,000,000 divided into 35,000,000 Equity Shares of ₹10 each to ₹350,000,000 divided into 27,000,000 Equity Shares of ₹10 each and 8,000,000 CCPS of ₹10 each
August 6, 2012	The main objects clause of the Memorandum of Association was amended to replace the then existing clause III(A)(1) with the new clause III(A)(1):

Date of Shareholders' Resolution	Nature of Amendment
	"*To carry on in India or abroad the business of Deploying and Performing Outsourced Managed Services in relation to third party Automated Teller Machines (ATMs), operating White-Label ATMs owned by the Company, Software Designing, Developing, Marketing, Purchasing, Selling, Importing, Exporting, Franchising, Research and Development of Graphics, Web Designing, Business Portal Development, ECommerce, M-Commerce and Businesses related to Coaching, Consultancy, Research and Development and Training and Opening Training Centres relating to Computer Hardwares and Softwares in India or Elsewhere and to Manufacture, Market, Purchase, Sell, Import, Export, Franchise or to act as Stockiest, Distributors, Agents, Traders in Graphic Equipments, Computer Parts, Components, Inputs and Peripherals, Electrical and Electronic Equipments and Machines in India or elsewhere.*"
May 24, 2013	Re-classification of authorized share capital from existing ₹350,000,000 divided into 27,000,000 Equity Shares of ₹10 each and 8,000,000 CCPS of ₹10 each to ₹350,000,000 divided into 25,000,000 Equity Shares of ₹10 each and 10,000,000 CCPS of ₹10 each
February 3, 2015	Authorized share capital increased from existing ₹350,000,000 divided into 25,000,000 Equity Shares of ₹10 each and 10,000,000 Compulsorily Convertible Preference Shares of ₹10 each to ₹1,600,000,000 divided into 150,000,000 Equity Shares of ₹10 each and 10,000,000 Preference Shares of ₹10 each
June 7, 2018	Re-classification of authorized share capital from existing ₹1,600,000,000 divided into 150,000,000 Equity Shares of ₹10 each and 10,000,000 Preference Shares of ₹10 each to ₹1,600,000,000 divided into 160,000,000 Equity Shares of ₹10 each

Major Events

The table below sets forth some of the key events in the history of our Company:

Calendar Year	Event
2002	Incorporation of our Company
2004	Commenced manufacturing of paint dispensers at Daman with the expertise from Fast and Fluid Management
	Commencement of relationship with Diebold Nixdorf. Commenced operations in our Banking Automation Solutions segment
2009	Entered into a cooperation agreement with Diebold Nixdorf for banking and retail products
	Commenced ATM outsourcing and managed services business (forming part of our Banking Payments Solutions segment)
2011	Introduced currency technology solutions under the brand "Genuine"
	Investment in our Company by TPG
2012	Investment in our Company by Oriole
	Commenced cash management business through SVIL
2013	Acquisition of stake by GTSL in Novus SGP
2014	ITSL received authorization from the RBI to set up and operate payment system for semi-closed pre-paid payment instruments services in India
	Our Company received authorization from the RBI to set up, own and operate payment systems for White Label ATMs
2016	Commenced ATM manufacturing at Daman
	Entered into a hosting and management services alliance with ACI Worldwide
	Entered the Sri Lankan market through Novus Transact Lanka (Private) Limited
	Entered into transit business through automatic fare and electronic toll collection systems
2018	Launched *Fastlane* as the first RFID payment for fuel in India
	Among the first company to launch QR-code based payments for various card schemes

Awards, Certifications and Recognitions

We have received the following awards, certifications and recognitions:

Calendar Year	Award/Certification/Recognition
2007	Top Mall Intelligence Deal (Retail) from Wincor Nixdorf Asia Pacific
2008	Overall Best Sales partner (Retail) from Wincor Nixdorf Asia Pacific

Calendar Year	Award/Certification/Recognition
2009	Recognized as a valued partner for one year by Wincor Nixdorf Asia Pacific
	Listed as one of the Best Retail Suppliers by Retailer magazine
	Silver award under the 'newsletter' category from the Association of Business Communicators of India ("**ABCI**")
2010	Bronze award under the 'newsletter' category from ABCI
2011	Bronze award under the 'newsletter' category from ABCI
2012	Gold award under the 'newsletter' category from ABCI
2015	MICE Travel Mart corporate star award for best incentive programme for employees/associates
	ACI innovation award
2016	Achievement Award from Hughes Users in Banking
	Bronze award for 'newsletter' category from ABCI
	Innovative product of the year award for 'cash management solutions' from CMO Asia
	Best in-house magazine award from CMO Asia
	Certificate of felicitation for 'excellence in talent management' at the Economic Times HR Summit 2016
	Gold award for 'corporate websites' category from ABCI
	Silver award for 'newsletter design' category from ABCI
	Silver award for 'wallpaper' category from ABCI
	Silver award for 'illustration' from ABCI
	Best Disruptive Innovation of the Year for 'financial services' category from the KamiKaze B2B Media Group
2017	India's Most Trusted Company 2017 from International Brand Consulting Corporation, USA
	Payment Awards for 'digital payment facilitator' to 'Ongo' from BBC Knowledge
	Silver award in the 'E-zine' category from ABCI
	Silver award in the 'wallpaper' category from ABCI
	Bronze award for 'newsletter design' category from ABCI
2018	Vendor Performance Award for automation jobs from Hindustan Petroleum Corporation Limited ("**HPCL**")
	Token of Appreciation for 'retail automation AMC services' from HPCL

Other Details regarding our Company

For details of our Company's corporate profile, business, marketing, the description of our activities, services, products, market segment, the growth of our Company, exports and profits due to foreign operations and country-wise analysis, the standing of our Company with reference to the prominent competitors with reference to our products, technology, market, capacity built up, major suppliers, major customers and geographical segment, see "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 141 and 447, respectively.

For details of the management of our Company and its managerial competence, see "*Our Management*" on page 175.

Capital raising activities through equity or debt

For details regarding our capital raising activities through equity and debt, see "*Capital Structure*" and "*Financial Indebtedness*" on pages 88 and 444, respectively.

Injunctions or restraining order against our Company

There are no injunctions or restraining orders against our Company as on the date of this Draft Red Herring Prospectus.

Financial and Strategic Partners

Our Company does not have any financial and strategic partners as of the date of filing of this Draft Red Herring Prospectus.

Changes in the activities of our Company during the last five years

Our Company entered the Asian markets in Financial Year 2014 through its step-down subsidiaries. Our Company also entered the Sri Lankan market in Financial Year 2017 through its step-down subsidiary, Novustech Transact Lanka (Private) Limited. Except as stated above, there have been no changes in the activities of our Company during the last five immediately preceding years which may have had a material effect on the profits and losses of our Company, including discontinuance of lines of business, loss of agencies or markets and similar factors.

Defaults or rescheduling of borrowings from financial institutions/ banks and conversion of loans into equity

No defaults or rescheduling have occurred in relation to any borrowings availed by our Company from any financial institutions or banks, nor have any such borrowings or loans been converted into Equity Shares.

Lock outs and strikes

There have been no lock outs or strikes at any of the premises of our Company or the Subsidiaries.

Sarva Shramik Sanghatana, a trade union of the employees of one of our Subsidiaries, SVIL, has filed certain claim petitions and a charter of demand against SVIL which are currently outstanding. For details, see "*Outstanding Litigation and Material Developments - Material Civil Litigation against our Subsidiaries*" on page 483].

Time and cost overruns

Our Company has not implemented any projects and has not, therefore, experienced any time or cost overrun in relation thereto.

Details regarding acquisition of business/undertakings, mergers, amalgamations and revaluation of assets

For details on the acquisition of certain of our Subsidiaries, see "*History and Certain Corporate Matters — Acquisition Agreements*" on page 174.

Except as stated above, our Company has not acquired any business or undertaking, and has not undertaken any merger, amalgamation or revaluation of assets.

Holding Company

We have no holding company.

Subsidiaries

As at the date of this Draft Red Herring Prospectus, our Company has the following subsidiaries:

1. Securevalue India Limited;
2. India Transact Services Limited;
3. Global Transact Services Pte. Ltd.;
4. Novus Technologies Pte. Ltd.;
5. Novus Technologies (Cambodia) Company Limited;
6. Novus Transact Philippines Corporation; and
7. Novustech Transact Lanka (Private) Limited.

None of the Subsidiaries (i) is listed on any stock exchange in India or abroad; (ii) has become a sick company under the meaning of SICA; or (iii) is under winding up or has been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016. There are no accumulated profits or losses of the Subsidiaries not accounted for by our Company.

Unless otherwise stated, the information below is as of the date of this Draft Red Herring Prospectus.

1. **Securevalue India Limited**

Corporate Information:

Securevalue India Limited ("**SVIL**") was incorporated under the Companies Act, 1956 on April 24, 2012. The registered office of SVIL is currently located at 601-602, B Wing, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

SVIL is engaged in the business of, *inter-alia*, providing cash management services, including cash in transit, cash in vault, note sorting and processing and cash pick-up services.

Capital Structure:

The authorized share capital of SVIL is ₹150,000,000 divided into 15,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of SVIL is ₹55,500,000 divided into 5,550,000 equity shares of face value of ₹10 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
AGSTTL*	5,550,000	100
Total	**5,550,000**	**100**

** Includes six equity shares held by nominee holders of our Company namely, Mr. Ravi B. Goyal, Mrs. Anupama R. Goyal, Mr. Kiran B. Goyal, Mrs. Nidhi K. Goyal, Mrs. Vimla B. Goyal, and Ms. Neha R. Goyal, holding one equity share each*

2. **India Transact Services Limited**

Corporate Information:

India Transact Services Limited ("**ITSL**") was incorporated as India Transact Services Private Limited, a private limited company under the Companies Act, 1956 on July 11, 2007. A fresh certificate of incorporation reflecting its conversion into a public limited company was issued by the RoC on March 29, 2012. The registered office of ITSL is currently located at 601-602, Trade World, B Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

ITSL is engaged in the business of, *inter-alia*, creating and dealing with electronic payment systems.

Capital Structure:

The authorized share capital of ITSL is ₹750,000,000 divided into 75,000,000 equity shares of face value of ₹10 each. The issued, subscribed and paid-up share capital of ITSL is ₹750,000,000 divided into 75,000,000 equity shares of face value of ₹10 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
AGSTTL*	75,000,000	100
Total	**75,000,000**	**100**

** Includes 2,505 equity shares held by nominee holders of our Company namely, Mr. Ravi B. Goyal (2,500 equity shares), Mrs. Anupama R. Goyal (1 equity share), Mrs. Vimla B. Goyal (1 equity share), Mr. Kiran B. Goyal (1 equity share), Mrs. Nidhi K. Goyal (1 equity share) and Ms. Neha R. Goyal (1 equity share)*

3. **Global Transact Services Pte. Ltd.**

Corporate Information:

Global Transact Services Pte. Ltd. ("**GTSL**") was incorporated as AGS Infotech Singapore Pte. Ltd. under the laws of Singapore on March 6, 2009. Its name was subsequently changed to Global Transact Services Pte. Limited on November 21, 2012. The registered office of GTSL is located at 24 Raffles Place, # 25-02A, Clifford Centre, Singapore 048 621.

GTSL is engaged in the business of *inter-alia*, providing computer software consulting services.

Capital Structure:

The authorized share capital of GTSL is SGD 12,499,850 divided into 12,499,850 ordinary shares of face value of SGD 1 each. The issued, subscribed and paid-up share capital of GTSL is SGD 12,499,850 divided into 12,499,850 equity shares of face value of SGD 1 each.

Shareholding Pattern:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
AGSTTL	12,499,850	100
Total	**12,499,850**	**100**

4. Novus Technologies Pte. Ltd.

Corporate Information:

Novus Technologies Pte. Ltd. ("**Novus SGP**") was incorporated as a private company limited by shares under the laws of Singapore on February 7, 2013. The registered office of Novus SGP is located at 152 Beach Road, # 13-05 Gateway East, Singapore 189 721.

Novus SGP is engaged in the business of, *inter-alia*, designing and supplying computer software solutions to corporate customers.

Capital Structure:

The authorized share capital of Novus SGP is SGD 1,111,111 divided into 1,111,111 ordinary shares of face value of SGD 1 each. The issued, subscribed and paid-up share capital of Novus SGP is SGD 1,111,111 divided into 1,111,111 ordinary shares of face value of SGD 1 each.

Shareholding Pattern:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
GTSL	1,000,000	90
Mr. Ricardos El Khoury	111,111	10
Total	**1,111,111**	**100**

5. Novus Technologies (Cambodia) Company Limited

Corporate Information:

Novus Technologies (Cambodia) Company Limited ("**Novus Cambodia**") was incorporated as a single member private limited company with a duration of 99 years under the laws of Cambodia on August 29, 2014. The registered office of Novus Cambodia is located at No. 5R, Street 252, Spacelogic Gallery, Sangkat Chaktomuk, Khan Daun Pehn, Phnom Penh, Kingdom of Cambodia.

Novus Cambodia is engaged in the business of, *inter-alia*, providing services in relation to building, installing, supplying, managing, maintaining and repairing ATMs and POS machines and sites.

Capital Structure:

The registered capital of Novus Cambodia is KHR 7,539,168,000 divided into 1,884,792 ordinary shares of face value of KHR 4,000 each. The issued, subscribed and paid-up share capital of Novus Cambodia is KHR 7,539,168,000 divided into 1,884,792 ordinary shares of face value of KHR 4,000 each.

Shareholding Pattern:

Name of Shareholder	Number of Ordinary Shares	% of Issued Capital
Novus SGP	1,884,792	100
Total	**1,884,792**	**100**

6. Novus Transact Philippines Corporation

Corporate Information:

Novus Transact Philippines Corporation ("**Novus Philippines**") was incorporated under the laws of the Philippines with a duration of 50 years on September 15, 2014. The registered office of Novus Philippines is located at CVC Law Center, 11th Avenue, Corner 39th Street, Bonifacio Global City, Taguig City, Metro Manila, Philippines.

Novus Philippines is engaged in the business of *inter-alia*, sourcing, building, deploying and maintaining ATMs and cash dispensers and sites and provision of POS solutions.

Capital Structure:

The authorized share capital of Novus Philippines is PHP 45,000,000 divided into 450,000 shares of PHP 100 each. The issued, subscribed and paid-up share capital of Novus Philippines is PHP 11,250,000 divided into 112,500 shares of PHP 100 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Novus SGP	112,495	99.99
Mr. Ankur Sharma	1	0.00
Mr. Ricardos El Khoury	1	0.00
Ms. Sylvette Y. Tankiang	1	0.00
Mr. Leonardo A. Singson	1	0.00
Ms. Kristin Charisse C. Siao	1	0.00
Total	**112,500**	**100**

7. Novustech Transact Lanka (Private) Limited

Corporate Information:

Novustech Transact Lanka (Private) Limited ("**Novus Lanka**") was incorporated under the laws of the Sri Lanka on September 23, 2016. The registered office of Novus Lanka is located at Level 15, East Tower, World Trade Center, Echelon Square, Colombo 01, Sri Lanka.

Novus Lanka is engaged in the business of *inter-alia*, supplying, building, deploying, maintaining and providing outsourced managed services pertaining to ATMs, Cash Dispensers and IT hardware.

Capital Structure:

The authorized share capital of Novus Lanka is LKR 412,685,000 divided into 41,268,500 shares of LKR 10 each. The issued, subscribed and paid-up share capital of Novus Lanka is 412,685,000 divided into 41,268,500 shares of LKR 10 each.

Shareholding Pattern:

Name of Shareholder	Number of Equity Shares	% of Issued Capital
Novus Technologies Pte. Ltd.	41,268,500	100
Total	**41,268,500**	**100**

Associates and Joint Ventures of our Company

Our Company does not have any associates or joint ventures as at the date of this Draft Red Herring Prospectus.

Significant Sale/Purchase between Subsidiaries and our Company

Except as disclosed in "*Related Party Transactions*" on page 201, none of our Subsidiaries is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

Common Pursuits

There are no common pursuits between our Company and the Subsidiaries. However, certain of our Subsidiaries are engaged in lines of business that are similar and/or synergistic to our Company.

Business Interest between our Company and the Subsidiaries

Except as disclosed in "*Our Business*" and "*Related Party Transactions*" on pages 141 and 201 respectively, none of the Subsidiaries have any business interest in our Company.

Others

Our Company is a member of the Confederation of ATM Industry. One of our Subsidiaries, SVIL is a member of the Cash Logistics Association.

Share subscription and shareholders' agreements

Share purchase agreement dated March 23, 2018, as amended by the amendment agreement dated March 29, 2018, among TPG, Oriole, our Company, Vineha Enterprises Private Limited and Mr. Ravi B. Goyal (the "VEPL SPA")

Pursuant to the VEPL SPA, Mr. Ravi B. Goyal and Vineha Enterprises Private Limited agreed to purchase (i) 31,256,852 Equity Shares from TPG ("**TPG Shares**") at a price of ₹86.18 per Equity Share for a total purchase consideration of approximately ₹2,693.72 million and (ii) 19,797,412 Equity Shares from Oriole ("**Oriole Shares**") at a price of ₹86.18 per Equity Share for a total purchase consideration of approximately ₹1,706.14 million. Vineha Enterprises Private Limited acquired the TPG Shares and the Oriole Shares on April 12, 2018. For details, see "*Capital Structure*" on page 88.

Acquisition Agreements

Share purchase agreement dated November 25, 2013 among GTSL, Novus SGP and Mr. Balasubramanian Narayan Iyer (the "Seller") ("Novus SPA")

Pursuant to the Novus SPA, GTSL agreed to acquire 1,000,000 ordinary shares from the Seller for an aggregate purchase consideration of SGD 1.02 million.

GTSL currently holds 90% of the issued and outstanding ordinary shares of Novus SGP.

Guarantees by the Promoter Selling Shareholder

Mr. Ravi B. Goyal, one of our Promoters, has given the following personal guarantees:

- a personal guarantee to secure the obligations of Vineha Enterprises Private Limited (one of our Promoters) in respect of secured redeemable non-convertible debentures issued by it; and
- a personal guarantee to secure the obligations of Instrument Research Associates Private Limited (a Group Entity) in respect of a secured loan availed by it.

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, our Company is required to have not less than three Directors and not more than 15 Directors. Currently, our Board comprises eight Directors including Independent Directors and a woman Director.

The following table sets forth details regarding the Board as on the date of this Draft Red Herring Prospectus:

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Mr. Ravi B. Goyal ***Designation***: Chairman and Managing Director ***Term***: Three years from August 1, 2018 to July 31, 2021 ***DIN***: 01374288 ***Occupation***: Business ***Nationality***: Indian ***Address***: C-3101, 31st Floor, Beau Monde Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India	56	Indian Companies: 1. AGS Sundyne Technologies Private Limited 2. Confederation of ATM Industry 3. Fillon Technologies India Private Limited 4. Instruments Research Associates Private Limited 5. WOW Food Brands Private Limited 6. Vineha Enterprises Private Limited 7. India Transact Services Limited 8. Securevalue India Limited Foreign Companies: 1. Global Transact Services Pte. Ltd.
Mr. Badrinarain K. Goyal ***Designation***: Non-Independent, Non-Executive Director ***Term***: Liable to retire by rotation ***DIN***: 01679378 ***Occupation***: Business ***Nationality***: Indian ***Address***: C-3101, 31st Floor, Beau Monde Appasaheb Marathe Marg Prabhadevi Mumbai 400 025 Maharashtra, India	78	Indian Companies: 1. Fillon Technologies India Private Limited 2. India Transact Services Limited
Mrs. Anupama R. Goyal ***Designation***: Non-Independent, Non-Executive Director ***Term***: Liable to retire by rotation ***DIN***: 02696453 ***Occupation***: Homemaker ***Nationality***: Indian	52	Indian Companies: 1. Vineha Enterprises Private Limited 2. India Transact Services Limited

<table>
<tr><th>Name, Designation, Term, DIN, Occupation, Nationality and Address</th><th>Age (in years)</th><th>Other Directorships</th></tr>
<tr><td>Address:
C-3101, 31st Floor, Beau Monde
Appasaheb Marathe Marg
Prabhadevi
Mumbai 400 025
Maharashtra, India</td><td></td><td></td></tr>
<tr><td>Mr. Sudip Bandyopadhyay

Designation: Independent, Non-Executive Director

Term: Five years with effect from March 12, 2018

DIN: 00007382

Occupation: Professional

Nationality: Indian

Address:
1801, 18th Floor, Ansal Heights
Block-B, Worli Naka
Mumbai 400 018
Maharashtra, India</td><td>54</td><td>Indian Companies:
1. TotalStart Entrepreneurship Ecosystem Developers
2. India Transact Services Limited
3. Securevalue India Limited
4. Wall Street Finance Limited
5. Inditrade Housing Finance Limited
6. Jagdamba Contractors and Builders Limited
7. Inditrade Microfinance Limited
8. JRG Fincorp Limited
9. Omaxe Limited
10. Inditrade Community Foundation</td></tr>
<tr><td>Mr. Jagdish Capoor

Designation: Independent, Non-Executive Director

Term: Five years with effect from March 12, 2018

DIN: 00002516

Occupation: Professional/Consultant

Nationality: Indian

Address:
1601 Brooke Ville
359, Mogul Lane, Mahim (West)
Mumbai 400 016
Maharashtra, India</td><td>79</td><td>Indian Companies:
1. LICHFL Trustee Company Private Limited
2. Quantum Trustee Company Private Limited
3. Assets Care & Reconstruction Enterprise Limited
4. HDFC Securities Limited
5. LIC Housing Finance Limited
6. LIC Pension Fund Limited
7. Manappuram Finance Limited
8. Nitesh Estates Limited
9. India Transact Services Limited
10. Spandana Sphoorty Financial Limited

Foreign Companies:
1. BanyanTree Bank Limited</td></tr>
<tr><td>Mr. Sivanandhan Dhanushkodi

Designation: Independent, Non-Executive Director

Term: Five years with effect from March 12, 2018

DIN: 03607203

Occupation: Advisor/Consultant

Nationality: Indian

Address:
B-1803, Ashoka Towers
Ambedkar Road, Parel
Mumbai 400 012
Maharashtra, India</td><td>67</td><td>Indian Companies:
1. Securus First Digital Services Private Limited
2. Securus First India Private Limited
3. Seventeen Events Private Limited
4. Catalyst Asset Reconstruction Private Limited
5. Ccure Ongo Private Limited
6. Aquamall Water Solutions Limited
7. Eureka Forbes Limited
8. Forbes & Company Limited
9. RBL Bank Limited
10. S.D. Fine Chem Limited
11. United Spirits Limited
12. Kirloskar Industries Limited</td></tr>
<tr><td>Mr. Vijay Chugh

Designation: Independent, Non-Executive Director</td><td>63</td><td>Indian Companies:
1. India Transact Services Limited
2. Securevalue India Limited</td></tr>
</table>

Name, Designation, Term, DIN, Occupation, Nationality and Address	Age (in years)	Other Directorships
Term: Five years with effect from March 12, 2018 ***DIN***: 07112794 ***Occupation***: Professional/Consultant ***Nationality***: Indian ***Address***: Flat 1203, Boulevard 3 Wadhava's The Address L.B.S. Marg Ghatkopar (West) Mumbai 400 086 Maharashtra, India		3. Inditrade Microfinance Limited 4. JRG Fincorp Limited
Mr. Rahul Narain Bhagat ***Designation***: Independent, Non-Executive Director ***Term***: Five years with effect from June 7, 2018 ***DIN***: 02473708 ***Occupation***: Business Consultant ***Nationality***: Indian ***Address***: B-502, 5th Floor, Vivarea, Sane Guruji Marg Jacob Circle Mumbai 400 011 Maharashtra, India	54	Indian Companies: 1. Indian Public Schools Society 2. Securevalue India Limited 3. World Monuments Fund India Association 4. SOTC Travel Limited

Relationship between our Directors

Name of the Director	Relationship
Mr. Badrinarain K. Goyal	Father of Mr. Ravi B. Goyal
Mrs. Anupama R. Goyal	Wife of Mr. Ravi B. Goyal

Except as stated above, none of the Directors are related to each other.

Brief Biographies of our Directors

1. Mr. Ravi B. Goyal

Mr. Ravi B. Goyal is the Chairman and Managing Director of our Company. He was appointed as a Director on December 11, 2002, as the Managing Director of our Company on October 1, 2008. He was most recently re-appointed as the Managing Director of our Company with effect from August 1, 2018. Mr. Goyal is responsible for the management of the overall operations of our Company and our Subsidiaries. He is currently also on the boards of our Subsidiaries, ITSL, SVIL and GTSL. He holds a Bachelor of Engineering degree from the Mumbai University. Mr. Goyal has over 23 years of experience in the field of technology. He has previously worked with DCM Data Systems Limited and Byte Systems Private Limited. Prior to establishing our Company, he established Advanced Graphic Systems, a proprietory concern, to market computer-aided textile designing software.

2. Mr. Badrinarain K. Goyal

Mr. Badrinarain K. Goyal is a non-independent, non-executive Director. He was appointed as a Director on December 11, 2002. He graduated in Physics from the Mumbai University. Mr. Goyal also holds a diploma in radio engineering. He has 50 years of experience in various fields of electronics such as industrial, medicals, noise and vibrations. He currently runs his own proprietorship firm, Goyal Electronics Industries.

3. Mrs. Anupama R. Goyal

Mrs. Anupama R. Goyal is a non-independent, non-executive Director. She was appointed as a Director on April 1, 2010. She resigned on September 16, 2010 and was re-appointed as a Director on August 10, 2012. On September 18, 2017, she was re-appointed as a director liable to retire by rotation. Mrs. Goyal completed her school education from the Maharani Gayatri Devi Public School, Jaipur. She is associated with 'Sakhi', which promotes young women by organizing retail kiosks to give them a platform to showcase their skills.

4. Mr. Sudip Bandyopadhyay

Mr. Sudip Bandyopadhyay is an independent, non-executive Director. He was appointed as a Director on September 16, 2010 and designated as an independent Director under the Companies Act, 2013 on March 12, 2015. He was re-appointed as an independent, non-executive Director of our Company on March 12, 2018. He is also a director on the boards of our Subsidiaries, ITSL and SVIL. He is a Chartered Accountant certified by the ICAI and a Cost and Works Accountant certified by the Institute of Cost and Works Accountants of India. Currently, he is the group chairman of Inditrade Group of Companies. Mr. Bandyopadhyay previously has been the managing director of Destimoney Securities Private Limited until September, 2015. He has previously worked with Reliance Securities Limited as the Managing Director and was also on the board of several Reliance ADA Group companies.

5. Mr. Jagdish Capoor

Mr. Jagdish Capoor is an independent, non-executive Director. He was appointed as a Director on March 12, 2015, and was re-appointed as an independent, non-executive Director of our Company on March 12, 2018. He is also a director on the board of our Subsidiary, ITSL. He holds a Bachelor of Commerce degree and a Master of Commerce degree from the Agra University. Mr. Capoor has over 52 years of experience in the field of banking. He is currently the chairman of Assets Care and Reconstruction Enterprise Limited, Manappuram Finance Limited and Quantum Trustee Company Private Limited. He was the Deputy Governor of the RBI between January 1997 and June 2001. He was also a director and the chairman of the BSE between August 2005 and March 2010 and the chairman of HDFC Bank Limited between July 2001 and July 2010. Mr. Capoor is the recipient of an honorary fellowship from the Indian Institute of Banking and Finance.

6. Mr. Sivanandhan Dhanushkodi

Mr. Sivanandhan Dhanushkodi is an independent, non-executive Director. He was appointed as a Director on March 12, 2015, and was re-appointed as an independent, non-executive Director of our Company on March 12, 2018. He holds a Master of Arts in Economics degree from the University of Madras. He is currently the chairman of Securus First India Private Limited and a part-time security advisor to the RBI. He has previously served as the Director General of Police of Maharashtra between May 2010 and February 2011.

7. Mr. Vijay Chugh

Mr. Vijay Chugh is an independent, non-executive Director. He was appointed as a Director on March 12, 2015, and was re-appointed as an independent, non-executive Director of our Company on March 12, 2018. He is also a director on the boards of our Subsidiaries, ITSL and SVIL. He holds a Bachelor of Arts degree from the Delhi University and a Master of Arts degree from the University of Rajasthan. Mr. Chugh also holds a Post Graduate Diploma in Business Administration from the KC College of Management Studies, Mumbai. He is a Certificated Associate of the Indian Institute of Bankers and has been awarded an Advanced Certificate for Executives in Management, Innovation and Technology from the Sloan School of Management, Massachusetts Institute of Technology, U.S.A. He has over 32 years of experience at the Reserve Bank of India in the fields of supervision and regulation of commercial banks, rural credit and development, payment and settlement systems and core banking solutions. He superannuated in the rank of Principal Chief General Manager, Department of Payment and Settlement Systems of the RBI. He has previously been a nominee of the RBI on the boards of directors of the State Bank of Patiala and the United Bank of India. Upon his retirement from the RBI, he has been a consultant to (a) the United Nations Capital Development Fund, and (b) the World Bank Group on assignments in India, Nepal, Ethiopia, Vietnam and South Africa. His international experience includes representing India as a member of the Committee for Payments and Market Infrastructure (Bank for International Settlements, Switzerland) and the SAARC Payments Council and as Director, Payment & Settlement Systems of SEACEN, Malaysia.

8. Mr. Rahul Narain Bhagat

Mr. Rahul Narain Bhagat is an independent, non-Executive Director. He was appointed as a Director on June 7, 2018. He is also an independent director on the board of our Subsidiary, SVIL. He holds a Master of Arts degree in International Affairs from the College of William and Mary, Williamsburg, U.S.A and a Bachelor of Arts (Honours) degree in History from St. Stephen’s College, Delhi University, India. He has almost 30 years of experience in consumer banking, and has been listed on the Asian Banker’s on their List of Leading Practitioners. Previously, he has worked at HDFC Bank Limited as Country Head – Retail Liabilities, Marketing and Direct Banking Channels. He has also worked with Bank of America NA and ANZ Grindlays Bank Limited. Between 2015 and 2017, Mr. Bhagat advised Vodafone India Limited on launching a payments bank in India, and was appointed the CEO (designate) of its proposed bank. Mr. Rahul Narain Bhagat has also served on (i) the Standing Committee on Retail Banking, Indian Banks’ Association, (ii) the Executive Committee, National Securities Depository Limited, (iii) the Global Advisory Board, NCR Corporation and (iv) the Indian Public Schools’ Society. Mr Bhagat is also actively involved in the fields of education and heritage conservation. He is a Founder Director of the World Monuments Fund India Association, and serves on the Board of Governors of the Doon School.

Terms of Appointment of the Executive Directors

Mr. Ravi B. Goyal

Mr. Ravi B. Goyal was appointed as one of the first Directors with effect from December 11, 2002, the date of incorporation of our Company. He is also the Chairman of our Company. Mr. Goyal was most recently re-appointed as Managing Director of our Company with effect from August 1, 2018 for a period of three years pursuant to a resolution passed by the Shareholders on July 27, 2018. The following are some of the principal terms of remuneration of Mr. Goyal as the Managing Director of our Company, as specified in the Employment Agreement dated August 1, 2018 between our Company and Mr. Ravi B. Goyal:

1. Our Company is required to pay Mr. Ravi B. Goyal, on a total cost to company basis, remuneration in the range of ₹2.5 million per month to ₹4.5 million per month (80.0% fixed and 20.0% variable), including any payment of rent towards his residential premises payable by our Company to Mr. Goyal, with an authority to the Board and Shareholders to increase such remuneration payable to him from time to time. The remuneration is subject to all necessary statutory deductions and withholdings. Our Company is also entitled to set off any amounts on account of any sums due and payable by Mr. Ravi B. Goyal to our Company.

2. Mr. Ravi B. Goyal is entitled to the following perquisites:

    (a) Medical insurance in accordance with the policies of our Company;

    (b) Company car for official duties;

    (c) Club fees;

    (d) Phone and communication facilities at residence;

    (e) Leave travel for self and family;

(f) Other entitlements in accordance with the policies of our Company; and

(g) Airfare entitlements, hotel accommodation, *per diem* and other entitlements/allowances in accordance with our Company's travel rules in force.

Mr. Ravi B. Goyal is further entitled to such amount of commission for each Financial Year as may be recommended by the Nomination and Remuneration Committee, provided that such commission will not be less than six months' salary and not greater than nine months' salary payable to him.

Payment or Benefit to Directors

Details of the remuneration paid to the Directors by our Company for Financial Year 2018 are disclosed below.

1. Remuneration to Executive Directors:

Mr. Ravi B. Goyal was paid remuneration of ₹24 million during Financial Year 2018.

2. Remuneration to Non-Executive Directors:

Only Independent Directors are entitled to receive sitting fees of ₹50,000 for attending each meeting of our Board and sitting fees of ₹25,000 for attending each meeting of any duly constituted committee of our Board. Further, the Independent Directors are also entitled to receive profit related commission in accordance with the terms of their respective appointment letters, within the limits specified under the Companies Act, 2013.

The details of the sitting fees paid and other compensation made to the Independent Directors during Financial Year 2018 are as disclosed below.

S. No.	Name of Director	Sitting Fees (in ₹ million)	Commission (in ₹ million)	Total Remuneration paid (in ₹ million)
1.	Mr. Sudip Bandyopadhyay	0.45	NIL	0.45
2.	Mr. Bharat Dhirajlal Shah(1)	0.48	NIL	0.48
3.	Mr. Jagdish Capoor	0.38	NIL	0.38
4.	Mr. Sivanandhan Dhanushkodi	0.30	NIL	0.30
5.	Mr. Vijay Chugh	0.25	NIL	0.25
6.	Mr. Rahul Narain Bhagat(2)	NIL	NIL	NIL

(1) Mr. Bharat Dhirajlal Shah resigned from the Board with effect from May 14, 2018.
(2) Mr. Rahul Narain Bhagat was appointed to the Board in Financial Year 2019.

Shareholding of our Directors in our Company

In accordance with our Articles of Association, our Directors are not required to hold any qualification shares in our Company. For details of the shareholding of our Directors, see "*Capital Structure – Details of the Shareholding of our Directors and Key Management Personnel as on the date of filing of this Draft Red Herring Prospectus*" on page 95.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

None of our Directors have been appointed or selected as a member of senior management pursuant to any arrangement or understanding with major Shareholders, customers, suppliers or others. Pursuant to terms of a debenture trust deed dated March 23, 2018, entered into among our Promoters and Catalyst Trusteeship Limited in connection with the issuance of redeemable non-convertible debentures by Vineha Enterprises Private Limited, one of our Promoters, an observer has been appointed to our Board by Catalyst Trusteeship Limited with effect from June 7, 2018.

There are no contracts appointing or fixing the remuneration of the Directors of our Company entered into within, or prior to the two years immediately preceding the date of this Draft Red Herring Prospectus other than as disclosed in "– *Terms of Appointment of the Executive Directors*" on page 179.

Interest of Directors

1. All Directors may be deemed to be interested to the extent of (i) sitting fees, if any, payable to them for attending meetings of our Board and other remuneration payable or reimbursement of expenses to them, (ii) Equity Shares and stock options, if any, already held by them or their relatives or any firms, companies and trusts in which our Directors are interested as a director, member, partner or trustee, in our Company and any dividend payable to them and other benefits arising out of such shareholding, (iii) transactions entered into in the ordinary course of business with companies in which our Directors hold directorship, and (iv) their directorship on the board of directors of, and/or their shareholding in our Company, our Subsidiaries and our Group Entities.

2. Our Company has not entered into any service contracts with our Directors providing for benefits upon termination of their employment.

3. There are no loans that have been availed by our Directors from our Company that are outstanding as on the date of this Draft Red Herring Prospectus.

4. Other than as disclosed in "*Financial Statements*" and "*Related Party Transactions*" on pages 203 and 201, respectively, none of the beneficiaries of loans, advances or sundry debtors of our Company are related to our Company, our Promoters or our Directors.

5. None of our Directors is a party to any bonus or profit sharing plan by our Company.

6. Other than Mr. Ravi B. Goyal, who is a Promoter of our Company, none of our Directors have any interest in the promotion of our Company.

7. Our Directors have no interest in any property acquired by our Company within the two years immediately preceding the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company as on the date of this Draft Red Herring Prospectus other than as disclosed below.

   Pursuant to a sale deed dated March 31, 2018, our Company acquired a property situated at survey nos. 172/3, 173/3 and 173/4, Ground Floor and First Floor, Behind Olive Health Care, Village Dabhel, Daman 396 210 from Mr. Ravi B. Goyal, our Chairman and Managing Director, for an aggregate consideration of ₹105,750,000, of which ₹14,692,500 is yet to be paid by the Company to Mr. Ravi B. Goyal. This property is being used by our factory located in Daman. This acquisition was approved by our Board of Directors and our shareholders by their resolutions dated August 22, 2017 and September 25, 2017, respectively.

8. Our Directors are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Directors or to such firm or company in cash or shares or otherwise by any person either to induce him to become, or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company other than as disclosed in "*Our Promoters and Promoter Group*" on page 192.

9. None of our Directors have any interest in our business or in any transaction by our Company for the acquisition of land, construction of building or supply of any machinery except as disclosed in "*Our Promoters and Promoter Group*", "*Financial Statements*" and "*Related Party Transactions*", on pages 192, 203 and 201, respectively.

10. Mr. Ravi B. Goyal is interested in our Company in addition to the above to the extent of deposit provided by our Company for the use of 601 Trade World, B Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 which is a part of our Registered Office.

11. Mrs. Anupama R. Goyal is interested in our Company in addition to the above to the extent of deposit provided by, and rent received from, our Company for the use of 602 Trade World, B Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013 which is a part of our Registered Office.

12. Mr. Ravi B. Goyal, Mr. Badrinarain K. Goyal and Mrs. Anupama R. Goyal are further interested to the extent of the monthly remuneration of ₹0.4 million paid by our Company to Mr. Kiran B. Goyal (brother of Mr. Ravi B. Goyal, son of Mr. Badrinarain K. Goyal and brother-in-law of Mrs. Anupama R. Goyal), who has been appointed as a consultant to our Company with effect from July 7, 2018 for a period of three years pursuant to a professional services agreement dated July 27, 2018.

Confirmations

1. None of our Directors is or was a director of any listed company whose shares have been or were suspended from being traded on the BSE or the NSE in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

2. None of our Directors is or was a director of any listed company that has been or was delisted from any stock exchange.

Changes in the Board during the Last Three Years

S. No.	Name	Date of Appointment/Re-appointment/Cessation	Reason
1.	Mr. Ravi B. Goyal	August 1, 2018	Re-appointed as a Managing Director
2.	Mr. Rahul Narain Bhagat	June 7, 2018	Appointed as an Independent Director
3.	Mr. Bharat Dhirajlal Shah	May 14, 2018	Resignation
4.	Mr. Karthik Srinivasan	April 12, 2018	Resignation
5.	Mr. Puneet Bhatia	April 12, 2018	Resignation
6.	Mr. Sivanandhan Dhanushkodi	March 12, 2018	Re-appointed as an Independent Director
7.	Mr. Vijay Chugh	March 12, 2018	Re-appointed as an Independent Director
8.	Mr. Jagdish Capoor	March 12, 2018	Re-appointed as an Independent Director
9.	Mr. Bharat Dhirajlal Shah	March 12, 2018	Re-appointed as an Independent Director
10.	Mr. Sudip Bandyopadhyay	March 12, 2018	Re-appointed as an Independent Director
11.	Mr. Karthik Srinivasan	October 31, 2017	Appointed as Nominee Director
12.	Mr. Shomik Prasanna Mukherjee	October 31, 2017	Resignation
13.	Mr. Puneet Bhatia	October 16, 2017	Appointed as Nominee Director
14.	Mr. Vishwarupe Narain	October 16, 2017	Resignation
15.	Mrs. Anupama R. Goyal	September 18, 2017	Re-appointed as director liable to retire by rotation
16.	Mr. Badrinarain K. Goyal	September 30, 2016	Re-appointed as director liable to retire by rotation
17.	Mr. Shomik Prasanna Mukherjee	June 17, 2016	Appointed as Nominee Director
18.	Mr. Mahesh Chhabria	June 17, 2016	Resignation

Borrowing Powers of the Board

In accordance with the Articles of Association, the Board may, from time to time, at its discretion, receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture stock (perpetual or otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of our Company and may secure the payment of any sums of money so received, raised or borrowed.

Pursuant to a special resolution of the Shareholders passed at the extraordinary general meeting held on January 22, 2018, the Board has been authorized to borrow, from time to time, such sums of money as the Board may deem fit for the purpose of the business of our Company, whether secured or unsecured, by mortgage, charge, hypothecation, lien or pledge of our Company's properties, whether moveable, immovable or stock in trade and work in progress, and all or any of the undertakings of our Company, present and future, notwithstanding that the monies to be borrowed, together with the monies already borrowed, will exceed the aggregate of the paid-up capital and free reserves of our Company provided that the total amount which may be borrowed by the Board, and outstanding at any time, shall not exceed ₹8,500 million.

As on the date of filing of this Draft Red Herring Prospectus, the overall borrowings of our Company do not exceed the overall limit as specified under Section 180(1)(c) of the Companies Act, 2013.

Corporate Governance

The provisions of the SEBI Listing Regulations with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares. Our Company is in compliance with the requirements of the applicable regulations, including the SEBI Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance, including in relation to the constitution of our Board and committees thereof, and formulation thereof and formulation and adoption of prescribed policies.

Our Board has been constituted in compliance with the Companies Act and the SEBI Listing Regulations. Our corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of committees of our Board, as required under applicable law. Our Board functions either as a full Board or through various committees constituted to oversee specific operational areas. The Company's executive management provides our Board with detailed reports on its performance periodically.

Currently, our Board has eight Directors. In compliance with the requirements of the SEBI Listing Regulations, the Board comprises one Executive Director, seven non-executive Directors, including five Independent Directors, and one woman Director.

Committees of the Board

In addition to the committees of our Board described below, our Board may constitute committees for various functions from time to time.

Audit Committee

The members of our Audit Committee are:

1.	Mr. Sudip Bandyopadhyay	Chairman of the Committee
2.	Mr. Ravi B. Goyal	Member
3.	Mr. D. Sivanandhan	Member
4.	Mr. Jagdish Capoor	Member
5.	Mr. Vijay Chugh	Member

Our Audit Committee was constituted by our Board pursuant to a resolution dated September 16, 2010 and was last reconstituted by our Board pursuant to a resolution dated June 7, 2018. The terms of reference of the Audit Committee were last revised by our Board pursuant to a resolution dated August 16, 2018.

The terms of reference of the Audit Committee are in accordance with Section 177 of the Companies Act, 2013 and the SEBI Listing Regulations.

The powers of the Audit Committee also include the power to:

a. Investigate any activity within its terms of reference;

b. Seek information from any employee;

c. Obtain outside legal or other professional advice; and

d. Secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

a. Management's 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;

c. Management letters/ letters of internal control weaknesses issued by the statutory auditors;

d. Internal audit reports relating to internal control weaknesses;

e. Appointment, removal and terms of remuneration of the chief internal auditor; and

f. statement of deviations, including:

   (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and

   (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations.

The Audit Committee is required to meet in accordance with the SEBI Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1.	Mr. Vijay Chugh	Chairman of the Committee
2.	Mr. Ravi B. Goyal	Member
3.	Mr. Sudip Bandyopadhyay	Member
4.	Mr. D. Sivanandhan	Member

The Nomination and Remuneration Committee was constituted by our Board pursuant to a resolution dated September 16, 2010 and was last reconstituted by our Board pursuant to a resolution dated June 7, 2018. The terms of reference of the Nomination and Remuneration Committee were last revised by our Board pursuant to a resolution dated August 16, 2018.

The terms of reference of the Nomination and Remuneration Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations. This committee is also authorized to perform such functions as are required to be performed by the compensation committee under the SEBI ESOP Regulations.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1.	Mr. Sudip Bandyopadhyay	Chairman of the Committee
2.	Mr. Jagdish Capoor	Member
3.	Mr. Vijay Chugh	Member

The Stakeholders' Relationship Committee was constituted by our Board pursuant to a resolution dated March 12, 2015 and was last reconstituted by our Board pursuant to a resolution dated June 7, 2018.

The terms of reference of the Stakeholders' Relationship Committee were last revised by our Board pursuant to a resolution dated August 16, 2018. The terms of reference of the Stakeholders' Relationship Committee are in accordance with Section 178 of the Companies Act, 2013 and the SEBI Listing Regulations.

Risk Management Committee

The members of the Risk Management Committee are:

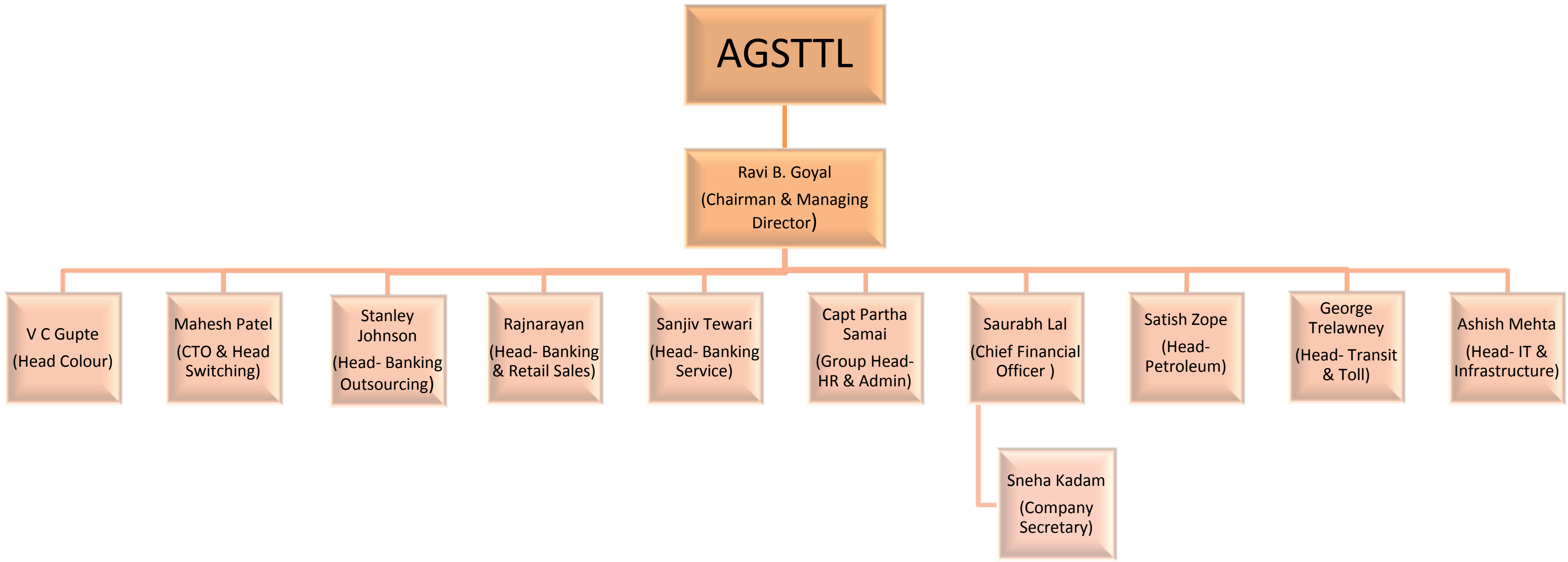
1.	Mr. Jagdish Capoor	Chairman of the Committee
2.	Mr. D. Sivanandhan	Member
3.	Mr. Vijay Chugh	Member

The Risk Management Committee was constituted by our Board pursuant to a resolution dated March 12, 2015 and was last reconstituted by our Board pursuant to a resolution dated June 7, 2018. The terms of reference of the Risk Management Committee were last revised by our Board pursuant to a resolution dated August 16, 2018. The terms of reference of the Risk Management Committee are in accordance with the SEBI Listing Regulations.

In addition, the Board has also constituted an IPO Committee on June 7, 2018, which is authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

Our Company also has constituted a Corporate Social Responsibility Committee under the Companies Act.

Management Organisation Structure



Key Management Personnel

Our Company has appointed key managerial personnel in accordance with the Companies Act, 2013 and senior management personnel (collectively, the "**Key Management Personnel**").

Key Managerial Personnel

In addition to Mr. Ravi B. Goyal, the Chairman and Managing Director of our Company, the key managerial personnel of our Company as at the date of this Draft Red Herring Prospectus are as set forth below. For details in relation to the profile of Mr. Ravi B. Goyal, see "– *Brief Biographies of our Directors*" on page 177.

- **Mr. Saurabh Lal**

  Mr. Saurabh Lal, aged 37 years, is the Chief Financial Officer of our Company. He has been associated with our Company since April 19, 2012. Mr. Lal holds a Bachelor of Commerce degree from the University of Delhi and is a Chartered Accountant certified by the ICAI. He has over 12 years of experience in the financial service industry. Prior to joining our Company, he was associated with ICICI Bank Limited, Reliance Money Limited and Green Invest Limited. The remuneration paid to him during Financial Year 2018 was ₹5.93 million.

- **Ms. Sneha Kadam**

  Ms. Sneha Kadam, aged 29 years, is the Company Secretary and Compliance Officer of our Company. She has been associated with our Company since August 17, 2017. Ms. Kadam holds a Bachelor of Commerce degree from the University of Mumbai. She is an associate member of the Institute of Company Secretaries of India. She has over five years of experience as a company secretary in Indian companies. Prior to joining our Company, she was associated with our Subsidiary, ITSL. The remuneration paid to her during Financial Year 2018 was ₹0.62 million.

Senior Managerial Personnel

The senior Managerial Personnel of our Company as at the date of this Draft Red Herring Prospectus are as set forth below.

- **Captain Partha Samai**

  Captain Partha Samai, aged 41 years, is the Group Head - Human Resources and Administration of our Company. He has been associated with our Company since June 1, 2011. Captain Samai holds a Bachelor of Arts degree from the Dr. Babasaheb Ambedkar Marathwada University and a Master of Arts degree from the Gokhale Institute of Politics and Economics. He also holds a Post Graduate Diploma in Business Administration from the Symbiosis Centre for Distance Learning. He has over 16 years of experience in the field of human resources development. Prior to joining our Company, he was associated with Tikona Digital Networks Private Limited. Captain Samai has also worked with Tata Teleservices Limited, Bharti Tele Ventures Limited and served in the Indian army. He has received the Motorola University Six Sigma Green Belt by Tata Teleservices Limited in recognition of effective utilization of statistical, problem solving and quality tools. Captain Samai has also participated in the 'Train the Trainer' program of Dale Carnegie and Associates and the National HRD Network Strategic Human Resource Leadership Programme. The remuneration paid to him during Financial Year 2018 was ₹4.97 million.

- **Mr. V.C. Gupte**

  Mr. V.C. Gupte, aged 73 years, is a consultant to and the Head – Color Business of our Company. He has been associated with our Company since November 1, 2011 and is responsible for the sales and service functions of the colour business of our Company. Mr. Gupte has currently been appointed as a consultant to our Company pursuant to a consultancy agreement for a period of one year until March 31, 2019. Mr. Gupte holds a Master of Science degree from the Mumbai University. He has over 31 years of experience in the field of colour. He is currently also associated with Advanced Graphics Systems as a Consultant. Prior to joining our Company, he was associated with Milton Roy

(Deutschland) GmBH. Mr. Gupte has also worked with Mafatlal Consultancy Services (India) Limited. He has received a silver medal for significant contribution to the advancement of color measurement in India, awarded by the Society of Dyers and Colourists. The consultancy fee paid to him during Financial Year 2018 was ₹4.80 million.

- **Mr. Ricardos El Khoury**

Mr. Ricardos El Khoury, aged 49 years, is the Chief Executive Officer and a director of our Subsidiary, Novus SGP. He has been associated with Novus SGP since February 19, 2013. He holds a Bachelor of Science (Computer Science) degree from Notre Dame University - Louaize. He has approximately 25 years of experience in the information technology sector. Prior to joining Novus SGP, he was associated with Wincor Nixdorf Asia Pacific as a regional vice president, Tamer Freres s.a.l. as a sales manager, International Computer & Communications Systems S.A.R.L. as an account manager and Integro Middle East S.A.L. – Lebanon as a technico-commercial engineer. The remuneration paid to him by Novus SGP during Financial Year 2018 was S$1.02 million (₹50.51 million).

- **Mr. Stanley Johnson**

Mr. Stanley Johnson, aged 44 years, is the Head – Banking Outsourcing of our Company. He has been associated with our Company since August 16, 2010. Mr. Johnson holds a Bachelor of Science degree from Mumbai University. He also holds a Master of Computer Application degree from The International University, U.S.A. He has over 23 years of experience in the field of payment industry. Prior to joining our Company, he was associated with FIS Payments Solutions and Telesoft Systems. Mr. Johnson is a recipient of the Chairman's Award from the eFunds Corporation in 2006. The remuneration paid to him during Financial Year 2018 was ₹14.31 million.

- **Mr. Satish Zope**

Mr. Satish Zope, aged 55 years, is the Head - Petroleum of our Company. He has been associated with our Company since August 1, 2010. Mr. Zope holds a Master of Commerce degree from the University of Poona. He has over 22 years of experience in the field of sales and business development. Prior to joining our Company, he was associated with Mountain Technologies Pty Limited. Mr. Zope has also worked with Teledirect Informatics India Limited. The remuneration paid to him during Financial Year 2018 was ₹8.31 million.

- **Mr. Mahesh Patel**

Mr. Mahesh Patel, aged 43 years, is the CTO and Head – Switching of our Company. He has been associated with our Company since January 5, 2016. He holds a diploma in Industrial Electronics from the Board of Technical Examinations, Government of Maharashtra and a diploma in Advanced Computing, developed by ACTS, Pune, from Silverline Institute for Software Technology. He has more than 16 years of experience in payment technology sector. Prior to joining our Company, he was a software consultant at Kores (India) Limited and an Executive Director at Euronet Services India Private Limited. The remuneration paid to him during Financial Year 2018 was ₹10.79 million.

- **Mr. P K Rajnarayan**

Mr. P K Rajnarayan, aged 47 years, is the Head – Banking and Retail Sales of our Company. He has been associated with our Company since October 22, 2003. He holds a Diploma in Electronics and Communication Engineering from the Board of Technical Education, Mumbai and a Diploma in Computer Programming and Applications from Silverline Computer Education. He has more than 24 years of experience in sales. Prior to joining our Company, he was a Sales Executive at Bradma of India Limited and the Area Sales Manager at HMA STARware Limited. The remuneration paid to him during Financial Year 2018 was ₹6.04 million.

- **Mr. Sanjiv Tewari**

Mr. Sanjiv Tewari, aged 45 years, is the Head – Banking Service of our Company. He has been associated with our Company since August 10, 2009. He holds a Bachelor of Science (Electrical Engineering) degree from the Bhagalpur College of Engineering, Tilkamanjhi Bhagalpur University.

He has more than 20 years of experience in the electrical industry. Prior to joining our Company, he was the Consumer Division – National Service Head at Eureka Forbes Limited. He has also worked with Voltas Limited, Electrolux Kelvinator Limited, Godrej GE Appliances Limited and ECE Industries Limited. The remuneration paid to him during Financial Year 2018 was ₹6.70 million.

- **Mr. Sunil Khosla**

Mr. Sunil Khosla, aged 42 years, is the Head Digital Business – Retail of our Subsidiary, ITSL. He has been associated with ITSL since September 10, 2015. He holds a Post Graduate Diploma in Business Management from Apeejay School of Marketing, New Delhi and the Advanced Program in Sales and Marketing Management from National Institute of Sales. He has approximately 18 years of experience in sales and distribution. Prior to joining our Company, he was Chief –Sales (CP – MNT) at Pidilite Industries Limited. He has also worked with Max New York Life Insurance as Assistant Vice President – Distribution and Danone BOP India as Head – Sales & Distribution. He has also worked with ITC Limited. He has represented our Subsidiary, ITSL, at the Retail Technology Conclave 2018 and at India Retail & eRetail Congress 2018. He has also been recognized as one of the Greatest Marketing Influencers 2018 by CMO Asia. The remuneration paid to him during Financial Year 2018 was ₹6.89 million.

- **Mr. Sudheer Parappurath**

Mr. Sudheer Parappurath, aged 48 years, is the Head – Risk and Operations of our Subsidiary, ITSL. He has been associated with ITSL since January 25, 2016. He holds a Bachelor of Science degree from the University of Calicut and a Bachelor of Laws degree from the University of Mysore. He also holds a Post-Graduate diploma in Industrial Relations & Personnel Management from Bharatiya Vidya Bhavan. He has over 23 years of experience in payment industry. Prior to joining ITSL, he has worked with Axis Bank Limited, Reliance Jio Infocomm Limited, BOBCARDS Limited, Binani Metals Limited and IVP Limited. He has also completed the Certified Forensic Accounting Professional course from India Forensic and has received the "Certified Fraud Examiner" certificate from the Association of Certificate Fraud Examiners. He is a director on the board of India Payment Risk Council. The remuneration paid to him by ITSL during Financial Year 2018 was ₹4.91 million.

- **Mr. Mehernosh Parekh**

Mr. Mehernosh Parekh, aged 56 years, is the Chief Operating Officer of our Subsidiary, SVIL. He has been associated with SVIL since October 1, 2013. He holds a Bachelor of Commerce degree from the University of Bombay. He has work experience in cash management industry. Prior to joining SVIL, he has worked with our Company from 2009 to 2013. Prior to joining our Company, he has worked with Brinks Arya India Private Limited. The remuneration paid to him during Financial Year 2018 was ₹2.83 million.

- **Mr. George Trelawney**

Mr. George Trelawney, aged 55 years, is the Head – Transit and Toll of our Company. He has been associated with our Company since July 26, 2011. Mr. Trelawney holds a Bachelor of Commerce degree from the Rani Durgavati Vishwavidyala, Jabalpur. He is a Certified Associate of the Indian Institute of Bankers. Mr. Trelawney has over 30 years of experience. In our Company, he has worked in the field of banking (IT related to banking and outsourcing, payments, ATM, cards, ATM switch space, White Label ATMs, Information Security and Transit Automation like Automated Fare Collection Systems and Electronic Toll Collection. Prior to joining our Company, he was associated with Euronet Services India Private Limited. Mr. Trelawney has also worked with HMA STARware Limited, Dena Bank and Opus Software Solutions Private Limited. The remuneration paid to him during Financial Year 2018 was ₹13.49 million.

- **Mr. Ashish Mehta**

Mr. Ashish Mehta, aged 40 years, is the Head – IT and Infrastructure of our Company. He has been associated with AGS since January 5, 2016. Mr. Mehta has a diploma in computer technology from Bombay Institute of Technology, Mumbai and is also certified in Strategic IT Management from the Indian Institute of Management - Ahmedabad. He has over 18 years of management and technical experience in banking and payment industry. Prior to joining our Company, he was an Executive Director at Euronet Services India Private Limited, where he was leading IT for Asia Pacific and Middle East region.. In addition, Mr. Mehta has also worked with Citigroup, GE Countrywide Consumer Financial Services Limited, ABN AMRO and HDFC Bank. He has been awarded the 'HERO' Award from Euronet in 2009, Transformers Award from Dell EMC, Datacenter and Infrastructure ICON from CORE Media in 2017 and Digital ICON from CORE Media in 2018.The remuneration paid to him during Financial Year 2018 was ₹9.82 million.

- **Mr. Prasad Desai**

  Mr. Prasad Desai, aged 41 years, is the Head Digital Business – Corporate of our Subsidiary, ITSL. He has been associated with ITSL since July 23, 2015. He holds a Bachelor of Technology degree (Agricultural engineering) from the University of Rahuri. He also holds a Post Graduate Diploma in Management (Agriculture) from the Indian Institute of Management Ahmedabad. He has approximately 17 years of experience in sales. Prior to joining our Company, he was Cluster Head at ICICI Merchant Services Private Limited. He has also worked with Godrej Tea Limited & Heinz India Limited. The remuneration paid to him during Financial Year 2018 was ₹4.31 million.

Other than Mr. V.C. Gupte who is a consultant, all the Key Management Personnel are permanent employees of our Company or our Subsidiaries.

All the Key Management Personnel, who are permanent employees of our Company or our Subsidiaries, retire at the age of 60 years, in accordance with the policies of our Company. If the services of any of the Key Management Personnel is terminated without adequate notice, such personnel will be entitled to three months' basic salary.

Shareholding of Key Management Personnel

For details of the shareholding of Mr. V.C. Gupte, see "*Capital Structure – Details of the Shareholding of our Directors and Key Management Personnel as on the date of filing of this Draft Red Herring Prospectus*" on page 95.

Bonus or Profit Sharing Plan of our Key Management Personnel

None of our Key Management Personnel is a party to any bonus or profit sharing plan by our Company. Our Company makes bonus payments to the key management personnel at the end of every financial year, in accordance with the terms of their appointment. Certain key management personnel are also paid a performance-linked incentive in accordance with the terms of their appointment.

Arrangement or Understanding with Major Shareholders, Customers, Suppliers or Others

There are no arrangements or understanding with major shareholders, customers, suppliers or others, pursuant to which any of our Key Management Personnel were selected as members of our senior management.

Interest of Key Management Personnel

Other than as disclosed in "*– Interest of our Directors*" in relation to Mr. Ravi B. Goyal and the Equity Shares held by Mr. V.C. Gupte and any dividend payable in relation thereof and other benefits arising out of such shareholding, the Key Management Personnel of our Company do not have any interest in our Company, other than to the extent of stock options held, the remuneration/consultancy fee or benefits to which they are entitled in accordance with the terms of their appointment or reimbursement of expenses incurred by them during the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of (i) their directorship on the board of directors and/or their shareholding in our Subsidiaries and (ii) Equity Shares and stock options, if any, held by their relatives and any dividend and other benefir arising out of such shareholding.

None of the Key Management Personnel have been paid any consideration of any nature by our Company other than remuneration in the ordinary course of their employment. There is no deferred or contingent compensation payable to any of our Key Management Personnel.

There is no amount outstanding as at the date of this Draft Red Herring Prospectus under any loan given by our Company to the benefit of any Key Management Personnel, other than as disclosed below:

Name of the Key Management Personnel	Principal Amount (Rs. in million)	Amount outstanding (Rs. in million)
Mr. Sanjiv Tewari	1.5	0.33

Changes in the Key Managerial Personnel during the Last Three Years

The changes in the key managerial personnel in the three immediately preceding years are as disclosed below:

S. No.	Name	Date of Change	Reason for Change
1.	Mr. Saurabh Lal	August 16, 2018	Appointment as chief financial officer
2.	Ms. Sneha Kadam	August 17, 2017	Appointment as company secretary
3.	Mr. Ajit Pethe	May 17, 2017	Resignation as company secretary
4.	Mr. Amit Majumdar	February 15, 2016	Resignation as chief financial officer

Payment or Benefit to Officers of our Company

No amount or benefit has been paid or given within the preceding two years or is intended to be paid or given to any officers of our Company, including any of our Directors or Key Managerial Personnel, other than normal remuneration (including sitting fees and commissions) for services rendered as officers of our Company and other than as disclosed in "*Our Promoters and Promoter Group*", "*Financial Statements*" and "*Related Party Transactions*", on pages 192, 203 and 201, respectively.

Employee Stock Option Scheme

See "*Capital Structure – Employee Stock Option Plans"* on page 97.

OUR PROMOTERS AND PROMOTER GROUP

Promoters

Mr. Ravi B. Goyal and Vineha Enterprises Private Limited are the Promoters of our Company.

The details of our Promoters are as follows:

Mr. Ravi B. Goyal

Mr. Ravi B. Goyal is also our Chairman and Managing Director. For a complete profile of Mr. Ravi B. Goyal, *i.e.*, his age, residential address, educational qualifications, professional experience, positions / posts held in the past and other directorships and special achievements, see "*Our Management*" on page 175.

As on the date of this Draft Red Herring Prospectus, Mr. Ravi B. Goyal holds 66,460,312 Equity Shares in our Company. For details, see "*Capital Structure*" on page 88.

Mr. Ravi B. Goyal's driving license number is MH01 19800003824 and his voter identification number is TDW5049713.

Other than as disclosed in "– *Promoter Group*" and "*Our Management*" on pages 193 and 175, respectively, Mr. Ravi B. Goyal is not involved in any other venture.

Our Company confirms that the permanent account number, bank account number and passport number of Mr. Ravi B. Goyal will be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Vineha Enterprises Private Limited

Vineha Enterprises Private Limited (CIN: U74999MH2018PTC303923) was incorporated as a private limited company under the Companies Act, 2013 on January 10, 2018, with its registered office located at 601-602, Trade World, B Wing, Kamala City, Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra, India. Vineha Enterprises Private Limited is registered with the RoC. Its main object is to engage in the business of maintaining, altering, operating and improving or purchasing and letting on lease or hire all kinds of machinery, plants and other equipments.

As on the date of this Draft Red Herring Prospectus, Vineha Enterprises Private Limited holds 51,054,264 Equity Shares, representing 42.41% of the issued, subscribed and paid-up equity share capital of our Company.

The shareholding pattern of Vineha Enterprises Private Limited as on the date of this Draft Red Herring Prospectus is as disclosed below.

Name of Shareholder	Number of Equity Shares of ₹10 Each	Percentage of Shareholding
Mr. Ravi B. Goyal	45,000	90
Mrs. Anupama R. Goyal	5,000	10
Total	50,000	100

As on the date of this Draft Red Herring Prospectus, the equity shares of Vineha Enterprises Private Limited are not listed on any stock exchange.

Vineha Enterprises Private Limited is promoted by Mr. Ravi B. Goyal. There has been no change in control or management of Vineha Enterprises Private Limited since its incorporation. The composition of the board of directors of Vineha Enterprises Private Limited as on the date of this Draft Red Herring Prospectus is as disclosed below.

S. No.	Name	Designation
1.	Mr. Ravi B. Goyal	Director
2.	Mrs. Anupama R. Goyal	Director
3.	Mr. Rubin Chheda	Nominee Director

Our Company confirms that the permanent account number, bank account number and company registration number of Vineha Enterprises Private Limited, and the address of the registrar of companies where Vineha Enterprises Private Limited is registered, will be submitted to the Stock Exchanges at the time of filing this Draft Red Herring Prospectus with them.

Promoter Group

In addition to the Promoters named above, the following individuals and entities form a part of the Promoter Group.

Individuals forming part of the Promoter Group

S. No.	Name of the Individual	Relationship with Mr. Ravi B. Goyal
1.	Mrs. Anupama R. Goyal	Spouse of Mr. Ravi B. Goyal
2.	Mr. Badrinarain K. Goyal	Father of Mr. Ravi B. Goyal
3.	Mrs. Vimla B. Goyal	Mother of Mr. Ravi B. Goyal
4.	Mr. Kiran B. Goyal	Brother of Mr. Ravi B. Goyal
5.	Ms. Raksha Kanodia	Sister of Mr. Ravi B. Goyal
6.	Mr. Vinayak R. Goyal	Son of Mr. Ravi B. Goyal
7.	Ms. Neha R. Goyal	Daughter of Mr. Ravi B. Goyal
8.	Mrs. Bimla Poddar	Mother-in-law of Mr. Ravi B. Goyal
9.	Mr. Purushottam Poddar	Brother-in-law of Mr. Ravi B. Goyal
10.	Mrs. Sarita Choudhary; and	Sister-in-law of Mr. Ravi B. Goyal
11.	Mrs. Smriti Nagewala	Sister-in-law of Mr. Ravi B. Goyal

Entities forming part of the Promoter Group

1. AGS Sundyne Technologies Private Limited;
2. Fillon Technologies India Private Limited;
3. Instruments Research Associates Private Limited;
4. WOW Food Brands Private Limited;
5. Midas Touch Limited
6. Advanced Graphic Systems;
7. Goyal Electronic Industries;
8. Poddar Brothers;
9. Vastra Kala Udyog;
10. Poddar Exports;
11. Goeltronics; and
12. Trinity Ventures.

The HUFs forming part of our Promoter Group are set forth below:

1. Badrinarain Kunjbihari Goyal HUF;
2. Ravi Badrinarain Goyal HUF;
3. Late Kunjbihari Shriniwas Goyal HUF; and
4. R.K. Kanodia HUF

In addition, the K.S. Goyal Charitable Trust is also part of our Promoter Group.

Interest of Promoters

Our Promoters are interested in our Company to the extent (i) that they have promoted our Company, (ii) of the Equity Shares and stock options, if any, held by them or their relatives in our Company, and dividend payable, if any, and other distributions in respect of the Equity Shares held by them or their relatives, (iii) in case of Mr. Ravi B. Goyal, of being our Chairman and Managing Director and the compensation and perquisites payable in such capacity, as disclosed in "*Our Management – Terms of Appointment of the Executive Directors*" on page 179, (iv) any transactions or business arrangements undertaken by our Company with our Promoters, or their relatives or entities in which our Promoters hold shares or entities in which our Promoters are members of the board of directors or firms in which relatives of our Promoters hold interest, (v) payment of rent and security deposit for certain premises leased from Mr. Ravi B. Goyal or his relatives, as disclosed in "*Our Management – Interest of Directors*" on page 181. For details regarding the shareholding of our Promoters and the members of our Promoter Group in our Company, see *"Capital Structure*" and "*Our Management*" on pages 88 and 175, respectively, and for business transactions between our Promoters and the Promoter Group, see *"Related Party Transactions*" on page 201.

Except as disclosed in "*– Payment or Benefits to our Promoters or Promoter Group*" and in "*Related Party Transactions*", "*Financial Statements*" and "*Our Management – Interest of Directors*" on pages 194, 201, 203 and 181, respectively, our Promoters have no interest in any property acquired within the two years from 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.

Our Promoters are not interested as a member of a firm or company, and no sum has been paid or agreed to be paid to our Promoters or to such firm or company in cash or shares or otherwise by any person either to induce them to become or to qualify them as a director or otherwise for services rendered by them or by such firm or company in connection with the promotion or formation of our Company. For details of related party transactions entered into by our Company with our Promoters, members of our Promoter Group and Group Entities during the Financial Year immediately preceding the date of this Draft Red Herring Prospectus, see "*Related Party Transactions*" on page 201.

Our Promoters are not related to any of the sundry debtors of our Company or beneficiaries of loans and advances of our Company other than as disclosed in "*Financial Statements*" and "*Related Party Transactions*" on pages 203 and 201, respectively.

Common Pursuits

Except as disclosed in this Draft Red Herring Prospectus, our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company or any member of our Group Entities. We shall adopt the necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise.

Payment or Benefits to our Promoters or Promoter Group

There has been no payment or benefits to our Promoters or the Promoter Group during the two years immediately preceding the date of filing of this Draft Red Herring Prospectus, nor is there any intention to pay or give any benefit to our Promoters or any members of our Promoter Group other than as stated in "*Financial Statements*", "*Related Party Transactions*" and "*Our Management*" on pages 203, 201 and 175, respectively.

Our Company has not entered into any contract, agreement or arrangements during the two years immediately preceding the date of this Draft Red Herring Prospectus and does not propose to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made other than as stated in "*Financial Statements*", "*Related Party Transactions*" and "*Our Management – Interest of Directors*" on pages 203, 201 and 181, respectively.

Confirmations

Our Promoters and members of our Promoter Group have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not and have never been a promoter, director or person in control of any other company, which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans, which may be recalled by the lenders at any time.

Companies with which our Promoters have Disassociated in the Last Three Years

Our Promoters have not disassociated themselves from any company in the three years immediately preceding the date of this Draft Red Herring Prospectus.

Change in the Management and Control of our Company

Mr. Ravi B. Goyal is the original promoter of our Company. Our corporate Promoter, Vineha Enterprises Private Limited acquired 51,054,264 Equity Shares on April 12, 2018 pursuant to a share purchase agreement dated March 23, 2018. For details, see "*Capital Structure – Notes to Capital Structure – Details of Build-up, Contribution and Lock-in of Promoters' Shareholding – Capital build-up of our Promoter's equity shareholding in our Company*" and "*History and Certain Corporate Matters – Share subscription and shareholders' agreements*" on pages 90 and 174, respectively. There has not been any change in the management or control of our Company pursuant to such transaction.

Sick or Defunct Corporate Promoter

None of our Promoters are a sick industrial company within the meaning of the SICA or a defunct company nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016 and no applications have been made to any registrar of companies for striking off the name of any of our Promoters in the five years preceding the date of filing of this Draft Red Herring Prospectus.

OUR GROUP ENTITIES

Pursuant to a resolution dated August 16, 2018 of our Board, our Board has noted that in accordance with the SEBI ICDR Regulations, entities which constitute part of related parties of our Company under applicable accounting standards (Indian Accounting Standard 24) on the basis of the Restated Consolidated Financial Information disclosed in "*Financial Statements*" on page 203, with the exception of the Promoters and the Subsidiaries will be considered our Group Entities. Our Board has also determined that companies which, subsequent to the period covered under the Restated Consolidated Financial Information to be included in the offer documents, but prior to filing of the relevant offer documents, cease to be 'related parties' of the Company in terms of the applicable accounting standards solely on account of there being no significant influence/control over such companies in terms of the applicable accounting standards, shall not be considered as 'group entities' for the purpose of disclosure in the offer documents, and conversely, companies that qualify as 'related parties' subsequent to the period covered under the Restated Consolidated Financial Information to be included in the offer documents, but prior to the filing of the relevant offer documents, become 'related parties' and would require disclosure as such in the Restated Consolidated Financial Information of the Company for the relevant subsequent period, shall be considered as 'group entities' for the purpose of disclosure in the offer documents.

Based on the above, the following entities are our Group Entities:

1. Advanced Graphic Systems;
2. Fillon Technologies India Private Limited;
3. Instruments Research Associates Private Limited;
4. Wow Foods Brand Private Limited; and
5. Aries Management Services Pte. Ltd.

Other than the Group Entities identified above, our Board does not consider any other entity as material to be identified as a Group Entity.

A. Details of our Top Five Group Entities

1. Instruments Research Associates Private Limited

Corporate Information

Instruments Research Associates Private Limited ("**IRAPL**") was incorporated with the Registrar of Companies, Karnataka, situated at Bengaluru, on June 27, 1984 under the Companies Act, 1956 as a private limited company. Its corporate identification number is U24119KA1984PTC006178. IRAPL is engaged in the business of, *inter-alia*, R&D organizers, consultants, experts, buyers, sellers, resellers, repairers, assemblers, distributors, agents, sole concessionaire, importers, exporters and dealers in general in all types of electronic and electrical testing, measuring, calibration and control equipment. Its registered office is situated at A-201, KSSIIDC Complex, Electronic City, Hosur Road, Bengaluru 560 100, Karnataka, India.

Interest of our Promoters

Our Promoter, Mr. Ravi B. Goyal, holds 299,928 equity shares of face value of ₹100 each constituting 99.98% of the issued and paid-up share capital of IRAPL. Mr. Ravi B. Goyal is also interested in IRAPL as its director and to the extent of an unsecured loan granted by him to it.

Financial Information

The following table sets forth certain details of the audited financial results of IRAPL for the last three Financial Years:

(₹ in million, unless otherwise stated)

Particulars	Financial Year ended March 31		
	2018	**2017**	**2016**
Equity Capital	30.00	30.00	17.50
Reserves (excluding revaluation reserves)	10.68	(11.68)	(18.99)

Particulars	Financial Year ended March 31		
	2018	2017	2016
and surplus			
Sales/Turnover	256.12	232.05	165.31
Profit/(Loss) after tax	22.36	7.32	(2.63)
Earnings per share (face value ₹100) (basic) (in ₹)	74.52	33.87	(15.26)
Earnings per share (face value ₹100) (diluted) (in ₹)	74.52	24.39	(15.05)
Book value per equity share (in ₹)	135.61	61.08	(8.54)

There are no significant notes of the auditors in relation to the above-mentioned financial information.

2. **Fillon Technologies India Private Limited**

Corporate Information

Fillon Technologies India Private Limited ("**FTIPL**") was incorporated with the Registrar of Companies, Maharashtra, situated at Mumbai, on March 6, 2003 under the Companies Act, 1956 as a private limited company. Its corporate identification number is U74999MH2003PTC139495. FTIPL is engaged in the business of, *inter-alia*, to manufacture, build, assemble, alter, construct, deal, develop, display, demonstrate, remodel, import, export, market, trade, lease, hire, let on hire, install, repair, modify, service, operate, handle, process and acquire powered mechanical paint stirrers, home appliance manufacturing industries and body building industries. Its registered office is situated at 601/2 Trade World, B-Wing, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai 400013, Maharashtra, India.

Interest of our Promoters

Our Promoter, Mr. Ravi B. Goyal, holds 200,000 equity shares of face value of ₹10 each constituting 40% of the issued and paid-up share capital of FTIPL. Mr. Ravi B. Goyal is also interested in FTIPL as its director, and to the extent of remuneration as a director paid by FTIPL.

Financial Information

The following table sets forth certain details of the audited financial results of FTIPL for the last three Financial Years:

(₹ in million, unless otherwise stated)

Particulars	Financial Year ended March 31		
	2018	2017	2016
Equity Capital	5.00	5.00	5.00
Reserves (excluding revaluation reserves) and surplus	26.82	26.41	25.01
Sales/Turnover	102.68	84.20	83.63
Profit/(Loss) after tax	14.88	5.61	2.20
Earnings per share (face value ₹10) (basic) (in ₹)	29.76	11.23	4.40
Earnings per share (face value ₹10) (diluted) (in ₹)	29.76	11.23	4.40
Book value per equity share (in ₹)	63.65	62.82	60.02

There are no significant notes of the auditors in relation to the above-mentioned financial information.

3. **WOW Food Brands Private Limited**

Corporate Information

WOW Food Brands Private Limited ("**WOW Food**") was incorporated with the Registrar of Companies, Maharashtra, situated at Mumbai, on April 4, 2012 under the Companies Act, 2003 as a private limited company. Its corporate identification number is U15122MH2012PTC229263. WOW Food is engaged in the business of, *inter-alia*, to manufacture, produce, process, prepare, disinfect, fermentate, compound, mix, clean, wash, concentrate, crush, grind, segregate, pack, repack, add, remove, heat, grade, preserve, freeze, distillate, boil, sterilize, improve, extract, refine, buy, sell, resale, import, export, barter, transport, store, forward, distribute, dispose, develop, handle, manipulate, market, supply and to act as agent, broker, liasioner, middleman, export house, job worker, chain store or otherwise to deal in all types, descriptions, tastes, uses and packs of consumer food items, their byproducts, ingredients, derivatives and residue. Its registered office is situated at 601-602, B-Wing, Trade World, Kamala City, Senapati Bapat Marg, Lower Parel (W), Mumbai, Maharashtra, India.

Interest of our Promoters

Our Promoter, Mr. Ravi B. Goyal, holds 1,000 equity shares of face value of ₹10 each constituting 10% of the issued and paid-up share capital of WOW Food. Mr. Ravi B. Goyal is also interested in WOW Food as its director and to the extent of an unsecured loan granted by him to it.

Financial Information

The following table sets forth certain details of the audited financial results of WOW Food for the last three Financial Years:

(₹ in million, unless otherwise stated)

Particulars	Financial Year ended March 31		
	2017	2016	2015
Equity Capital	0.10	0.10	0.10
Reserves (excluding revaluation reserves) and surplus	(42.40)	(34.61)	(25.01)
Sales/Turnover	10.15	11.57	9.58
Profit/(Loss) after tax	(7.79)	(9.59)	(14.37)
Earnings per share (face value ₹10) (basic) (in ₹)	(779.46)	(959.50)	(1436.78)
Earnings per share (face value ₹10) (diluted) (in ₹)	(779.46)	(959.50)	(1436.78)
Book value per equity share (in ₹)	(4,230.04)	(3,450.58)	(2,491.08)

There are no significant notes of the auditors in relation to the above-mentioned financial information.

4. **Advanced Graphic Systems**

Corporate Information

Advanced Graphic Systems is a sole proprietory concern started by Mr. Ravi B. Goyal in 1992. It is engaged in the business of providing color solutions, traders of colour matching machines and servicing of the same. The principal office of Advanced Graphic Systems is situated at 601-602 Trade World, B Wing, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013, Maharashtra, India.

Interest of our Promoters

Our Promoter, Mr. Ravi B. Goyal, is the sole proprietor of Advanced Graphic Systems.

Financial Information

The following table sets forth certain details of the audited financial results of Advanced Graphic Systems for Financial Years ended March 31, 2017, March 31, 2016 and March 31, 2015:

(₹ in million, unless otherwise stated)

Particulars	Financial Year ended March 31		
	2017	2016	2015
Sales/Turnover	170.20	150.90	136.43
Profit/(Loss) after tax	35.67	19.99	29.16

There are no significant notes of the auditors in relation to the above-mentioned financial information.

5. **Aries Management Services Pte. Ltd.**

Corporate Information

Aries Management Services Pte. Ltd. ("**Aries**") was incorporated as a private limited company on February 19, 2010. The principal activities of Aries is business and management consultancy services. Its registration number is 201003665K. Its registered office is situated at 101 Cecil Street, #09-06 Tong Eng Building, Singapore 069 533.

Interest of our Promoters

Our Promoters have no interest in Aries.

Financial Information

Companies registered under the Companies Act, Cap.50 in Singapore are exempted from auditing their financial information if they fulfill at least two out of the following three conditions, pursuant to The Companies (Amendment) Act 2014: (i) the total annual revenue of the company must not exceed SGD 10 million; (ii) the total assets of the company for the financial year end must not exceed SGD 10 million; and (iii) the number of full-time employed at the end of the financial year must not exceed 50.

Aries has fulfilled these conditions for all the financial years since its incorporation, and was accordingly exempted from audit. Therefore no audited books of accounts of Aries are available.

B. Details of Group Entities that have become sick or under winding-up or have a negative net worth

None of our Group Entities have become sick or under winding-up. Other than WOW Food, none of our Group Entities have a negative net worth.

C. Loss Making Group Entities

Other than WOW Food as disclosed on page 198 above, none of our Group Entities has incurred a loss in the last financial year.

D. Defunct Group Entities

There are no defunct Group Entities and no applications have been made to the concerned registrar of companies for striking off the name of any of our Group Entities in the five years immediately preceding the date of filing of this Draft Red Herring Prospectus.

Certain Confirmations

None of our Group Entities has been debarred from accessing the capital market for any reasons by the SEBI or any other authorities. None of our Group Entities has been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

None of our Group Entities has made any public issue in the three immediately preceding years. Other than IRAPL which has undertaken rights issues in 2015 and 2016, none of our Group Entities has made any rights issue in the previous three years immediately preceding the date of this Draft Red Herring Prospectus. None of our Group Entities are listed on any stock exchange.

None of our Group Entities is a sick company within the meaning of the SICA or is under winding up nor have they been declared insolvent or bankrupt under the Insolvency and Bankruptcy Code, 2016.

Nature and Extent of Interest of Group Entities

In the promotion of the Company

None of our Group Entities have any interest in the promotion of our Company.

In the properties acquired by our Company in the past two years before filing this Draft Red Herring Prospectus with the SEBI or proposed to be acquired

None of our Group Entities are interested in the properties acquired by our Company in the two years immediately preceding the date of filing of this Draft Red Herring Prospectus or proposed to be acquired.

In transactions for acquisition of land, construction of buildings and supply of machinery

None of our Group Entities are interested in any transactions for the acquisition of land, construction of building or supply of machinery.

Business and Other Interests

Except as disclosed in "*Related Party Transactions*" on page 201, none of our Group Entities has any business and other interest in our Company.

Related Business Transactions among our Group Entities and significance on the financial performance of our Company

There are no business transactions among our Group Entities which impact the financial performance of our Company.

Common Pursuits

There are no common pursuits among our Group Entities and our Company.

Significant Sale/Purchase between Group Entities and our Company

There are no sales or purchases between our Company and our Group Entities where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

RELATED PARTY TRANSACTIONS

For details of the related party transactions during the five Financial Years immediately preceding the date of this Draft Red Herring Prospectus in accordance with the requirements under the applicable accounting standards, see ”*Financial Statements*” on page 203.

DIVIDEND POLICY

The declaration and payment of dividends on the Equity Shares will be recommended by our Board and approved by our Shareholders at their discretion, subject to the provisions of our Articles of Association and the Companies Act.

The declaration of dividends, if any, in the future will depend on a number of factors that our Board deems relevant, including but not limited to our Company's profits, capital requirements, rate of dividend distribution tax and any contractual obligations. The amounts paid as dividends in the past are not necessarily indicative of our Company's dividend policy or dividend amounts, if any, in the future. See "*Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, cash flows, capital requirements, capital expenditures and restrictive covenants of our financing arrangements*" on page 38.

Our Company does not have any formal dividend policy in place as on the date of this Draft Red Herring Prospectus.

No dividend on Equity Shares has been declared by our Company during the last five Financial Years.

The details of dividend on CCPS declared by our Company during the last five Financial Years are set out in the following table:

Financial Year	Dividend for CCPS	Amount (₹ in million)
2018	N.A.	N.A.
2017	N.A.	N.A.
2016	N.A.	N.A.
2015	1 paise per CCPS	0.05
2014	1 paise per CCPS	0.07

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
AGS Transact Technologies Limited
601 – 602, B-Wing, Trade World
Kamala City, Senapati Bapat Marg
Lower Parel (W)
Mumbai – 400 013

Dear Sirs,

1) We have examined the attached Restated Consolidated Financial Information of AGS Transact Technologies Limited ("the Company"), and its subsidiaries (collectively referred to as "the Group"), which comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Consolidated Summary Statement of Changes in Equity for the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the summary of significant accounting policies, read together with the annexures and notes thereto, for the purpose of inclusion in the Draft Red Herring Prospectus ("the Offer Document") prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs 10 each by way of fresh issue and an offer for sale by certain existing shareholders ('the Proposed Offer'). The Restated Consolidated Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of :

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India; and

   c. The Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("the Guidance Note").

2) The preparation of the Restated Consolidated Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 12 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Consolidated Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and Guidance Note.

3) We have examined such Restated Consolidated Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 2 August 2018 in connection with the proposed offer of equity shares of the Company; and

   b. The Guidance Note.

4) These Restated Consolidated Financial Information has been compiled by the Management from the following:

   a. As at and for the year ended 31 March 2018: From the audited consolidated financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 16 August 2018.

b. As at and for the year ended 31 March 2017: From the comparative period (*i.e.* as at and for the year ended 31 March 2017) in the audited consolidated Ind AS financial statements as at and for the year ended 31 March 2018 prepared in accordance with Ind AS and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 16 August 2018. The audited consolidated financial statements of the Company for the year ended 31 March 2017 prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their meeting held on 22 August 2017, form the basis of restatement of the comparative period. These audited consolidated financial statements of the Company as at and for the year ended 31 March 2017 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements of the Company for the year ended 31 March 2018 and form the comparative period of the said first Ind AS financial statements of the Company.

c. As at and for the year ended 31 March 2016: From the audited consolidated financial statements of the Company as at and for the year ended 31 March 2016, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 30 September 2016 and which have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended 31 March 2018. The Restated Consolidated Financial Information as at and for the year ended 31 March 2016 is referred to as "the Proforma Restated Consolidated Financial Information 2016".

d. As at and for the year ended 31 March 2015: From the audited consolidated financial statements of the Company as at and for the year ended 31 March 2015, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 7 July 2015.

e. As at and for the year ended 31 March 2014: From the audited consolidated financial statements of the Company as at and for the year ended 31 March 2014 prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) and which have been approved by the Board of Directors at their meeting held on 30 January 2015.

5) The audit of the Company's consolidated financial statements for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 was conducted by previous auditor, S. R. Batliboi & Associates LLP.

6) We did not audit the financial statements of certain subsidiaries for the financial years ended 31 March 2018 and 31 March 2017 whose share of total assets, total revenue and net cash flows included in the Restated Consolidated Financial Information for each of those years is tabulated below. These financial statements have been audited by other auditors, as set out in Appendix I, whose reports have been furnished to us and our opinion in so far as it relates to the amounts and disclosures included in these Restated Consolidated Financial Information are based solely on the reports of the other auditors.

(Amount in Rs million)

As at and for the year ended	**Subsidiaries**		
	Total assets	**Total revenue**	**Net cash inflow/ (outflow)**
2018	817.14	380.64	(33.37)
2017	557.37	153.38	65.61

7) We did not audit the financial statements of one subsidiary for the financial year ended 31 March 2017 whose share of total assets of Rs 343.97 million, total revenue of Rs 5.33 million and net cash inflow of Rs 63.18 million is included in the Restated Consolidated Financial Information for that year. The financial statements are unaudited and have been furnished to us by the management and our opinion in so far as it relates to the amounts included in the Restated Consolidated Financial Information, is based solely on such

unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, the financial statements are not material to the Group.

8) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act, the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a. The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexures I and A.I respectively to the Restated Consolidated Financial Information, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexures VII and A.VI - Statement of Adjustments to the Audited Consolidated Financial Statements respectively to the Restated Consolidated Financial Information.

b. The Restated Consolidated Summary Statement of Profit and Loss of the Group for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexures II and A.II respectively to the Restated Consolidated Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexures VII and A.VI - Statement of Adjustments to the Audited Consolidated Financial Statements respectively to the Restated Consolidated Financial Information.

c. The Restated Consolidated Summary Statement of Cash Flows of the Group for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexures IV and A.III respectively to the Restated Consolidated Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexures VII and A.VI - Statement of Adjustments to the Audited Consolidated Financial Statements respectively to the Restated Consolidated Financial Information.

d. The Restated Consolidated Summary Statement of Changes in Equity of the Group for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 examined by us, as set out in Annexure III to the Restated Consolidated Financial Information has been arrived at after making adjustments and regroupings/reclassifications as in our opinion, were appropriate and more fully described in the notes appearing in Annexure VII - Statement of Adjustments to the Audited Consolidated Financial Statements to the Restated Consolidated Financial Information.

e. Based on the above and according to the information and explanations given to us, we further report that the Restated Consolidated Financial Information:

i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods as applicable, *i.e.* the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 read with the Rule 5 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 and, Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 for the years ended 31 March 2015 and 31 March 2014;

ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

iii. do not contain any extra-ordinary/exceptional items that need to be disclosed separately and do not contain any qualification requiring adjustments.

9) We have also examined the following Restated Consolidated Other Financial Information of the Group for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014

as set out in the Annexures prepared by the management and approved by the Board of Directors at their meeting held on 16 August 2018:

i. Basis of preparation and significant accounting policies as enclosed in Annexures V and A.IV;
ii. Notes to the Restated Consolidated Financial Information as enclosed in Annexures VI and A.V;
iii. Restated Consolidated summary statement of other income, as enclosed in Annexures VIII and A.VII;
iv. Restated Consolidated summary statement of principal terms of secured borrowings outstanding as at 31 March 2018, as enclosed in Annexure IX;
v. Restated Consolidated summary statement of accounting ratios, as enclosed in Annexures X and A.VIII;
vi. Restated Consolidated summary statement of capitalisation, as enclosed in Annexure XI;
vii. Restated Consolidated summary statement of tax shelter, as enclosed in Annexures XII and A.IX; and
viii. Restated Consolidated summary statement of dividend by the Company, as enclosed in Annexures XIII and A.X.

According to the information and explanations given to us, in our opinion, the Restated Consolidated Financial Information of the Company as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, including the above mentioned Other Restated Consolidated Financial Information contained in Annexures VI to XIII and Annexures A.V to A.X, read with summary of significant accounting policies disclosed in Annexures V and A.IV, are prepared after making adjustments and regroupings as considered appropriate and the Proforma Restated Consolidated Financial Information 2016 of the Company as at and for the year ended 31 March 2016, read with the summary of significant accounting policies disclosed in Annexure V, are prepared after making proforma adjustments as mentioned in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

10) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other auditors as mentioned in Appendix I, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

11) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

12) Our report is intended solely for use of the management for inclusion in the offer document to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited, BSE Limited where the equity shares are proposed to be listed and the Registrar of Companies, Maharashtra, situated in Mumbai, in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm’s Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No. 103145

Mumbai
16 August 2018

Appendix I

Financial Year ended	**Country**	**Holding Company**	**Name of the auditor**
31 March 2018			
Global Transact Services Pte.	Singapore	Company	MGI N Rajan Associates
Ltd.(GTSL)	Singapore	GTSL	MGI N Rajan Associates
Novus Technologies Pte. Ltd.(NTPL)	Cambodia	NTPL	BDO (Cambodia) Limited
Novus Technologies (Cambodia)			
Company Limited	Philippines	NTPL	Diaz Murillo Dalupan and
Novus Transact Philippines			Company
Corporation	Sri Lanka	NTPL	Wijeyeratne & Company
Novustech Transact Lanka (Private) Limited			
31 March 2017			
Global Transact Services Pte. Ltd.	Singapore	Company	MGI N Rajan Associates
Novus Technologies Pte. Ltd.	Singapore	GTSL	MGI N Rajan Associates
Novus Technologies (Cambodia) Company Limited	Cambodia	NTPL	BDO (Cambodia) Limited
Novus Transact Philippines Corporation	Philippines	NTPL	Diaz Murillo Dalupan and Company
Novustech Transact Lanka (Private) Limited	Sri Lanka	NTPL	Unaudited
31 March 2016			
AGS Transact Technologies Limited	India		S. R. Batliboi & Associates LLP
Securevalue India Limited	India	Company	S. R. Batliboi & Associates LLP
India Transact Services Limited	India	Company	S. R. Batliboi & Associates LLP
Global Transact Services Pte. Ltd.	Singapore	Company	MGI N Rajan Associates
Novus Technologies Pte. Ltd.	Singapore	GTSL	MGI N Rajan Associates
Novus Technologies (Cambodia) Company Limited	Cambodia	NTPL	Deloitte (Cambodia) Co. Ltd
Novus Transact Philippines Corporation	Philippines	NTPL	Diaz Murillo Dalupan and Company
31 March 2015			
AGS Transact Technologies Limited	India		S. R. Batliboi & Associates LLP
Securevalue India Limited	India	Company	S. R. Batliboi & Associates LLP
India Transact Services Limited	India	Company	S. R. Batliboi & Associates LLP
Global Transact Services Pte. Ltd.	Singapore	Company	MGI N Rajan Associates
Novus Technologies Pte. Ltd.	Singapore	GTSL	MGI N Rajan Associates
Novus Technologies (Cambodia) Company Limited	Cambodia	NTPL	Deloitte (Cambodia) Co. Ltd
Novus Transact Philippines Corporation	Philippines	NTPL	Diaz Murillo Dalupan and Company

Appendix I ***(Continued)***

Financial Year ended	**Country**	**Holding Company**	**Name of the auditor**
31 March 2014			
AGS Transact Technologies Limited	India		S. R. Batliboi & Associates LLP
Securevalue India Limited	India	Company	S. R. Batliboi & Associates LLP
India Transact Services Limited	India	Company	S. R. Batliboi & Associates LLP
Global Transact Services Pte. Ltd.	Singapore	Company	MGI N Rajan Associates
Novus Technologies Pte. Ltd.	Singapore	GTSL	MGI N Rajan Associates

Annexure I - Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	Note	31 March 2018	31 March 2017	31 March 2016 Proforma*
Assets				
Property, plant and equipment	1	**5,163.44**	4,702.08	4,277.47
Capital work-in-progress		**540.81**	598.91	288.87
Goodwill	2	**22.91**	22.63	23.43
Other intangible assets	3	**307.22**	205.94	153.68
Intangible assets under development		**114.65**	82.99	-
Financial assets				
Trade receivables	4	**9.78**	378.95	449.07
Loans	5	**632.25**	656.76	677.51
Other financial assets	6	**33.69**	1.21	16.25
Deferred tax assets (net)	7	**256.86**	209.78	133.48
Other non-current assets	8	**507.30**	624.97	652.78
Other non-current tax assets	7	**547.83**	426.39	239.46
Total non current assets		**8,136.74**	**7,910.61**	**6,912.00**
Current assets				
Inventories	9	**1,353.55**	1,680.10	1,727.00
Financial assets				
Trade receivables	10	**3,665.13**	2,952.48	2,735.62
Cash and cash equivalents	11a	**214.01**	178.80	63.33
Bank balances other than 11a above	11b	**66.60**	31.79	41.12
Loans	12	**105.49**	93.71	110.81
Other financial assets	13	**1,505.64**	831.42	835.55
Other current assets	14	**507.26**	478.93	598.53
Total current assets		**7,417.68**	**6,247.23**	**6,111.96**
Total assets		**15,554.42**	**14,157.84**	**13,023.96**
Equity and liabilities				
Equity				
Equity share capital	15	**1,185.07**	1,185.07	1,185.07
Other equity	16	**2,835.95**	2,754.71	2,986.34
Equity attributable to owners of the Company		**4,021.02**	**3,939.78**	**4,171.41**
Non-controlling interests		**-**	-	-
Total equity		**4,021.02**	**3,939.78**	**4,171.41**
Non current liabilities				
Financial liabilities				
Borrowings	17	**3,517.76**	2,536.47	1,889.06
Other financial liabilities	18	**71.45**	83.85	90.53
Provisions	19	**132.18**	102.36	73.85
Other non-current liabilities	20	**95.91**	57.61	81.31
Total non current liabilities		**3,817.30**	**2,780.29**	**2,134.75**
Current liabilities				
Financial liabilities				
Borrowings	21	**2,248.26**	2,943.95	2,925.28
Trade payables	22	**1,973.79**	1,983.62	1,810.89
Other financial liabilities	23	**3,015.04**	2,065.72	1,710.61
Other current liabilities	24	**301.16**	285.71	135.22
Provisions	25	**177.85**	158.77	135.80
Total current liabilities		**7,716.10**	**7,437.77**	**6,717.80**
Total equity and liabilities		**15,554.42**	**14,157.84**	**13,023.96**

* - refer note2.A of Annexure V

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date: 16 August 2018

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN: U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal

DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Annexure II - Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma*
Revenue from operations	26	**14,813.17**	13,356.16	12,095.54
Other income	27	**140.53**	166.37	164.64
Total income		**14,953.70**	**13,522.53**	**12,260.18**
Expenses				
Cost of raw materials and components consumed	28	**2,841.07**	3,097.17	3,035.98
Excise duty		**82.49**	277.56	213.45
Purchase of traded goods	29	**541.96**	94.72	120.04
Decrease in inventories of finished goods and traded goods	30	**62.23**	41.15	56.13
Employee benefit expenses	31	**2,333.44**	2,222.76	1,785.54
Other expenses	32	**6,898.31**	6,106.96	5,639.65
Total expenses		**12,759.50**	**11,840.32**	**10,850.79**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**2,194.20**	**1,682.21**	**1,409.39**
Finance costs	33	**827.75**	780.72	714.80
Depreciation and amortisation expense	1&3	**1,128.98**	1,004.66	785.37
Profit/(loss) before tax		**237.47**	**(103.17)**	**(90.78)**
Tax expense:				
Current tax	7	**218.27**	185.42	78.03
Deferred tax (credit)/charge	7	**(44.01)**	(73.38)	5.18
Total tax expense		**174.26**	**112.04**	**83.21**
Profit/(loss) for the year		**63.21**	**(215.21)**	**(173.99)**
Other comprehensive income				
Items that will not be reclassified to the Restated Consolidated Summary Statement of Profit and Loss in a subsequent period				
Remeasurements of defined benefit plans		**(8.32)**	(8.77)	(5.82)
Income tax relating to the above		**3.07**	2.92	1.97
Items that will be reclassified to the Restated Consolidated Summary Statement of Profit and Loss in a subsequent period				
Gain/(loss) on foreign currency translation		**23.28**	(10.57)	3.18
Income tax relating to the above		**-**	-	-
Other comprehensive income for the year		**18.03**	**(16.42)**	**(0.67)**
Total comprehensive income for the year		**81.24**	**(231.63)**	**(174.66)**
Earnings per equity share				
Basic earnings per share (Rs.)	34	**0.53**	(1.82)	(1.47)
Diluted earnings per share (Rs.)	34	**0.53**	(1.82)	(1.47)

* - refer note2.A of Annexure V

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN: U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Place: Mumbai
Date: 16 August 2018

AGS Transact Technologies Limited

Annexure III - Restated Consolidated Summary Statement Of Changes In Equity

(a) Equity share capital

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma*
Balance at the beginning of the year	**1,203.93**	1,203.93	1,203.93
Less: Treasury shares	**(18.86)**	(18.86)	(18.86)
Balance at the end of the year	**1,185.07**	**1,185.07**	**1,185.07**

(b) Other equity

Attributable to the owners of the Company (Rs. in million)

Particulars	Securities premium account	Employee stock options reserve	General reserve	Retained earnings	Foreign currency translation reserve	Total other equity
Balance at 1 April 2015 (Proforma)*	**2,297.77**	**4.12**	**10.00**	**837.28**	**(8.62)**	**3,140.55**
Profit for the year	-	-	-	(173.99)	-	(173.99)
Other comprehensive income for the year	-		-	(3.85)	3.18	(0.67)
ESOP expense	-	20.45	-	-	-	20.45
Balance at 31 March 2016 (Proforma)*	**2,297.77**	**24.57**	**10.00**	**659.44**	**(5.44)**	**2,986.34**
Balance at 1 April 2016	**2,297.77**	**24.57**	**10.00**	**659.44**	**(5.44)**	**2,986.34**
Profit for the year	-	-	-	(215.21)	-	(215.21)
Other comprehensive income for the year	-	-	-	(5.85)	(10.57)	(16.42)
Share options lapsed	-	(4.94)	-	4.94	-	-
Balance at 31 March 2017	**2,297.77**	**19.63**	**10.00**	**443.32**	**(16.01)**	**2,754.71**
Balance at 1 April 2017	**2,297.77**	**19.63**	**10.00**	**443.32**	**(16.01)**	**2,754.71**
Profit for the year	-	-	-	63.21	-	63.21
Other comprehensive income for the year	-	-	-	(5.25)	23.28	18.03
Share options lapsed	-	(6.71)	-	6.71	-	-
Balance at 31 March 2018	**2,297.77**	**12.92**	**10.00**	**507.99**	**7.27**	**2,835.95**

Note:
The balance attributable towards the non-controlling interest of Novus Technologies Pte. Ltd. and its step-down subsidiaries was nil as at each reporting date.

* - refer note2.A of Annexure V

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date: 16 August 2018

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN: U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Annexure IV-Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma*
A.	**Cash flow from operating activities**			
	Net restated profit/(loss) before tax	**237.47**	**(103.17)**	**(90.78)**
	Adjustments for :			
	Finance costs	**827.75**	780.72	714.80
	Interest income	**(58.28)**	(55.58)	(75.27)
	Depreciation and amortisation expense	**1,128.98**	1,004.66	785.37
	Loss on sale/retirement of property, plant and equipment (net)	**54.98**	21.29	37.13
	Provision for warranty	**7.55**	(15.84)	(1.61)
	Employee stock option scheme expense	**-**	-	20.45
	Inventories written off	**55.65**	44.16	151.19
	Liabilities written back	**-**	-	(0.11)
	Unrealised foreign exchange gain	**(1.42)**	(3.02)	(2.09)
	Operating profit before working capital changes	**2,252.68**	**1,673.22**	**1,539.08**
	Changes in working capital :			
	Decrease / (increase) in inventories	**224.17**	154.17	(252.90)
	(Increase) / decrease in trade receivables	**(502.06)**	(142.87)	473.35
	Decrease / (increase) in loans	**5.05**	188.08	(36.63)
	(Increase) / decrease in other current assets	**(650.78)**	39.25	(387.84)
	Decrease in other non-current assets	**53.19**	50.59	45.51
	Increase in trade payables	**181.51**	187.98	20.48
	Increase in other current liabilities	**706.10**	177.91	229.45
	(Decrease) / increase in other non-current liabilities	**(16.36)**	34.70	(27.76)
	Increase in provisions	**41.33**	67.32	46.80
	Cash generated from operations	**2,294.83**	**2,430.35**	**1,649.54**
	Direct taxes paid (net)	**(339.24)**	(372.35)	(252.38)
	Net cash flow generated from operating activities (A)	**1,955.59**	**2,058.00**	**1,397.16**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital advances and work-in-progress	**(1,550.72)**	(2,108.49)	(1,268.27)
	Interest received	**3.71**	3.25	19.07
	Fixed deposits placed during the year	**(95.37)**	(27.81)	(40.17)
	Proceeds from maturity of fixed deposits	**29.06**	35.82	33.18
	Net cash (used in) investing activities (B)	**(1,613.32)**	**(2,097.23)**	**(1,256.19)**
C.	**Cash flow from financing activities**			
	Proceeds from long-term borrowings	**2,730.09**	1,810.78	641.72
	Repayment of long-term borrowings	**(1,519.53)**	(891.50)	(701.80)
	(Repayment of)/proceeds from short-term borrowings (net)	**(693.14)**	(3.39)	511.35
	Share issue expenses	**-**	-	(48.74)
	Interest paid	**(719.65)**	(670.36)	(637.22)
	Other finance charges paid	**(104.83)**	(90.83)	(71.86)
	Net cash (used in) / generated from financing activities (C)	**(307.06)**	**154.70**	**(306.55)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**35.21**	115.47	(165.58)
	Cash and cash equivalents at the beginning of the year	**178.80**	63.33	228.91
	Cash and cash equivalents at the end of the year	**214.01**	**178.80**	**63.33**

* - refer note2.A of Annexure V

Note:

1. The above statement has been prepared under the indirect method as set out in Indian Accounting standard 7 Statement of Cash Flows notified u/s 133 of Companies Act, 2013 ('Act') read with Rule 4 of the Companies (Indian Accounting Standards) Rules 2015 and the relevant provisions of the Act.

2. The movement of borrowings as per Ind AS 7 is as follows:	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Opening borrowings	**6,566.42**	5,629.31	5,186.14
Proceeds from long-term borrowings	**2,730.09**	1,810.78	641.72
Repayment of long-term borrowings	**(1,519.53)**	(891.50)	(701.80)
(Repayment of)/proceeds from short-term borrowings (net)	**(693.14)**	(3.39)	511.35
Non-cash adjustments	**(49.63)**	21.22	(8.10)
Closing borrowings	**7,034.21**	**6,566.42**	**5,629.31**

Annexure IV-Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

3. Reconciliation of cash and cash equivalents:	**Year ended 31 March 2018**	**Year ended 31 March 2017**	**Year ended 31 March 2016 Proforma**
Cash on hand	**28.09**	20.79	26.16
Balance with banks			
- Current accounts	**286.62**	233.97	37.17
Less : current account balances held in trust for customers	**(100.70)**	(75.96)	-
Cash and cash equivalents as per Restated Consolidated Summary Statement of Cash Flows	**214.01**	**178.80**	**63.33**

4. Cash credit is treated as a borrowings and hence not included as a part of cash and cash equivalent for the purpose of the Restated Consolidated Summary Statement of Cash Flows.

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date: 16 August 2018

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

AGS Transact Technologies Limited

Annexure V – Basis of preparation and Significant Accounting Policies

Notes to the Restated Consolidated Financial Information

Note 1
Group overview

AGS Transact Technologies Limited (the 'Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company along with its subsidiaries including step-down subsidiaries - Securevalue India Limited ('SVIL'), India Transact Services Limited ('ITSL'), Global Transact Services Pte. Ltd. ('GTSL'), Novus Technologies Pte. Ltd., Novus Technologies (Cambodia) Company Limited, Novus Transact Philippines Corporation and Novustech Transact Lanka (Pvt.) Ltd., (together 'the Group') is in the business of supplying, installing and managing technology-based automation products and providing related services to its customers present in the Banking, Petroleum, Colour and Retail sectors. The Group is also engaged in the business of providing ATM outsourcing, ATM Management Services, Intelligent Cash deposit (ICD), transaction switching service, electronic payment services through point of sale (POS) machines, mobile wallets, domestic money transfer and other payment channels, cash management, cash replenishment, door step banking and cash burial services to banks and service providers and supplying of self-service terminals and related software to financial institutions.

Note 2
Basis of preparation and Significant Accounting Policies

A. Basis of preparation of Restated Consolidated Summary Financial Information

The Restated Consolidated Summary Statement of Assets and Liabilities of the Group as at 31 March 2018, 2017 and 2016, the Restated Consolidated Summary Statement of Profit and Loss, the Restated Consolidated Summary Statement of Changes in Equity and the Restated Consolidated Summary Statement of Cash Flows for the years ended 31 March 2018, 2017 and 2016 and Restated Consolidated Other Financial Information for the years ended 31 March 2018, 2017 and 2016 (together referred as 'Restated Consolidated Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ('the Act') to the extent applicable.

The Restated Consolidated Financial Information relates to the Group. The Group does not have investments in associates and joint ventures.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Group has presented a reconciliation from the presentation of Restated Consolidated Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 as amended ("Previous GAAP" or "Indian GAAP") to Ind AS for Restated Consolidated Summary Shareholders' Equity as at 31 March 2017 and 2016, and of the Restated Consolidated Summary Statement of Profit and Loss for the year ended 31 March 2017 and 2016 - refer Note 53 to Annexure VI to the Restated Consolidated Financial Information.

For the purpose of Proforma Restated Consolidated Financial Information 2016, 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. 1 April 2016). This Proforma Restated Consolidated Financial Information 2016 have been prepared by making Ind AS adjustments to the audited consolidated financial statements as at and for the year ended 31 March 2016 prepared in accordance with previous GAAP. Accordingly, suitable restatement adjustments in the accounting heads has been made in the Proforma Restated Consolidated Financial Information 2016 - refer Note 53 to Annexure VI to the Restated Consolidated Financial Information.

The Restated Consolidated Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an issue of fresh equity shares and offer for sale by the selling shareholders, to be filed by the Company with the Securities and Exchange Board of India, the National

Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai in accordance with the requirements of:

a) Section 26 to the Companies Act, 2013 (“the Act”)

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on 26 August 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (together referred to as the “SEBI regulations”); and

c) Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India (“ICAI”).

These Restated Consolidated Financial Information have been compiled by the management from the audited consolidated financial statements of the respective years and:

- there were no changes in accounting policies under Previous GAAP during the years ended 31 March 2017 and 2016,

- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted

- adjustments for restatement and/or reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the audited consolidated financial statements of the Group as at and for the year ended 31 March 2018 prepared under Ind AS and the requirements of the SEBI Regulations have been made, and

- the resultant tax impact of the above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Restated Consolidated Financial Information were approved by the Board of Directors of the Company on 16 August 2018.

B. Functional and presentation currency

These Restated Consolidated Financial Information are presented in Indian rupees, which is the Company’s functional currency. All amounts have been rounded off to the nearest million with two decimals, unless otherwise indicated.

C. Basis of measurement

The Restated Consolidated Financial Information have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial instruments (assets and liabilities) measured at fair value (refer accounting policy regarding financial instruments)

- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

D. Key estimates and assumptions

While preparing the Restated Consolidated Financial Information in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgement, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of property, plant and equipment and investment property are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. All useful lives are reviewed at each reporting period and revised if required.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.
At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments

reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate. In case of operating lease, all payments under the arrangement are treated as lease payments.

Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.Further information about the assumptions made in measuring fair values is included in the following note:

– Impairment test of non-financial assets: key assumptions underlying recoverable amounts.

Taxes

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

E. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity has recognised certain assets at fair value and further information is included in the relevant notes.

F. Basis of consolidation

The Restated Consolidated Financial Information has been prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements'.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the Restated Consolidated Financial Information. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the Restated Consolidated Summary Statement of Assets and Liabilities. In case of acquisition of additional stake in the existing subsidiary, the excess of purchase consideration over the Group's portion of equity of the subsidiary on the date on which the additional investment is made, is adjusted in equity.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the Restated Consolidated Summary Statement of Assets and Liabilities separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

b) The non-controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary Statement of Changes in Equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Restated Consolidated Summary Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Restated Consolidated Summary Statement of Profit and Loss. Subsequently, it may be accounted for as an equity-accounted investee depending on the level of influence retained.

As far as possible, the Restated Consolidated Financial Information is prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Restated Standalone Financial Information.

The subsidiaries considered in the preparation of the Restated Consolidated Financial Information and the shareholding of the Group in these companies as of 31 March 2018 is as follows:

Subsidiaries	**Holding Company**	**Country of Incorporation**	**Ownership interest**
India Transact Services Limited (w.e.f. 1 April 2010)	Company	India	100%
Securevalue India Limited (w.e.f. 24 April 2012)	Company	India	100%
Global Transact Services Pte. Ltd. ('GTSL') (w.e.f. 6 March 2009)	Company	Singapore	100%
Novus Technologies Pte. Ltd. ('NTPL') (w.e.f. 28 November 2013)	GTSL	Singapore	90%
Novus Technologies (Cambodia) Company Limited (w.e.f. 29 August 2014)	NTPL	Cambodia	90%
Novus Transact Philippines Corporation (w.e.f. 15 September 2014)	NTPL	Philippines	90%
Novustech Transact Lanka (Pvt.) Ltd. (w.e.f. 23 September 2016)	NTPL	Sri Lanka	90%

G. Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Restated Consolidated Summary Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

The Group classifies its financial assets into a) financial assets measured at amortised cost, b) financial assets measured at fair value through other comprehensive income (FVOCI), and c) financial assets measured at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

(a) Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost if it is held within a business model whose objective is to

- hold financial asset in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interest forms part of finance income in the Restated

Consolidated Summary Statement of Profit and Loss. Any impairment loss arising from these assets is recognised in the Restated Consolidated Summary Statement of Profit and Loss.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Restated Consolidated Summary Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Restated Consolidated Summary Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

(c) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value through profit and loss are measured at fair value, and changes therein are recognised in the Restated Consolidated Summary Statement of Profit and Loss.

(iii) Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, prior experience, customer profile and expectations about future cash flows.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(v) Impairment of Financial Asset

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

For trade receivables, the Group applies a simplified approach. It recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits and expectations about future cash flows.

The impairment losses and reversals are recognised in Restated Consolidated Summary Statement of Profit and Loss.

H. Financial liabilities

(i) Initial recognition and measurement

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value less any directly attributable transaction costs unless at initial recognition, they are classified as fair value through profit and loss. A financial liability is classified as at FVTPL if it is held for trading, or it is a derivative or it is designated as such on initial recognition.

(ii) Subsequent measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Restated Consolidated Summary Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using EIR. Interest expense and foreign exchange gains and losses are recognised in the Restated Consolidated Summary Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Restated Consolidated Summary Statement of Assets and Liabilities 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.

I. Derivative financial instruments

The Group holds derivative financial instruments (forward contracts) to hedge its foreign currency exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in Restated Consolidated Summary Statement of Profit and Loss. The gain or loss on such derivative is presented in the Restated Consolidated Summary Statement of Profit and Loss in the same line item as the corresponding foreign exchange loss or gain arising from the hedged transaction.

J. Share Capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

Treasury shares

The Company has created AGSTTL Employees Welfare Trust ("Trust") for providing share-based payment to its employees. The Trust is used as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company for giving shares to employees. The Company treats Trust as its extension and shares held by Trust are treated as treasury shares. Treasury shares are recognised at cost and deducted from equity. No gain or loss is recognised in Restated Consolidated Summary Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company'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 deducted from treasury shares.

K. Property, Plant and Equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates.

Pre-operative expenses such as salaries, rent, octroi charges, brokerage, legal and professional fees, etc. incurred during installation period are capitalised under the respective asset head as part of the indirect installation cost, to the extent to which the expenditure is allocable / apportioned to the asset-head. In case of composite contract involving acquisition of property, plant and equipment and providing services, the property, plant and equipment are capitalised at the respective fair value of the asset acquired.

Stores and spares includes tangible items used as rotables in supply of goods or services and are expected to be used for a period more than 1 year.

Demo assets includes assets which are given for training, testing and demonstration to various current and prospective customers for supply of goods or services and are expected to be used for a period more than 1 year.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Restated Consolidated Summary Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as “Capital work-in-progress”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are classified as Capital advances.

(ii) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its tangible assets recognised as at transition date measured as per the previous Indian GAAP and use that carrying value as the deemed cost of tangible assets. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing proforma restated schedule for the year ended 31 March 2016.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity.

(iv) Depreciation

Useful life of property, plant and equipment:

During the year ended 31 March 2016, based on review of physical condition and technical assessment of the specific assets capitalised in earlier years, the management had revised the estimates of useful life for ATM Machines from 7 years to 10 years. The effect of change in useful life on depreciation was recognised prospectively. As a result of this change depreciation for the year ended 31 March 2016 was lower by Rs.155.81 million.

Residual value:

During the year ended 31 March 2016, based on the experience and technical assessment, the management had revised the estimates relating to the residual value of certain class of property, plant and equipment, mainly ATM Machines and other movable assets at ATM sites like Air Conditioners, UPS, etc. The residual value of these specific assets was revised to 5% of original cost as compared to Zero as estimated earlier. The effect of change in residual value was recognised prospectively. As a result of this change, the depreciation for the year ended 31 March 2016 was lower by Rs. 31.10 million.

Depreciation on property, plant and equipment

Depreciation is provided on the Written Down Value ('WDV') method, except in the case of Building, ATM, ATM sites, Demo assets, POS machines and Stores and spares where the Straight-Line Method ('SLM') is used, over the estimated useful life of each asset as determined by the management. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

The estimated useful lives and method of deprecation of items of property, plant and equipment are as follows:

Asset	Method of Depreciation	Useful life (years)
Buildings	SLM	30-60
ATM machines*^	SLM	5- 10
Others assets at ATM Sites*^	SLM	7
POS machines*^	SLM	3- 5
Demo assets	SLM	2 – 5
Stores and spares#	SLM	5
Plant and machinery*	WDV	10 - 15
Furniture and fixtures^	WDV	2 - 10
Office equipment, electrical installation and air conditioners^	WDV	2 - 10
Computers^	WDV	1 - 6
Vehicles for office purposes	WDV	8
Vehicles for cash management*	SLM	7

*ATM machines, other assets at ATM sites, POS machines, Vehicles for cash management business and plant and machinery are depreciated over the estimated useful lives, which is lower than the useful life indicated in Schedule II of the Act.

Management has estimated, supported by independent assessment by professionals, the useful lives of the classes of assets.
^ Foreign subsidiaries are depreciating assets on SLM basis. The useful life for ATM machines, POS machines, furniture and fixtures; office equipment, electrical installation and air conditioner and computers have been estimated to be 5 years, 3 years, 2 years, 2 to 3 years and 1 year respectively.

Leasehold improvements are amortised over the primary period of lease i.e. lease period which ranges from 3 to 10 years as per the agreement or the life of respective assets, whichever is lower

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

L. Intangible assets

(i) Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Restated Consolidated Summary Statement of Profit and Loss in the year in which the expenditure is incurred.

(ii) Subsequent expenditure

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

(iv) Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognised as at transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

(v) Amortisation of intangible assets

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Technical know-how	7
Software	4

Non-Compete fee is amortised over the period of contract.

The estimated useful life of an intangible asset in a service concession arrangement is amortised over the period of contract.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(vi) Expenditure on research and development

Expenditure on research activities is recognised in the Restated Consolidated Summary Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in Restated Consolidated Summary Statement of Profit and Loss as incurred.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Restated Consolidated Summary Statement of Profit And Loss.

During the period of development, the asset is tested for impairment annually.

M. Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Restated Consolidated Summary Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill on business combinations is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

N. Inventories

Raw materials, finished goods, stores, spares (other than those capitalised in property, plant and equipment), traded items and consumables are carried at the 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 sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

In determining cost of raw materials, finished goods, traded items, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of finished goods includes the cost of raw materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

O. Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, is inclusive of excise duty, as applicable and net of returns, service level agreement deductions, warranties, trade discounts, goods and service tax / service tax / value added tax / sales tax (as applicable) and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites.

(ii) Rendering of services

Revenue from services is recognised on rendering of respective services to customers as per the agreements entered into with the respective customers.

The revenue from ATM and management services is disclosed net of service level agreements deductions, one-time upfront fees and premium on purchase of property, plant and equipment. One-time upfront fees and premium on purchase of property, plant and equipment is amortised over the period of the respective contract.

Revenue from maintenance contracts is recognised pro-rata over the period of the contract as and when services are rendered.

Revenue from one time set up fees is recognised over the expected contractual term with the customers. Servicing fees for POS machine is recognised on monthly basis based on certainty of collection and transaction fees on the basis of transactions settled using POS machines.

The Group collects goods and service tax, service tax, sales tax and value added taxes, as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

(iii) Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Group.

(iv) Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

P. Recognition of dividend income, interest income or expense

Dividend income is recognised in Restated Consolidated Summary Statement of Profit and Loss on the date on which the Group’s right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.
For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in Other income in the Restated Consolidated Summary Statement of Profit and Loss.

Finance lease interest expense is recognised upon commencement of the finance lease agreement using constant periodic rate of return over the period of the agreement.

Q. Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Restated Consolidated Summary Statement of Profit and Loss in the period in which they arise.

(iii) Foreign operations

In case of foreign operations whose functional currency is different from the parent functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognised in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Restated Consolidated Summary Statement of Profit and Loss

(iv) Fair value gain / (loss) of derivative contracts

Foreign exchange difference on foreign currency borrowings, settlement gain / (loss) and Fair value gain/loss on derivative contracts relating to borrowings are accounted and disclosed under Finance cost.

R. Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Group recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered Provident Fund Scheme and Employee State Insurance Corporations. The Group has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the year in which the employment services qualifying for the benefit are provided. Some of the foreign subsidiaries of the Group makes specified contributions towards pension scheme. These contributions are recognised as an expense in the Restated Consolidated Summary Statement of Profit and Loss, during the period in which the employee renders the related services.

(iii) Gratuity - Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary and the tenure of employment with the Group.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Restated Consolidated Summary Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Restated Consolidated Summary Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the estimated liability for leave as a result of services rendered by employees, which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employee benefits, are based on the market yields on Government of India securities as at the balance sheet date. Re-measurement gains and losses are recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss.

The Group presents the above liability as current in the Restated Consolidated Summary Statement of Assets and Liabilities.

(v) Employee stock compensation cost

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

S. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for warranties:

Provision for warranty-related costs is recognised when the related product is sold or service provided. Provision is based on technical estimates which are based on historical experience. The estimates of such warranty-related costs are reviewed and revised annually.

T. Contingent liabilities and contingent assets

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the Restated Consolidated Financial Information but are disclosed unless the possibility of an outflow of economic resources is considered remote.

A contingent asset is not recognised but disclosed in the Restated Consolidated Financial Information where an inflow of economic benefit is probable.

Contingent assets, contingent liabilities and commitments are reviewed at each reporting date.

U. Leases

Leases where the Group is lessee:

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 Restated Consolidated Summary Statement of Profit and Loss on a straight-line basis over the lease term, unless the escalation is in line with inflation

Leases where the Group is lessor:

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 Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Restated Consolidated Summary Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss.

V. Income tax

Income tax comprises current and deferred tax. It is recognised in Restated Consolidated Summary Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

W. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

X. Operating segments

(i) Basis for segmentation

An operating segment is a component of the entity that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Such decision is taken by Chief Operating Decision Maker (CODM). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

(ii) Business segment

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. Accordingly, the Group has identified 'Payment Solutions', 'Banking Automation Solutions' and 'Other Automation Solutions' segments as the primary reportable segments.

(iii) Geographical segment

The Group's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

(iv) Segment information

- Inter-segment transfers: The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

- 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 the accounting policies adopted for preparing and presenting the Restated Consolidated Financial Information of the Group as a whole.

Y. 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net restated 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.

Z. Measurement of earnings before interest, tax, depreciation and amortisation of EBITDA

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss for the year. The Group measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.

AA. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, unrestricted bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

AB. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.
An asset is classified as current when it satisfies any of the following criteria:
(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within twelve months after the Balance sheet date; or
(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the Balance sheet date.

All other assets are classified as non-current.
A liability is classified as current when it satisfies any of the following criteria:
(a) it is expected to be settled in, the entity's normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within twelve months after the Balance sheet date; or
(d) the Group does not have an unconditional right to defer settlement of the liability for atleast twelve months after the Balance sheet date.
All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

AC. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April, 2018. The Group has evaluated the effect of this on the Restated Consolidated Financial Information and the impact is not material.

Ind AS 115 - Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Group is in the process of evaluating the impact of Ind AS 115 on the revenue recognition policy and the financial statements of the Group.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Group will adopt the standard on 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the prior periods will not be retrospectively adjusted.

Annexure VI: Notes to the Restated Consolidated Financial Information

1 Property, plant and equipment

Reconciliation of carrying amount

(Rs. in million)

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM Sites	POS Machines	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Deemed cost as at 1 April 2015 Proforma	7.40	29.41	67.88	51.89	2,823.06	-	277.78	53.81	43.73	107.34	-	21.21	3,483.51
Additions	-	409.39	28.02	20.80	483.09	10.17	285.37	76.65	137.51	82.25	-	38.05	1,571.30
Disposals	-	-	4.27	-	50.61	-	-	-	-	-	-	-	54.88
Gross carrying amount as at 31 March 2016 Proforma	**7.40**	**438.80**	**91.63**	**72.69**	**3,255.54**	**10.17**	**563.15**	**130.46**	**181.24**	**189.59**	**-**	**59.26**	**4,999.93**
Depreciation for the year	-	4.98	13.79	8.55	502.70	0.73	66.26	25.01	40.13	35.10	-	25.21	722.46
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2016 Proforma	**-**	**4.98**	**13.79**	**8.55**	**502.70**	**0.73**	**66.26**	**25.01**	**40.13**	**35.10**	**-**	**25.21**	**722.46**
Net carrying amount as at 31 March 2016 Proforma	**7.40**	**433.82**	**77.84**	**64.14**	**2,752.84**	**9.44**	**496.89**	**105.45**	**141.11**	**154.49**	**-**	**34.05**	**4,277.47**
Deemed cost as at 1 April 2016	**7.40**	**433.82**	**77.84**	**64.14**	**2,752.84**	**9.44**	**496.89**	**105.45**	**141.11**	**154.49**	**-**	**34.05**	**4,277.47**
Additions	-	3.28	23.99	21.26	771.60	80.29	160.56	23.61	34.45	226.26	47.32	41.95	1,434.57
Disposals	-	-	-	1.43	92.69	-	0.62	0.12	0.68	-	-	0.71	96.25
Gross carrying amount as at 31 March 2017	**7.40**	**437.10**	**101.83**	**83.97**	**3,431.75**	**89.73**	**656.83**	**128.94**	**174.88**	**380.75**	**47.32**	**75.29**	**5,615.79**
Depreciation for the year	-	8.88	13.52	13.08	566.27	8.50	102.22	32.77	55.15	65.95	15.08	32.29	913.71
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2017	**-**	**8.88**	**13.52**	**13.08**	**566.27**	**8.50**	**102.22**	**32.77**	**55.15**	**65.95**	**15.08**	**32.29**	**913.71**
Net carrying amount as at 31 March 2017	**7.40**	**428.22**	**88.31**	**70.89**	**2,865.48**	**81.23**	**554.61**	**96.17**	**119.73**	**314.80**	**32.24**	**43.00**	**4,702.08**
Gross carrying amount as at 1 April 2017	**7.40**	**437.10**	**101.83**	**83.97**	**3,431.75**	**89.73**	**656.83**	**128.94**	**174.88**	**380.75**	**47.32**	**75.29**	**5,615.79**
Additions	40.00	67.62	28.04	10.33	1,201.62	-	116.78	13.54	25.58	141.09	5.92	64.62	1,715.14
Disposals	-	-	4.04	0.05	270.16	-	-	1.48	1.08	-	-	-	276.81
Gross carrying amount as at 31 March 2018	**47.40**	**504.72**	**125.83**	**94.25**	**4,363.21**	**89.73**	**773.61**	**141.00**	**199.38**	**521.84**	**53.24**	**139.91**	**7,054.12**
Accumulated depreciation as at 1 April 2017	**-**	**8.88**	**13.52**	**13.08**	**566.27**	**8.50**	**102.22**	**32.77**	**55.15**	**65.95**	**15.08**	**32.29**	**913.71**
Depreciation for the year	-	8.87	15.16	13.04	632.63	9.13	116.99	26.99	44.06	102.69	16.31	41.33	1,027.20
Disposals	-	-	1.32	0.01	47.92	-	-	0.51	0.47	-	-	-	50.23
Accumulated depreciation as at 31 March 2018	**-**	**17.75**	**27.36**	**26.11**	**1,150.98**	**17.63**	**219.21**	**59.25**	**98.74**	**168.64**	**31.39**	**73.62**	**1,890.68**
Net carrying amount as at 31 March 2018	**47.40**	**486.97**	**98.47**	**68.14**	**3,212.23**	**72.10**	**554.40**	**81.75**	**100.64**	**353.20**	**21.85**	**66.29**	**5,163.44**

1. The Group has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount as on 1 April 2016 has been considered as the gross block carrying amount on that date. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule as at 1 April 2015.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 (Proforma) and 1 April 2015 (Proforma) under the previous GAAP

Deemed cost as on 1 April 2015 Proforma

(Rs. in million)

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM Sites	POS Machines	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Gross carrying amount as per previous GAAP	7.40	37.82	90.21	84.71	4,375.67	-	330.02	119.95	87.79	270.22	-	87.95	5,491.73
Accumulated depreciation as per previous GAAP	-	8.41	22.33	32.82	1,552.61	-	52.24	66.14	44.06	162.88	-	66.74	2,008.23
Deemed cost as on 1 April 2015	**7.40**	**29.41**	**67.88**	**51.89**	**2,823.06**	**-**	**277.78**	**53.81**	**43.73**	**107.34**	**-**	**21.21**	**3,483.50**

Deemed cost as on 1 April 2016

(Rs. in million)

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM Sites	POS Machines	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Gross carrying amount as per previous GAAP	7.40	447.21	114.68	104.78	4,767.09	10.17	615.39	196.61	225.30	352.47	-	126.01	6,967.11
Accumulated depreciation as per previous GAAP	-	13.39	36.84	40.64	2,014.25	0.73	118.50	91.16	84.19	197.98	-	91.96	2,689.64
Deemed cost as on 1 April 2016	**7.40**	**433.82**	**77.84**	**64.14**	**2,752.84**	**9.44**	**496.89**	**105.45**	**141.11**	**154.49**	**-**	**34.05**	**4,277.47**

2. Refer note 41 for expenses capitalised as part of the cost of the property, plant and equipment.

2 Goodwill

Reconciliation of carrying amount

Goodwill on consolidation amounting to Rs.22.91 million (31 March 2017: Rs. 22.63 million, 31 March 2016 Proforma: Rs. 23.43 million) pertains to acquisition of Novus Technologies Pte. Ltd. ('NTPL')

The goodwill on consolidation is not amortised and accordingly, is tested for impairment. No impairment charges were identified for the year ended 31 March 2018, 31 March 2017 and 31 March 2016 Proforma.

(Rs. in million)

Particulars	Goodwill on Consolidation
Carrying amount as at 1 April 2015 Proforma	21.36
Exchange differences on translation of foreign operations	2.07
Carrying amount as at 31 March 2016 Proforma	**23.43**
Carrying amount as at 1 April 2016	23.43
Exchange differences on translation of foreign operations	(0.80)
Carrying amount as at 31 March 2017	**22.63**
Exchange differences on translation of foreign operations	0.28
Carrying amount as at 31 March 2018	**22.91**

The recoverable amount of NTPL is based on its value in use. The value in use is estimated using discounted cash flows over a period of 5 years. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Discount rate	**13.44%**	13.44%	13.44%
Long-term growth rate beyond 5 years	**1%**	1%	1%

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of NTPL.

3 Intangible assets

Reconciliation of carrying amount

(Rs. in million)

Particulars	Licenses and technical knowhow fees	Software	Other intangible asset*	Total
Deemed cost as at 1 April 2015 Proforma	48.18	96.47	-	144.65
Additions	-	71.94	-	71.94
Disposals	-	-	-	-
Gross carrying amount as at 31 March 2016 Proforma	**48.18**	**168.41**	**-**	**216.59**
Amortisation for the year	14.94	47.97	-	62.91
Disposals	-	-	-	-
Accumulated amortisation as at 31 March 2016 Proforma	**14.94**	**47.97**	**-**	**62.91**
Net carrying amount as at 31 March 2016 Proforma	**33.24**	**120.44**	**-**	**153.68**
Deemed cost as at 1 April 2016	33.24	120.44	-	153.68
Additions	57.06	86.15	-	143.21
Disposals	-	-	-	-
Gross carrying amount as at 31 March 2017	**90.30**	**206.59**	**-**	**296.89**
Amortisation for the year	22.42	68.53	-	90.95
Disposals	-	-	-	-
Accumulated amortisation as at 31 March 2017	**22.42**	**68.53**	**-**	**90.95**
Net carrying amount as at 31 March 2017	**67.88**	**138.06**	**-**	**205.94**
Gross carrying amount as at 1 April 2017	**90.30**	**206.59**	**-**	**296.89**
Additions	-	38.86	164.20	203.06
Disposals	-	-	-	-
Gross carrying amount as at 31 March 2018	**90.30**	**245.45**	**164.20**	**499.95**
Accumulated amortisation as at 1 April 2017	**22.42**	**68.53**	**-**	**90.95**
Amortisation for the year	21.70	68.69	11.39	101.78
Disposals	-	-	-	-
Accumulated amortisation as at 31 March 2018	**44.12**	**137.22**	**11.39**	**192.73**
Net carrying amount as at 31 March 2018	**46.18**	**108.23**	**152.81**	**307.22**

1. The Group has availed the deemed cost exemption in relation to intangible assets on the date of transition and hence the net block carrying amount as on 1 April 2016 has been considered as the gross block carrying amount on that date. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated schedule as at 1 April 2015.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 (Proforma) and 1 April 2015 (Proforma) under the previous GAAP.

Deemed cost as on 1 April 2015 Proforma *(Rs. in million)*

Particulars	Licenses and technical knowhow fees	Software	Non Compete Fees	Other intangible asset*	Total
Gross carrying amount as per previous GAAP	103.16	196.75	52.00	-	**351.91**
Accumulated Depreciation as per previous GAAP	54.98	100.28	52.00	-	**207.26**
Net carrying amount treated as deemed cost as on 1 April 2015	**48.18**	**96.47**	**-**	**-**	**144.65**

Deemed cost as on 1 April 2016 *(Rs. in million)*

Particulars	Licenses and technical knowhow fees	Software	Non Compete Fees	Other intangible asset*	Total
Gross carrying amount as per previous GAAP	103.16	268.69	52.00	-	**423.85**
Accumulated Depreciation as per previous GAAP	69.92	148.25	52.00	-	**270.17**
Net carrying amount treated as deemed cost as on 1 April 2016	**33.24**	**120.44**	**-**	**-**	**153.68**

* Company has entered into a public private arrangement which meets the definition of a Service Concession Arrangement (SCA) as per Appendix A to Ind AS 11 Construction Contracts. Based on the requirements of Appendix A to Ind AS 11 Construction Contracts, the consideration in relation to such arrangement has been recognised as other intangible assets - refer note 38

2. Refer note 41 for expenses capitalised as part of the cost of the property, plant and equipment.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 4			
Non-current financial assets - Trade receivables			
Unsecured, considered good	**9.78**	378.95	449.07
	9.78	**378.95**	**449.07**
Note 5			
Non-current financial assets - Loans			
Unsecured, considered good			
Security deposits	**302.75**	288.99	254.26
Deposit given for acquisition of ATMs and ATM sites (refer note 45)	**329.50**	367.77	423.25
	632.25	**656.76**	**677.51**
Note 6			
Other non-current financial assets			
Margin money with maturity of more than twelve months*	**33.69**	1.21	0.39
Finance lease receivable	**-**	-	15.86
	33.69	**1.21**	**16.25**

*Includes interest accrued amounting to Rs. 0.28 million (31 March 2017: Rs. 0.03 million and 31 March 2016 Proforma: Rs. 0.01 million) on margin money with maturity of more than twelve months.

7 Taxes

(a) Amounts recognised in Restated Condolidated Summary Statement of Profit and Loss *(Rs. in million)*

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Current tax expense	**218.27**	185.42	78.03
Deferred tax (credit) / charge			
Origination and reversal of temporary differences	**(44.01)**	(73.38)	5.18
Tax expense for the year	**174.26**	**112.04**	**83.21**

(b) Amounts recognised in other comprehensive income *(Rs. in million)*

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Items that will not be reclassified to the Restated Condolidated Summary Statement of Profit and Loss			
Tax effect on remeasurements of the defined benefit plans	**3.07**	2.92	1.97
	3.07	**2.92**	**1.97**

(c) Reconciliation of effective tax rate *(Rs. in million)*

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Profit before tax	**237.47**	(103.17)	(90.78)
Statutory income tax rate in India	**34.61%**	34.61%	33.99%
Tax using the Group's statutory tax rate	**82.18**	(35.71)	(30.86)
Tax effects of:			
Differences in tax rates in foreign jurisdictions	**19.82**	19.51	15.89
Expenses not allowed under tax	**0.30**	29.07	19.50
Deferred tax assets not recognised because realisation is not probable	**56.73**	105.25	67.60
Foreign taxes paid	**-**	0.28	10.13
Changes in estimates related to prior years	**24.18**	-	-
Others	**(8.95)**	(6.36)	0.95
Total tax expense	**174.26**	**112.04**	**83.21**

(d) Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31 March 2018

(Rs. in million)

Particulars	Net asset / (liability) 1 April 2017	Recognised in profit or loss - credit / (charge)	Recognised in OCI	Net asset / (liability) 31 March 2018
Property, plant and equipment	100.66	9.15	-	109.81
Intangible assets	-	(3.50)	-	(3.50)
Provision for employee benefits	77.66	7.01	3.07	87.74
Trade receivables	21.44	(18.99)	-	2.45
Loans	(15.63)	(3.54)	-	(19.17)
Derivative contracts	1.01	(0.98)	-	0.03
Borrowings	5.61	(2.14)	-	3.47
Warranty	15.77	4.55	-	20.32
Provision for expenses	-	12.52	-	12.52
Unrealised gain (loss) on consolidation	3.26	0.86	-	4.12
Brought forward losses	-	39.07	-	39.07
Deferred tax asset / (liability)	**209.78**	**44.01**	**3.07**	**256.86**

Movement in deferred tax balances for the year ended 31 March 2017

(Rs. in million)

Particulars	Net asset / (liability) 1 April 2016	Recognised in profit or loss - credit / (charge)	Recognised in OCI	Net asset / (liability) 31 March 2017
Property, plant and equipment	67.81	32.85	-	100.66
Provision for employee benefits	55.75	18.99	2.92	77.66
Trade receivables	-	21.44	-	21.44
Loans	(11.95)	(3.68)	-	(15.63)
Derivative contracts	0.09	0.92	-	1.01
Borrowings	2.57	3.04	-	5.61
Warranty	17.38	(1.61)	-	15.77
Unrealised gain (loss) on consolidation	1.83	1.43	-	3.26
Deferred tax asset / (liability)	**133.48**	**73.38**	**2.92**	**209.78**

7 Taxes

Movement in deferred tax balances for the year ended 31 March 2016 Proforma

(Rs. in million)

Particulars	**Net asset / (liability) 1 April 2015 Proforma**	**Recognised in profit or loss - credit / (charge)**	**Recognised in OCI**	**Net asset / (liability) 31 March 2016 Proforma**
Property, plant and equipment	77.13	(9.32)	-	67.81
Provision for employee benefits	40.90	12.88	1.97	55.75
Loans	(7.25)	(4.70)	-	(11.95)
Derivative contracts	(0.54)	0.63	-	0.09
Borrowings	1.61	0.96	-	2.57
Warranty	24.41	(7.03)	-	17.38
Unrealised gain (loss) on consolidation	0.43	1.40	-	1.83
Deferred tax asset / (liability)	**136.69**	**(5.18)**	**1.97**	**133.48**

Notes:

1. Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the period over which deferred income tax assets will be recovered.

2. Deferred tax assets of Rs. 150.92 million (31 March 2017: Rs. 138.07 million, 31 March 2016 Proforma: Rs. 90.46 million) pertaining to India Transact Services Limited (subsidiary) are not recognised in absence of convincing other evidence of utilisation in near future.

3. Deferred tax liability on undistributed earnings of subsidiaries was not recognised because the Company controls the dividend policy of its subsidiaries.

(Rs. in million)

Note 7	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**
Other non-current tax assets			
Advance tax paid (net of provision for tax*)	**547.83**	**426.39**	**239.46**

*Net of provisions for tax Rs. 199.00 million (31 March 2017: Rs. 187.00 million and 31 March 2016 Proforma: Rs. 67.00 million)

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 8			
Other non-current assets			
Unsecured, considered good			
Premium on purchase of property, plant and equipment (refer note 45)	**239.39**	292.58	345.78
Balances with government authorities*	**81.08**	97.93	87.21
Prepaid rent**	**57.37**	53.10	65.57
Other prepaid expenses	**56.30**	26.00	5.54
One time upfront fees	**40.32**	79.49	119.18
Capital advances	**32.84**	75.87	29.50
	507.30	**624.97**	**652.78**

* Net of provision Rs. 11.17 million (31 March 2017: Nil, 31 March 2016 Proforma: Nil).

** Prepaid rent includes Rs. 40.00 million (31 March 2017: Rs. 40.44 million, 31 March 2016 Proforma: Rs. 40.88 million) towards advance payment made in relation to leasehold land. Security provided in relation to borrowings of the Group includes such leasehold land.

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 9			
Inventories			
(valued at lower of cost and net realisable value)			
Raw materials and components (includes goods in transit Rs. 493.51 million (31 March 2017: Rs. 590.39 million, 31 March 2016 Proforma: Rs. 294.67 million)	**846.38**	1,110.70	1,116.45
Finished goods	**431.03**	449.89	506.39
Stock-in-trade	**76.14**	119.51	104.16
	1,353.55	**1,680.10**	**1,727.00**
Note 10			
Current financial assets - Trade receivables			
Unsecured, considered good*	**3,665.13**	2,952.48	2,735.62
Unsecured, considered doubtful	**-**	25.00	-
Less : Provision for doubtful debts	**-**	(25.00)	-
	3,665.13	**2,952.48**	**2,735.62**

* Trade receivables includes Rs.54.21 million (31 March 2017: Rs. 22.93 million, 31 March 2016 Proforma: Rs. 62.18 million) due from an entity which has a common director. Further, trade receivables stated above include dues from directors or officers or with any other person or firms or private companies in which any director is a partner or director or member - Refer note 52

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 11a			
Current financial assets - Cash and cash equivalents			
Cash on hand (refer note (i) below)	**28.09**	20.79	26.16
Balance with banks			
- Current accounts	**286.62**	233.97	37.17
Less : Current account balances held in trust for customers (refer note (ii) below)	**(100.70)**	(75.96)	-
Total current account balances	**185.92**	**158.01**	**37.17**
	214.01	**178.80**	**63.33**

Notes:

(i) Cash on hand as at 31 March 2018 includes Rs. 13.15 million (31 March 2017 : Rs 19.31 million, 31 March 2016 Proforma: Rs. 25.13 million) held in White Label ATMs deployed by the Group

(ii) Current bank balance of Rs 100.70 million (31 March 2017 : Rs 75.96 million, 31 March 2016 Proforma : Nil) is reduced to the extent of liability of funds held relating to cash burial business.

(iii) One of the subsidiaries has nodal accounts, having balance of Rs. 14.11 million as on 31 March 2018 (31 March 2017: Rs 15.02 million, 31 March 2016 Proforma: Rs. 0.83 million) which is used for merchant payment for transactions done on POS machines. Hence, the same is not considered as a part of cash and bank balances.

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 11b			
Current financial assets - Bank balances other than 11a above			
Margin money with original maturity of less than three months (refer note (i))	**4.05**	0.11	2.14
Margin money with original maturity of more than 3 months but less than 12 months of reporting date (refer note (ii) and (iii) below)	**60.35**	27.56	33.91
Balance with banks - On ESCROW account (refer note (iv) below)	**2.20**	4.12	5.07
	66.60	**31.79**	**41.12**

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma

Note:
(i) Includes interest accrued amounting to Rs. 0.25 million (31 March 2017: Rs. 0.01 million and 31 March 2016 Proforma: Rs. 0.03 million) on margin money with original maturity of less than three months.

(ii) Includes interest accrued of Rs. 1.12 million (31 March 2017: Rs. 0.64 million, 31 March 2016 Proforma: Rs. 1.15 million)

(iii) Margin money includes amount of Rs. 7.50 million (31 March 2017: Rs. 3.70 million ; 31 March 2016 Proforma: Rs. 3.70 million) given as security to banks for electronic payment services business carried out by one of the subsidiaries.

(iv) Balance in escrow account represents outstanding balance of prepaid instruments issued by the Group. Balance in escrow account is restricted accounts as per the RBI guidelines and the Group cannot withdraw any amount from these accounts.

Note 12

Current financial assets - Loans

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Unsecured, considered good			
Security deposits	**16.89**	4.66	22.81
Deposit given for acquisition of ATMs and ATM sites (refer note 45)	**88.60**	89.05	88.00
	105.49	**93.71**	**110.81**

Note 13

Other current financial assets

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Finance lease receivable	**-**	-	22.05
Unbilled revenue	**1,503.44**	831.42	813.50
Other receivable	**2.20**	-	-
	1,505.64	**831.42**	**835.55**

Note 14

Other current assets

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Unsecured, considered good			
Premium on purchase of property, plant and equipment (refer note 45)	**53.20**	53.20	53.20
Prepaid rent*	**16.25**	17.10	16.70
Other prepaid expenses	**99.87**	58.72	57.71
One time upfront fees	**40.14**	39.69	74.07
Balances with government authorities	**51.04**	75.16	70.56
Initial public offer related expenses	**-**	-	52.02
Advance to employees	**11.19**	8.58	15.11
Other advances	**235.57**	226.48	259.16
	507.26	**478.93**	**598.53**

* Prepaid rent includes Rs. 0.44 million (31 March 2017: Rs. 0.44 million, 31 March 2016 Proforma : Rs. 0.44 million) towards advance payment made in relation to leasehold land. Security provided in relation to borrowings of the Group includes such leasehold land.

15 Equity share capital

a. Details of authorised, issued, subscribed and fully paid up share capital are as follows *(Rs. in million)*

Particulars	31 March 2018		31 March 2017		31 March 2016 Proforma	
	Number	Amount	Number	Amount	Number	Amount
Authorised Capital						
Equity Shares of Rs 10/- each	**150,000,000**	**1,500.00**	150,000,000	1,500.00	150,000,000	1,500.00
Preference Shares of Rs. 10/- each	**10,000,000**	**100.00**	10,000,000	100.00	10,000,000	100.00
Issued, Subscribed and fully Paid up						
Equity Shares of Rs 10/- each fully paid up	**120,392,576**	**1,203.93**	120,392,576	1,203.93	120,392,576	1,203.93
Less: Treasury shares*	**(1,886,000)**	**(18.86)**	(1,886,000)	(18.86)	(1,886,000)	(18.86)
	118,506,576	**1,185.07**	118,506,576	1,185.07	118,506,576	1,185.07

b. Reconciliation of number of shares at the beginning and at the end of the year *(Rs. in million)*

Particulars	31 March 2018		31 March 2017		31 March 2016 Proforma	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	**120,392,576**	**1,203.93**	120,392,576	1,203.93	120,392,576	1,203.93
Less: Treasury shares*	**(1,886,000)**	**(18.86)**	(1,886,000)	(18.86)	(1,886,000)	(18.86)
Shares outstanding at the end of the year	**118,506,576**	**1,185.07**	**118,506,576**	**1,185.07**	**118,506,576**	**1,185.07**

* The treasury shares of the Company includes the shares held by the AGSTTL Employees Welfare Trust ("Trust" considered as a branch of the Company). As at 31 March 2018, the Trust held 1,886,000 shares (31 March 2017: 1,886,000; 31 March 2016 Proforma: 1,886,000) of the Company. This is inclusive of 1,414,500 (31 March 2017: 1,414,500, 31 March 2016 Proforma: 1,414,500) bonus shares allotted by capitalisation of reserves. The amount equivalent to the face value of the treasury shares has been reduced from share capital and the excess of cost over such face value has been reduced from securities premium account.

c. Particulars of shareholders holding more than 5% of equity shares

Name of Shareholder	31 March 2018		31 March 2017		31 March 2016 Proforma	
	No. of shares	Percentage	No. of shares	Percentage	No. of shares	Percentage
Ravi B. Goyal	**66,460,312**	**55.20%**	66,460,312	55.20%	66,460,312	55.20%
TPG Star SF Pte. Ltd.*	**31,256,852**	**25.96%**	31,256,852	25.96%	31,256,852	25.96%
Oriole Ltd*	**19,797,412**	**16.44%**	19,797,412	16.44%	19,797,412	16.44%

*Subsequent to year end, these shares have been transferred to a company in which Ravi B. Goyal is a significant shareholder and director.

d. Information on equity shares allotted as bonus shares

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015	31 March 2014
	Nos.	Nos.	Nos.	Nos.	Nos.
Fully paid up equity shares allotted by capitalisation of reserves	-	-	-	90,294,432	-

e. Terms / rights attached to equity shares

The Company has equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares will be entitled to receive remaining assets of the Company in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

f. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Scheme (ESOS) of the Company, refer note 36

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 16			
Other equity			
Securities premium account			
Balance at the beginning of the year	**2,364.23**	2,364.23	2,364.23
Less : Treasury shares*	**(66.46)**	(66.46)	(66.46)
Balance at the end of the year	**2,297.77**	**2,297.77**	**2,297.77**
Employee stock options reserve			
Balance at the beginning of the year	**19.63**	24.57	4.12
Add : Movement during the year	**(6.71)**	(4.94)	20.45
Balance at the end of the year	**12.92**	**19.63**	**24.57**
General reserve			
Balance at the beginning of the year	**10.00**	10.00	10.00
Add : Movement during the year	**-**	-	-
Balance at the end of the year	**10.00**	**10.00**	**10.00**
Foreign currency translation reserve			
Balance at the beginning of the year	**(16.01)**	(5.44)	(8.62)
Add : Movement during the year	**23.28**	(10.57)	3.18
Balance at the end of the year	**7.27**	**(16.01)**	**(5.44)**
Retained earnings			
Balance at the beginning of the year	**443.32**	659.44	837.28
Profit/(loss) for the year	**63.21**	(215.21)	(173.99)
Remeasurements of defined benefit plans for the year (net of tax)	**(5.25)**	(5.85)	(3.85)
Transfer from Employee stock options reserve	**6.71**	4.94	-
Balance at the end of the year	**507.99**	**443.32**	**659.44**
Total other equity	**2,835.95**	**2,754.71**	**2,986.34**

* The treasury shares of the Company includes the shares held by the AGSTTL Employee Welfare Trust ("Trust" considered as a branch of the Company). As at 31 March 2018, the Trust held 1,886,000 shares (31 March 2017: 1,886,000; 31 March 2016 Proforma: 1,886,000) of the Company. This is inclusive of 1,414,500 (31 March 2017: 1,414,500, 31 March 2016 Proforma: 1,414,500) bonus shares allotted by capitalisation of reserves. The amount equivalent to the face value of the treasury shares has been reduced from share capital and the excess of cost over such face value has been reduced from securities premium account.

Nature and purpose of reserves

Securities premium account

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Employee stock options reserve

The Group has established various equity-settled share-based payment plans for certain categories of employees of the Company and its subsidiaries. Refer note 36 for further details on these plans.

General reserve

The Company has transferred a portion of the net profit of the Company before declaring dividend to General reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General reserve is not required under the Companies Act, 2013.

Foreign currency translation reserve

Foreign currency translation reserve comprises of all foreign currency differences arising from the translation of the financial statements of foreign entities.

Retained earnings

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 17			
Non-current financial liabilities - Borrowings			
Term loans - Secured			
Foreign currency term loan from banks (refer note (i) below)	**241.70**	-	-
Indian rupee term loan from banks (refer note (ii) below)	**2,652.51**	1,850.38	820.15
Indian rupee vehicle loan from banks (refer note (iii) below)	**226.32**	289.36	328.05
Indian rupee vehicle loan from others (refer note (iv) below)	**68.75**	-	-
Indian rupee term loan from others (refer note (v) below)	**328.48**	396.73	740.86
	3,517.76	**2,536.47**	**1,889.06**

Notes

(i) Foreign Currency term loan from bank carry an interest rate of 11.75% p.a. The loans are repayable as per the amortisation schedule spread over from 56 months. Loans are secured by charge on specific assets comprising of ATMs, specific receivables and other related equipments of assigned contract.

(ii) Indian Rupee term loan from banks carry an interest rate in the range of 8.70% p.a. to 10.65% p.a. The loans are repayable as per the amortisation schedule spread over from 16 months to 65 months. Loans are secured by charge on specific assets comprising of building, ATMs, specific receivables and other related equipments of assigned contract and vaults. Further, in the previous year one of the loan was guaranteed by the personal guarantee of the managing director of the Company which was repaid during the year ended 31 March 2017.

(iii) Indian Rupee Vehicle loan from banks for purchase of Vehicles carries a rate of interest in the range of 8.25% to 11.00% p.a. The loans have repayment period in range of 4 to 60 months. The loans are secured by a hypothecation of the Vehicles.

(iv) Indian Rupee Vehicle loan from others for purchase of Vehicles carries a rate of interest in the range of 8.00% to 8.05% p.a. The loans have repayment period in range of 52 to 60 months. The loans are secured by a hypothecation of the Vehicles.

(v) Indian Rupee term loan from others carry an interest rate in the range of 10.50% p.a. to 11.10% p.a. The loans are repayable as per the amortisation schedule spread over from 10 months to 60 months. Loans are secured by charge on specific assets comprising of ATMs, specific receivables and other related equipments of assigned contract.

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 18			
Other non-current financial liabilities			
Payables related to Service Concession Arrangement projects (refer note 38)	**71.45**	83.85	90.53
	71.45	**83.85**	**90.53**
Note 19			
Non-current - Provisions			
Provision for employee benefits:			
Gratuity (refer note 35)	**132.18**	102.36	73.85
	132.18	**102.36**	**73.85**
Note 20			
Other non-current liabilities			
Deferred revenue	**95.91**	57.61	9.69
Advance received against asset (refer note 38)	**-**	-	71.62
	95.91	**57.61**	**81.31**

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 21			
Current financial liabilities - Borrowings			
Secured			
From Banks (refer note (i) and (ii) below)			
Buyers credit	**278.65**	504.60	669.84
Working capital loans	**700.54**	1,214.70	1,048.93
Packing credit	**-**	-	50.02
Cash credit	**1,213.83**	1,160.16	1,148.64
Unsecured			
Loan from director of a subsidiary company (refer note (iii) below)	**55.24**	64.49	7.85
	2,248.26	**2,943.95**	**2,925.28**

Notes:

(i) Includes interest accrued amounting to Rs. 3.00 million for (31 March 2017: Rs. 8.46 million and 31 March 2016 (Proforma): Rs. 5.55 million.)

(ii) The above loans are secured by hypothecation of receivables and inventory and are repayable on demand. These loans carry an interest rate as mentioned below:

Buyers credit	7.10% to 8.21% (Including hedging cost)
Working capital loans	9.95% to 10.85%
Cash credit	10.00% to 12.50%

(iii) The loan from director of a subsidiary company is interest free and repayable on demand

Note 22			
Current financial liabilities - Trade payables			
Due to micro, small and medium enterprises (refer note 42)	**35.59**	-	-
Others	**1,938.20**	1,983.62	1,810.89
	1,973.79	**1,983.62**	**1,810.89**

Note 23			
Other current financial liabilities			
Current maturities of long term borrowings (refer note below)	**1,268.19**	1,086.00	814.97
Accrued employee cost	**359.25**	322.92	218.74
Payable for capital goods	**112.13**	66.51	15.00
Security deposit vendor and others	**23.85**	18.79	17.24
DSB reconciliation payable	**7.09**	-	-
Derivate liability	**0.13**	49.16	21.59
Provision for other expenses	**1,222.10**	505.61	623.07
Payables related to Service Concession Arrangement projects (refer note 38)	**22.30**	16.73	-
	3,015.04	**2,065.72**	**1,710.61**

Note: Includes accrued interest of Rs. 18.85 million (31 March 2017: Rs. 17.45 million, 31 March 2016 Proforma: Rs. 13.78 million)

Note 24			
Other current liabilities			
Deferred revenue	**154.02**	131.91	31.81
Statutory liabilities*	**143.44**	151.96	91.02
Advances from customers	**3.70**	1.84	12.39
	301.16	**285.71**	**135.22**

* Includes dues towards Tax deduction at source, Service tax, Good and service tax, Provident fund, Employee state insurance contribution, Profession tax and others

Note 25			
Current - Provisions			
Provision for employee benefits:			
- Gratuity (refer note 35)	**18.81**	12.57	8.41
- Compensated absences (refer note 35)	**121.64**	116.35	81.70
Other provisions for			
- Warranties	**37.40**	29.85	45.69
	177.85	**158.77**	**135.80**

Provision for warranty is recognised for machines sold to customers.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Opening balance	**29.85**	45.69	47.30
Charge during the year	**23.62**	5.04	27.00
Utilisation during the year	**(16.07)**	(20.88)	(28.61)
Closing balance	**37.40**	**29.85**	**45.69**

(Rs. in million)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Note 26			
Revenue from operations			
Sale of products			
Sale of traded goods			
-Automation products	**455.72**	63.43	85.91
Sale of manufactured goods			
-Automation products	**1,186.22**	1,756.13	1,213.84
-ATM and ATM sites	**1,093.07**	1,841.85	2,064.96
	2,735.01	**3,661.41**	**3,364.71**
Revenue from services			
ATM and management services	**9,082.09**	7,250.12	6,977.51
Less: Amortisation of one time upfront fee and premium on purchase of property, plant and equipment	**(93.70)**	(127.26)	(128.23)
	8,988.39	7,122.86	6,849.28
AMC services	**1,857.38**	1,677.62	1,460.71
Electronic payment services	**508.54**	117.19	14.00
Cash management services	**723.85**	777.08	406.84
	12,078.16	**9,694.75**	**8,730.83**
	14,813.17	**13,356.16**	**12,095.54**

Note: Revenue from sale of manufactured goods for the comparative year ended 31 March 2017 included excise duty aggregating Rs. 277.56 million and for 31 March 2016 (Proforma) included excise duty aggregating Rs. 213.45 million. Consequent to introduction of Goods and Services Tax Act, 2017 (GST) w.e.f. 1 July 2017, revenue for the year ended 31 March 2018 does not include excise duty for 9 months. The excise duty included in the revenue for the first three months ended 30 June 2017 aggregates Rs. 82.49 million.

Note 27
Other income

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Interest income from instruments measured at amortised cost:			
- Deposits with banks	**3.13**	2.74	2.67
- Security deposits	**53.20**	52.84	56.85
- Others	**1.95**	-	15.75
Insurance claim	**71.66**	99.48	64.53
Sundry balances written back	**-**	-	0.11
Scrap sale	**8.97**	7.03	11.93
Finance lease income	**-**	3.48	12.55
Foreign exchange gain (net)	**-**	0.32	-
Others	**1.62**	0.48	0.25
	140.53	**166.37**	**164.64**

Note 28
Cost of raw materials and components consumed

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Inventories at the beginning of the year	**1,109.34**	1,116.45	942.18
Add: Purchases during the year	**2,575.68**	3,090.06	3,210.25
Less: Inventories at the end of the year	**(843.95)**	(1,109.34)	(1,116.45)
	2,841.07	**3,097.17**	**3,035.98**

Note 29

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Purchase of traded goods	**541.96**	94.72	120.04
	541.96	**94.72**	**120.04**

(Rs. in million)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Note 30			
(Increase)/Decrease in inventories of finished goods and traded goods			
Finished goods :			
Inventories at the beginning of the year	**449.89**	506.39	601.37
Inventories at the end of the year	**431.03**	449.89	506.39
	18.86	56.50	94.98
Traded goods :			
Inventories at the beginning of the year	**119.51**	104.16	65.31
Inventories at the end of the year	**76.14**	119.51	104.16
	43.37	(15.35)	(38.85)
Decrease in inventories of finished goods and traded goods	**62.23**	**41.15**	**56.13**
Note 31			
Employee benefit expenses (refer Note 35)			
Salaries and wages	**2,143.01**	2,053.53	1,658.97
Contributions to provident and other funds	**126.73**	125.07	72.35
Employee stock option scheme expense	**-**	-	20.45
Gratuity expenses	**42.12**	28.40	19.49
Staff welfare expenses	**21.58**	15.76	14.28
	2,333.44	**2,222.76**	**1,785.54**
Note 32			
Other expenses			
Cash management expenses	**602.78**	758.90	652.68
Transaction expenses	**184.64**	68.36	9.19
Rent expenses (refer Note 37)	**1,597.09**	1,346.72	1,244.97
Caretaker and housekeeping expenses	**1,650.25**	1,300.58	1,139.26
Power and fuel expenses	**558.78**	520.47	490.07
Sub-contracting expenses	**453.16**	430.02	334.44
Communication expenses	**84.42**	95.07	71.56
Transaction settlement expenses	**10.90**	3.27	0.13
Charge back	**-**	1.65	-
Repairs and maintenance - plant and machinery	**488.94**	411.24	441.74
Repairs and maintenance - others	**38.24**	24.17	15.35
Travelling and conveyance expenses	**327.96**	304.50	273.20
Decrease in excise duty on inventory	**(36.22)**	(14.83)	(6.22)
Legal and professional charges	**157.57**	159.52	123.34
Insurance charges	**90.97**	106.60	80.92
Tools and equipment	**125.48**	140.80	163.32
Postage and courier	**145.15**	177.34	227.86
Foreign exchange loss (net)	**7.13**	-	36.07
Loss on sale/retirement of Property, plant and equipment (net)	**54.98**	21.29	37.13
Printing and stationery	**25.87**	14.91	16.52
Provision for warranty (net)	**7.55**	(15.84)	(1.61)
Rates and taxes	**11.22**	17.70	25.88
Payment to auditors (refer note 43)	**7.15**	5.30	7.13
Fees for increase in authorised share capital	**-**	1.93	3.64
Sales promotion expenses	**6.48**	24.13	44.68
Directors' sitting fees	**2.39**	1.51	1.91
Office expenses	**58.31**	35.97	26.32
Miscellaneous expenses	**237.12**	165.68	180.17
	6,898.31	**6,106.96**	**5,639.65**
Note 33			
Finance costs			
Interest expense on financial liabilities measured at amortised cost	**733.93**	680.02	646.28
Other borrowing costs	**57.99**	46.47	32.80
Net realised loss on derivative contracts	**4.09**	67.18	51.97
Foreign exchange differences treated as adjustment to borrowing costs	**31.74**	(12.95)	(16.25)
	827.75	**780.72**	**714.80**

34 Earnings per share (EPS)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
1 Profit / (loss) attributable to equity shareholders			
Net profit / (loss) for the year, attributable to equity shareholders (Rs. in million)	**63.21**	**(215.21)**	**(173.99)**
2 Calculation of weighted average number of equity shares - Basic			
Number of shares at the beginning of the year and end of the year	**120,392,576**	120,392,576	120,392,576
Less: Treasury shares	**(1,886,000)**	(1,886,000)	(1,886,000)
Weighted average number of equity shares for the year	**118,506,576**	**118,506,576**	**118,506,576**
3 Calculation of weighted average number of equity shares - Diluted			
Number of shares at the beginning of the year and end of the year	**120,392,576**	120,392,576	120,392,576
Less: Treasury shares	**(1,886,000)**	(1,886,000)	(1,886,000)
Effect of share options	**868,219**	1,159,174	1,308,635
Weighted average number of potential equity shares for the year	**119,374,795**	**119,665,750**	**119,815,211**
4 Earning Per Share			
Basic (Rs.)	**0.53**	(1.82)	(1.47)
Diluted (Rs.) (refer note 2 below)	**0.53**	(1.82)	(1.47)
5 Nominal value of shares (Rs.)	**10.00**	10.00	10.00

Notes:

1. Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during 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.

2. Dilutive EPS for year ended 31 March 2017 and 31 March 2016 Proforma is considered same as Basic EPS, since the effect is anti-dilutive Rs. (1.80) and Rs. (1.45) respectively.

35 Employee benefits

The Group has the following post-employment benefit plans:

A. Defined Contribution Plans

Contribution to Provident fund, Employee State Insurance and any other funds

Amount of Rs. 126.73 million (31 March 2017: Rs. 125.07 million, 31 March 2016 Proforma: Rs. 72.35 million) is recognised as an expense and included in "Employee benefit expenses" (refer note 31) in the Restated Consolidated Summary Statement of Profit and Loss.

B. Defined Benefit Plans

Gratuity

The gratuity benefit payable to the employees of the Group is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary.

The gratuity benefit offered by the Group to its employees is not funded.

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) / liability and its components.

i. Reconciliation of present value of defined benefit obligation *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Defined benefit obligation at the beginning of the year	**114.93**	82.26	59.66
Current service cost	**26.24**	22.33	15.10
Past service cost	**8.27**	-	-
Interest cost	**7.61**	6.07	4.39
Actuarial (gains) losses recognised in Other Comprehensive Income			-
arising from changes in financial assumptions	**(5.88)**	9.94	0.73
arising from changes in demographic assumptions	**0.90**	(3.83)	(1.29)
arising on account of experience changes	**13.30**	2.66	6.38
Benefits paid directly by the company	**(14.38)**	(4.50)	(2.71)
Defined benefit obligation at the end of the year	**150.99**	**114.93**	**82.26**

ii. Amount recognised in Restated Consolidated Summary Statement of Assets and Liabilities *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Defined benefit obligation	**150.99**	114.93	82.26
Fair value of plan assets	**-**	-	-
Net defined benefit obligation	**150.99**	**114.93**	**82.26**

iii. Expense recognised in the Restated Consolidated Summary Statement of Profit and Loss *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
(i) Expense recognised in the Restated Consolidated Summary Statement of Profit and Loss			
Current service cost	**26.24**	22.33	15.10
Interest cost	**7.61**	6.07	4.39
Past service cost	**8.27**	-	-
	42.12	**28.40**	**19.49**
(ii) Expense recognised in the Restated Consolidated Other Comprehensive Income			
Actuarial (gains)/ losses on defined benefit obligations			
- arising from changes in financial assumptions	**(5.88)**	9.94	0.73
- arising from changes in demographic assumptions	**0.90**	(3.83)	(1.29)
- arising on account of experience changes	**13.30**	2.66	6.38
	8.32	**8.77**	**5.82**

AGS Transact Technologies Limited

Annexure VI: Notes to the Restated Consolidated Financial Information

iv. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Group's plan is shown below:

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Financial assumptions			
Discount rate	**7.20% - 7.70%**	6.85% - 7.05%	7.60% - 7.80%
Salary escalation	**7%**	7%	4% - 7%
Employee Turnover			
21 - 30 years	**15% - 46%**	16% - 46%	12% - 22%
31 - 40 years	**12% - 30%**	12% - 30%	11% - 27%
41 - 50 years	**10% - 34%**	8% - 22%	10% - 15%
51 - 59 years	**0% - 11%**	0% - 16%	0% - 29%

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.

Assumptions regarding future mortality are based on published Statistics & Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions.

The Group expects Rs. 18.81 million in contribution to be paid to its defined benefit plan in the next year.

v. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	31 March 2018		31 March 2017	
Particulars	**Increase**	**Decrease**	**Increase**	**Decrease**
Gratuity Plan				
Discount rate (0.50 % movement)	**-3.19%**	**3.39%**	-3.44%	3.67%
Future salary growth (0.50 % movement)	**3.13%**	**-2.99%**	3.12%	-3.00%

	31 March 2016 Proforma	
Particulars	**Increase**	**Decrease**
Gratuity Plan		
Discount rate (0.50 % movement)	-3.50%	3.73%
Future salary growth (0.50 % movement)	3.20%	-3.07%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

C. Compensated absences:

The liability towards compensated absences at 31 March 2018 based on actuarial valuation using the projected accrued benefit method amounted to Rs. 121.64 million (31 March 2017: Rs. 116.35 million, 31 March 2016 Proforma: Rs. 81.70 millions).

Amount of Rs. 23.60 million (31 March 2017: Rs. 47.83 million, 31 March 2016 Proforma: Rs. 31.60 millions) is recognised as an expense and included in "Employee benefit expenses" in the Restated Consolidated Summary Statement of Profit and Loss.

36 Employee Stock Option Plan (ESOP)

On 29 February 2012, the Board of Directors approved the Equity-Settled Employee Stock Option Scheme (ESOS 2012) for issue of stock options to the key employees of the Company and others as approved by the Board of directors comprising of 2,319,588 options convertible into one equity share each.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	**ESOS 2012**
Grant Date	Tranch 1: 5 March 2012
	Tranch 2: 24 July 2012
	Tranch 3: 1 February 2015
	Tranch 4: 1 February 2015
Fair Value at Grant Date	Rs. 39.13 to Rs. 152.46
Exercise Price	Rs. 39.13 to Rs. 111.13
Vesting Period	1 to 3 years from the respective date of grant
Exercise Period*	5 years or one year from the date of listing whichever is later (to be reckoned from date of first vesting)
Expected Life	2.5 to 4 years

* There has been an amendment to the exercise period of the ESOP schemes.

The details of activity under ESOS 2012 are summarised below:-

Particulars	**31 March 2018 (No. of options)**	**31 March 2017 (No. of options)**	**31 March 2016 Proforma (No. of options)**
	ESOS 2012	ESOS 2012	ESOS 2012
Outstanding at the beginning of the year	**1,560,000**	1,886,000	1,886,000
Granted during the year	**-**	-	-
Exercised during the year	**-**	-	-
Lapsed during the year	**392,000**	326,000	-
Outstanding at the end of the year	**1,168,000**	1,560,000	1,886,000
Exercisable at the end of the year	**1,168,000**	1,560,000	1,886,000
Weighted average remaining contractual life (years)	**0 to 0.50**	0 to 0.50	0.94 to 1.50
Weighted average fair value of options granted (Rs.)	**7.77 to 121.26**	7.77 to 121.26	7.77 to 121.26
Weighted average exercise price (Rs.)	**39.13 to 111.13**	39.13 to 111.13	39.13 to 111.13

Note: The above options are after considering a bonus issue of 3:1 during the year ended 31 March 2015.

The Black and Scholes Options Pricing model had been used for computing the weighted average fair value considering the following inputs:

Particulars	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Expected Volatility	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%
Weighted average share price (Rs.)	39.13	50.00	152.46	152.46
Exercise Price (Rs.)	39.13	39.13	39.13	111.13
Expected life of options granted in years	3.04	2.91	2.50	2.31

Of the ESOS 2012 above, 909,668 options are reserved for issue of equity shares of the Company.

The Company has instituted the Equity-Settled Employee Stock Option Scheme (ESOS 2015) on 30 January 2015 pursuant to resolutions dated 30 January 2015 and 3 February 2015 passed by the Board and Shareholders, respectively comprising of 1,216,000 options convertible into one equity share each. The Company has not granted any options under the said scheme.

ESOS 2012 and ESOS 2015 are in compliance with the requirements of Securities and Exchange Board of India.

37 Operating leases

Group as a Lessee

The Group has entered into operating lease agreements for office spaces, godowns, guest houses, ATM, ATM sites, Point of sale (POS) terminals and land. Lease payments on non-cancellable lease agreement debited to the Restated Consolidated Summary Statement of Profit and Loss and the future lease payments in respect of non-cancellable operating lease are summarised below:

i. Future minimum lease payments

a) The Group has entered into the operating lease for ATM, ATM Sites and Point of sale terminal. The leases have an average life of 1 to 5 years. Future minimum lease rentals payable under non - cancellable operating leases are as follows:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Less than one year	**241.09**	132.47	147.45
Between one and five years	**480.64**	152.45	237.68
	721.73	**284.92**	**385.13**

b) The Group has taken various office spaces, godowns, guest houses on an operating lease basis. The lease period varies from 3 to 8 years and rentals are payable monthly.
Future minimum lease rentals payable under the non-cancellable operating leases are as follows:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Less than one year	**109.93**	71.76	104.67
Between one and five years	**279.96**	207.17	155.21
More than five years	**24.96**	24.30	34.37
	414.85	**303.23**	**294.25**

ii. Amounts recognised in Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Rent expense	**1,597.09**	1,346.72	1,244.97
	1,597.09	**1,346.72**	**1,244.97**

Finance leases

During the year ended 31 March 2016, one of the subsidiary had entered into the finance lease arrangements for its ATM's with one of the customers. During the year ended 31 March 2017, the finance lease agreements was changed to service agreements. As a consequence, assets under finance lease agreements were transferred to Property, plant and equipment since the ownership of assets is with the subsidiary company. The finance lease receivable at the end of the reporting period is as follows:

(Rs. in million)

Particulars	**31 March 2018**		**31 March 2017**		**31 March 2016 Proforma**	
	Minimum lease payments (MLP)	**Present value of**	Minimum lease payments (MLP)	Present value of MLP	Minimum lease payments (MLP)	Present value of MLP
Within one year	-	-	-	-	27.41	15.86
After one year but not more than five years	-	-	-	-	27.89	22.05
More than five years	-	-	-	-	-	-
Total minimum lease payments	-	-	-	-	55.30	37.91
Less: Unearned finance income charges	-	-	-	-	(17.39)	-
Present value of minimum lease payments	**-**	**-**	**-**	**-**	**37.91**	**37.91**

38 Service concession arrangement

During the year ended 31 March 2016, the Company along with a private bank (acting in the capacity of lead bidder) and another third party jointly bid for a public private arrangement to set up an open loop, contactless, smart card based Automatic Fare Collection System (AFCS) in relation to a metro rail project. The roles, responsibilities and obligations of all the parties was agreed as part of a consortium agreement executed between the three parties.

The Company's responsibilities include supply, installation and testing of AFCS equipment and support/maintenance of such equipment for a period of 6 years. The Group is entitled to receive a specified percentage of the value of ticket sales generated by the metro rail project for a period of 10 years.

The arrangement has been identified as a service concession arrangement in accordance with Appendix A to Ind AS 11 Construction Contracts where the Company's responsibilities include supply of the specified equipment and maintenance/support in relation to the same and the consideration linked to the ticket revenue generated by the related metro rail project.

During the year ended 31 March 2017, the Company was in the process of fulfilling its supply/installation/testing obligation and hence the cost incurred in relation to the project was capitalised as Intangible Assets under Development, net of in substance reimbursements received from co-bidders. In addition, amounts payable in relation to such projects have been reflected as Other financial liabilities.

During the year ended 31 March 2018, to the extent the installation and consequent deployment of equipment has been completed, related expenditure (net of in substance reimbursements received from co-bidders) and corresponding revenue based on the percentage of installation and deployment is recognised in the Restated Consolidated Summary Statement of Profit and Loss and the consequent Intangible Assets have been recognised in the Restated Consolidated Summary Statement of Assets and Liabilities. In addition, amounts payable in relation to such projects have been reflected as Other financial liabilities.

39 Contingent Liabilities and Commitments
(to the extent not provided for)

A. Contingent Liabilities

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Claims against the Group not acknowledged as debts:	**13.29**	12.66	7.15
Matters in dispute under appeal			
(i) Service Tax	**0.47**	0.47	0.47
(ii) Sales Tax	**27.29**	12.29	5.42
(iii) Excise Duty*	**5.77**	5.35	5.35
(iv) Custom Duty	**8.46**	8.41	-
Total	**55.28**	**39.18**	**18.39**

* Excludes, interest amount which would be finalised during the course of assessment.

Against the above pending tax litigation Group has paid Rs. 3.87 million (31 March 2017: Rs. 4.01 million , 31 March 2016 Proforma: Nil) under protest.

The Group's pending litigations comprise of claims against the Group and pertaining to proceedings pending with Indirect tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

B. Capital and other commitments *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Estimated amount of contracts remaining to be executed on capital account and not provided for*	**2,195.25**	1,716.15	117.60

*Includes in respect of contract with a vendor for committed purchases where the Group is in the process of finalising terms of extension beyond the stipulated tenure.

40 Specified Bank Notes

During the year ended 31 March 2017, the Group had specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 30 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification are as follows:

(Rs. in million)

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Closing Cash in Hand as on 8 November 2016	17.90	2.22	**20.11**
Add: Permitted Receipt	-	-	-
Less: Permitted Payment	-	-	-
Less: Amount Deposited in Bank	(17.90)	(2.22)	**(20.11)**
Closing Cash in Hand as on 30 December 2016	-	-	-

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016

(i) During the year ended 31 March 2017, the Holding Company had started ICD cash management services under B2B segment. Under ICD services, the Company offers cash handling management, MIS to customers, collection, transit, direct deposit into customers account and cash burials facility. The cash is handled and managed through ICD machines installed at customer's locations. In case the customer takes cash burial facility, the Company deposits cash in its own account and the same is subsequently transferred to the customer's bank accounts (The Companies major customers are various banks to whom the cash burial facility is offered). The Company earns service revenue for the various services offered under ICD as per contract/agreement entered with the customers. The details of cash collected and deposited as part of the ICD services during the period 8 November 2016 to 30 December 2016 are as under:

(Rs. in million)

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Amount received from customers	1,281.96	1,460.56	**2,742.52**
Amount deposited in bank	(1,281.96)	(1,460.56)	**(2,742.52)**

(ii) During the year ended 31 March 2017, Securevalue India Limited (SVIL) had started business of Door Step banking (DSB). Under DSB business SVIL offers cash handling through vaults, collection, transit, direct deposit into customers account and cash burial services. In case customer takes cash burial facility from the SVIL, the SVIL will collect cash from the customer and then deposit cash collected in the SVIL's bank account and then the same amount is subsequently transferred to customer banks account (the major customers availing these services are Banks). The SVIL earns revenue for the various services offered under DSB as per contractual terms with various customers. The SBN transactions in respect of cash burial business are as below;

(Rs. in million)

Particulars	**SBNs**	**Other Denomination Notes and Coins**	**Total**
Amounts collected from customers from 8 November 2016 to 30 December 2016	9.09	99.75	**108.84**
Amounts deposited in Company's Bank account	9.09	99.75	**108.84**
Amounts transferred into customer's bank account from Company's bank account	9.09	99.75	**108.84**

(iii) During the year ended 31 March 2017, India Transact Services Limited (ITSL) was engaged in the business of Domestic money transfer. As an integral nature of the business, ITSL appoints distributors who collect money from customers and ITSL facilitates money transfer by providing an online portal linked to a sponsor bank and cash burial facility. ITSL merely collects cash from these distributors and subsequently transfers the same in full to sponsor bank and is entitled for a percentage of commission on total value transacted. The details are tabulated below:

(Rs. in million)

Particulars	**SBNs**	**Other Denomination Notes**	**Total**
Amount received from customers	13.78	21.29	**35.07**
Amount deposited in bank	13.78	21.29	**35.07**

41 Capitalisation of expenditure

The Group has developed certain softwares wherein the following development expenses have been capitalised by the Group.

(Rs. in million)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**
Salaries and wages	**21.16**	26.74	20.33

The Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress.

(Rs. in million)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**
Salaries and wages	**55.93**	55.12	46.94
Rent expenses	**28.70**	20.04	8.05
Transport expenses	**6.48**	4.48	8.10
	91.11	**79.64**	**63.09**

42 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Group.

The following disclosures are made for the amounts due to the micro, small and medium enterprises:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
The principal amount remaining unpaid to any supplier as at the end of each accounting year	**35.59**	-	-
Interest due thereon	**0.26**	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (‘MSMED Act’), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-	-
The amount of interest accrued and remaining unpaid at the end of the each accounting year	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-	-

43 Payment to auditors (excluding tax)

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma*
Audit fees	**6.60**	5.00	7.00
Certification fees and other services	**0.07**	-	-
Out of pocket expenses	**0.48**	0.30	0.13
	7.15	**5.30**	**7.13**

* paid to a firm other than B S R & Co. LLP

44 Share issue expenses

During the year ended 31 March 2017, the Group has charged off expenses aggregating to Rs. 54.76 million (31 March 2016 (Proforma): 28.11 million) in connection with the proposed public issue of its equity shares.

45 During the year 31 March 2014, the Company had entered into an agreement with a customer for providing ATM Management services for 10 years. As a part of the arrangement, the Company acquired existing ATM sites at total consideration of Rs.926.25 million. Further, an interest free security deposit of Rs. 880 million has been advanced towards such acquisition of the ATM network.

The property, plant and equipment acquired were capitalised at the respective fair value of Rs.649.64 million and the difference of Rs. 276.61 million between the fair value of property, plant and equipment acquired and the total consideration was recognised as Premium on purchase of assets under 'Other assets'. In addition, the difference between the fair value and transaction price of the interest free security deposit referred to above has also been adjusted with premium on purchase of assets under 'Other assets'. The aggregate premium on purchase of equipment is amortised over the life of the contract with an adjustment to revenue. The charge for the current year is Rs. 53.20 million (31 March 2017: Rs.53.20 million) and 31 March 2016 (Proforma) : Rs 53.20 million.

The Group is depreciating the property, plant and equipment acquired over the remaining useful life.

46 Transfer pricing

During the year ended 31 March 2016 the management had carried out a detailed domestic transfer pricing study/analysis in accordance with the regulations and all the specified domestic transactions were at arm’s length.

47 Corporate social responsibility expenses

a. Gross amount required to be spent by the Group during the year: Rs. 5.90 million (31 March 2017 : Rs. 4.70 million, 31 March 2016 Proforma : Rs. 5.00 million)

b. Amount spent during the year on:

(Rs. in million)

Particulars	In cash			Yet to be paid in cash		
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2018	31 March 2017	31 March 2016 Proforma
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	-	-	-	-	-	-
Total	-	-	-	-	-	-

c. Related party transaction in relation to corporate social responsibility Nil (31 March 2017: Nil, 31 March 2016 Proforma : Nil)

d. Provision during the year Nil (31 March 2017: Nil, 31 March 2016 Proforma : Nil)

48 Additional information required by Schedule III to the Act

(Rs. in million)

Particulars	31 March 2018					
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Other comprehensive (expense)/income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount
Parent :						
AGS Transact Technologies Limited	122.73%	4,934.85	304.03%	192.18	-8.16%	(1.47)
Indian subsidiary:						
Securevalue India Limited	5.56%	223.45	93.05%	58.82	-25.73%	(4.64)
India Transact Services Limited	1.64%	65.75	-224.74%	(142.06)	2.61%	0.47
Foreign Subsidiary:						
Global Transact Services Pte. Limited (including step down subsidiaries)	8.35%	335.91	-55.64%	(35.17)	0.00%	-
Elimination	-38.28%	(1,538.94)	-16.70%	(10.56)	131.28%	23.67
Total	**100%**	**4,021.02**	**100%**	**63.21**	**100%**	**18.03**

(Rs. in million)

Particulars	31 March 2017					
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Other comprehensive (expense)/income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount
Parent :						
AGS Transact Technologies Limited	120.42%	4,744.14	-25.87%	55.67	17.24%	(2.83)
Indian :						
Securevalue India Limited	4.23%	166.63	-38.58%	83.02	16.32%	(2.68)
India Transact Services Limited	0.76%	29.79	94.89%	(204.22)	2.07%	(0.34)
Foreign :						
Global Transact Services Pte. Limited (including step down subsidiaries)	7.42%	292.42	34.29%	(73.80)	0.00%	-
Elimination	-32.83%	(1,293.20)	35.26%	(75.88)	64.37%	(10.57)
Total	**100%**	**3,939.78**	**100%**	**(215.21)**	**100%**	**(16.42)**

(Rs. in million)

Particulars	31 March 2016 Proforma					
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Other comprehensive (expense)/income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount
Parent :						
AGS Transact Technologies Limited	112.46%	4,691.30	-41.70%	72.56	407.46%	(2.73)
Indian :						
Securevalue India Limited	1.99%	83.09	-3.30%	5.75	226.50%	(1.52)
India Transact Services Limited	-3.49%	(145.65)	104.81%	(182.36)	19.40%	(0.13)
Global Transact Services Pte. Limited (including step down subsidiaries)	2.73%	113.81	34.30%	(59.67)	0.00%	-
Elimination	-13.69%	(571.14)	5.90%	(10.27)	-553.37%	3.71
Total	**100%**	**4,171.41**	**100%**	**(173.99)**	**100%**	**(0.67)**

49 Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

(Rs. in million)

31 March 2018	Carrying Amount				Fair Value			
	Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets								
Trade receivables	9.78	-	-	**9.78**		9.78		**9.78**
Loan	632.25	-	-	**632.25**		632.25		**632.25**
Other non-current financial assets	33.69	-	-	**33.69**		33.69		**33.69**
Current financial assets								
Trade receivables	3,665.13	-	-	**3,665.13**				
Cash, cash equivalents and other bank balances	280.61	-	-	**280.61**				
Loan	105.49	-	-	**105.49**				
Other financial assets	1,505.64			**1,505.64**				
	6,232.59	**-**	**-**	**6,232.59**		**675.72**		**675.72**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	4,785.95	-	-	**4,785.95**		4,785.95		**4,785.95**
Other financial liabilities	71.45	-	-	**71.45**		71.45		**71.45**
Current financial liabilities								
Borrowings	2,248.26	-	-	**2,248.26**				
Trade payables	1,973.79	-	-	**1,973.79**				
Other financial liabilities								
Derivative liability		0.13	-	**0.13**		0.13		**0.13**
Others	1,746.72	-	-	**1,746.72**				
	10,826.17	**0.13**	**-**	**10,826.30**		**4,857.53**		**4,857.53**

(Rs. in million)

31 March 2017	Carrying Amount				Fair Value			
	Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets								
Trade receivables	378.95	-	-	**378.95**		378.95		**378.95**
Loan	656.76	-	-	**656.76**		656.76		**656.76**
Other non-current financial assets	1.21	-	-	**1.21**		1.21		**1.21**
Current financial assets								
Trade receivables	2,952.48	-	-	**2,952.48**				
Cash, cash equivalents and other bank balances	210.59	-	-	**210.59**				
Loan	93.71	-	-	**93.71**				
Other financial assets	831.42	-	-	**831.42**				
	5,125.12	**-**	**-**	**5,125.12**		**1,036.92**		**1,036.92**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	3,622.47	-	-	**3,622.47**		3,622.47		**3,622.47**
Other financial liabilities								
Others	83.85	-	-	**83.85**		83.85		**83.85**
Current financial liabilities								
Borrowings	2,943.95	-	-	**2,943.95**				
Trade payables	1,983.62	-	-	**1,983.62**				
Other financial liabilities								
Derivative liability		49.16	-	**49.16**		49.16		**49.16**
Others	930.56	-	-	**930.56**				
	9,564.45	**49.16**	**-**	**9,613.61**		**3,755.48**		**3,755.48**

49 Financial instruments – Fair values and risk management

(Rs. in million)

31 March 2016 Proforma	Carrying Amount				Fair Value			
	Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Non-current Financial assets								
Trade receivables	449.07	-	-	**449.07**		449.07		**449.07**
Loan	677.51	-	-	**677.51**		677.51		**677.51**
Other non-current financial assets	16.25			**16.25**		16.25		**16.25**
Current financial assets								
Trade receivables	2,735.62	-	-	**2,735.62**				
Cash, cash equivalents and other bank balances	104.45	-	-	**104.45**				
Loan	110.81	-	-	**110.81**				
Other financial assets	835.55			**835.55**				
	4,929.26	**-**	**-**	**4,929.26**		**1,142.83**		**1,142.83**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	2,704.03	-	-	**2,704.03**		2,704.03		**2,704.03**
Other financial liabilities	90.53			**90.53**		90.53		**90.53**
Current financial liabilities								
Borrowings	2,925.28	-	-	**2,925.28**				
Trade payables	1,810.89	-	-	**1,810.89**				
Other financial liabilities				**-**				
Derivative liability		21.59	-	**21.59**		21.59		**21.59**
Others	874.05	-	-	**874.05**				
	8,404.78	**21.59**	**-**	**8,426.37**		**2,816.15**		**2,816.15**

Notes:

a. The fair value of cash and cash equivalents, other bank balances, current trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

b. Measurement of fair values : The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique
- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows the valuation techniques used in measuring Level 2 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique
Forward contracts	The fair value of the forward contracts is determined with reference to the forward exchange rate applicable as of the reporting date for the residual maturity of the contract being valued.
Long term borrowings	The fair value of Long term borrowing is determined using discounted cash flow analysis. The valuation model considers the present value of expected payment discounted using appropriate discounting rates.
Long term financial assets	The fair value of Long term financial assets is determined using discounted cash flow analysis. 'The valuation model considers the present value of expected receipt discounted using appropriate discounting rates.

49 Financial instruments – Fair values and risk management

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.
The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments. The carrying amounts of financial assets represent the maximum credit risk exposure

a. Trade receivables

The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery / service terms and conditions. The Group makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.
Credit risk from trade receivables is managed through the Group's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. Based on prior experience, the portfolio of customers and an assessment of the current economic environment, management believes there is no credit risk provision required. Also the Group does not have any significant concentration of credit risk.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

(Rs. in million)

Particulars	Gross carrying amount		
	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**
Not past due	**9.78**	378.95	449.07
Past due 1– 180 days	**2,927.42**	2,496.05	2,211.11
More than 180 days	**737.71**	456.43	524.51
	3,674.91	**3,331.43**	**3,184.69**

b. Cash, cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs. 280.61 million at 31 March 2018 (31 March 2017: Rs. 210.59 million, 31 March 2016 Proforma: Rs. 104.45 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

49 Financial instruments – Fair values and risk management

iii. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group aims to maintain the level of its cash and bank balances at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

			Contractual Cash flows		***(Rs. in million)***
31 March 2018	**Gross carrying amount**	**Total**	**Up to 1 Year**	**1 - 5 Years**	**More than 5 Years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	4,785.95	5,870.80	1,682.44	4,101.65	86.71
Short-term loans/working capital loans	2,248.26	2,248.26	2,248.26	-	-
Trade payables	1,973.79	1,973.79	1,973.79	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	1,818.17	1,900.46	1,798.61	101.85	-
Derivative financial liabilities					
Forward contracts	0.13			-	-
- Outflow	-	(279.21)	(279.21)	-	-
- Inflow	-	276.18	276.18	-	-
Total	**10,826.30**	**11,990.28**	**7,700.07**	**4,203.50**	**86.71**

			Contractual Cash flows		***(Rs. in million)***
31 March 2017	**Gross carrying amount**	**Total**	**Up to 1 Year**	**1 - 5 Years**	**More than 5 Years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	3,622.47	4,362.85	1,412.72	2,950.13	-
Short-term loans/working capital loans	2,943.95	2,943.95	2,943.95	-	-
Trade payables	1,983.62	1,983.62	1,983.62	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	1,014.41	1,023.85	899.71	118.56	5.58
		-			
Derivative financial liabilities		-			
Forward contracts	49.16	-		-	-
- Outflow	-	(861.03)	(861.03)	-	-
- Inflow	-	799.52	799.52	-	-
Total	**9,613.61**	**10,252.76**	**7,178.49**	**3,068.69**	**5.58**

			Contractual Cash flows		***(Rs. in million)***
31 March 2016 Proforma	**Gross carrying amount**	**Total**	**Up to 1 Year**	**1 - 5 Years**	**More than 5 Years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	2,704.03	3,263.08	1,069.63	2,193.45	-
Short-term loans/working capital loans	2,925.28	2,925.28	2,925.28	-	-
Trade payables	1,810.89	1,810.89	1,810.89	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	964.58	1,190.71	1,056.90	16.73	117.08
Derivative financial liabilities					
Forward contracts	21.59	-		-	-
- Outflow	-	(699.10)	(699.10)	-	-
- Inflow	-	668.24	668.24	-	-
Total	**8,426.37**	**9,159.10**	**6,831.84**	**2,210.18**	**117.08**

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

49 Financial instruments – Fair values and risk management

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks

a. Currency risk

The functional currency of the Group is INR. The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency. The Group uses forward exchange contracts to hedge its currency risk on borrowings, most with a maturity of less than one year from the reporting date.Exposure on trade receivables and trade payables is unhedged.

The summary quantitative data about the Group's exposure to currency risk is as follows (the amounts below have been presented in the respective foreign currencies):

(in million)

31 March 2018	**USD**	**EUR**	**JPY**	**SGD**
Financial assets (A)				
Trade and other receivables	4.97	0.04	2.04	0.08
	4.97	**0.04**	**2.04**	**0.08**
Financial liabilities (B)				
Trade and other payables	1.15	0.05	-	0.01
Buyer's credit	4.25	-	-	-
Foreign currency non-resident ('FCNR') loa	-	-	-	-
Interest on FCNR	-	-	-	-
Less : Forward Contracts	(4.25)	-	-	-
	1.15	**0.05**	**-**	**0.01**
Net exposure (A - B)	**3.82**	**(0.01)**	**2.04**	**0.07**

(in million)

31 March 2017	**USD**	**EUR**
Financial assets (A)		
Trade and other receivables	1.75	0.02
	1.75	**0.02**
Financial liabilities (B)		
Trade payables	0.95	0.10
Buyer's credit	7.75	-
Foreign currency non-resident ('FCNR') loa	4.48	-
Interest on FCNR	0.05	-
Less: Forward Contracts	(12.28)	-
	0.95	**0.10**
Net exposure (A - B)	**0.80**	**(0.08)**

(in million)

31 March 2016 Proforma	**USD**	**EUR**
Financial assets (A)		
Trade and other receivables	1.26	0.05
	1.26	**0.05**
Financial liabilities (B)		
Trade and other payables	5.82	0.10
Buyer's credit	10.07	-
Less: Forward Contracts	(10.07)	-
	5.82	**0.10**
Net exposure (A - B)	**(4.56)**	**(0.05)**

The following significant exchange rates have been applied in respective year:

Currency	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**
USD	**65.0441**	64.8386	66.3329
EUR	**80.6222**	69.2476	75.0955
JPY	**0.6154**	N.A.	N.A.
SGD	**49.5122**	46.3678	49.0845

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, EUR , JPY & SGD at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected Restated Consolidated Summary Statement of profit and loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in million)

	31 March 2018		**31 March 2017**		**31 March 2016 Proforma**	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
5% movement						
USD	**(12.42)**	**12.42**	(2.59)	2.59	15.12	(15.12)
EUR	**0.04**	**(0.04)**	0.28	(0.28)	0.19	(0.19)
JPY	**(0.06)**	**0.06**	-	-	-	-
SGD	**(0.17)**	**0.17**	-	-	-	-
	(12.61)	**12.61**	**(2.31)**	**2.31**	**15.31**	**(15.31)**

49 Financial instruments – Fair values and risk management

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive, cost of funding.

The interest rate profile of the Group's interest-bearing financial instruments as is as follows:

(Rs. in million)

	31 March 2018	31 March 2017	31 March 2016 Proforma
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	**(454.20)**	(418.14)	(427.47)
	(454.20)	**(418.14)**	**(427.47)**
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	**(6,524.77)**	(6,083.79)	(5,193.99)
	(6,524.77)	**(6,083.79)**	**(5,193.99)**

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the entity by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

(Rs. in million)

Particulars	**Profit or (Loss)**	
	100bps increase	**100bps decrease**
31 March 2018		
Variable rate instruments	65.25	(65.25)
Cash flow sensitivity	65.25	(65.25)
31 March 2017		
Variable rate instruments	60.84	(60.84)
Cash flow sensitivity	60.84	(60.84)
31 March 2016 Proforma		
Variable rate instruments	51.94	(51.94)
Cash flow sensitivity	51.94	(51.94)

Annexure VI: Notes to the Restated Consolidated Financial Information

50 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's Capital Management is to maximise shareholders value.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined by the management as gross debt comprising of interest-bearing loans and borrowings, less cash, cash equivalents, other bank balances and non-current margin money. Total equity comprises all components of equity.

The Group's adjusted net debt to equity ratio is as follows:

(Rs. in million)

Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma***
Non-current borrowings	**3,517.76**	2,536.47	1,889.06
Current borrowings	**2,248.26**	2,943.95	2,925.28
Current maturities of long term borrowings	**1,268.19**	1,086.00	814.97
Gross debt	**7,034.21**	**6,566.42**	**5,629.31**
Less: Cash, cash equivalents and other bank balances	**(280.61)**	(210.59)	(104.45)
Less: Margin money (non-current)	**(33.69)**	(1.21)	(0.39)
Adjusted net debt	**6,719.91**	**6,354.62**	**5,524.47**
Total equity	**4,021.02**	**3,939.78**	**4,171.41**
Adjusted net debt to equity ratio	**1.67**	**1.61**	**1.32**

51 (a) Segment Information

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates the resources based on the analysis of various performance indicators by business segments.

The Group's business segments have been divided into three business verticals - Payment Solutions, Banking Automation Solutions and Other Automation Solutions.

Payment Solutions – Comprises of ATM outsourcing and managed services, cash management services, intelligent cash deposit machines (iCDs), transaction switching and electronic payment solutions, merchant solutions, agency banking, fastlane and toll & transit solutions.

Banking Automation Solutions – Comprises of sale of ATM machines and cash recyclers, currency technology products, self service terminals and services related to such sales both within and outside India.

Other Automation Solutions – Comprises of sale of machines and related services to customers present in the Retail, Petroleum and Colour sectors.

(b) Segment information based on business segment

Segment information based on business segment as at and for the year ended 31 March 2018: ***(Rs. in million)***

Particulars	31 March 2018			
	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total
Revenue				
External revenue	**10,508.41**	**2,254.17**	**2,128.52**	**14,891.10**
Inter Segment Revenue		**(77.93)**		**(77.93)**
Total revenue	**10,508.41**	**2,176.24**	**2,128.52**	**14,813.17**
Segment results	**1,829.70**	**85.09**	**83.40**	**1,998.19**
Less: unallocated expenses				**1,073.50**
Operating profit				**924.69**
Add: other income				**140.53**
Less: finance cost				**827.75**
Profit before tax				**237.47**
Less: tax expense				**174.26**
Profit for the year				**63.21**
Segment assets	**9,941.75**	**2,542.66**	**916.34**	**13,400.75**
Unallocated assets				**2,153.67**
Total assets	**9,941.75**	**2,542.66**	**916.34**	**15,554.42**
Segment liabilities	**2,937.60**	**1,022.37**	**336.71**	**4,296.68**
Unallocated liabilities				**7,236.72**
Total liabilities	**2,937.60**	**1,022.37**	**336.71**	**11,533.40**
Capital expenditure	**1,524.41**	**122.01**	**48.18**	**1,694.60**
Unallocated capital expenditure				**197.16**
Total	**1,524.41**	**122.01**	**48.18**	**1,891.76**
Depreciation	**857.84**	**118.63**	**32.71**	**1,009.18**
Unallocated depreciation				**119.80**
Non cash expenditure	**-**	**38.87**	**24.34**	**63.21**
Total	**857.84**	**157.50**	**57.05**	**1,192.19**

Annexure VI - Notes to the Restated Consolidated Financial Information

51 (b) Segment Information based on business segment (continued)

Segment information based on business segment as at and for the year ended 31 March 2017: ***(Rs. in million)***

Particulars	31 March 2017			
	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total
Revenue				
External revenue	8,199.45	2,993.99	2,179.27	13,372.71
Inter Segment Revenue		(15.33)	(1.22)	(16.55)
Total revenue	**8,199.45**	**2,978.66**	**2,178.05**	**13,356.16**
Segment results	905.42	423.99	148.39	1,477.80
Less: unallocated expenses				966.62
Operating profit				**511.18**
Add: other income				166.37
Less: finance cost				780.72
Profit before tax				**(103.17)**
Less: tax expense				112.04
Profit for the year				**(215.21)**
Segment assets	7,497.89	3,185.72	1,544.31	12,227.92
Unallocated assets				1,929.92
Total assets	**7,497.89**	**3,185.72**	**1,544.31**	**14,157.84**
Segment liabilities	1,519.73	1,246.86	327.43	3,094.02
Unallocated liabilities				7,124.04
Total liabilities	**1,519.73**	**1,246.86**	**327.43**	**10,218.06**
Capital expenditure	1,580.18	250.92	63.01	1,894.11
Unallocated capital expenditure				76.70
Total	**1,580.18**	**250.92**	**63.01**	**1,970.81**
Depreciation	754.82	89.57	27.52	871.91
Unallocated depreciation	-	-	-	132.75
Non cash expenditure	0.49	8.91	19.41	28.81
Total	**755.31**	**98.48**	**46.93**	**1,033.47**

Annexure VI - Notes to the Restated Consolidated Financial Information

51 (b) Segment Information based on business segment

Segment information based on business segment as at and for the year ended 31 March 2016: ***(Rs. in million)***

Particulars	31 March 2016 Proforma			
	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total
Revenue				
External revenue	7,360.37	3,123.78	1,635.35	12,119.50
Inter Segment Revenue		(14.42)	(9.54)	(23.96)
Total revenue	**7,360.37**	**3,109.36**	**1,625.81**	**12,095.54**
Segment results	1,090.80	402.50	(94.46)	1,398.84
Less: unallocated expenses				939.46
Operating profit				**459.38**
Add: other income				164.64
Less: finance cost				714.80
Profit before tax				**(90.78)**
Less: tax expense				83.21
Profit for the year				**(173.99)**
Segment assets	6,966.33	3,009.32	1,308.81	11,284.46
Unallocated assets				1,739.50
Total assets	**6,966.33**	**3,009.32**	**1,308.81**	**13,023.96**
Segment liabilities	1,377.27	1,135.95	278.62	2,791.84
Unallocated liabilities				6,060.71
Total liabilities	**1,377.27**	**1,135.95**	**278.62**	**8,852.55**
Capital expenditure	983.82	108.76	18.66	1,111.24
Unallocated capital expenditure				234.41
Total	**983.82**	**108.76**	**18.66**	**1,345.65**
Depreciation	617.99	44.87	14.72	677.58
Unallocated depreciation				107.79
Non cash expenditure	-	128.11	21.47	149.58
Total	**617.99**	**172.98**	**36.19**	**934.95**

(c) Information about major customers

Revenue from two external customers based in India, covered across segments aggregating to Rs. 5,577.87 million (31 March 2017: 4,981.77 million; 31 March 2016 Proforma: 4,993,05 million) represented more than 10% of the Group's total revenue.

52 Related party transactions

A. Related Parties

Key Management Personnel and Relatives

Mr. Ravi B. Goyal	Executive, Chairman & Managing Director
Mr. Badrinarain K. Goyal	Non-executive Non Independent Director / Father of Mr. Ravi B Goyal
Mrs. Anupama R. Goyal	Non-executive Non Independent Director / Wife of Mr. Ravi B. Goyal
Mr. Sudip Bandyopadhyay	Non-executive, Independent Director
Mr. Bharat Shah	Non-executive, Independent Director
Mr. Vijay Chugh	Non-executive, Independent Director
Mr. Jagadish Capoor	Non-executive, Independent Director
Mr. D. Sivanandhan	Non-executive, Independent Director
Mr. Kiran B. Goyal	Brother of Mr. Ravi B. Goyal
Mr. Karthik Srinivasan	Non-executive, Nominee Director (w.e.f 31 October 2017)
Mr. Puneet Bhatia	Non-executive, Nominee Director (w.e.f 16 October 2017)
Mr. Shomik Mukherjee	Non-executive, Nominee Director (w.e.f 17 June 2016 till 31 October 2017)
Mr. Vishwarupe Narain	Non-executive, Nominee Director (till 16 October 2017)
Mr. Mahesh Chhabria	Non-executive, Nominee Director (till 17 June 2016)
Mr. Vijay Iyer	Whole time Director of Securevalue India Limited (w.e.f 1 Apil 2017 till 31 January 2018)
Mr. Ankur Sharma	Non-executive, Non Independent Director of Securevalue India Limited (till 8 March 2018)
Mr. Mehernosh Parekh	Executive Director of Securevalue India Limited (w.e.f 8 March 2018)
Mr. El Khoury Ricardos	Director and Chief Executive Officer of Novus Technologies Pte. Ltd.
Mr. Ariel Gumabao	Executive Director of Novus Transact Philippines Corporation

Enterprises owned or significantly influenced by key management personnel or their relatives

Advanced Graphic Systems
Fillon Technologies India Private Limited
Instruments Research Associates Private Limited
Aries Management Services Pte. Ltd.
Wow Foods Brand Private Limited

B. Details of transactions with related parties including disclosure required under Section 186 (4) of the Companies Act, 2013 for loans, investments and guarantees

(Rs. in million)

Particulars	Transactions for the year ended			Amount receivable / (payable) As at		
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2018	31 March 2017	31 March 2016 Proforma
Sales of goods, software license and services						
Advanced Graphic Systems	**1.29**	-	-	**-**	-	-
Instruments Research Associates Private Limited	**25.64**	22.51	17.50	**50.03**	41.76	35.04
Fillon Technologies India Private Limited	**1.50**	1.17	1.22	**0.70**	0.16	0.31
Purchase of goods and services						
Instruments Research Associates Private Limited	**4.88**	4.17	9.77	**0.30**	-	-
Fillon Technologies India Private Limited	**2.11**	2.08	1.67	**(0.22)**	-	-
Purchase of land and building						
Ravi B Goyal	**105.75**	**-**	-	**(19.69)**	-	-
Re-imbursements of expenses						
Fillon Technologies India Private Limited	**-**	0.05	0.04	**-**	0.05	-
Instruments Research Associates Private Limited	**-**	0.19	0.15	**-**	0.33	0.15
Advanced Graphic Systems	**-**	0.18	0.13	**-**	0.18	0.13
Wow Foods Brand Private Limited	-	-	-	**0.08**	0.08	0.08
Remuneration (refer note 1 and 2 below)						
Mr. Ravi B. Goyal	**24.00**	24.00	12.60	**(1.30)**	-	8.10
Mr. El Khoury Ricardos	**48.49**	49.43	48.14	**(4.04)**	(7.88)	(4.17)
Mr Ariel Gumabao	**3.40**	4.50	3.85	**-**	-	-
Mr. Mehernosh Parekh	**0.19**	-	-	**(0.19)**	-	-
Mr. Vijay Iyer	**14.39**	-	-	**(6.32)**	-	-
Deposits given/(repaid)						
Mr. Ravi B. Goyal	**(37.50)**	-	-	**25.00**	62.50	62.50
Mrs. Anupama R. Goyal	**-**	-	-	**2.00**	2.00	2.00
Mr Ariel Gumabao	**0.05**	**-**	-	**0.05**	-	-
Rent expenses						
Mr. Ravi B. Goyal	**0.44**	0.44	0.44	**-**	(0.04)	-
Mrs. Anupama R. Goyal	**2.10**	2.10	1.88	**-**	-	-
Professional fees						
Mr. Kiran B. Goyal	**4.80**	4.80	3.52	**(0.30)**	(0.33)	(0.43)
Aries Management Services Pte. Ltd.	**1.92**	2.10	1.67	**0.37**	(0.88)	(0.56)
Loan taken/(repaid)						
Mr. El Khoury Ricardos	**13.62**	(59.65)	0.71	**(55.24)**	(64.49)	(7.85)
Directors Sitting Fees						
Mr. Bharat Shah	**0.48**	0.15	0.38	**(0.09)**	-	(0.09)
Mr. Vijay Chugh	**0.51**	0.37	0.38	**(0.11)**	-	(0.07)
Mr. Jagadish Capoor	**0.38**	0.23	0.30	**(0.07)**	-	(0.07)
Mr. D. Sivanandhan	**0.30**	0.30	0.30	**-**	-	(0.09)
Mr. Sudip Bandyopadhyay	**0.71**	0.47	0.56	**(0.15)**	-	(0.12)

Notes:
1. The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.

2. During the year ended 31 March 2016, the Company had paid remuneration to the Managing Director in accordance with the Agreement entered into with him. During the year ended 31 March 2016, management evaluated the compliance with the provisions of Section 197 read with Schedule V to the Act and the amount of Rs 9.40 million paid in excess of the limits was treated as receivable as at 31 March 2016. This amount was subsequently recovered / adjusted from the salaries payable to the Managing Director.

53 Explanation of transition to Ind AS:

As stated in Note 2.A to Annexure V, the Company has prepared the Restated Consolidated Financial Information for the years ended 31 March 2018, 2017 and 2016 under Ind AS. The Company's statutory consolidated financial statements for the years ended 31 March 2017 and 31 March 2016 were prepared in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Annexure V have been applied in preparing the Restated Consolidated Financial Information for the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016.

For statutory reporting purposes, the date of transition to Ind AS is 1 April 2016. However, for the purposes of the Restated Consolidated Financial Information, the date of transition has been considered as 1 April 2015. In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. Similar adjustments have been made to arrive at the Restated Consolidated Financial Information relevant to the financial year ended 31 March 2016.

Optional exemptions availed and mandatory exceptions
In preparing the financial information, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and Intangible assets
As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
− fair value;
− or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).
(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.
As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

2. Share based payments
The Group has elected not to apply Ind AS 102 to equity instruments that vested before date of transition to Ind AS.

3. Business Combination

The Group has applied the exemption as provided in Ind AS 101 in relation to Ind AS 103, "Business Combinations" for business combinations consummated prior to the date of transition (1 April 2016). Pursuant to this exemption, goodwill arising from business combination has been stated at the carrying amount under previous GAAP. Accordingly, Ind AS 103 has been applied prospectively to business combinations occurring after its transition date.
Further, in accordance with Guidance Note on Reports in Company Prospectuses (Revised 2016), the Group has adopted the same accounting policy choice for preparing the restated Proforma Ind AS financial statements as adopted initially at the transition date. Accordingly, business combinations that have occurred between 1 April 2013 and 31 March 2016 have not been restated as per Ind AS 103 Business Combinations.

B. Mandatory Exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.
However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered that were not required under the previous GAAP are listed below:
- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Fair valuation of financial guarantee contracts.

2. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.
Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

53 Explanation of transition to Ind AS (continued)

Reconciliation of equity as previously reported under previous GAAP and as per the Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	**Notes to first time adoption**	**31 March 2017**	**31 March 2016 Proforma**
Total equity as per previous GAAP		**3,962.44**	**4,134.01**
Ind AS adjustments			
Borrowings carried at amortised cost	*1*	(3.64)	(4.88)
Amortised cost measurement of security deposits	*2*	45.11	34.48
Reversal of lease equalisation reserve	*3*	63.02	58.41
Fair value measurement of derivative contracts	*4*	(2.92)	(0.25)
Service concession arrangements	*5*	(12.57)	(2.53)
Revenue recognition - deferral of upfront fee, multiple deliverables etc.	*6*	(72.10)	-
Reversal of amortisation of goodwill	*7*	11.57	-
Retrospective capitalisation of stores and spares	*8*	(18.30)	(7.34)
Deferred tax (including on above, as applicable)	*10*	(7.44)	(24.02)
Total Ind AS adjustments		**2.73**	**53.87**
Total restatement adjustments - refer Annexure VII		**(25.39)**	(16.47)
Total equity as per Restated Consolidated Summary Statement of Assets and Liabilities		**3,939.78**	**4,171.41**

Reconciliation of Loss as previously reported under previous GAAP and as per the Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

Particulars	**Notes to first time adoption**	**31 March 2017**	**31 March 2016 Proforma**
Net restated loss for the period reported under previous GAAP		**(161.00)**	**(224.37)**
Ind AS adjustments			
Borrowings carried at amortised cost	*1*	1.24	(0.23)
Amortised cost measurement of security deposits	*2*	10.63	13.62
Reversal of lease equalisation reserve	*3*	4.61	(1.53)
Fair value measurement of derivative contracts	*4*	(2.67)	(1.82)
Revenue from service concession arrangements	*5*	(10.04)	(2.53)
Revenue recognition - deferral of upfront fee, multiple deliverables etc.	*6*	(72.10)	-
Reversal of amortisation of goodwill	*7*	11.57	11.26
Retrospective capitalisation of stores and spares	8	(10.96)	59.72
Actuarial loss on remeasurement of defined benefit obligation	*9*	8.77	5.82
Deferred tax (including on above, as applicable)	*10*	13.66	(23.56)
Total Ind AS adjustments on total comprehensive income		**(45.29)**	**60.75**
Total restatement adjustments - refer Annexure VII		**(8.92)**	(10.37)
Total loss for the year as per Restated Consolidated Summary Statement of Profit and Loss		**(215.21)**	**(173.99)**

Notes to first time adoption

1. Borrowings carried at amortised cost

Under the previous GAAP, the borrowings were measured at the transaction price with the transaction costs in relation to the borrowings being amortised on a straight-line basis over the period of the related borrowing. Under Ind AS, borrowings are measured at amortised cost determined with reference to the effective interest rate method.

2. Amortised cost measurement of security deposits

The Group has made interest free security deposits in relation to certain leasing arrangements where the Group is a lessee and in relation to a revenue arrangement. Under previous GAAP such security deposits were measured at their respective transaction values.

Under Ind AS, security deposits are required to be measured at fair value on initial recognition and subsequently measured at amortised cost on every reporting date. The difference between transaction value and fair value on initial recognition, in case of deposits for leasing arrangements, are amortised over the lease term. In case of the deposit for revenue arrangement, the difference between fair value and transaction value is adjusted with revenue over the contractual term of the revenue arrangement.

3. Reversal of lease equalisation reserve

Under previous GAAP, lease expense in relation to operating leases was recognised on a straight-line basis over the lease term. Under Ind AS, the operating lease rentals are not required to be straight-lined if the lease escalations are in line with the general inflation trends.

4. Fair value measurement of derivative contracts

Under previous GAAP, the premium and discount on forward contracts were amortised over the contract period. However, under Ind AS all derivatives are measured at fair value at each reporting period and changes therein are recognised in the Restated Consolidated Summary Statement of Profit and Loss. The gain or loss on such derivative is presented in the Restated Consolidated Summary Statement of Profit and Loss in the same line item as the corresponding foreign exchange loss or gain arising from the hedged transaction.

5. Service concession arrangements

The Company along with two other bidders has entered into an arrangement with a government agency wherein the Company's obligation included supply, installation and operation/maintenance of specified equipment in return for a specified share of the revenue generated from the project. Under the previous GAAP, the expenditure incurred by the Company towards the cost of such equipment was reflected as capital work in progress. Under Ind AS, the arrangement is identified as service concession arrangement and accounted for accordingly. Further, advance received from co-bidder has been reflected as financial liability (based on fair value on initial recognition) with the corresponding difference being adjusted with cost of the equipment.

6. Revenue recognition - deferral of upfront fee, multiple deliverables etc.
Under Ind AS, identification of deliverables are required to be made based on their separate standalone value to the customers and measurement of revenue in relation to such deliverables are required to be based on their respective fair values (including adjustment for time value of money, as applicable). Under previous GAAP, revenue was recognised based on the terms of the related contracts.

7. Reversal of amortisation of goodwill
Under previous GAAP, goodwill was amortised on a straight line basis over five years. However, under Ind AS, goodwill is not allowed to be amortised but is tested for impairment on an annual basis. Accordingly, the amortisation of goodwill under previous GAAP has been reversed.

8. Retrospective capitalisation of stores and spares
Under previous GAAP, stores and spares were treated as inventory and charged to the statement of profit and loss on consumption. Under Ind AS, stores and spares with a useful life of more than one year shall be treated as property, plant and equipment (PPE). Such stores and spares need to be depreciated from the date they are ready for use over their estimated useful life. Hence, stores and spares which were erstwhile treated as inventory under previous GAAP have been classified as part of PPE if recognition criteria are met. Also, such stores and spares are depreciated from the date of purchase over their estimated useful life.

9. Actuarial loss on remeasurement of defined benefit obligation
Under previous GAAP, actuarial loss in relation to defined benefit plans were recognised in the Restated Consolidated Summary Statement of Profit and Loss. Ind AS requires remeasurements in relation to defined benefit plans to be recognised in OCI along with the corresponding deferred tax impact.

10. Deferred taxes

Under previous GAAP, deferred tax was required to be recognised in relation to timing differences based on the income statement approach (i.e. difference between taxable profits and accounting profits for the period).
Ind AS 12 requires entities to account for deferred taxes with reference to the balance sheet approach, based on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP. Further, deferred tax impact on all Ind AS adjustments have been recognised, as applicable.

Reconciliation of equity as at 1 April 2015
As specified in the Guidance Note, the equity balance computed under Proforma Consolidated Ind AS financial information for the year ended 31 March 2016 (i.e. equity under previous GAAP as at 1 April 2015 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended 31 March 2016 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. 1 April 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at 1 April 2015. Accordingly, the closing equity balance as at 31 March 2016 of the Proforma Consolidated Ind AS financial statements has not been carried forward to the opening Consolidated Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is as below:

(Rs. in million)

Particulars	**Notes to First time adoption**	**1 April 2015 Proforma**
Total equity as per previous GAAP		4,334.74
Borrowing cost carried at amortised cost	1	(4.65)
Unwinding of interest on security deposits	2	20.86
Reversal of lease equalisation	3	59.94
Fair value measurement of derivative contracts	4	1.57
Retrospective capitalisation of stores and spares	8	(67.06)
Reversal of amortisation of goodwill	7	(11.26)
Deferred tax (including on above, as applicable)	10	(2.43)
Total Ind AS adjustments		**(3.03)**
(ii) Total restatement adjustments - refer annexure VII		(6.09)
Total equity considered for Restated Consolidated Financial Information		**4,325.62**

AGS Transact Technologies Limited

Annexure VII: Statement on Adjustments to Audited Consolidated Financial Statements

Summarised below are the restatement adjustments made to the audited financial statements for the periods mentioned below and their impact on the equity of the Group:

(Rs. in million)

Particulars	Note	31 March 2017	31 March 2016 Proforma
A. Total equity as per audited financial statements as per previous GAAP		**3,962.44**	**4,134.01**
B. Total Ind AS Adjustments (refer note 53 of Annexure VI)		**2.73**	53.87
C. Total equity as per Ind AS (A+B)		**3,965.17**	**4,187.88**
D. Adjustments:			
Material restatement adjustments			
(i) Audit qualifications	1	-	-
Total		-	-
(ii) Adjustments due to prior period items / other adjustments			
Adjustment for excess provision for income taxes	3(a)	**(1.62)**	7.30
Adjustment for short provision for indirect taxes	3(b)	**(23.77)**	(23.77)
Total		**(25.39)**	(16.47)
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable		-	-
Total		-	-
D. Total impact of adjustments (i + ii + iii)		**(25.39)**	**(16.47)**
E. Total equity as per restated consolidated financial statements (C+D)		**3,939.78**	**4,171.41**

Summarised below are the restatement adjustments made to the audited financial statements for the fiscal year ended 31 March 2018, 31 March 2017 and 31 March 2016 Proforma and their impact on the profit / (loss) of the Group:

(Rs. in million)

Particulars	Notes	31 March 2018	31 March 2017	31 March 2016 Proforma
A. Net profit after tax as per audited financial statements prepared under previous GAAP		**NA**	**(161.00)**	**(224.37)**
B. Ind AS Adjustments (refer note 53 of Annexure VI)		**NA**	(45.29)	60.75
Total		**-**	(45.29)	60.75
C. Net profit as per Ind AS		**37.82**	**(206.29)**	**(163.62)**
D. Adjustments:				
Material Restatement Adjustments				
(i) Audit Qualifications	1	**-**	-	-
Total				
(ii) Adjustments due to prior period items / other adjustments				
Adjustment for excess provision for income taxes	3(a)	**1.62**	(8.92)	(10.37)
Adjustment for short provision for indirect taxes	3(b)	**23.77**	-	-
Total		**25.39**	(8.92)	(10.37)
Deferred Tax adjustments				
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable		**-**	-	-
Total		**-**	-	-
D. Total impact of adjustments		**25.39**	**(8.92)**	**(10.37)**
E. Net Profit as restated (C-D)		**63.21**	**(215.21)**	**(173.99)**

Notes to adjustments

1. Adjustments for Audit Qualification: None

2. Material regrouping

Appropriate adjustments have been made in the Restated Consolidated Financial Information, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group and its associate as at and for the year ended 31 March 2018, prepared in accordance with Division II Ind AS Schedule III of the Companies Act, 2013 ('the Act') and the requirements of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended). Accordingly, the Group has presented the Restated Consolidated Financial Information as at and for the years ended 31 March 2017 and 31 March 2016 Proforma following the requirements of Schedule III of the Act.

3. Material restatement adjustments

a) Adjustments for excess provision for income taxes

Excess provisions for income taxes pertaining to earlier years, based on intimations/ orders/ received/ returns filed, accounted for during the years ended 31 March 2017 and 31 March 2016 have been adjusted in the respective financial years to which they pertain. Adjustments related to financial years prior to 31 March 2016 have been adjusted against the retained earnings as at 1 April 2015.

b) Adjustment for short provision for indirect taxes

Short provisions for indirect taxes pertaining to earlier years, based on intimations/ orders/ received/ returns filed, accounted for during the year ended 31 March 2018 have been adjusted against the retained earnings as at 1 April 2015 Proforma.

AGS Transact Technologies Limited

Annexure VII: Statement on Adjustments to Audited Consolidated Financial Statements

Non-adjusting items

1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the years ended 31 March 2018, 31 March 2017 and 31 March 2016. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e. CARO), which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented:

For the year ended 31 March 2018

AGS Transact Technologies Limited

Clause (vii)(a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Service tax, Duty of customs, Duty of excise, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of Sales tax, Value added tax and Goods and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Value added tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Clause (vii)(b)
According to the information and explanations given to us, no dues of Income Tax, Sales tax, Value added tax, Service tax, Goods and service tax, Duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except are as follows :

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under protest (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	2,531.25	Nil	March 2014 to November 2015	Appellate Commissioner
The Customs Act, 1962	Customs Duty	302.36	9.00	F.Y. 2005- 2006 to 2008- 2009	Customs, Excise and Service Tax Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	Nil	FY 2011-13	High Court of Odisha
The Kerala VAT Act, 2003	Value Added Tax	1.36	0.99	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Kerala VAT Act, 2003	Value Added Tax	1.08	0.24	F.Y. 2010-11	High Court
The Central Excise Act,1944	Excise Duty	5.35	Nil	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Excise Act,1944	Excise Duty	0.43	Nil	F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Uttar Pradesh VAT Act, 2008	Sales Tax	2.54	0.63	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	0.50	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	0.16	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	Nil	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level
The Haryana VAT Act, 2003	Value Added Tax and Penalty	0.69	Nil	F.Y. 2012-2013	Tribunal
The Kerala VAT Act, 2003	Central Sales Tax and Interest	4.63	0.75	F.Y. 2013-16	Deputy Commissioner (Appeals)
The Andhra Pradesh VAT Act, 2005	Value Added Tax	2.42	0.30	F.Y. 2012-13	Appellate Deputy Commissioner
The Bihar VAT Act, 2005	Value Added Tax	3.07	3.07	F.Y. 2011-12	Joint Commissioner Appeal
West Bengal VAT Act, 2003	Value Added Tax and Interest	3.36	Nil	F.Y. 2011-12	Joint Commissioner Appeal
West Bengal VAT Act, 2003	Value Added Tax	13.92	1.34	F.Y. 2014-15	Joint Commissioner Appeal
The Customs Act, 1962	Customs Duty	8.41	Nil	F.Y. 2011-12	Commissioner Appeal

Securevalue India Limited

Clause (vii)(a)
According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income-tax and Service tax, Provident fund, Employees' state insurance, Cess and other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of Goods and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases. As explained to us, the Company does not have any dues on account of Sales tax, Value added tax, Duty of customs and Duty of excise during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income-tax, Service tax, Goods and service tax, Cess and other statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Clause (x)

During the year, there were cases of misappropriation of cash committed by employees on the Company, aggregating to Rs 47.12 million. The matter was investigated and the concerned employees have been dismissed. The Company has recovered amount aggregating to Rs 29.23 million of the misappropriated funds and has debited the statement of profit and loss with the balance of Rs 17.89 million. We are informed that no fraud was committed by the Company.

India Transact Services Limited

Clause (vii)(a)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax and service tax, sales tax, value added tax, duty of customs, cess and other statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of goods and service tax tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases. As explained to us, the Company does not have any dues on account of duty of excise during the year.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, goods and service tax, duty of customs, cess and other statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

For the year ended 31 March 2017

AGS Transact Technologies Limited

Clause (vii)(b)

According to the records of the Company, the dues outstanding of income-tax, sales-tax, value added tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

(Rs. in million)

Name of Statute	**Nature of the dues**	**Amount demanded**	**Amount paid under protest**	**Periods to which the amount relates**	**Forum where the dispute is pending**
The Central Excise Act, 1944	Cenvat Credit	1,129.00	Nil	March 2014 to November 2015	High Court of Bombay
The Customs Act, 1962	Customs Duty	302.36	9.00	F.Y. 2005- 2006 to 2008- 2009	Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	Nil	FY 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	1.36	0.99	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act,1944	Excise Duty	5.35	Nil	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
Uttar Pradesh VAT Act, 2008	Sales Tax	2.54	0.63	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	0.50	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	0.10	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	Nil	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level
The Haryana VAT Act, 2003	Value Added Tax and Penalty	0.69	Nil	F.Y. 2012-2013	Tribunal
The Kerala VAT Act, 2003	Central Sales Tax and Interest	4.63	0.75	F.Y. 2013-16	Deputy Commissioner (Appeals)
The Andhra Pradesh VAT Act, 2005	Value Added Tax	2.42	0.30*	F.Y. 2012-13	Appellate Deputy Commissioner
The Bihar VAT Act, 2005	Value Added Tax	3.07	3.07	F.Y. 2011-12	Joint Commissioner Appeal
The Customs Act, 1962	Customs Duty and Penalty	8.41	1.25	F.Y. 2011-12	Additional Commissioner

* Amount is paid under protest after 31 March 2017

Securevalue India Limited

Clause (x)

During the year, there were cases of misappropriation of cash committed by employees on the Company, of amounts aggregating to Rs. 47.16 million. The matter was investigated and the concerned employees have been dismissed. The Company has recovered amount aggregating to Rs. 43.97 million of the misappropriated funds and has debited the Statement of Profit and Loss with the balance of Rs. 3.19 million . We are informed that no fraud was committed by the Company.

AGS Transact Technologies Limited

Annexure VII: Statement on Adjustments to Audited Consolidated Financial Statements

For the year ended 31 March 2016

AGS Transact Technologies Limited

Clause (vii)(b)

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:

(Rs. in million)

Name of Statute	Nature of the dues	Amount demanded	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	1,129.00	March 2014 to November 2015	High Court of Bombay
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005- 2006 to 2008- 2009	Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	FY 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	2.24	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act,1944	Excise Duty	5.35	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
Uttar Pradesh VAT Act, 2008	Sales Tax	2.51	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level

Further in addition to the audit opinion on the financial statements, the auditors are required to comment upon the internal financial controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the years ended 31 March 2018, 31 March 2017 and 31 March 2016. Certain statements/comments included in the Annexure to the Auditors' report relating to Internal Financial Controls, which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below:

For the year ended 31 March 2016

AGS Transact Technologies Limited

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31 March 2016:

- The Company's internal financial controls over recording the receipts and issue of refurbished inventories in case of spares were not operating effectively which could potentially result in accounting of incorrect value of spares consumption and inventories in the financial statement.

A 'material weakness' is a deficiency or a combination of deficiencies in Internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has maintained in all material respects, adequate internal financial controls over financial reporting and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, ,such internal financial controls over financial reporting were operating effectively as of 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Consolidated Financial Statements of AGS Transact Technologies Limited, which comprise the Balance Sheet as at 31 March 2016 and the Related Consolidated Summary Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory Information. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2016 Consolidated Financial Statements of AGS Transact Technologies Limited and this report does not affect our report dated 30 September 2016, on which we have expressed an unqualified opinion on those financial statements.

AGS Transact Technologies Limited

Annexure VII: Statement on Adjustments to Audited Consolidated Financial Statements

Reconciliation of Equity as at 1 April 2015

The equity balance computed under Proforma Consolidated Ind AS financial information for the year ended 31 March 2016 (i.e. equity under previous GAAP as at 1 April 2015 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended 31 March 2016 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. 1 April 2016) prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at 1 April 2015. Accordingly, the closing equity balance as at 31 March 2016 of the Restated Consolidated Financial Indormation (Proforma) has not been carried forward to the opening Consolidated Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in note 53 of Annexure VI.

(Rs. in million)

Particulars	**Note**	**1 April 2015 Proforma**
A. Total equity as per audited financial statements as per previous GAAP		**4,334.74**
B. Total Ind AS Adjustments (refer note 53 of Annexure VI)		(3.03)
C. Total equity as per Ind AS (A+B)		**4,331.71**
D. Adjustments:		
Material restatement adjustments		
(i) Audit qualifications	1	-
Total		-
(ii) Adjustments due to prior period items / other adjustments		
Adjustment for excess provision for income taxes	3(a)	17.68
Adjustment for short provision for indirect taxes	3(b)	(23.77)
Total		**(6.09)**
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable		-
Total		-
D. Total impact of adjustments (i + ii + iii)		**(6.09)**
E. Total equity Considered for Restated Consolidated Financial Information (C+D)		**4,325.62**

AGS Transact Technologies Limited

Annexure VIII-Restated Consolidated Summary Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	For the year ended 31 March 2018	31 March 2017	31 March 2016 Proforma
Interest income from instruments measured at amortised cost:				
- Deposits with banks	Non- recurring	**3.13**	2.74	2.67
- Security deposits	Recurring	**53.20**	-	-
- Others	Non- recurring	**1.95**	-	15.75
Insurance claims received	Recurring	**71.66**	99.48	64.53
Sundry balances written back	Non- recurring	**-**	-	0.11
Scrap sales	Recurring	**8.97**	7.03	11.93
Finance lease income	Non- recurring	**-**	3.48	12.55
Foreign exchange gain (net)	Non- recurring	**-**	0.32	-
Others	Non- recurring	**1.62**	0.48	0.25
Total Other Income as per previous GAAP		**140.53**	**113.53**	**107.79**
Add/Less: Ind AS adjustments				
Interest income from instruments measured at amortised cost		**N.A**	52.84	56.85
Total Ind AS adjustments		**-**	**52.84**	**56.85**
Total Other Income as per Ind AS		**140.53**	**166.37**	**164.64**
Add/Less: Other adjustments		**-**	-	-
Total other adjustments		**140.53**	**166.37**	**164.64**
Total Restated Other Income		**140.53**	**166.37**	**164.64**

Notes:

i). The classification of Other income as recurring / non-recurring to business activity is based on the current operations and business activity of the Company as determined by the management.

ii). The amounts disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Company.

ii). The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

AGS Transact Technologies Limited

Annexure IX - Restated Consolidated Summary Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2018

a) Long - term Borrowings

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 31 March 2018 (Rs. in million)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	IndusInd Bank	Term Loan	INR	471.02	MIBOR + 438 bps	Quarterly	1. Exclusive charge by way of Hypothecation on 1,300 Axis Bank ATMs under ATM Network Deployment and Management Agreement between AGS and Axis Bank subject to minimum cover of 0.5x on WDV basis and 1.0x of cash flow cover to be maintained 2. Exclusive charge on receivables of Axis Bank for hypothecated ATMs under ATM Network Deployment and Management Agreement between AGS and Axis Bank 3. Charge on Security Deposit & Termination amount recoverable from Axis Bank under ATM Network Deployment and Management Agreement 4. DSRA equivalent for 1 quarter interest to be maintained in the form of FDR 5. The tenor for the loan is 60 months and ending on June 2022 6. Bank shall levy any prepayment charge/fee in respect of prepayment as stipulated by the Bank from time to time
2	IndusInd Bank	Term Loan	INR	1,113.42	3 months MCLR + 5 bps	Monthly	1. Exclusive charge by way of Hypothecation on 2,245 Axis Bank ATMs under AGS takeover and Management Agreement between AGS and Axis Bank subject to minimum cover of 0.9x on WDV of ATM (incl. associated assets) plus assets purchase premium plus security deposits 2. Exclusive charge on receivables of Axis Bank on hypothecated ATMs under AGS takeover and Management Agreement between AGS and Axis Bank 3. Charge on Security Deposit & Termination amount recoverable from Axis Bank under AGS takeover and Management Agreement between AGS and Axis Bank 4. DSRA equivalent for 1 quarter interest worked out on average basis for12 months to be maintained in the form of lien marked FDR 5. The tenor for the loan is 63 months and ending on April 2023 6. Prepayment charges is Nil
3	South Indian Bank	Term Loan	INR	174.66	1 year MCLR + 150 bps	Quarterly	1. Exclusive charge with other term lending institutions on movable fixed assets, both present and future, located at the entire ATM sites with the security cover of 1.25 times during the pendency of the facility. 2. Second pari passu charge over the entire receivables of the Company, both present and future, due from banks who are utilizing the ATMs financed from the proceeds of the facility. (first charge being with the working capital financing banks) 3. The tenor for the loan is 72 months (including moratorium period of 12 months) and ending on December 2019 4. Prepayment charges are 3% of the pre-paid amount if closed through take-over by other banks, 2% if closed from own funds. Prepayment penalty will be collected in case of term loans having floating rate or fixed rate of interest @ 2.00% on the prepaid amount if the amount prepaid crosses the least of the following: - I. Loan amount equaling to 6 EMIs II. 2 quarterly instalments III. 1 half year instalment IV. 10% of the loan amount
4	South Indian Bank	Term Loan	INR	373.40	1 year MCLR + 115 bps	Quarterly	1. Exclusive first charge on movable fixed assets, both present and future, located at the various ATM sites with the security cover of minimum 1.25 times during the pendency of the loan. 2. Second charge over the entire receivables both present and future, due from banks who are utilizing the ATMs financed from the proceeds of the loan. (first charge being with the working capital financing banks) 3. The tenor for the loan is 61 months (including moratorium period of 01 month) and ending on October 2021. 4. Prepayment charges are 3% of the pre-paid amount if closed through take-over by other banks, 2% if closed from own funds. Prepayment penalty will be collected in case of term loans having floating rate or fixed rate of interest @ 2.00% on the prepaid amount if the amount prepaid crosses the least of the following: - I. Loan amount equaling to 6 EMIs II. 2 quarterly instalments III. 1 half year instalment IV. 10% of the loan amount
5	Clix Finance India Pvt. Ltd.	Term Loan	INR	48.77	SBI base rate + 245 bps	Monthly	1. Exclusive charge over the ATMs and related assets to be installed under the Department of financial services ('DFS') contracts. 2. Exclusive charge of receivables and cash flows related to the assets under the DFS contracts. 3. Exclusive charge over the escrow account opened with HDFC Bank Limited. 4. The tenor for the loan is 66 months (including moratorium period of 06 months) and ending on Jannuary 2019. 5. Prepayment charge of 1.25% of the amount being prepaid. No Prepayment charges on reset of Interest margin subject to 25 days prior notice to Lender.
6	HDFC Bank	Term Loan	INR	76.75	Base rate + 180 bps	Quarterly	1. First exclusive charge by hypothecation over ATMs and other related assets installed under the outsourcing model with HDFC Bank. 2. The tenor for the loan is 63 months (including moratorium period of 03 months) and ending on November 2019.
7	HDFC Bank	Term Loan	INR	642.42	3 year MCLR + 195 bps	Quarterly	1. Exclusive charge on movable fixed Assets both present and future deployed for ICICI Bank and others with Security Value of INR 600 million. 2. Exclusive charges on receivables from ATMs deployed for ICICI Bank under IAD model 3. The tenor for the loan is 60 months and ending on Jannuary 2022. 4. Prepayment charges of 2.00% of the amount being prepaid.
8	Kotak Mahindra Bank	Term Loan	INR	246.57	Base rate + 115 bps	Quarterly	1. Mortgage of Land and Building on Plot No. EL-82 and EL-83, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Thane 2. The tenor for the loan is 60 months (including moratorium period of 06 months) and ending on November 2020.

AGS Transact Technologies Limited

Annexure IX - Restated Consolidated Summary Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2018

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 31 March 2018 (Rs. in million)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
9	Karur Vysya Bank	Term Loan	INR	479.87	1 year MCLR + 140 bps	Quarterly	1. Exclusive charge on the receivables of RBL Bank 2. Exclusive charge by way of hypothecation on the ATMs under Service Provider Agreement between AGS and the Banks with security cover of 0.50x 3. Charge on Security Deposit and Termination amount recoverable from the Bank under Service Provider Agreement 4. DSRA equivalent for 1 quarter interest to be maintained in the form of FDR 5. The tenor for the loan is 72 months and ending on September 2023. 6. Prepayment charges of 2.00% of the amount being prepaid.
10	Hero FinCorp Ltd.	Term Loan	INR	372.50	HFCL 3 year MCLR - 20 bps	Quarterly	1. Exclusive charge by way of hypothecation of ATMs under Service Provider Agreement between AGS and the banks subject to minimum security cover of 0.50x of the loan amount 2. Exclusive charge by way of hypothecation on identified receivables of ICICI Bank under Service Provider Agreement between AGS and ICICI Bank to the extent of 1.0x of the borrower's indebtedness to Hero FinCorp Ltd. 3. Charge on Security Deposit and Termination amount recoverable from ICICI Bank under Service Provider Agreement for the above receivables. 4. DSRA equivalent to 1 quarter EMI to be maintained in the form of Fixed Deposit lien marked in favour of Hero FinCorp Ltd. 5. Escrow of the above ICICI Bank receivables from the contract 6. The tenor for the loan is 60 months and ending on April 2023. 7. Foreclosure not allowed within 12 months from the disbursal date. After 12 months till loan closure, Foreclosure penalty 1% plus applicable tax will be applicable.
11	ICICI Bank	Vehicle loan	INR	205.76	9.75% to 10.41%	Monthly	1. First and exclusive charge by hypothecation over vehicles financed. 2. Secured by corporate guarantee given by the holding Company. 3. The tenor for the loan is 60 months (including moratorium period of 60 days) and ending on Jannuary 2021. 4. Prepayment Charges: The lower of the following two options plus applicable taxes: (a) 4% of the then outstanding amount or any other rate as stipulated by ICICI Bank from time to time; or (b) the total interest amount outstanding as on the date of prepayment.
12	HDFC Bank	Vehicle loan	INR	12.92	9.95% to 11.00%	Monthly	1. First and exclusive charge by hypothecation over vehicles financed. 2. Holding Company is the co-borrower for this loan 3. The tenor for the loan is 60 months (including moratorium period of 30 / 60 days) and ending on Jannuary 2019. 4. Prepayment charges: 4% on principal outstanding if paid within 12 months, 2% on principal outstanding if paid after 12 months.
13	HDFC Bank	Vehicle loan	INR	26.95	8.71%	Monthly	1. First and exclusive charge by hypothecation over vehicles financed. 2. The tenor for the loan is 60 months (including moratorium period of 30 days) and ending on March 2023. 3. Prepayment charges: 4% on principal outstanding if paid within 12 months, 2% on principal outstanding if paid after 12 months.
14	Axis Bank	Vehicle loan	INR	127.26	8.25% to 9.50%	Monthly	1. First and exclusive charge by hypothecation over vehicles financed. 2. The tenor for the loan is 60 months (including moratorium period of 60 days) and ending on July 2022. 3. Foreclosure/ Part payment charges: 5% of Principal Outstanding or if Foreclosure/ Partpayment prior to 6 months: 10% on principal outstanding. Nil foreclosurer charges if account foreclosed after serving 50% of the EMIs
15	Tata Motors Finance Ltd.	Vehicle loan	INR	83.21	8.00% to 8.05%	Monthly	1. First and exclusive charge by hypothecation over vehicles financed. 2. The tenor for the loan is 60 months (including moratorium period of 60 days) and ending on March 2023 3. Foreclosure charges: 4% of future principal outstanding loan or Rs. 5,000, whichever is higher
16	Standard Chartered Bank	Term Loan	INR	37.31	10.20%	Quarterly	1. First charge on present and future moveable properties including moveable plant and machinery, furniture and fittings, equipment, computer hardware/ software and vaults in various cities. 2. Secured by corporate guarantee given by the Holding Company. 3. The tenor for the loan is 60 months (including moratorium period of 12 months) and ending on July 2019. 4. All prepayments shall be subject to conditions stipulated by the bank including payment of prepayment charges.
17	State Bank of India, Sri Lanka	Term Loan	LKR	293.16	AWPLR + 0.30%	Quarterly	1. Primary mortgage over ATMs, Cash Deposit Machines, Kiosks and other IT based equipments for LKR 700.00 million 2. Primary Mortgage over Rent Receivable from mortgaged machineries from People Bank, Sri Lanka 3. Tripartite Agreement between the Novustech Transact Lanka (Pvt.) Ltd., People's Bank, Sri Lanka and State Bank of India, Sri Lanka ensuring the escrow mechanism. 4. Letter of awareness from the Parent companies 5. The tenor for the loan is 60 months (including moratorium period of 06 months) and ending on November 2022 6. All prepayments shall be subject to conditions stipulated by the bank including payment of prepayment charges.
			Total	**4,785.95**			

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

ii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

iii) The rate of interest given above are base rate / MCLR / MIBOR / AWPLR plus spread as agreed with the lenders in the respective facility letters.

iv) The above includes long-term borrowings disclosed under Annexure VI and the current maturities of long-term borrowings included in Other current liabilities.

v) Transaction costs in relation to borrowings are regarded as an adjustment to effective interest rate under IndAS and has been adjusted with respective borrowings. The above outstanding includes interest accrued but not due in respect of the respective borrowing as on the reporting date

AGS Transact Technologies Limited

Annexure IX - Restated Consolidated Summary Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2018

b) Short-term borrowings

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 31 March 2018 (Rs. in million)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	Citibank N.A.	Cash Credit	INR	66.16	12.00%	On Demand	First pari passu charge on entire current assets of the Company, both present and future, except receivables specifically charged to term lenders.
2	Standard Chartered Bank	Cash Credit	INR	114.47	11.10%	On Demand	First pari passu charge on all current assets of the Company (except receivables specifically charged to term lenders)
3	ICICI Bank	Cash Credit	INR	412.13	6 months MCLR + 235 bps	On Demand	First pari passu charge on current assets of the Company except receivables exclusively charged on term loan lenders.
4	Yes Bank	Cash Credit	INR	146.51	1 year MCLR + 240 bps	On Demand	First pari passu charge on current assets of the Company except receivables exclusively charged on term loan lenders.
5	HDFC Bank	Cash Credit	INR	133.96	1 year MCLR + 190 bps	On Demand	First pari passu charge over current and future current assets of the Company except receivables specifically charged on term loan lenders.
6	Axis Bank	Cash Credit	INR	236.64	3 months MCLR + 220 bps	On Demand	First pari passu charge on entire current assets of the Company, present and future (except receivables specifically charged on term loan lenders).
7	Citibank N.A.	Working Capital Demand Loan	INR	200.00	10.40%	15 days	1. First pari passu charge on entire current assets of the Company, both present and future, except receivables specifically charged to term lenders. 2. Max. Tenor upto 1 year
8	HDFC Bank	Working Capital Demand Loan	INR	350.10	9.95%	45 days	1. First pari passu charge over current and future current assets of the Company except receivables specifically charged on term loan lenders. 2. The tenor is not more than 90 days
9	Kotak Mahindra Bank	Working Capital Demand Loan	INR	150.45	10.85%	70 days	1. First pari passu hypothecation charge to be shared with all secured working capital banks on all existing and future current assets of the company excluding the following :- a) Receivables under the Takeover and Management Agreement between the Company and Axis Bank (charged to L & T Finance); and b) Receivables of PSU banks (charged to GE Capital Services India). 2. Max. Tenor upto 180 days
10	Standard Chartered Bank	Buyers credit	USD	151.80	LIBOR + applicable spread	178 to 179 days	1. First pari passu charge on all current assets of the Company (except receivables specifically charged to term lenders) 2. Max. Tenor upto 180 days
11	ICICI Bank	Buyers credit	USD	97.76	LIBOR + applicable spread	99 to 249 days	1. First pari passu charge on current assets of the Company, including stocks of raw materials, goods-in-progress, semi-finished and finished goods and other movables such as book debts, bills, both present and future except receivables specifically charged on term loan lenders. 2. Total tenor of LC and Buyer's Credit should not exceed 360 days from the date of shipment.
12	Axis Bank	Buyers credit	USD	29.08	LIBOR + applicable spread	178 to 199 days	1. First pari passu charge on entire current assets of the Company, present and future (except receivables specifically charged on term loan lenders) 2. Total usance including LC period not to exceed 240 days
13	Standard Chartered Bank	Cash Credit	INR	103.96	11.30%	On Demand	1. First charge on the stocks and book debts. 2. Secured by corporate guarantee given by the holding Company.
			Total	**2,193.02**			

Notes:

i) The figures disclosed above are based on the Restated Consolidated Summary Statement of Assets and Liabilities of the Company.

ii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

iii) The rate of interest given above are base rate / MIBOR / LIBOR plus spread as agreed with the lenders in the respective facility letters.

iv) The above outstanding includes interest accrued but not due in respect of the respective borrowing as on the reporting date

AGS Transact Technologies Limited

Annexure X-Restated Consolidated Summary Statement of Accounting Ratios

Sr. No.	Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
1	Restated Consolidated Profit after Tax (Rs. in million)	**63.21**	(215.21)	(173.99)
2	Weighted average number of diluted Equity Shares outstanding during the period	**119,374,795**	119,665,750	119,815,211
3	Weighted average number of basic Equity Shares outstanding during the period	**118,506,576**	118,506,576	118,506,576
4	Number of equity shares outstanding at the end of the year	**118,506,576**	118,506,576	118,506,576
5	Net Worth for Equity Shareholders (Rs. in million)	**4,021.02**	3,939.78	4,171.41
6	Accounting Ratios:			
	Earning per share (Refer note No. 34)			
	Basic Earning per share (Rs.) (1)/(2)	**0.53**	(1.82)	(1.47)
	Diluted Earning per share (Rs.) (1)/(3) (refer note vi)	**0.53**	(1.82)	(1.47)
	Return on Net Worth for Equity Shareholders (1)/(5)	**1.57%**	-5.46%	-4.17%
	Net Asset Value Per Share (Rs.) (5)/(4)	**33.93**	33.25	35.20

Notes:

i) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

ii) The ratios have been computed as follows:

a) Earning Per Share (Basic) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Earning Per Share (Diluted) = $\frac{\text{Restated profit for the year}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

c) Return on Net worth (%) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Restated net worth at the end of the year}}$

d) Net Asset Value per Share (Rs.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

iii) Net worth for calculating ratios = Equity share capital + Other equity (including Securities premium, General reserve, Employee stock options outstanding, Retained earnings and Foreign currency translation reserve).

iv) 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.

v) Earnings per share calculations are in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share.

vi) Dilutive EPS for year ended 31 March 2017 and 31 March 2016 Proforma is considered same as Basic EPS, since the effect is anti-dilutive Rs. (1.80) and Rs. (1.45) respectively.

AGS Transact Technologies Limited
Annexure XI: Restated Consolidated Summary Statement of Capitalisation

(Rs. in million)

Particulars	Pre-issue as at 31 March 2018	As Adjusted for issue (Refer note ii below)
Debt:		
Long term borrowings	**3,517.76**	[.]
Short term borrowings	**2,248.26**	[.]
Current portion of Secured long term borrowings, included in Other Current Financial Liabilities	**1,268.19**	[.]
Total debt (A)	**7,034.21**	
Shareholders' Funds:		
Equity Share Capital	**1,185.07**	[.]
Reserves and Surplus	**2,835.95**	[.]
Total Shareholders' Funds (B)	**4,021.02**	
Total Debt / Shareholders' fund (A/B)	**1.75**	[.]

Notes:

i) The above has been computed on the basis of the Restated Consolidated Financial Informantion - Annexure I and Annexure II.

ii) The corresponding figures (as Adjusted for issue) are 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.

iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

AGS Transact Technologies Limited

Annexure XII - Restated Consolidated Summary Statement of Tax Shelter

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
A. Profit before tax as restated	**237.47**	**(103.17)**	**(90.78)**
B. Statutory income tax rate in India	**34.61%**	**34.61%**	**33.99%**
C. Tax using the Company's domestic tax rate	**82.18**	**(35.71)**	**(30.86)**
ADJUSTMENTS			
Tax impact of permanent differences due to:			
Differences in tax rates in foreign jurisdictions	**19.82**	**19.51**	**15.89**
Expense not allowed for tax purposes	**0.30**	29.07	19.50
Deferred tax assets not recognized because realization is not probable	**56.73**	105.25	67.60
Foreign taxes paid	**-**	0.28	10.13
Changes in estimates related to prior years	**24.18**	-	-
Other	**(8.95)**	(6.36)	0.95
D. Total Tax impact of permanent differences	**92.08**	**147.75**	**114.07**
Tax impact of timing differences due to:			
Property, plant and equipment	**9.15**	32.86	(9.32)
Intangible assets	**(3.50)**	-	-
Provision for employee benefits	**7.01**	18.99	12.88
Trade receivables	**(18.99)**	21.44	-
Loans	**(3.54)**	(3.68)	(4.70)
Derivative contracts	**(0.98)**	0.92	0.63
Borrowings	**(2.14)**	3.04	0.96
Provision for warranty	**4.55**	(1.61)	(7.03)
Provision for expenses	**12.52**	-	-
Unrealised gain (loss) on consolidation	**0.86**	1.42	1.40
Brought forward losses	**39.07**	-	-
E. Total Tax impact of timing differences	**44.01**	**73.38**	**(5.18)**
F. Net adjustments (D+E)	**136.09**	**221.13**	**108.89**
G. Tax Liability (C+F)	**218.27**	**185.42**	**78.03**

Notes:

i) The figures disclosed above are based on the Restated Consolidated Financial Information of the Group.

ii) The above statement has been prepared based on the tax computations for the respective years. The figures for the year ended 31 March 2018 is based on the provisional computations of total income prepared by the Group and are subject to any changes that may be considered at the time of filing of the return of income.

iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

Annexure XIII - Restated Consolidated Summary Statement of Dividend by the Company

Restated Statement of Dividend

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Number of Equity Shares (excluding treasury shares)	**118,506,576**	118,506,576	118,506,576
Face value (Rs.)	**10.00**	10.00	10.00
Dividend per Equity Share (in Rs.)	**-**	-	-
Rate of dividend	**-**	-	-
Dividend tax rate	**-**	-	-
Total dividend (in Rs. million)	**-**	-	-
Dividend Tax (in Rs. million)	**-**	-	-

Note:

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Consolidated Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure VII.

Annexure A.I - Restated Consolidated Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	Note	31 March 2015	31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	*1*	1,185.07	295.67
Reserves and surplus	*2*	3,143.60	3,859.19
		4,328.67	**4,154.86**
Non-current liabilities			
Long-term borrowings	*3*	2,069.39	2,275.32
Other long-term liabilities	*7*	78.16	37.88
Long-term provisions	*4*	76.11	55.76
		2,223.66	**2,368.96**
Current liabilities			
Short-term borrowings	*5*	2,423.02	1,405.51
Trade payables	*6*	1,967.46	1,678.62
Other current liabilities	*7*	1,448.00	1,432.51
Short-term provisions	*4*	112.90	84.63
		5,951.38	**4,601.27**
Total		**12,503.71**	**11,125.09**
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	*8*	3,417.86	3,306.35
Intangible assets	*8*	177.26	166.21
Capital work-in-progress		586.46	373.78
Intangible assets under development		-	29.04
		4,181.58	**3,875.38**
Deferred tax assets (net)	*9*	139.11	54.96
Long-term loans and advances	*10*	1,330.16	1,541.14
Trade receivables	*12*	215.53	-
Other non-current assets	*14*	216.37	247.10
		1,901.17	**1,843.20**
Current assets			
Inventories	*11*	1,783.26	1,489.53
Trade receivables	*12*	3,461.74	2,550.21
Cash and bank balances	*13*	261.52	83.87
Short-term loans and advances	*10*	424.46	628.09
Other current assets	*14*	489.98	654.81
		6,420.96	**5,406.51**
Total		**12,503.71**	**11,125.09**

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

As per our examination report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Place: Mumbai
Date: 16 August 2018

Annexure A.II - Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Note	Year ended 31 March 2015	Year ended 31 March 2014
Income			
Revenue from operations (gross)	*15*	12,026.72	9,717.80
Less: Excise duty		(186.59)	(240.96)
Revenue from operations (net)		**11,840.13**	**9,476.84**
Other income	*16*	34.00	32.46
Total income		**11,874.13**	**9,509.30**
Expenses			
Cost of raw materials and components consumed	*17*	3,791.97	3,091.52
Purchase of traded goods		556.64	229.74
(Increase) in inventories of finished goods and traded goods	*18*	(294.33)	(87.46)
Employee benefit expenses	*19*	1,240.52	893.84
Other expenses	*20*	4,763.19	4,046.69
Total expenses		**10,057.99**	**8,174.33**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**1,816.14**	**1,334.97**
Finance costs	*21*	671.50	560.10
Depreciation and amortisation expense	*8 and 2.5(c)*	822.51	648.01
Profit before tax		**322.13**	**126.86**
Tax expenses			
Current tax			
Pertaining to profits for the current year		241.82	94.76
Deferred tax (credit)		(83.79)	(10.98)
Total tax expenses		**158.03**	**83.78**
Profit for the year before minority interest		**164.10**	**43.08**
Attributable to :			
Equity holders of the parent		164.10	48.35
Minority interest		-	(5.27)
		164.10	**43.08**
Earnings per equity share (nominal value of share Rs. 10)			
Basic earnings per share (Rs.)	*22*	1.46	0.48
Diluted earnings per share (Rs.)	*22*	1.37	0.36

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

As per our examination report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Place: Mumbai
Date: 16 August 2018

Annexure A.III - Restated Consolidated Summary Statement of Cash Flows

(Rs. in million)

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
A. Cash flow from operating activities			
Restated net profit before tax		**322.13**	**126.86**
Adjustments for:			
Finance costs		595.30	525.27
Amortisation of premium on forward contracts		76.20	34.83
Interest income		(2.85)	(5.22)
Dividend income		-	(0.09)
Depreciation and amortisation		822.51	648.01
Loss on disposal of fixed assets (net)		13.36	-
Provision for warranty (net)		16.08	18.11
Write back of provision for diminution in value of inventories		-	(42.53)
Employee stock option scheme expense		4.13	-
Inventories written off		87.83	129.25
Liabilities for earlier year written back		(0.20)	-
Bad debts written off		85.00	65.41
Unrealised foreign exchange rate (gain)		(0.10)	(6.19)
Operating profit before working capital changes		**2,019.39**	**1,493.71**
Changes in working capital :			
(Increase) in inventories		(381.82)	(218.93)
(Increase) in trade receivables		(1,212.84)	(295.45)
Decrease / (increase) in deposit given for acquisition of ATMs		88.01	(714.10)
Decrease in loans and advances		159.23	58.24
Decrease / (increase) in other current assets		188.97	(667.51)
Decrease / (increase) in other non-current assets		27.66	(235.12)
Increase in trade payables		462.76	209.46
(Decrease) / increase in other current liabilities		(262.53)	419.76
Increase in other non-current liabilities		40.32	27.47
Increase in provisions		32.61	19.52
Cash generated from operations		**1,161.76**	**97.05**
Direct taxes paid (net)		(97.23)	(97.84)
Net cash generated from / (used in) operating activities	**(A)**	**1,064.53**	**(0.79)**
B. Cash flow from investing activities			
Purchase of fixed assets, capital work-in-progress, advances, etc.		(1,147.23)	(1,881.23)
Sale of current investments		-	8.26
Interest received		2.14	7.69
Dividend received		-	0.09
Fixed deposits matured during the year (net)		1.77	23.32
Net cash used in investing activities	**(B)**	**(1,143.32)**	**(1,841.87)**
C. Cash flow from financing activities			
Proceeds from issuance of equity share capital		94.78	-
Loan given to AGSTTL Employees Welfare Trust		(85.32)	-
Proceeds from long-term borrowings		503.91	2,311.48
Repayment of long-term borrowings		(585.49)	(312.66)
Proceeds from short-term borrowings - secured (net)		1,017.50	408.24
Dividend paid on CCPS including tax		(0.15)	(0.08)
Share issue expenses		(31.62)	-
Interest paid		(552.68)	(517.96)
Other finance charges paid		(113.97)	(34.83)
Net cash flow from financing activities	**(C)**	**246.96**	**1,854.19**
Net increase in cash and cash equivalents	**(A)+(B)+(C)**	**168.17**	**11.53**
Cash and cash equivalents at the beginning of the year		60.74	49.21
Cash and cash equivalents at the end of the year		**228.91**	**60.74**
Components of cash and cash equivalents			
Cash on hand		0.81	0.97
With banks- on current account		225.39	57.49
- on deposit account		2.71	2.28
Total cash and cash equivalents (note 13)		**228.91**	**60.74**

The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard - 3 (AS 3) on cash flow statement.

The above statement should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

As per our examination report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date: 16 August 2018

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Annexure A.IV - Basis of Preparation and Significant Accounting Policies

1 Group overview

AGS Transact Technologies Limited (the 'Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company along with its subsidiaries - Securevalue India Limited ('SVIL'), India Transact Services Limited ('ITSL'), Global Transact Services Pte. Ltd. ('GTSL'), Novus Technologies Pte. Ltd., Novus Technologies (Cambodia) Company Limited and Novus Transact Philippines Corporation (together 'the Group') is in the business of supplying, installing and managing technology-based automation products and providing related services to its customers present in the Banking, Petroleum, Colour and Retail sectors. The Group is also engaged in the business of providing ATM outsourcing, ATM Management Services, transaction switching service, electronic payment services through point of sale (POS) machines, mobile wallets, domestic money transfer and other payment channels, cash management, cash replenishment, door step banking and cash burial services to banks and service providers and supplying of self-service terminals and related software to financial institutions.

2.1 (A) Basis of preparation and presentation

The Restated Consolidated Financial Information relates to the Group and have been specifically prepared by the management for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Consolidated Financial Information comprise of the Restated Consolidated Summary Statement of Assets and Liabilities as at 31 March 2015 and 2014, the Restated Consolidated Summary Statement of Profit and Loss and the Restated Consolidated Summary Statement of Cash Flows for the years ended 31 March 2015 and 2014 and Annexure A.IV to A.X thereto (hereinafter collectively referred to as "the Restated Consolidated Financial Information").

The Restated Consolidated Financial Information of the Company for the years ended 31 March 2015 and 2014 have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 ("the Act") (upto 31 March 2014), and the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (from 1 April 2014), to the extent applicable along with Section 26 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"). The Act and the ICDR Regulations require the information in respect of the assets and liabilities and profits and losses of the Group for each of the five years immediately preceding the issue of the Prospectus. Accordingly, the Group has presented the Restated Consolidated Financial Information for the year ended 31 March 2015 and 31 March 2014 in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP").

These Restated Consolidated Financial Information were approved by the Board of Directors of the Company in their meeting held on 16 August 2018.

The accounting policies have been consistently applied by the Group.

These Restated Consolidated Financial Information have been compiled by the management from the Audited Consolidated Financial Statements and:

- do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended 31 March 2015 are materially consistent with the policies adopted as at and for the year ended 31 March 2014. Accordingly, no adjustments have been made to the Audited Consolidated Financial Statements of the respective periods presented on account of changes in accounting policies;
- have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

- as per the requirements of Indian GAAP, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Consolidated Financial Information;
- There are no qualifications in the auditors' reports on the Audited Consolidated Financial Statements of the Company and its subsidiaries as at 31 March 2015 and 2014 and for each of the year ended 31 March 2015 and 2014, which require any adjustments to the Restated Consolidated Financial Information;
- Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2015 issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 on the Audited Consolidated Financial Statements for the year ended 31 March 2015 and Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act 1956, on the Audited Consolidated Financial Statements for the Company and its subsidiaries for the year ended 31 March 2014, which do not require any corrective adjustment in the Restated Consolidated Financial Information are included in Annexure A.VI – Statement on Adjustments to Audited Consolidated Financial Statements;
- The resultant impact of deferred tax due to the aforesaid adjustments, if any.

(B) Functional and presentation currency

The Restated Consolidated Financial Information are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to the nearest million upto two decimals, unless otherwise indicated.

2.2 Basis of consolidation

a. The Restated Consolidated Financial Information has been prepared in accordance with the requirements of Accounting Standard 21 (AS 21) – 'Consolidated Financial Statements'.

b. The Restated Consolidated Financial Information has been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

i) The Restated Consolidated Financial Information 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.

ii) 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. In case of acquisition of additional stake in the existing subsidiary, the excess of purchase consideration over the Company's portion of equity of the subsidiary on the date on which the additional investment is made is treated as Goodwill.

iii) Minority interest in the net assets of consolidated 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 and further movements in their share in the equity subsequent to the date of investments as stated above.

iv) As far as possible, the Restated Consolidated Financial Information is prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements. If it is not practicable to use uniform accounting policies in preparation of Restated Consolidated Financial Information, the fact has been disclosed with the proportions of the items in the Restated Consolidated Financial Information to which the different accounting policies have been applied, if such differences are considered material.

c. The subsidiaries considered in the preparation of the Restated Consolidated Financial Information and the shareholding of the Company in these Companies is as follows:

Subsidiaries	Holding Company	Country of Incorporation	Ownership interest
India Transact Services Limited (w.e.f. 1 April 2010)	Company	India	100%
Securevalue India Limited (w.e.f. 24 April 2012)	Company	India	100%
Global Transact Services Pte. Ltd. ('GTSL') (w.e.f. 6 March 2009)	Company	Singapore	100%
Novus Technologies Pte. Ltd. ('NTPL') (w.e.f. 28 November 2013)	GTSL	Singapore	90%
Novus Technologies (Cambodia) Company Limited (w.e.f. 29 August 2014)	NTPL	Cambodia	90%
Novus Transact Philippines Corporation (w.e.f. 15 September 2014)	NTPL	Philippines	90%

2.3 Use of estimates and judgements

The preparation of Restated Consolidated Financial Information 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.

2.4 Current, non-current classification

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Group's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Group does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.5 Fixed assets and depreciation

(a) Tangible fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment, if any. The cost of tangible fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable cost related to the acquisition and installation of the respective assets. Further, preoperative expenses such as salaries, rent, octroi charges, brokerage, legal and professional fees, etc. incurred during installation period are capitalised under the respective asset head as part of the indirect installation cost, to the extent to which the expenditure is allocable / apportioned to the asset-head. In case of composite contract involving acquisition of tangible fixed assets and providing services, the tangible fixed assets are capitalised at respective fair value of the asset acquired.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Restated Consolidated Summary Statement of Profit and Loss in the year in which the expenditure is incurred.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of four years. Amortisation is recognised in the Restated Consolidated Summary Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

(c) Depreciation and amortisation

Change in accounting estimate: Useful lives / depreciation rates

Considering the applicability of Schedule II being effective from 1 April 2014, the management has re-estimated useful lives and residual values of all its fixed assets. The Group has revised the depreciation rates of certain tangible fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. Depreciation rates prescribed under Schedule XIV of the Companies Act, 1956 were treated as minimum rates and the Group was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II to the Act allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the Restated Consolidated Financial Information. For certain tangible fixed assets, the management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in are different from lives prescribed under Schedule II.

As a result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 29.44 million. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of Rs. 0.70 million (net of deferred tax impact of Rs. 0.36 million) has been adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

Till 31 March 2014, depreciation on fixed assets were provided using Straight Line basis ('SLM') and Written down basis ('WDV') using the rates based on the useful lives estimated by the management or those prescribed in Schedule XIV to the Companies Act, 1956 whichever was higher.

From 1 April 2014, depreciation on fixed assets except ATM sites, vehicles for cash management and intangibles is provided on written down basis using the rates arrived at based on the useful lives of the assets estimated by the management.

		Erstwhile Life (up to 31 March 2014)		**Revised Life (1 April 2014 onwards)**
Category	**Method of depreciation**	**Rate (%)**	**Useful lives (years)**	**Useful lives (years)**
Buildings – freehold	WDV	5.00	58	60
ATM sites*	SLM	14.28	7	7
Plant and machinery	WDV	13.91	20	15
Furniture and fixtures	WDV	18.10	15	10
Office equipments, electrical installations and air conditioners	WDV	13.91	20	5 - 10
Computers	WDV	40.00	5	3 – 6
Vehicles for office purpose	WDV	25.89	9	8
Vehicles for cash management business*	SLM	14.28	7	7
Software	SLM	25.00	4	4
Technical Know How	SLM	14.28	7	7

Goodwill on consolidation is amortised over a period of 5 years.

Non-compete fees are amortised over the period of the contract i.e. 3 years.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

* ATM sites and Vehicles for cash management business are depreciated over the estimated useful lives of 7 years, which is lower than that indicated in Schedule II.

(d) Impairment of tangible fixed assets and intangible 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.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units 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.

Impairment losses of continuing operations if any, including impairment on inventories, are recognised in the Restated Consolidated Summary Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.6 Revenue recognition

(a) 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. Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(b) Revenue from services is recognised on rendering of respective services to customers as per the agreements entered into with the respective customers.

The revenue from ATM management services is disclosed net of service level agreement deductions and one time / upfront fees charged to the Restated Consolidated Summary Statement of Profit and Loss. The one time / upfront fees paid to customer are amortised over the period of the respective contract.

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

(c) The Group collects service tax, 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.

(d) Dividend income is recognised when the right to receive dividend is established by the reporting date.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

(e) Interest income is recognised on the time proportion basis.

2.7 Lease accounting

Where the Group is the lessee
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 Restated Consolidated Summary Statement of Profit and Loss on a straight-line basis over the lease term.

Where the Group is the lessor
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 Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Restated Consolidated Summary Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Restated Consolidated Summary Statement of Profit and Loss.

2.8 Inventories

(a) Raw materials, finished goods, stores, spares, traded items and consumables are carried at the 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 be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

(b) In determining cost of raw materials, traded items, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(d) Cost of finished goods includes the cost of raw materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

2.9 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. However, provision for diminution in the value, if any, is made to recognise decline other than temporary in the value of investments.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

2.10 Transactions in foreign currency

(a) 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.

(b) 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.

(c) Exchange difference

All other exchange differences are recognised as income or as expenses in the period in which they arise.

(d) Translation of non-integral foreign operation

Foreign operations of the Group are classified under non-integral foreign operations. In translating the financial statements of non-integral foreign operations for incorporation in the Restated Consolidated Financial Information, the assets and liabilities, both monetary and non-monetary, of the non-integral foreign operations are translated at closing rate. Restated Consolidated Summary Statement of profit and loss items of the non-integral foreign operations are translated at the monthly average exchange rate; all the resulting exchange differences are accumulated in Foreign Currency Translation Reserve (FCTR) until the disposal of the net investment.

On the disposal of a non-integral foreign operation, the cumulative amount of the exchange differences which have been deferred and which relate to that operation are recognised as income or expenses in the same period in which the gain or loss on disposal is recognised.

When there is a change in the classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

(e) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised in the Restated Consolidated Summary Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

2.11 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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Group operates a gratuity plan. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each reporting date. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the Restated Consolidated Summary Statement of Profit and Loss.

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 reporting date. Actuarial gains or losses are immediately taken to the Restated Consolidated Summary Statement of Profit and Loss and are not deferred. The Group presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.12 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax law enacted in the respective countries of domicile. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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 situation where the legal entity has an 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.

In the situations where the legal entity is entitled to a tax holiday under the tax law enacted in the respective counties of domicile or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the legal entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the legal entity restricts recognition of deferred tax assets to the extent that it has become reasonably certain 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. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Group re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain 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 are reviewed at each reporting date. The Group writes-down the carrying amount of 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 certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

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 tax liabilities relate to the same taxable entity and the same taxation authority.

2.13 Provisions and contingencies

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Warranty provisions

Provisions for warranty-related costs are recognised when the related product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is reviewed and revised annually.

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 Restated Consolidated Financial Information.

2.14 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

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.

2.15 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 Group has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Restated Consolidated Summary Statement of Profit and Loss. In its measurement, the Group does not include depreciation, amortisation of intangible assets, finance costs and tax expense. Finance cost includes interest on borrowings, amortisation of premium on forward contracts and exchange difference to the extent considered as an adjustment to borrowing costs.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

2.16 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.17 Segment reporting

Change in accounting policy - Identification of Segments

In accordance with Accounting Standard - 17 - "Segment Reporting", the Group presented its segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format.

Till the previous year ended 31 March 2014, the Group recognised two business segments, namely, Retail Automation Solutions and Outsourcing Business.

Effective 1 April 2014, the Group evaluated and changed the basis of identification of segments based on the vertical business centers and the risks and rewards and has identified 'Payment Solutions', 'Banking Automation Solutions' and 'Other Automation Solutions' segments as the primary reportable segments.

Identification of segments

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets.

Inter-segment transfers

The Group generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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 the accounting policies adopted for preparing and presenting the Restated Consolidated Financial Information of the Group as a whole.

2.18 Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

2.19 Employee stock compensation cost

Employees (including senior executives) of the Group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the cost, if any, of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the "Stock options outstanding account" in reserves. 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 expense or credit recognised in the Restated Consolidated Summary Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

Annexure A.V - Notes to the Restated Consolidated Financial Information

1 Share capital

Details of authorised, issued and subscribed share capital *(Rs. in million)*

	31 March 2015	31 March 2014
Authorised shares		
150,000,000 (31 March 2014: 25,000,000) equity shares of Rs. 10/- each	1,500.00	250.00
10,000,000 (31 March 2014: 10,000,000) preference shares of Rs. 10/- each	100.00	100.00
Issued, subscribed and fully paid up shares		
120,392,576 (31 March 2014: 22,424,500) equity shares of Rs. 10/- each fully paid up	1,203.93	224.25
Less: Amount recoverable from AGSTTL Employees Welfare Trust (Refer note 39)	(18.86)	-
	1,185.07	224.25
Nil (31 March 2014: 7,141,664) 0.1% compulsory convertible preference shares ('CCPS') of Rs. 10/- each fully paid up	-	71.42
	1,185.07	**295.67**

a. Details of shareholders holding more than 5% shares in the Company

Name of shareholder	31 March 2015		31 March 2014	
	Number	% of holding	Number	% of holding
Equity shares of Rs. 10/- each fully paid up				
Ravi B. Goyal	66,460,312	55.20	16,615,078	74.09
TPG Star SF Pte. Ltd.	31,256,852	25.96	-	-
Oriole Limited	19,797,412	16.44	4,799,353	21.40
CCPS of Rs.10/- each fully paid up				
TPG Star SF Pte. Ltd.	-	-	6,991,664	97.90

b. Reconciliation of number of shares outstanding at the beginning and at the end of the year:

(Rs. in million)

Equity shares	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	22,424,500	224.25	22,424,500	224.25
Add: Conversion of CCPS	7,141,664	71.42	-	-
Add: Exercise of Employee Stock Options	60,480	0.60	-	-
Add: Issue of treasury shares	471,500	4.72	-	-
Add: Bonus shares issued during the year	90,294,432	902.94	-	-
Outstanding at the end of the year	**120,392,576**	**1,203.93**	**22,424,500**	**224.25**

(Rs. in million)

Compulsory convertible preference shares	31 March 2015		31 March 2014	
	Number	Amount	Number	Amount
Outstanding at the beginning of the year	7,141,664	71.42	7,141,664	71.42
Less: Converted during the year	(7,141,664)	(71.42)	-	-
Outstanding at the end of the year	**-**	**-**	**7,141,664**	**71.42**

c. Information on equity shares allotted as bonus shares

	Number of shares				
	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Fully paid equity shares allotted by capitalisation of reserves	90,294,432	-	-	-	13,750,000

d. Terms / rights attached to equity shares

The Company has equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

e. Terms of conversion / redemption of CCPS

The Company declared and paid dividends in Indian rupees. CCPS carried dividend at 1 paisa per share (till such time CCPS remained outstanding). CCPS carried rights as agreed between the shareholders and / or provided in the Articles of Association of the Company. Each CCPS was converted into 1 (One) equity share of the Company on 6 February 2015.

f. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Scheme (ESOS) of the Company, refer note 24.

Annexure A.V - Notes to the Restated Consolidated Financial Information

2 Reserves and surplus

(Rs. in million)

	31 March 2015	31 March 2014
a. Securities premium account		
Opening balance as per last financial statement	3,177.71	3,177.71
Add: Premium on issue of equity shares	89.46	-
Less: Amounts utilised towards issue of fully paid bonus shares	(902.94)	-
Add : Adjustment for bonus issue in relation to shares held by AGSTTL Employees Welfare Trust (refer note 39)	14.14	-
Less: Amounts recoverable from AGSTTL Employees Welfare Trust (refer note 39)	(80.60)	-
Closing balance	**2,297.77**	**3,177.71**
b. Employee stock options outstanding		
Opening balance as per last financial statement	-	-
Add: Compensation towards options granted during the year	4.13	-
Closing balance	**4.13**	**-**
c. General reserve	**10.00**	**10.00**
d. Surplus in the consolidated summary statement of profit and loss		
Opening balance as per last financial statement	676.98	628.71
Add : Net profit for the year	164.10	48.35
Less : Impact of depreciation as per the Companies Act, 2013 (Refer change in estimate note 2.5(c))	(0.70)	-
Less : Dividend on preference shares	(0.05)	(0.07)
Less : Tax on preference dividend	(0.01)	(0.01)
Closing balance	**840.32**	**676.98**
e. Foreign currency translation reserve	**(8.62)**	**(5.50)**
	3,143.60	**3,859.19**

3 Long-term borrowings

(Rs. in million)

	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Term loans - secured				
From banks (refer note (i) and (iii) below)	781.87	766.66	291.41	200.71
From others (refer note (ii) below)	1,087.03	1,431.99	344.96	344.96
Vehicle loan - from bank (refer note (iii) below)	200.49	76.67	50.68	17.04
Amount disclosed under the head "other current liabilities" (refer note 7)	-	-	(687.05)	(562.71)
	2,069.39	**2,275.32**	**-**	**-**

(i) Indian Rupee term loan from banks carry an interest rate in the range of 11.80% p.a. to 12.50% p.a. The loans are repayable as per the amortisation schedule spread over from 2 months to 57 months. Loans are secured by charge on specific assets comprising of building, ATMs and other related equipments of assigned contract. One of the loan is further secured by receivables arising from such contract. Further, one of the loan has been guaranteed by the personal guarantee of the managing director of the Company.

(ii) Indian rupee term loan from others carry an interest rate in the range of 12.45% p.a. to 12.80% p.a. The loans are repayable as per the amortisation schedule spread over from 48 months to 51 months. Loans are secured by charge on receivables arising from specific assets comprising of ATMs and other related equipments of assigned contract.

(iii) Term loan for purchase of vaults and vehicles was taken during the year, which carries a rate of interest in the range of 9.95% to 12.10% p.a. The loans have repayment period in range of 39-59 months. The loans are secured by a hypothecation of the vaults and vehicles.

4 Provisions

(Rs. in million)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits:				
- Gratuity (refer note 23)	51.58	35.57	8.09	7.06
- Compensated absences	-	-	57.51	41.93
Other provisions for:				
Warranties (refer note 37)	24.53	20.19	47.30	35.56
Proposed preference dividend	-	-	-	0.07
Tax on proposed preference dividend	-	-	-	0.01
	76.11	**55.76**	**112.90**	**84.63**

Annexure A.V - Notes to the Restated Consolidated Financial Information

5 Short-term borrowings

	31 March 2015	31 March 2014
	(Rs. in million)	
Secured		
From banks		
Buyers credit	329.99	497.10
Working capital loans	625.00	200.00
Packing credit	-	180.00
Cash credit	1,461.42	528.41
Unsecured		
Loan from a director of a subsidiary (refer note 26)	6.61	-
	2,423.02	**1,405.51**

The above loans are secured by hypothecation of receivables and inventories of the Group and are repayable on demand. These loan carry an interest rate range as mentioned below:

Buyers credit	7.50% to 8.50% (including hedging cost)
Working capital loans	10.75% to 12.75%
Packing credit	12.50%
Cash credit	11.75% to 13.50%

The loan from a director of a subsidiary is interest free and repayable on demand.

6 Trade payables

(Rs. in million)

	31 March 2015	31 March 2014
Due to micro and small enterprises (refer note 32)	-	-
Others	1,967.46	1,678.62
	1,967.46	**1,678.62**

7 Other liabilities

(Rs. in million)

	Non-current		Current	
	31 March 2015	**31 March 2014**	**31 March 2015**	**31 March 2014**
Current maturities of long-term borrowings (refer note 3)	-	-	687.05	562.71
Interest accrued but not due on borrowings	-	-	17.96	13.11
Payable for capital goods	-	-	3.84	5.93
Deferred revenue	15.44	-	60.61	68.38
Statutory liabilities*	-	-	74.51	114.54
Accrued employee cost	-	-	164.63	156.54
Lease equalisation	59.94	37.88	-	-
Advances from customers	-	-	5.51	90.57
Provision for exchange loss on forward contracts	-	-	9.93	25.80
Provision for other expenses	2.78	-	423.96	394.93
	78.16	**37.88**	**1,448.00**	**1,432.51**

* Includes dues towards Tax deduction at source, Service tax, Value Added Tax, Provident fund, Employee state insurance contribution, Profession tax and others.

8 Fixed assets

(A) Tangible assets

(Rs. in million)

Particulars	Freehold land	Leasehold land	Building	Leasehold building	Leasehold improvements	Plant and machinery	ATM sites	Vehicles	Furniture and fixtures	Electrical installations and equipments	Computers	Total
Gross book value as at 1 April 2013	7.40	43.94	19.15	18.67	13.10	39.98	2,265.16	49.74	90.23	39.94	59.53	**2,646.84**
Additions during the year	-	-	-	-	77.32	8.17	1,562.79	112.23	12.48	18.42	7.68	1,799.09
Deletions during the year	-	-	-	-	-	-	31.08	-	-	-	-	31.08
Gross book value as at 31 March 2014	**7.40**	**43.94**	**19.15**	**18.67**	**90.42**	**48.15**	**3,796.87**	**161.97**	**102.71**	**58.36**	**67.21**	**4,414.85**
Additions during the year	-	-	-	-	29.33	0.57	602.14	177.43	17.22	29.14	20.74	876.57
Foreign currency adjustment	-	-	-	-	0.01	-	-	-	0.01	0.29	-	0.31
Deletions during the year	-	-	-	-	2.97	-	23.35	-	-	-	-	26.32
Gross book value as at 31 March 2015	**7.40**	**43.94**	**19.15**	**18.67**	**116.79**	**48.72**	**4,375.66**	**339.40**	**119.94**	**87.79**	**87.95**	**5,265.41**
Accumulated depreciation as at 1 April 2013	-	1.26	6.70	0.10	4.23	19.02	420.61	5.55	34.37	9.12	31.90	**532.86**
Depreciation for the year	-	0.46	0.62	0.20	9.19	2.09	522.04	11.84	13.30	9.35	13.30	582.39
Depreciation on disposals	-	-	-	-	-	-	6.75	-	-	-	-	6.75
Accumulated depreciation as at 31 March 2014	**-**	**1.72**	**7.32**	**0.30**	**13.42**	**21.11**	**935.90**	**17.39**	**47.67**	**18.47**	**45.20**	**1,108.50**
Depreciation on assets whose lives had expired as at 1 April 2014 [Refer note 2.5(c)]	-	-	-	-	-	-	-	-	-	-	1.06	1.06
Depreciation for the year	-	0.46	0.59	0.20	13.96	6.75	624.95	34.85	18.47	25.59	20.49	746.31
Depreciation on disposals	-	-	-	-	0.09	-	8.23	-	-	-	-	8.32
Accumulated depreciation as at 31 March 2015	**-**	**2.18**	**7.91**	**0.50**	**27.29**	**27.86**	**1,552.62**	**52.24**	**66.14**	**44.06**	**66.75**	**1,847.55**
Net block as at 31 March 2014	**7.40**	**42.22**	**11.83**	**18.37**	**77.00**	**27.04**	**2,860.97**	**144.58**	**55.04**	**39.89**	**22.01**	**3,306.35**
Net block as at 31 March 2015	**7.40**	**41.76**	**11.24**	**18.17**	**89.50**	**20.86**	**2,823.04**	**287.16**	**53.80**	**43.73**	**21.20**	**3,417.86**

(B) Intangible assets

(Rs. in million)

Particulars	Licenses and technical knowhow fees	Software (refer note below)	Non-compete fees	Goodwill on consolidation	Total
Gross book value as at 1 April 2013	99.12	87.00	52.00	-	**238.12**
Additions during the year	2.58	22.51	-	56.71	81.80
Deletion during the year	-	-	-	-	-
Gross book value as at 31 March 2014	**101.70**	**109.51**	**52.00**	**56.71**	**319.92**
Additions during the year	1.46	87.24	-	-	88.70
Foreign currency adjustment	-	-	-	(1.45)	(1.45)
Deletion during the year	-	-	-	-	-
Gross book value as at 31 March 2015	**103.16**	**196.75**	**52.00**	**55.26**	**407.17**
Accumulated amortisation as at 1 April 2013	23.47	40.47	22.11	-	**86.05**
Amortisation for the year	15.44	23.59	17.32	11.31	**67.66**
Amortisation on disposals	-	-	-	-	**-**
Accumulated amortisation as at 31 March 2014	**38.91**	**64.06**	**39.43**	**11.31**	**153.71**
Amortisation for the year	16.07	36.23	12.57	11.33	76.20
Amortisation on disposals	-	-	-	-	-
Accumulated amortisation as at 31 March 2015	**54.98**	**100.29**	**52.00**	**22.64**	**229.91**
Net block as at 31 March 2014	**62.79**	**45.45**	**12.57**	**45.40**	**166.21**
Net block as at 31 March 2015	**48.18**	**96.46**	**-**	**32.62**	**177.26**

Note:

(i) Refer note 31 for expenses capitalised as part of the cost of fixed assets.

(ii) Software includes jointly owned assets having gross block: Rs. 7.50 million (31 March 2014: Rs. 7.50 million) and net block: Rs. 3.96 million (31 March 2014: Rs. 5.86 million). Ownership is 30% - 50% based on the allocation between territories.

Annexure A.V - Notes to the Restated Consolidated Financial Information

9 Deferred tax assets (net)

	31 March 2015	31 March 2014
	(Rs. in million)	
Deferred tax assets / (liabilities)		
Provision on employee benefits	40.90	27.19
Lease equalisation	20.22	12.17
Depreciation and amortisation	53.58	(3.35)
Provision for warranties	24.41	18.95
Net deferred tax assets	**139.11**	**54.96**

10 Loans and advances

(Unsecured, considered good) *(Rs. in million)*

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
a. Capital advances	40.64	39.46	-	-
b. Others				
Deposit given for acquisition of ATMs and ATM sites	659.99	748.00	88.00	88.00
Security deposits	299.28	300.69	14.07	16.00
One time upfront fees	185.54	255.67	82.74	80.22
Advances recoverable in cash or in kind	-	-	126.11	163.30
Taxes paid (net of provision for tax)	65.13	124.32	-	85.40
Prepaid expenses	16.55	16.66	49.06	34.20
Balances with government authorities	63.03	56.34	43.93	135.61
Loans to employees	-	-	20.55	25.36
	1,330.16	**1,541.14**	**424.46**	**628.09**

11 Inventories

(valued at lower of cost and net realisable value) *(Rs. in million)*

	31 March 2015	31 March 2014
Raw materials, components and spare parts [includes in transit Rs. 269.71 million (31 March 2014: Rs. 173.68 million)]	1,116.58	1,117.18
Finished goods	601.37	343.50
Traded goods	65.31	28.85
	1,783.26	**1,489.53**

12 Trade receivables (unsecured)

(Rs. in million)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	619.61	492.99
Others				
Considered good	215.53	-	2,842.13	2,057.22
	215.53	**-**	**3,461.74**	**2,550.21**

Trade receivables includes Rs. 23.42 million (31 March 2014: Rs. 27.54 million) due from an entity which has a common director. Further, trade receivables stated above include debts due from directors or officers or with any other person or firms or private companies in which any director is a partner or director or member - refer note 26.

13 Cash and bank balances

(Rs. in million)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash and cash equivalents				
Balances with banks				
- On current accounts	-	-	225.39	57.49
- Deposits with original maturity of less than three months	-	-	2.71	2.28
Cash on hand	-	-	0.81	0.97
Other bank balances				
- Margin money with maturity of more than twelve months	0.74	11.98	-	2.07
- Margin money with maturity more than three months but less than twelve months	-	-	32.61	21.06
Amount disclosed under non-current assets (Refer note 14)	(0.74)	(11.98)	-	-
	-	**-**	**261.52**	**83.87**

Annexure A.V - Notes to the Restated Consolidated Financial Information

14 Other assets

(Rs. in million)

	Non-current		Current	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Margin money with maturity of more than twelve months (refer note 13)	0.74	11.98	-	-
Accrued interest on fixed deposits	-	-	1.83	12.15
Unbilled revenue	-	-	398.22	604.40
Unamortised premium on forward contracts	-	-	4.10	10.60
Premium on purchase of assets (refer note 35)	207.46	235.12	27.66	27.66
Initial public offer related expenses (refer note 38)	-	-	49.92	-
Finance lease receivable (refer note 25)	8.17	-	8.25	-
	216.37	**247.10**	**489.98**	**654.81**

15 Revenue from operations (net)

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Sale of products		
Sale of traded goods		
- Automation products	638.19	287.45
Sale of manufactured goods		
Automation products	1,509.05	1,169.18
ATM and ATM sites	2,839.98	2,412.23
Less: Excise duty	(186.59)	(240.96)
	4,800.63	**3,627.90**
Sale of services		
ATM and management services	5,923.82	5,058.94
Less: Amortisation of one time upfront fee and premium on purchase of assets (refer note 35)	(110.40)	(220.22)
	5,813.42	4,838.72
AMC services	1,136.71	1,006.00
Cash management services	89.37	4.22
	7,039.50	**5,848.94**
Total revenue from operations (net)	**11,840.13**	**9,476.84**

16 Other income

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Interest		
- On bank deposits	2.85	5.22
- Others	0.30	11.22
Insurance claims received	24.83	13.48
Dividend income from mutual fund investments	-	0.09
Scrap sale	5.82	2.45
Others	0.20	0.00*
	34.00	**32.46**

**Amount less than Rs. 0.01 million*

17 Cost of raw materials and components consumed

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Inventories at the beginning of the year	1,117.18	1,048.10
Add: Purchases during the year	3,791.37	3,160.60
Less: Inventories at the end of the year	(1,116.58)	(1,117.18)
	3,791.97	**3,091.52**

18 (Increase) in inventories of finished goods and traded goods

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Finished goods:		
Inventories at the beginning of the year	343.50	251.03
Inventories at the end of the year	601.37	343.50
	(257.87)	**(92.47)**
Traded goods:		
Inventories at the beginning of the year	28.85	33.86
Inventories at the end of the year	65.31	28.85
	(36.46)	**5.01**
	(294.33)	**(87.46)**

19 Employee benefit expenses

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Salaries and wages (refer note 31)	1,157.14	855.75
Contributions to provident and other funds (refer note 23)	40.04	18.77
Employee stock option scheme expense (refer note 24)	4.13	-
Gratuity expenses (refer note 23)	20.82	9.25
Staff welfare expenses	18.39	10.07
	1,240.52	**893.84**

20 Other expenses

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Rent (refer note 25 and 31)	1,034.88	902.36
Caretaker and housekeeping expenses	917.68	580.28
Cash management expenses	789.04	979.68
Subcontracting expenses	238.85	221.72
Repairs and maintenance - Plant and machinery	245.04	187.95
- Office	89.24	21.76
Travelling and conveyance expenses	205.82	152.62
Transport expenses (refer note 31)	175.65	163.47
Legal and professional charges	101.10	74.27
Communication expenses	86.13	61.18
Bad debts written off	85.00	65.41
Insurance charges	73.27	36.22
Tools and equipments	67.90	97.50
Increase/(decrease) in excise duty on inventories	57.27	(1.19)
Foreign exchange loss (net)	22.20	100.20
Provision for warranty (net) (refer note 37)	16.08	18.11
Rates and taxes	13.63	0.40
Loss on disposal of fixed assets (net)	13.36	-
Auditors' remuneration (refer note 34)	8.09	3.96
Corporate social responsibility expenses (refer note 33)	0.90	-
Directors' sitting fees	1.02	0.26
Power and fuel expenses	363.06	289.33
Miscellaneous expenses	157.98	90.60
	4,763.19	**4,046.69**

21 Finance costs

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Interest	557.53	450.89
Other borrowing costs	37.77	32.59
Amortisation of premium on forward contracts	76.20	34.83
Exchange difference to the extent considered as an adjustment to borrowing costs	-	41.79
	671.50	**560.10**

22 Earnings per share (EPS)

The following are the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2015	31 March 2014
Basic earnings per share		
Restated net profit after tax as per the Restated Consolidated Summary Statement of Profit and Loss (Rs. in million)	164.10	43.08
Less: Dividends on convertible preference shares and tax thereon (Rs. in million)	(0.06)	(0.08)
Restated net profit attributable to equity shareholders (Rs. in million)	164.04	43.00
Weighted average number of equity shares	112,349,726	89,698,000
Basic earnings per share (Rs.)	**1.46**	**0.48**
Face value per share (Rs.)	10.00	10.00
Restated net profit as per above (Rs. in million)	164.04	43.00
Add: Dividends on convertible preference shares and tax thereon (Rs. in million)	0.06	0.08
Restated net profit after adjusting dividend on potential equity shares (Rs. in million)	164.10	43.08
Weighted average number of equity shares after considering potential equity shares	119,667,960	119,507,812
Diluted earnings per share (Rs.)	**1.37**	**0.36**
Weighted average number of equity shares	112,349,726	89,698,000
Effect of dilution		
Convertible preference shares	6,104,655	28,566,656
Stock options granted under ESOP	1,213,579	1,243,156
Weighted average number of equity shares after considering potential equity shares	119,667,960	119,507,812

Pursuant to the Board of Directors recommendation and approval of members dated 30 January 2015 and 3 February 2015 respectively:

- Rs. 71.42 million Compulsory Convertible Preference Shares (‘CCPS’) were converted into 7,141,664 equity shares.
- Shares issued as bonus in the ratio 3:1 to the equity shareholders after considering the conversion of CCPS.

For the purposes of computation of Basic and Diluted Earnings per share, the Equity shares as well as CCPS outstanding as at 31 March 2014 are adjusted for such bonus shares.

23 Employee benefits

Contribution to Provident funs and any other funds

Amount of Rs. 40.04 million (31 March 2014: Rs. 18.77 million) is recognised as an expense and included in "Employee benefits" (refer note 19) in Restated Consolidated Summary Statement of Profit and Loss.

Gratuity

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary.

The Company does not have a fund plan for gratuity liability.

The following tables summarise the components of net benefit expense recognised in the Restated Consolidated Summary Statement of Profit and Loss and the funded status and amounts recognised in the Restated Consolidated Summary Statement of Assets and Liabilities for the respective plans:

i. Reconciliation of present value of defined benefit obligation *(Rs. in million)*

	Year ended 31 March 2015	Year ended 31 March 2014
Current service cost	10.24	7.43
Interest cost on benefit obligation	4.71	3.04
Expected return on plan assets	-	-
Net actuarial loss / (gain) recognised in the year	5.87	(1.23)
Net defined benefit expense for the year	**20.82**	**9.24**

The Group does not have a fund plan for gratuity liability.

ii. Amount recognised in the Restated Consolidated Summary Statement of Assets and Liabilities *(Rs. in million)*

	31 March 2015	31 March 2014
Present value of unfunded obligations	59.66	42.62
Fair value of plan assets	-	-
Net plan liability	**59.66**	**42.62**

iii. Changes in the present value of defined benefit obligation are as follows: *(Rs. in million)*

	31 March 2015	31 March 2014
Opening defined benefit obligation	42.62	34.23
Current service cost	10.24	7.43
Interest cost	4.71	3.04
Benefits paid	(3.78)	(0.85)
Actuarial (gains) / losses on obligation	5.87	(1.23)
Closing defined benefit obligation	**59.66**	**42.62**

iv. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Group's plan is shown below:

	31 March 2015	31 March 2014
Financial assumptions		
Discount rate	7.90 - 8.75%	8.90 - 8.95%
Estimated future salary increase	4.00 - 7.00%	4.00 - 7.00%
Employee turnover		
21 - 30 years	12.63 - 19.38%	12.00 - 22.50%
31 - 40 years	12.44 - 25.56%	8.00 - 15.00%
41 - 50 years	9.49 - 16.67%	9.00 - 17.00%
51 - 59 years	9.47 - 9.89%	5.00 - 17.00%

v. Experience adjustments

Amounts for experience adjustments are as follows:

(Rs. in million)

Gratuity	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	59.66	42.62	34.23	18.40	12.12
Experience adjustments on plan liabilities	0.50	1.98	8.54	5.40	1.55

24 Employee Stock Option Plan (ESOP)

On 29 February 2012, the Board of Directors approved the Equity-Settled Employee Stock Option Scheme (ESOS 2012) for issue of stock options to the key employees of the Company and others as approved by the Board of Directors comprising of 579,897 options convertible into one equity share each.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	**ESOS 2012**
Grant Date	Tranche 1: 5 March 2012 Tranche 2: 24 July 2012 Tranche 3: 1 February 2015 Tranche 4: 1 February 2015
Fair Value at Grant Date	Rs. 156.52 to Rs. 609.83
Exercise Price	Rs. 156.52 to Rs. 444.50
Vesting Period	1 to 3 years from the respective date of grant
Exercise Period*	5 years or one year from the date of listing whichever is later (to be reckoned from date of first vesting)
Expected Life	2.5 to 4 years

* There has been an amendment to the exercise period of the ESOP schemes.

The details of activity under ESOS 2012 are summarised below:-

Particulars	**31 March 2015** (No. of options)	**31 March 2014** (No. of options)
Outstanding at the beginning of the year	480,000	480,000
Granted during the year	85,500	-
Exercised during the year	60,480	-
Lapsed during the year	33,520	-
Outstanding at the end of the year	471,500	480,000
Exercisable at the end of the year	471,500	480,000
Weighted average remaining contractual life (years)	1.94 to 2.5	2.94
Weighted average fair value of options granted (Rs.)	31.09 to 485.01	33.61
Weighted average exercise price (Rs.)	156.52 to 444.50	156.52

The Black and Scholes Options Pricing model had been used for computing the weighted average fair value considering the following inputs:

Particulars	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**
Dividend Yield	0.00%	0.00%	0%	0%
Expected Volatility	0.00%	0.00%	0%	0%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%
Weighted average share price (Rs.)	156.52	200.00	609.83	609.83
Exercise Price (Rs.)	156.52	156.52	156.52	444.50
Expected life of options granted in years	3.04	2.91	2.50	2.31

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

	31 March 2015	**31 March 2014**
Restated net profit after tax as reported (Rs. in million)	164.10	43.08
Add: ESOP cost using the intrinsic value method (Rs. in million)	4.13	-
Less: ESOP cost using the fair value method (Rs. in million)	(4.74)	(3.03)
Proforma profit after tax (Rs. in million)	**163.49**	**40.05**
Earnings per share		
Basic		
- As reported (Rs.)	1.46	0.48
- Proforma (Rs.)	1.45	0.45
Diluted		
- As reported (Rs.)	1.37	0.36
- Proforma (Rs.)	1.36	0.34

Of the ESOS 2012 above, 47,917 options are reserved for issue of equity shares of the Company.

The Company has instituted the Equity-Settled Employee Stock Option Scheme (ESOS 2015) on 30 January 2015 pursuant to resolutions dated 30 January 2015 and 3 February 2015 passed by the Board and Shareholders, respectively comprising of 304,000 options convertible into one equity share each. The Company has not granted any options under the said scheme.

Bonus shares were issued on 12 February 2015, the effect of the same has not been given above.

ESOS 2012 and ESOS 2015 are in compliance with the requirements of SEBI.

25 Leases

Operating leases - Group as a lessee

i. Amounts recognised in the Restated Consolidated Summary Statement of Profit and Loss

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Rent expense	1,034.88	902.36
	1,034.88	**902.36**

ii. The Group has entered into the operating lease for ATM sites. The leases have an average life of 2 to 5 years. Future minimum lease rentals payable under non-cancellable operating leases are as follows:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Less than one year	136.40	103.68
Between one and five years	187.09	323.49
More than five years	-	-
	323.49	**427.17**

iii. The Group has taken various offices and guest house on an operating lease basis. The lease period varies from 3 to 9 years and rentals are payable monthly. Future minimum lease rentals payable under the non–cancellable operating leases are as follows:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Less than one year	88.99	64.11
Between one and five years	187.32	141.62
More than five years	24.18	24.29
	300.49	**230.02**

Finance leases - Group as a lessor

One of the subsidiaries has entered into the finance lease arrangement for its ATM's with one of the customers. The lease term of the finance lease entered into is for three years.

The finance lease receivable at the end of the reporting period is:

(Rs. in million)

	31 March 2015		31 March 2014	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	10.23	8.25	-	-
After one year but not more than five years	17.31	8.17	-	-
More than five years	–	–	-	-
Total minimum lease payments	27.54	16.42	-	-
Less: Unearned finance income charges	(11.12)	-	-	-
Present value of minimum lease payments	16.42	16.42	-	-

26 Related party transactions

A. Related parties

Nature of relationship	Name of the related party
Related parties under AS 18 with whom transactions have taken place during the year	
Key management personnel	Mr. Ravi B. Goyal Ms. Sripriya Bala Subramanian Mr. El Khoury Ricardos Mr. Ariel Gumabao
Relatives of key management personnel	Mr. Badrinarain K. Goyal (Father of Mr. Ravi B. Goyal) Ms. Anupama R. Goyal (Wife of Mr. Ravi B. Goyal) Mr. Kiran B. Goyal (Brother of Mr. Ravi B. Goyal) Mr. Bala Narayan Subramanian (Husband of Ms. Sripriya Bala Subramanian)
Enterprises owned or significantly influenced by key management personnel or their relatives	Advanced Graphic Systems AGS Sundyne Technologies India Private Limited Fillon Technologies India Private Limited Instruments Research Associates Private Limited Aries Management Services Pte. Ltd. AGS Mega Automation Systems Private Limited AGSTTL Employees Welfare Trust

B. Details of transactions with related parties

(Rs. in million)

Particulars	Transactions for the year ended		Amount receivable / (payable) as at	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Sales of goods and services				
Advanced Graphic Systems	0.18	0.79	-	0.87
Instruments Research Associates Private Limited	15.60	13.48	53.64	49.23
AGS Sundyne Technologies India Private Limited	-	-	-	0.03
Fillon Technologies India Private Limited	1.14	1.23	0.48	0.30
Purchase of goods and services				
AGS Sundyne Technologies India Private Limited	17.40	20.31	(0.08)	-
Instruments Research Associates Private Limited	15.01	16.21	(1.96)	(2.82)
Advanced Graphic Systems	-	1.19	-	-
Fillon Technologies India Private Limited	2.60	2.36	(0.21)	(0.09)
Deposits given				
Mr. Ravi B. Goyal	-	-	62.50	62.50
Mrs. Anupama R. Goyal	-	-	2.00	2.00
Remuneration				
Mr. Ravi B. Goyal	18.00	18.00	-	(0.12)
Mr. El Khoury Ricardos	48.41	16.16	(15.49)	-
Mr. Ariel Gumabao	1.93	-	-	-
Rent expense				
Mr. Ravi B. Goyal	0.44	0.44	-	-
Mrs. Anupama R. Goyal	1.50	1.50	-	-
Shares purchased of subsidiary company				
Mr. Bala Narayan Subramanian	-	48.47	-	-
Professional fees				
Mr. Kiran B. Goyal	2.40	5.40	(0.20)	(0.20)
Aries Management Services Pte. Ltd.	1.38	1.31	(0.30)	(0.42)
Loan taken/(repaid)				
Mr. El Khoury Ricardos	6.88	-	(6.61)	-
Loan given				
AGSTTL Employees Welfare Trust	85.32	-	85.37	0.05
Repayment of loan given				
AGS Mega Automation Systems Private Limited	-	0.85	-	-

Notes:

1. The amounts disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Company.

2. The above statement should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

27 Segment information

The Group's business segment has been divided into three business verticals - Payment Solutions, Banking Automation Solutions and Other Automation Solutions.

Payment Solutions – This segment includes complete management of ATMs under both outsourcing and managed services model, transaction switching/processing, cash management services and electronic payment solutions.

Banking Automation Solutions – Comprises of sale of ATM machines, ATM sites, banking kiosks, currency technology products and self service terminals and services related to such sales both within and outside India.

Other Automation Solutions - Comprises of sale of machines and related services to customers present in the Retail, Petroleum and Colour sectors.

(A) Primary Segment information based on business segment

(Rs. in million)

Particulars	31 March 2015				31 March 2014			
	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total
Revenue								
External revenue	5,900.60	3,731.91	2,213.98	11,846.49	4,842.94	2,957.19	1,685.77	9,485.90
Inter Segment Revenue	-	(0.16)	(6.20)	(6.36)	-	(3.82)	(5.24)	(9.06)
Total revenue	**5,900.60**	**3,731.75**	**2,207.78**	**11,840.13**	**4,842.94**	**2,953.37**	**1,680.53**	**9,476.84**
Segment results	986.22	513.98	250.37	1,750.57	941.16	336.17	70.64	1,347.97
Less: Unallocated expenses				790.94				693.47
Operating profit				**959.63**				**654.50**
Add: Other income				34.00				32.46
Less: Finance cost				671.50				560.10
Profit before tax				**322.13**				**126.86**
Less: Tax expense				158.03				83.78
Profit for the year				**164.10**				**43.08**
Segment assets	6,199.31	2,841.48	1,893.02	10,933.81	6,012.00	2,762.12	1,046.64	9,820.76
Unallocated assets				1,569.90				1,304.33
Total assets	**6,199.31**	**2,841.48**	**1,893.02**	**12,503.71**	**6,012.00**	**2,762.12**	**1,046.64**	**11,125.09**
Segment liabilities	941.17	1,250.16	288.29	2,479.62	1,110.11	1,100.99	232.45	2,443.55
Unallocated liabilities				5,695.42				4,526.68
Total liabilities	**941.17**	**1,250.16**	**288.29**	**8,175.04**	**1,110.11**	**1,100.99**	**232.45**	**6,970.23**
Capital expenditure	881.13	4.51	0.14	885.78	1,613.83	7.48	18.32	1,639.63
Unallocated capital expenditure				263.46				235.97
Total	**881.13**	**4.51**	**0.14**	**1,149.24**	**1,613.83**	**7.48**	**18.32**	**1,875.60**
Depreciation	697.85	43.73	9.14	750.72	558.50	33.58	10.39	602.47
Unallocated depreciation				71.79				45.54
Non cash expenditure	18.13	134.12	36.66	188.91	-	122.03	48.22	170.25
Total	**715.98**	**177.85**	**45.80**	**1,011.42**	**558.50**	**155.61**	**58.61**	**818.26**

(B) Secondary segment information based on geographical location

(Rs. in million)

Particulars	31 March 2015			31 March 2014		
	Within India	Outside India	Total	Within India	Outside India	Total
Revenue	11,740.74	99.39	11,840.13	9,456.14	20.70	9,476.84
Assets	12,353.59	150.12	12,503.71	11,025.41	99.68	11,125.09
Capital expenditure	1,148.92	0.32	1,149.24	1,814.16	61.44	1,875.60

28 Contingent liabilities

(Rs. in million)

	31 March 2015	31 March 2014
Claims against the Company not acknowledged as debts		
Tax matters in dispute under appeal		
i. Service tax	0.47	0.47
ii. Sales tax	9.30	9.30
iii. Excise duty*	5.16	5.16
Total	**14.93**	**14.93**

* Excludes, interest amount which would be finalised during the course of assessment.

The Group's pending litigations comprise of claims against the Group and pertaining to proceedings pending with Indirect tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

29 Capital and other commitments

(Rs. in million)

	31 March 2015	31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	93.86	103.77

30 Derivative instruments and un-hedged foreign currency exposure

a. Derivative outstanding at reporting date to hedge foreign currency loan:

(Rs. in million)

	31 March 2015	31 March 2014
Forward contract to buy USD	5.27	7.89
Forward contract to buy EUR	-	0.28

b. Foreign currency exposures that are not hedged by derivative instruments are as under:

(Rs. in million)

	31 March 2015	31 March 2014
Import trade and other payables	416.99	496.16
Export trade and other receivables	40.37	6.99

31 Capitalisation of expenditure

The Company has capitalised the following expenses of revenue nature to the cost of tangible fixed assets, intangible assets / capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Salaries and wages	42.14	68.83
Rent expenses	10.30	22.34
Transport	7.08	3.63
	59.52	**94.80**

32 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the Auditors. The Group did not have any transaction with micro, small and medium enterprises. Consequently, as at the balance sheet date, no amounts are due to any of the micro, small and medium entities.

(Rs. in million)

	31 March 2015	31 March 2014
The principal amount remaining unpaid to any supplier as at the end of each accounting year.	-	-
Interest due thereon	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

33 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year - Rs. 3.20 million.
(b) Amount spent during the year on:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Construction/acquisition of any asset	-	-
Others	0.90	-
	0.90	**-**

34 Auditors' remuneration (excluding service tax)

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
As Auditor (refer note below)		
Audit fees	7.50	3.91
Reimbursement of expenses	0.59	0.04
In other manner		
Certification relating to Initial Public Offer*	6.88	-
	14.97	**3.95**

Note:
Paid to a firm other than B S R & Co. LLP

* Out of the above expenditure, Rs. 6.88 million (31 March 2014 - Nil) is included in Initial public offer related expenses and disclosed under the head ‘Other current assets’ in the Balance Sheet.

35 During the year ended 31 March 2014, the Company had entered into an agreement with one of the customers for providing of ATM Management services for 10 years and as a part of the arrangement the Company acquired existing ATM sites at total consideration of Rs.926.25 million. The tangible fixed assets acquired during the transactions were capitalised at the respective fair value of Rs. 649.64 million and the difference between the fair value of tangible fixed asset acquired and the total consideration of Rs. 276.61 million is recognised as Premium on purchase of assets under 'Other assets'. The Company was depreciating the tangible fixed assets acquired over the remaining useful life of 1 to 7 years and the Premium on purchase of assets over the contract period. The charge for the current year is Rs. 27.66 million (31 March 2014 : Rs. 13.83 million).

36 As at 31 March 2015, the Company was in the process of completing the registration for profession tax for certain location, resulting into delay in payment of dues for those locations.

37 Provision for warranties

Provision for warranties is recognised for machines sold to customers. Disclosure of provision for warranties as required under AS–29 Provisions, Contingent Liabilities and Contingent Assets is as under:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Opening balance	55.75	37.63
Charge for the year (net of utilisation)	16.08	18.11
Closing balance	**71.83**	**55.74**

It is expected that the above provision will be utilised over a period as per agreed warranty terms.

38 Share issue expenses
Up to 31 March 2015, the Company has incurred Rs. 49.92 million (31 March 2014: Nil) in connection with the proposed public issue of its equity shares. This amount has been carried forward and disclosed separately under the head ‘Other Current Assets’ in the Restated Consolidated Summary Statement of Assets and Liabilities. This amount shall be adjusted against securities premium arising from the proposed issue of equity shares, as permitted under Section 52 of the Act.

39 Loans and advances to AGSTTL Employees Welfare Trust
During the year ended 31 March 2015, the Company has given advances of Rs. 85.32 million to AGSTTL Employees Welfare Trust for the purchase of 471,500 equity shares of the Company for the purpose of issue of shares under Employee ESOP Scheme. The tenure of the loan is for the period of 5 years and is interest free.

40 Additional information required by Schedule III to the Companies Act, 2013

(Rs. in million)

Particulars	31 March 2015			
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount
Parent				
AGS Transact Technologies Limited	106.14%	4,594.40	147.63%	242.27
Indian				
Securevalue India Limited	1.58%	68.53	21.18%	34.75
India Transact Services Limited	-1.47%	(63.71)	-32.13%	(52.72)
Foreign				
Global Transact Services Pte. Ltd.	1.73%	74.67	-35.42%	(58.13)
Elimination	-7.98%	(345.22)	-1.26%	(2.07)
Total	**100%**	**4,328.67**	**100%**	**164.10**

(Rs. in million)

Particulars	31 March 2014			
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount
Parent				
AGS Transact Technologies Limited	104.44%	4,339.30	357.92%	154.19
Indian				
Securevalue India Limited	0.81%	33.78	-27.25%	(11.74)
India Transact Services Limited	-0.26%	(10.99)	-96.69%	(41.65)
Foreign				
Global Transact Services Pte. Ltd.	1.05%	43.47	-130.25%	(56.11)
Miniority Interest	0.00%	-	-12.23%	(5.27)
Elimination	-6.03%	(250.70)	8.50%	3.66
Total	**100%**	**4,154.86**	**100%**	**43.08**

AGS Transact Technologies Limited

Annexure A.VI - Statement on Adjustments to Audited Consolidated Financial Statements

Summarised below are the restatement adjustments made to the audited financial statements for the periods mentioned below and their impact on the profit / (loss) and net worth of the Group:

Reconciliation of Net profit

(Rs. in million)

	Note	Year ended 31 March 2015	Year ended 31 March 2014
A. Net profit after tax as per audited financial statements		**154.91**	**34.99**
B. Adjustments:			
Material restatement adjustments			
(i) Audit qualifications		-	-
(ii) Other adjustments			
Adjustments for excess/short provision for income taxes	3(a)	9.19	8.09
C. Total impact of restatement adjustments (A+B)		**9.19**	**8.09**
D. Net profit as per restated financial statements		**164.10**	**43.08**

Reconciliation of Net worth

(Rs. in million)

	Note	31 March 2015	31 March 2014
A. Net worth as per IGAAP		**4,334.76**	**4,170.12**
B. Restatement Adjustments:			
Material items relating to previous periods			
Adjustments for excess/short provision for income taxes	3(a)	17.68	8.51
Adjustment for short provision for indirect taxes	3(b)	(23.77)	(23.77)
B. Total impact of adjustments		**(6.09)**	**(15.26)**
C. Retained earnings as restated (A+B)		**4,328.67**	**4,154.86**

Notes to adjustments

1. **Adjustments for audit qualification: None**

2. **Material regrouping**

Appropriate adjustments have been made in the Restated Consolidated Financial Information, wherever required by reclassification of corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited consolidated financial statements of the Group as at 31 March 2015.

3. **Other adjustments:**

(a) **Adjustments for excess/short provision for income taxes**

Excess / short provisions for income taxes, based on intimations/ orders/ received/ returns filed, accounted for during the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been adjusted in the respective financial years to which they pertain to. Adjustments related to financial years prior to 31 March 2014 have been adjusted against the opening balance of the consolidated statement of profit and loss as at 1 April 2013.

(b) **Adjustment for short provision for indirect taxes**

Short provisions for indirect taxes, based on intimations/ orders/ received/ returns filed, accounted for during the years ended 31 March 2018 have been adjusted against the opening balance of consolidated statement of profit and loss as at 1 April 2013.

Non-adjusting items

1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Consolidated Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended 31 March 2015 and the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956 for the year ended 31 March 2014. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e. CARO), which do not require any adjustments in the Restated Consolidated Financial Information are reproduced below in respect of the financial statements presented:

AGS Transact Technologies Limited

Year ended 31 March 2015

Clause (vii)(a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of payment of profession tax.

Clause (vii)(b)

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Period to which amount relates	Due Date	Date of Payment
Profession tax	Profession tax	0.61	Various months	Various	Rs. 0.36 million has been paid till date

Annexure A.VI - Statement on Adjustments to Audited Consolidated Financial Statements

Clause (vii)(c)

According to the records of the Company, the dues outstanding of sales-tax, service tax, customs duty, excise duty, value added tax, entry tax and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	454.99	March 2014 to December 2014	Appellate Authority - Upto Commissioner Level
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005-2006 to 2008-2009	Appellate Tribunal
The Orissa VAT Act, 2004	Value Added Tax	16.65	F.Y. 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	6.78	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	5.16	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Sales Tax Act, 1956	Sales Tax	2.51	F.Y. 2007-08	Appellate Authority - Upto Commissioner level
The Orissa Entry Tax Act, 1999	Entry Tax	1.46	F.Y. 2011-13	High Court
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005-2006	Appellate Authority - Upto Commissioner level

Clause (xii)

We have been informed by the management of certain cases of burglary / thefts of items by third parties at various ATM sites amounting to Rs. 15.83 million. The Company has filed the complaint with the concerned Regulatory authorities and also filed the insurance claims for the recovery of amounts. The Company has charged off losses doubtful of recovery Rs. 1.78 million during the year being the balance amount after recovery from the insurance companies.

Year ended 31 March 2014

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 payment of provident fund, profession tax, work contract tax, tax deducted at source and service tax where there has been delays in certain cases. However, such delays in deposit have not been serious.

Clause (ix)(b)

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Periods to which the amount relates	Due date	Date of payment
The Income Tax Act, 1961	Self assessment tax	1.98	April to September 2013	Various due dates	12 September 2014
Profession tax	Profession tax	1.13	Various months	Various due dates	Not paid yet

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 demanded (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Demand arising during the course of assessment	4.47	Assessment year 2010-11	Assessing Officer
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005-2006 to 2008-2009	Appellate Tribunal
The Kerala VAT Act, 2003	Value Added Tax	6.78	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	5.16	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Sales Tax Act, 1956	Sales Tax	2.51	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005-2006	Appellate Authority - Upto Commissioner level

Clause (xxi)

We have been informed by the management of certain cases of attempted burglary / thefts of Items at various ATM sites by third parties amounting to Rs. 5.87 million. The Company has flied the complaint with the concerned Regulatory authorities and also filed the Insurance claims for the recovery of amounts. The Company has charged off the entire amount of losses Rs. 5.87 million in these financial statements.

Annexure A.VI - Statement on Adjustments to Audited Consolidated Financial Statements

India Transact Services Limited

Year ended 31 March 2015

Clause (viii)
The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.

Year ended 31 March 2014

Clause (ix)(a)
Undisputed statutory dues including employees' state insurance, income-tax, service tax and other material statutory dues have been regularly deposited with the appropriate authorities except in case of payment of Provident Fund and Profession Tax where there have been serious delays in large number of cases. The provisions of investor education and protection fund, sales-tax, wealth-tax, custom duty, service tax, excise duty and cess are not applicable to the Company.

Clause (ix)(b)
According to the information and explanations given by the Company, undisputed dues in respect of provident fund, income-tax, service tax and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Periods to which the amount relates	Due date	Date of payments
The Profession Tax Act, 1975	Profession Tax	0.02	April to August 2013	21 May to 21 September 2013	22 April 2014
Employees' Provident Fund and Miscellaneous Provisions Act, 1952	Provident Fund	0.13	April to August 2013	15 May to 15 September 2013	7 May 2014

The provisions of sales tax, wealth-tax, custom duty, excise duty and cess are not applicable to the Company.

Clause (x)
The Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth and it has incurred cash losses in the current and immediately preceding financial year.

Clause (xvii)
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to Rs 5.57 million raised on short term basis in the form of creditors and short term loans have been used for long-term investment representing acquisition of fixed assets and funding of losses.

Securevalue India Limited

Year ended 31 March 2015

Clause (vii)(a)
Undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases of payment of profession tax. The provisions of excise duty, sales tax, wealth-tax, customs duty, value added tax and cess are not applicable to the Company.

Clause (xii)
We have been informed by management of certain instances of theft / loot by third parties amou1ting to Rs 4.25 million. In such cases, the Company has filed complaints with the Police and also filed the insurance claims for the recovery of amounts. The entire losses amounting to Rs 4.25 million have been written off during the year.

Year ended 31 March 2014

Clause (ix)(a)
Undisputed statutory dues including provident fund, employees' state insurance, income tax, service tax, and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases. The provisions of investor education and protection fund, excise duty, sales tax, wealth tax, customs duty and cess are not applicable to the Company.

Clause (xvii)
According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds amounting to Rs 63.62 million raised on short term basis in the form of creditors and short term loans have been used for long-term investment representing acquisition of fixed assets.

Reconciliation of retained earnings as at 1 April 2013 *(Rs. in million)*

	Note	**1 April 2013**
A. Net worth as per audited financial statements		**4,135.36**
B. Restatement adjustments:		
Material items relating to previous periods		
Adjustments for excess/short provision for income taxes	3(a)	0.42
Adjustment for short provision for indirect taxes	3(b)	(23.77)
B. Total impact of adjustments		**(23.35)**
C. Total restated net worth		**4,112.01**

AGS Transact Technologies Limited

Annexure A.VII - Restated Consolidated Summary Statement of Other Income

(Rs. in million)

Particulars	**Nature (Recurring/ Non-recurring)**	**31 March 2015**	**31 March 2014**
Interest			
- On bank deposits	Non-recurring	2.85	5.22
- Others	Non-recurring	0.30	11.22
Insurance claims received	Recurring	24.83	13.48
Dividend income from mutual fund investments	Non-recurring	-	0.09
Scrap sale	Recurring	5.82	2.45
Others	Non-recurring	0.20	0.00*
Total restated other income		**34.00**	**32.46**

**Amount less than Rs. 0.01 million*

Notes:

1. The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

2. The amounts disclosed above are based on the Restated Consolidated Summary Statement of Profit and Loss of the Company.

3. The classification of other income as non-recurring/recurring is based on the current operations and business activity of the Group as determined by the management.

AGS Transact Technologies Limited

Annexure A.VIII - Restated Consolidated Summary Statement of Accounting Ratios

S. No.	Particulars	31 March 2015	31 March 2014
1	Restated net profit for the year (Rs. in million)	164.10	43.08
	Less: Dividend on preference shares (Rs. in million)	(0.05)	(0.07)
	Less: Tax on preference dividend (Rs. in million)	(0.01)	(0.01)
	Restated net profit available to equity shareholders (Rs. in million)	**164.04**	**43.00**
2	Weighted average number of equity shares considered for calculating basic earnings per share	112,349,726	89,698,000
3	Weighted average number of equity shares considered for calculating diluted earnings per share	119,667,960	119,507,812
4	Number of equity shares outstanding at the end of the year (net of shares held by AGSTTL Employees Welfare Trust)	116,620,576	22,424,500
5	Number of compulsorily convertible preference shares outstanding at the end of the year	-	7,141,664
6	Net worth for equity shareholders	4,328.67	4,154.86
7	Accounting ratios:		
	Earnings per share (refer note 22)		
	Basic earnings per share (Rs.) (1)/(2)	1.46	0.48
	Diluted earnings per share (Rs.) (1)/(3)	1.37	0.36
	Return on net worth (%) (1)/(6)	3.79%	1.04%
	Net asset value per share (Rs.) (refer note 7 below) (6)/(4)	37.12	185.28

Notes:

1 The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

2 The ratios have been computed as follows:

a) Earning Per Share (Basic) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Earning Per Share (Diluted) = $\frac{\text{Restated net profit for the year, available for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

c) Return on Net worth (%) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Restated net worth at the end of the year}}$

d) Net Asset Value per Share (Rs.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Weighted average number of equity shares outstanding during the year}}$

3 Net worth for calculating ratios = Equity share capital + Reserves and surplus (including Securities premium, General reserve, Employee stock options outstanding and Retained earnings).

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 The Company does not have any revaluation reserves or extra-ordinary items.

6 Earnings per share calculations are in accordance with Accounting Standard 20 (AS 20) - Earnings per share.

7 The Company had issued bonus shares in the ratio of 3:1 during the financial year ended 31 March 2015 and accordingly, the net asset value per share as of 31 March 2015 has been computed with reference to the shares outstanding post the completion of bonus issue. Had the net asset value per share been computed as of 31 March 2014 with reference to the shares outstanding after the issue of bonus shares (including the impact of conversion of CCPS), the net asset value per share as of 31 March 2014 would have been Rs. 34.51.

Annexure A.IX - Restated Consolidated Summary Statement of Tax Shelter

(Rs. in million)

Particulars	31 March 2015	31 March 2014
A. Restated net profit before tax	**322.13**	**126.86**
B. Statutory income tax rate in India	**33.99%**	**33.99%**
C. Tax using the statutory tax rate in India	**109.49**	**43.12**
Adjustments		
Tax impact of permanent differences due to:		
Differences in tax rates in foreign jurisdictions	7.49	10.08
Expense not allowed for tax purposes	21.30	9.09
Unrecognised deferred tax asset of prior years used to reduce current tax expense	(7.83)	-
Deferred tax asset not recognised due to uncertainity of income	23.81	27.63
Deduction under section 35D	-	(0.09)
Others	3.77	(6.05)
D. Total tax impact of permanent differences	**48.54**	**40.66**
Tax impact of timing differences due to:		
Unabsorbed depreciation	(0.85)	-
Employee benefits	12.60	5.41
Lease equalisation	7.42	8.87
Depreciation and amortisation	59.38	19.92
Warranties	5.47	6.16
Provision for doubtful debts and advances	-	(14.93)
Provision for inventories	-	(14.45)
Others	(0.23)	-
E. Total tax impact of timing differences	**83.79**	**10.98**
F. Net adjustments (D+E)	**132.33**	**51.64**
G. Tax liability (C+F)	**241.82**	**94.76**

(i) The figures disclosed above are based on the Restated Consolidated Financial Information of the Company.

(ii) The above statement has been prepared as per the Restated Consolidated Summary Statement of Profit and Loss of the Company.

(iii) The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

AGS Transact Technologies Limited

Annexure A.X - Restated Consolidated Summary Statement of Dividend

	Year ended 31 March 2015	**Year ended 31 March 2014**
Number of equity shares (excluding treasury shares)	118,506,576	22,424,500
Face value (Rs.)	10.00	10.00
Dividend per equity share (Rs.)	-	-
Rate of dividend	-	-
Dividend tax rate	-	-
Total dividend	-	-
Dividend tax	-	-

	Year ended 31 March 2015	**Year ended 31 March 2014**
Dividend on Compulsory Convertible Preference Shares (CCPS)		
Number of CCPS (refer note below)	-	7,141,664
Face value (Rs.)	10.00	10.00
Dividend per preference share (Rs.)	0.01	0.01
Rate of dividend	0.1%	0.1%
Dividend paid on preference shares (Rs. in millions)	0.05	0.07
Tax on above dividend (Rs. in millions)	0.01	0.01

Note:
7,141,664 CCPS were converted into equity shares during the year ended 31 March 2015.

The above Annexure should be read with the Basis of preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Consolidated Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Consolidated Financial Statements appearing in Annexure A.VI.

EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
AGS Transact Technologies Limited
601 – 602, B-Wing, Trade World
Kamala City, Senapati Bapat Marg
Lower Parel (W)
Mumbai – 400 013

Dear Sirs,

1) We have examined the attached Restated Standalone Financial Information of AGS Transact Technologies Limited ("the Company"), which comprise of the Restated Standalone Summary Statement of Assets and Liabilities as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, the Restated Standalone Summary Statement of Changes in Equity for the years ended 31 March 2018, 31 March 2017 and 31 March 2016, the summary of significant accounting policies, read together with the annexures and notes thereto, for the purpose of inclusion in the Draft Red Herring Prospectus ("Offer document") prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 10 each by way of fresh issue and an offer for sale by certain existing shareholders ("the Proposed Offer"). The Restated Standalone Financial Information has been approved by the Board of Directors of the Company and is prepared in terms of the requirements of:

   a. Section 26 of Part I of Chapter III of the Companies Act, 2013 ("the Act");

   b. the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations") read along with the SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 on clarification regarding applicability of Indian Accounting Standards to disclosures in offer documents under the ICDR Regulations issued by the Securities and Exchange Board of India; and

   c. The Guidance Note on Reports in Company's Prospectus (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI") ("the Guidance Note").

2) The preparation of the Restated Standalone Financial Information is the responsibility of the Management of the Company for the purpose set out in paragraph 10 below. The Management's responsibility includes designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Standalone Financial Information. The Management is also responsible for identifying and ensuring that the Company complies with the Act, ICDR Regulations and Guidance Note.

3) We have examined such Restated Standalone Financial Information taking into consideration:

   a. The terms of reference and terms of our engagement agreed upon with you in accordance with our engagement letter dated 2 August 2018 in connection with the proposed offer of equity shares of the Company; and

   b. The Guidance Note.

4) These Restated Standalone Financial Information has been compiled by the Management from the following:

   a. As at and for the year ended 31 March 2018: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2018, prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed under Section 133 of Companies Act, 2013 read with Rule 3 of Companies (Indian Accounting Standards) Rules 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 16 August 2018.

   b. As at and for the year ended 31 March 2017: From the comparative period (*i.e.* as at and for the year ended 31 March 2017) in the audited standalone Ind AS financial statements as at and for the year ended

31 March 2018 prepared in accordance with the Ind AS and other relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 16 August 2018. The audited standalone financial statements of the Company for the year ended 31 March 2017 prepared in accordance with the Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, and the other relevant provisions of the Act, which had been approved by the Board of Directors at their meeting held on 22 August 2017, form the basis of restatement of the comparative period. These audited standalone financial statements of the Company as at and for the year ended 31 March 2017 have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements of the Company for the year ended 31 March 2018 and form the comparative period of the said first Ind AS financial statements of the Company.

c. As at and for the year ended 31 March 2016: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2016, prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 30 September 2016 and which have been converted into Ind AS to align accounting policies, exemptions and disclosures as adopted for the preparation of the first Ind AS financial statements for the year ended 31 March 2018. The Restated Standalone Financial Information as at and for the year ended 31 March 2016 is referred to as "the Proforma Restated Standalone Financial Information 2016".

d. As at and for the year ended 31 March 2015: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2015, prepared in accordance with Accounting Standards prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Act, which have been approved by the Board of Directors at their meeting held on 7 July 2015.

e. As at and for the year ended 31 March 2014: From the audited standalone financial statements of the Company as at and for the year ended 31 March 2014 prepared in accordance with Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 read with the Companies Accounting Standard Rules (2006) and which have been approved by the Board of Directors at their meeting held on 12 September 2014.

5) The audit of the Company's standalone financial statements for each of the years ended 31 March 2016, 31 March 2015 and 31 March 2014 was conducted by previous auditor, S. R. Batliboi & Associates LLP.

6) Based on our examination and in accordance with the requirements of Section 26 of Part I of Chapter III of the Act the ICDR Regulations, the Guidance Note and terms of our engagement agreed with you, we report that:

a. The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexures I and A.I respectively to the Restated Standalone Financial Information, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexures VII and A.VI –Statement of Adjustments to the Audited Standalone Financial Statements respectively to the Restated Standalone Financial Information.

b. The Restated Standalone Summary Statement of Profit and Loss of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexures II and A.II respectively to the Restated Standalone Financial Information have been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexures VII and A.VI –Statement of Adjustments to the Audited Standalone Financial Statements respectively to the Restated Standalone Financial Information.

c. The Restated Standalone Summary Statement of Cash Flows of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 examined by us, as set out in Annexures IV and A.III respectively to the Restated Standalone Financial

Information, have been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexures VII and A.VI – Statement of Adjustments to the Audited Standalone Financial Statements respectively to the Restated Standalone Financial Information.

d. The Restated Standalone Summary Statement of Changes in Equity of the Company for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 examined by us, as set out in Annexure III to the Restated Standalone Financial Information has been arrived at after making adjustments and regroupings/reclassifications as in our opinion were appropriate and more fully described in the notes appearing in Annexure VII - Statement of Adjustments to the Audited Standalone Financial Statements to the Restated Standalone Financial Information.

e. Based on the above and according to the information and explanations given to us, we further report that the Restated Standalone Financial Information:

i. have been made after incorporating adjustments for the changes in accounting policies retrospectively in the respective financial years to reflect the same accounting treatment as per changed accounting policy for all the reporting periods as applicable, *i.e.* the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 read with the Rule 5 of the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016 for the years ended 31 March 2018, 31 March 2017 and 31 March 2016 and, Accounting Standards ('AS') specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 for the years ended 31 March 2015 and 31 March 2014;

ii. have been made after incorporating adjustments for the material amounts in the respective financial years to which they relate; and

iii. do not contain any extra-ordinary/exceptional items that need to be disclosed separately and do not contain any qualification requiring adjustments.

7) We have also examined the following Restated Standalone Other Financial Information of the Company for each of the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 as set out in the Annexures prepared by the management and approved by the Board of Directors at their meeting held on 16 August 2018:

i. Basis of preparation and significant accounting policies as enclosed in Annexures V and A.IV;
ii. Notes to the Restated Standalone Financial Information as enclosed in Annexures VI and A.V;
iii. Restated Standalone summary statement of other income, as enclosed in Annexures VIII and A.VII;
iv. Restated Standalone summary statement of principal terms of secured borrowings outstanding as at 31 March 2018, as enclosed in Annexure IX;
v. Restated Standalone summary statement of accounting ratios, as enclosed in Annexures X and A.VIII.
vi. Restated Standalone summary statement of capitalisation as enclosed in Annexure XI;
vii. Restated Standalone summary statement of tax shelter, as enclosed in Annexures XII and A.IX; and
viii. Restated Standalone summary statement of dividend, as enclosed in Annexures XIII and A.X.

According to the information and explanations given to us, in our opinion, the Restated Standalone Financial Information of the Company as at and for the years ended 31 March 2018, 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014, including the above mentioned Other Restated Standalone Financial Information contained in Annexures VI to XIII and Annexures A.V to A.X, read with summary of significant accounting policies disclosed in Annexures V and A.IV, are prepared after making adjustments and regroupings as considered appropriate and the Proforma Restated Standalone Financial Information 2016 of the Company as at and for the year ended 31 March 2016, read with the summary of significant accounting policies disclosed in Annexure V, are prepared after making proforma adjustments as mentioned in Annexure VI and have been prepared in accordance with Section 26 of Part I of Chapter III of the Act, ICDR Regulations and the Guidance Note.

8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other auditors, nor should this report be construed as a new opinion on any of the financial statements referred to herein.

9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.

10) Our report is intended solely for use of the management for inclusion in the offer document to be filed with the Securities and Exchange Board of India, the National Stock Exchange of India Limited, BSE Limited where the equity shares are proposed to be listed and the Registrar of Companies, Maharashtra, situated in Mumbai, in connection with the proposed offer of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No. 103145

Mumbai
16 August 2018

Annexure I - Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	Note	31 March 2018	31 March 2017	31 March 2016 Proforma*
Assets				
Non-current assets				
Property, plant and equipment	*1*	**3,846.17**	3,706.17	3,631.28
Capital work-in-progress		**347.14**	340.02	233.57
Intangible assets	*2*	**305.64**	207.67	151.98
Intangible assets under development		**114.65**	82.99	-
Investments in subsidiaries	*3*	**1,422.34**	1,186.78	542.19
Financial assets				
Trade receivables	*4*	**9.78**	378.45	449.07
Loans	*5*	**576.86**	630.65	656.37
Other financial assets	*6*	**33.69**	1.21	0.39
Deferred tax assets (net)	*7*	**202.54**	184.45	123.34
Other non-current assets	*8*	**432.77**	577.36	638.97
Other non-current tax assets	*7*	**528.35**	400.74	188.11
Total non-current assets		**7,819.93**	**7,696.49**	**6,615.27**
Current assets				
Inventories	*9*	**1,339.80**	1,670.34	1,705.74
Financial assets				
Trade receivables	*10*	**3,533.16**	2,905.30	2,642.93
Cash and cash equivalents	*11a*	**139.20**	71.86	38.39
Bank balances other than (11a) above	*11b*	**51.10**	18.76	32.27
Loans	*12*	**203.14**	290.04	308.44
Other financial assets	*13*	**1,390.54**	706.20	742.14
Other current assets	*14*	**400.91**	418.73	540.74
Total current assets		**7,057.85**	**6,081.23**	**6,010.65**
Total assets		**14,877.78**	**13,777.72**	**12,625.92**
Equity and liabilities				
Equity				
Equity share capital	*15*	**1,185.07**	1,185.07	1,185.07
Other equity	*16*	**3,749.78**	3,559.07	3,506.23
Total equity		**4,934.85**	**4,744.14**	**4,691.30**
Non-current liabilities				
Financial liabilities				
Borrowings	*17*	**2,968.51**	2,209.81	1,499.09
Other financial liabilities	*18*	**71.45**	83.85	90.53
Provisions	*19*	**90.48**	75.92	61.51
Other non-current liabilities	*20*	**20.77**	17.23	81.26
Total non-current liabilities		**3,151.21**	**2,386.81**	**1,732.39**
Current liabilities				
Financial liabilities				
Borrowings	*21*	**2,089.06**	2,751.13	2,845.16
Trade payables	*22*	**1,777.86**	1,949.87	1,744.98
Other financial liabilities	*23*	**2,654.22**	1,641.22	1,383.56
Other current liabilities	*24*	**143.45**	187.90	112.00
Provisions	*25*	**127.13**	116.65	116.53
Total current liabilities		**6,791.72**	**6,646.77**	**6,202.23**
Total equity and liabilities		**14,877.78**	**13,777.72**	**12,625.92**

*- refer note 2 A of Annexure V

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date : 16 August 2018

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653
Place: Mumbai
Date : 16 August 2018

Sneha Kadam
Company Secretary
Membership No.: 31215

AGS Transact Technologies Limited

Annexure II - Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Note	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma*
Revenue				
Revenue from operations	*26*	**13,171.25**	12,450.49	11,613.42
Other income	*27*	**118.02**	131.35	151.03
Total income		**13,289.27**	**12,581.84**	**11,764.45**
Expenses				
Cost of raw materials and components consumed	*28*	**2,849.57**	3,176.87	3,046.15
Excise duty		**82.49**	277.56	213.45
Purchase of traded goods	*29*	**286.68**	50.13	83.42
Decrease in inventories of finished goods and traded goods	*30*	**65.15**	28.29	67.28
Employee benefit expenses	*31*	**1,121.36**	990.84	849.48
Other expenses	*32*	**6,946.71**	6,423.89	6,020.66
Total expenses		**11,351.96**	**10,947.58**	**10,280.44**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**1,937.31**	**1,634.26**	**1,484.01**
Finance costs	*33*	**742.75**	705.51	655.80
Depreciation and amortisation expense	*1 & 2*	**873.68**	812.69	687.75
Profit before tax		**320.88**	**116.06**	**140.46**
Tax expense				
Current tax	*7*	**146.00**	120.00	55.00
Deferred tax (credit) / charge	*7*	**(17.30)**	(59.61)	12.90
Total tax expense		**128.70**	**60.39**	**67.90**
Profit for the year		**192.18**	**55.67**	**72.56**
Other comprehensive income				
Items that will not be reclassified to Restated Standalone Summary Statement of Profit and Loss in subsequent period				
Remeasurements of defined benefit plans		**(2.26)**	(4.33)	(4.17)
Income tax relating to the above		**0.79**	1.50	1.44
Other comprehensive income for the year		**(1.47)**	**(2.83)**	**(2.73)**
Total comprehensive income for the year		**190.71**	**52.84**	**69.83**
Earnings per equity share				
Basic earnings per share (Rs.)	*34*	**1.62**	0.47	0.61
Diluted earnings per share (Rs.)	*34*	**1.61**	0.47	0.61

*- refer note 2 A of Annexure V

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 16 August 2018

Place: Mumbai
Date : 16 August 2018

Annexure III - Restated Standalone Summary Statement of Changes in Equity

Equity share capital

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma*
Balance at the beginning of the year	**1,203.93**	1,203.93	1,203.93
Less: Treasury shares	**(18.86)**	(18.86)	(18.86)
Balance at the end of the year	**1,185.07**	1,185.07	1,185.07

Other equity

(Rs. in million)

Particulars	Reserves and surplus				
	Securities premium account	Employee stock options reserve	General reserve	Retained earnings	Total other equity
Balance at 1 April 2015 (Proforma)*	**2,297.77**	**4.12**	**10.00**	**1,104.06**	**3,415.95**
Profit for the year	-	-	-	**72.56**	72.56
Other comprehensive income for the year	-	-	-	**(2.73)**	(2.73)
Cost recognised during the year	-	20.45	-	-	20.45
Balance at 31 March 2016 (Proforma)*	**2,297.77**	**24.57**	**10.00**	**1,173.89**	**3,506.23**
Profit for the year	-	-	-	55.67	55.67
Other comprehensive income for the year	-	-	-	(2.83)	(2.83)
Share options laped	-	(4.94)	-	4.94	-
Balance at 31 March 2017	**2,297.77**	**19.63**	**10.00**	**1,231.67**	**3,559.07**
Profit for the year	-	-	-	192.18	192.18
Other comprehensive income for the year	-	-	-	(1.47)	(1.47)
Share options lapsed	-	(6.71)	-	6.71	-
Balance at 31 March 2018	**2,297.77**	**12.92**	**10.00**	**1,429.09**	**3,749.78**

*- refer note 2 A of Annexure V

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653
Place: Mumbai
Date : 16 August 2018

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 16 August 2018

AGS Transact Technologies Limited

Annexure IV - Restated Standalone Summary Statement of Cash Flows

(Rs. in million)

	Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma*
A.	**Cash flow from operating activities**			
	Net restated profit before tax	**320.88**	**116.06**	**140.46**
	Adjustments for :			
	Finance costs	**742.75**	705.51	655.80
	Interest income	**(58.70)**	(64.98)	(81.67)
	Corporate guarantee income	**(3.45)**	(3.20)	(2.97)
	Depreciation and amortisation expense	**873.68**	812.69	687.75
	Loss on sale/retirement of property, plant and equipment (net)	**40.08**	21.29	37.13
	Provision for warranty (net)	**7.55**	(15.84)	(1.61)
	Employee stock option scheme expense	**-**	-	20.45
	Inventories written off	**55.65**	44.16	151.19
	Unrealised foreign exchange gain	**(1.42)**	(3.01)	(2.09)
	Operating profit before working capital changes	**1,977.02**	**1,612.68**	**1,604.44**
	Changes in working capital			
	Decrease / (increase) in inventories	**440.23**	237.46	(242.40)
	(Increase) / decrease in trade receivables	**(258.73)**	(198.68)	520.31
	Decrease / (increase) in loans	**171.34**	195.71	(5.91)
	(Increase) / decrease in other current assets	**(654.61)**	97.44	(302.51)
	Decrease in other non-current assets	**53.20**	53.20	53.20
	(Decrease) / increase in trade payables	**(171.01)**	205.30	(362.21)
	Increase in other current liabilities	**842.26**	15.66	328.97
	(Decrease) / increase in other non-current liabilities	**(50.07)**	11.05	(14.13)
	Increase in provisions	**22.50**	41.56	8.28
	Cash generated from operations	**2,372.13**	**2,271.38**	**1,588.04**
	Direct taxes paid (net)	**(273.61)**	(332.63)	(185.87)
	Net cash flow generated from operating activities (A)	**2,098.52**	**1,938.75**	**1,402.17**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital advances and work-in-progress	**(1,296.99)**	(1,467.22)	(926.23)
	Investment in subsidiaries	**(55.38)**	(261.38)	(195.62)
	Interest received	**2.02**	4.41	19.04
	Loan given to subsidiaries	**(287.12)**	(424.81)	(66.33)
	Repayment of loan by subsidiaries	**215.62**	51.20	-
	Fixed deposits placed during the year	**(82.54)**	(17.00)	(29.28)
	Proceeds from maturity of fixed deposits	**18.44**	29.05	33.18
	Net cash used in investing activities (B)	**(1,485.95)**	**(2,085.75)**	**(1,165.24)**
C.	**Cash flow from financing activities**			
	Proceeds from long-term borrowings	**2,264.50**	1,710.50	400.00
	Repayment of long-term borrowings	**(1,355.59)**	(756.90)	(623.88)
	(Repayment of)/ proceeds from short term borrowings (net)	**(659.53)**	(79.28)	526.46
	Share issue expenses	**-**	-	(48.74)
	Interest paid	**(647.88)**	(588.54)	(583.04)
	Other finance charges paid	**(146.73)**	(105.31)	(62.30)
	Net cash (used in) / generated from financing activities (C)	**(545.23)**	**180.47**	**(391.50)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**67.34**	**33.47**	**(154.57)**
	Cash and cash equivalents at the beginning of the year	71.86	38.39	192.96
	Cash and cash equivalents at the end of the year	**139.20**	**71.86**	**38.39**

*- refer note 2 A of Annexure V

Annexure IV - Restated Standalone Summary Statement of Cash Flows

(Rs. in million)

Notes:

1 The above Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash flows".

2 The movement of borrowings as per Ind AS 7 is as follows:	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma*
Opening borrowings	**5,890.98**	5,032.53	4,733.07
Proceeds from long-term borrowings	**2,264.50**	1,710.50	400.00
Repayment of long-term borrowings	**(1,355.59)**	(756.90)	(623.88)
(Repayment of)/ proceeds from short term borrowings (net)	**(659.53)**	(79.28)	526.46
Non-cash adjustments	**(51.92)**	(15.87)	(3.12)
Closing borrowings	**6,088.44**	5,890.98	5,032.53

3 Reconciliation of cash and cash equivalents:	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma*
Cash on hand	**27.96**	20.68	26.16
Balance with banks			
Current accounts	**183.73**	111.96	12.23
Less: Current account balances held in trust for customers	**(72.49)**	(60.78)	-
Total current account balances	**111.24**	51.18	12.23
Cash and cash equivalents as per statement of cash flows above	**139.20**	71.86	38.39

4 Cash credit is treated as borrowings and hence not included as a part of cash and cash equivalents for the purpose of the Restated Standalone Summary Statement of Cash Flows.

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

As per our examination report of even date attached.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 16 August 2018

Place: Mumbai
Date : 16 August 2018

Annexure V - Basis of preparation and Significant Accounting Policies

Notes to the Restated Standalone Financial Information

1. Reporting entity

AGS Transact Technologies Limited (the 'Company') is a company domiciled in India with its registered office situated at Lower Parel, Mumbai. The Company is in the business of supplying, installing and managing technology-based automation products and providing related services to its customers in Banking, Petroleum, Colour and Retail sectors. The Company also provides complete ATM Outsourcing, Intelligent Cash Deposit (ICD), cash burial facility, ATM Managed Services, transaction switching and processing services to various banks, financial institutions and other companies.

2. Basis of preparation and Significant Accounting Policies

A. Basis of preparation of Restated Standalone Financial Information

The Restated Standalone Summary Statement of Assets and Liabilities of the Company as at 31 March 2018, 2017 and 2016, the Restated Standalone Summary Statement of Profit and Loss, the Restated Standalone Summary Statement of Changes in Equity and the Restated Standalone Summary Statement of Cash Flows for the years ended 31 March 2018, 2017 and 2016 and Restated Standalone Other Financial Information (together referred as 'Restated Standalone Financial Information') has been prepared under Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ('the Act') to the extent applicable.

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of Restated Standalone Financial Information under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006, as amended, ("Previous GAAP" or "Indian GAAP") to Ind AS of Restated Shareholders' Equity as at 31 March 2017 and 2016, and of the Restated Standalone Summary Statement of Profit and Loss for the year ended 31 March 2017 and 2016 – refer Note 53 to Annexure VI to the Restated Standalone Financial Information.

For the purposes of Proforma Restated Standalone Financial Information 2016, 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. 1 April 2016). This Proforma Restated Standalone Financial Information 2016 have been prepared by making Ind AS adjustments to the audited standalone financial statements as at and for the year ended 31 March 2016 prepared in accordance with previous GAAP. Accordingly, suitable restatement adjustments in the accounting heads has been made in the Proforma Restated Standalone Financial Information 2016 - refer Note 53 to Annexure VI to the Restated Standalone Financial Information.

The Restated Standalone Financial Information have been prepared by the management in connection with the proposed listing of equity shares of the Company by way of an issue of fresh equity shares and offer for sale by the selling shareholders, to be filed by the Company with the Securities and Exchange Board of India, the National Stock Exchange of India Limited, BSE Limited and Registrar of Companies, Mumbai in accordance with the requirements of:

a) Section 26 to the Companies Act, 2013 ("the Act")

b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued by the Securities and Exchange Board of India ("SEBI") on 26 August 2009, as amended to date in pursuance of provisions of Securities and Exchange Board of India Act, 1992 read along with SEBI circular No. SEBI/HO/CFD/DIL/CIR/P/2016/47 dated 31 March 2016 (together referred to as the "SEBI Regulations");

c) Guidance Note on Reports in Company Prospectuses (Revised 2016) issued by the Institute of Chartered Accountants of India ("ICAI").

These Restated Standalone Financial Information have been compiled by the management from the audited standalone financial statements of the respective years and:

- there were no changes in accounting policies under Previous GAAP during the years ended 31 March 2017 and 2016,
- material amounts relating to adjustments for previous years in arriving at profit/loss of the years to which they relate, have been appropriately adjusted,
- adjustments for restatement and/or reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the audited standalone financial statements of the Company as at and for the year ended 31 March 2018 prepared under Ind AS and the requirements of the SEBI Regulations have been made, and
- the resultant tax impact of the above adjustments has been appropriately adjusted in deferred taxes in the respective years to which they relate.

The Restated Standalone Financial Information were approved by the Board of Directors of the Company on 16 August 2018.

B. Functional and presentation currency

These Restated Standalone Financial Information are presented in Indian Rupees (INR), which is also the entity's functional currency.

All amounts have been rounded off to the nearest million with two decimals, unless otherwise indicated.

C. Basis of measurement

The Restated Standalone Financial Information have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial instruments (assets and liabilities) measured at fair value (refer accounting policy regarding financial instruments)

- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

D. Key estimates and assumptions

While preparing the Restated Standalone Financial Information in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgement, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. All useful lives are reviewed at each reporting period and revised if required.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate. In case of operating lease, all payments under the arrangement are treated as lease payments.

Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.

Further information about the assumptions made in measuring fair values is included in the following note:

- Impairment test of non-financial assets: key assumptions underlying recoverable amounts.

Taxes

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

E. Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity has recognised certain assets at fair value and further information is included in the relevant notes.

F. Investments in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in the Restated Standalone Summary Statement of Profit and Loss.

G. Financial assets

(i) Initial recognition and measurement

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, a financial asset is recognised at fair value, in case of financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the Restated Standalone Summary Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

The Company classifies its financial assets into a) financial assets measured at amortised cost, b) financial assets measured at fair value through other comprehensive income (FVOCI), and c) financial assets measured at fair value through profit or loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

(a) Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost if it is held within a business model whose objective is to

- hold financial asset in order to collect contractual cash flows and

- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interest forms part of finance income in the statement of profit and loss. Any impairment loss arising from these assets is recognised in the Restated Standalone Summary Statement of Profit and Loss.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Restated Standalone Summary Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Restated Standalone Summary Statement of Profit and Loss.

- Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends are recognised as income in Restated Standalone Summary Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Restated Standalone Summary Statement of Profit and Loss.

(c) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost, is classified as FVTPL. Financial assets at fair value through profit and loss are measured at fair value, and changes therein are recognised in the Restated Standalone Summary Statement of Profit and Loss.

(iii) Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, prior experience, customer profile and expectations about future cash flows.

(iv) Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(v) Impairment of financial asset

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financial assets in FVTPL category.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience, informed credit assessment and including forward looking estimates.

For trade receivables, the Company applies a simplified approach. It recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits and expectations about future cash flows.

The impairment losses and reversals are recognised in the Restated Standalone Summary Statement of Profit and Loss.

H. Financial liabilities

(i) Initial recognition and measurement

A financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at fair value less any directly attributable transaction costs. A financial liability is classified as at FVTPL if it is held for trading, or it is a derivative or it is designated as such on initial recognition.

(ii) Subsequent measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Restated Standalone Summary Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the EIR. Interest expense and foreign exchange gains and losses are recognised in Restated Standalone Summary Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Restated Standalone Summary Statement of Assets and Liabilities 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.

I. Derivative financial instruments

The Company holds derivative financial instruments (forward contracts) to hedge its foreign currency exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in the Restated Standalone Summary Statement of Profit and Loss. The gain or loss on such derivative is presented in the Restated Standalone Summary Statement of Profit and Loss in the same line item as the corresponding foreign exchange loss or gain arising from the hedged transaction.

J. Share capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares are recognised as a deduction from equity.

Treasury shares

The Company has created an AGSTTL Employees Welfare Trust ("Trust") for providing share-based payment to its employees and those of its subsidiaries. The Trust is used as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company for giving shares to employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares. Treasury shares are recognised at cost and deducted from equity. No gain or loss is recognised in Restated Standalone Summary Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company'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 deducted from treasury shares.

K. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates.

Pre-operative expenses such as salaries, rent, octroi charges, brokerage, legal and professional fees, etc. incurred during installation period are capitalised under the respective asset head as part of the indirect installation cost, to the extent to which the expenditure is allocable / apportioned to the asset-head. In case of composite contract involving acquisition of property, plant and equipment and providing services, the property, plant and equipment are capitalised at the respective fair value of the asset acquired.

Stores and spares includes tangible items used as rotables in supply of goods or services and are expected to be used for a period more than 1 year.

Demo assets includes assets which are given for training, testing and demonstration to various current and prospective customers for supply of goods or services and are expected to be used for a period more than 1 year.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Restated Standalone Summary Statement of Profit and Loss.

Plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as “Capital work-in-progress”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are classified as Capital advances.

(ii) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment.

(iii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity.

(iv) Depreciation

Useful life of property, plant and equipment:

During the year ended 31 March 2016, based on review of physical condition and technical assessment of the specific assets capitalised in earlier years, the management had revised the estimates of useful life for ATM Machines from 7 years to 10 years. The effect of change in useful life on depreciation was recognised prospectively. As a result of this change depreciation for the year ended 31 March 2016 was lower by Rs.155.81 million.

Residual value:

During the year ended 31 March 2016, based on the experience and technical assessment, the management had revised the estimates relating to the residual value of certain class of property, plant and equipment, mainly ATM Machines and other movable assets at ATM sites like Air Conditioners, UPS, etc. The residual value of these specific assets was revised to 5% of original cost as compared to Zero as estimated earlier. The effect of change in residual value was recognised prospectively. As a result of this change, the depreciation for the year ended 31 March 2016 was lower by Rs. 31.10 million.

Depreciation on property, plant and equipment

Depreciation is provided on the Written Down Value (‘WDV’) method, except in the case of Building, ATM, ATM sites, Demo assets and Stores and spares where the Straight-Line Method (‘SLM’) is used, over the estimated useful life of each asset as determined by the management. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

The estimated useful lives and method of depreciation of items of property, plant and equipment are as follows:

Asset	**Method of Depreciation**	**Useful life (years)**
Buildings	SLM	30 - 60
ATM machines*#	SLM	10
Others assets at ATM Sites*#	SLM	7
Demo assets	SLM	2 - 5
Stores and spares#	SLM	5
Plant and machinery	WDV	15
Furniture and fixtures	WDV	10
Office equipment, electrical installation and air conditioners	WDV	5 - 10
Computers	WDV	3 - 6
Vehicles	WDV	8

* ATM machines and others assets at ATM sites are depreciated over the estimated useful lives of 10 years and 7 years respectively, which is lower than the useful life indicated in Schedule II of the Act.

Management has estimated, supported by independent assessment by professionals, the useful lives of these classes of assets.

Leasehold improvements are amortised over the primary period of lease i.e. lease period which ranges from 3 to 8 years as per the agreement or the life of respective assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

L. Intangible assets

(i) Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Restated Standalone Summary Statement of Profit and Loss in the year in which the expenditure is incurred.

(ii) Subsequent expenditure

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Service concession arrangements

The Company recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

(iv) Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortisation of intangible assets

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Technical know-how	7
Software	4

Non-compete fee is amortised over the period of contract.

The estimated useful life of an intangible asset in a service concession arrangement is amortised over the period of the contract.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(v) Expenditure on research and development

Expenditure on research activities is recognised in Restated Standalone Summary Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in Restated Standalone Summary Statement of Profit and Loss as incurred.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Restated Standalone Summary Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

M. Inventories

Raw materials, finished goods, stores, spares (other than those capitalised in property, plant and equipment), traded items and consumables are carried at the 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 sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis

In determining cost of raw materials, finished goods, traded items, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of finished goods includes the cost of raw materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

N. Impairment of non-financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Restated Standalone Summary Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

O. Revenue

(i) Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, is inclusive of excise duty and net of returns, service level agreement deductions, trade discounts, warranties, goods and services tax, value added tax, sales tax and volume rebates, where applicable. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably.

(ii) Rendering of services

Revenue from services, net of service level agreement deductions, is recognised on rendering of respective services to customers as per the agreements entered into with the respective customers.

The revenue from ATM management services is disclosed net of service level agreements deductions, one time upfront fee and premium on purchase of property, plant and equipment. One-time upfront fees and premium on purchase of property, plant and equipment is amortised over the period of the respective contract.

Revenue from maintenance contracts is recognised pro-rata over the period of the contract as and when services are rendered.

The Company collects goods and service tax, sales tax and value added taxes on behalf of the government and therefore, these are not economic benefits flowing to the Company.

(iii) Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Company.

(iv) Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

P. Recognition of dividend income, interest income or expense

Dividend income is recognised in Restated Standalone Summary Statement of Profit and Loss on the date on which the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be measured reliably.

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in Other income in the Restated Standalone Summary Statement of Profit and Loss.

Finance lease interest expense is recognised upon commencement of the finance lease agreement using constant periodic rate of return over the period of the agreement.

Q. Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the Restated Standalone Summary Statement of Profit and Loss in the period in which they arise.

(iii) Fair value gain / (loss) of derivative contracts

Foreign exchange difference on foreign currency borrowings, settlement gain/loss and fair value gain/loss on derivative contracts relating to borrowings are accounted and disclosed under Finance cost.

R. Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Company recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered Provident Fund Scheme and Employee State Insurance Corporations. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Restated Standalone Summary Statement of Profit and Loss in the periods during which the related services are rendered by employees.

(iii) Gratuity - Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s eligible salary and the tenure of employment with the Company.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan (‘the asset ceiling’).

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Restated Standalone Summary Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in the Restated Standalone Summary Statement of Profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the estimated liability for leave as a result of services rendered by employees, which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employee benefits are based on the market yields on Government of India securities as at the balance sheet date. Re-measurement gains and losses are recognised immediately in the Restated Standalone Summary Statement of Profit and Loss.

The Company presents the above liability as current in the Restated Standalone Summary Statement of Assets and Liabilities.

(v) Employee stock compensation cost

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

S. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for warranties:

Provision for warranty-related costs is recognised when the related product is sold or service provided. Provision is based on technical estimates which are based on historical experience. The estimates of such warranty-related costs are reviewed and revised annually.

T. Contingent liabilities and contingent assets

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Company, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the Restated Standalone Financial Information but are disclosed unless the possibility of an outflow of economic resources is considered remote.

A contingent asset is not recognised but disclosed in the Restated Standalone Financial Information where an inflow of economic benefit is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date.

U. Leases

Leases where the Company is lessee:

Leases of assets under which all the risks and rewards of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are generally recognised in Restated Standalone Summary Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

V. Income tax

Income tax comprises current and deferred tax. It is recognised in the Standalone Summary Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

W. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

X. Operating segments

(i) Basis for segmentation

An operating segment is a component of the entity that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components and for which discrete financial information is available. Such decision is taken by chief operating decision maker (CODM).

(ii) Business segment

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. Accordingly, the Company has identified 'Payment Solutions', 'Banking Automation Solutions' and 'Other Automation Solutions' segments as the primary reportable segments.

(iii) Geographical segment

The Company's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

(iv) Segment information

- Inter-segment transfers: The Company generally accounts for inter-segment sales and transfers at cost plus appropriate margins.
- 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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated Standalone Summary Financial Information of the Company as a whole.

Y. 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net restated 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.

Z. Measurement of earnings before interest, tax, depreciation and amortisation (EBITDA)

The Company has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Restated Standalone Summary Statement of Profit and Loss for the year. The Company measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.

AA . Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

AB . Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity’s normal operating cycle
(b) it is held primarily for the purpose of being traded;
(c) it is expected to be realised within twelve months after the balance sheet date; or
(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in the entity’s normal operating cycle;
(b) it is held primarily for the purpose of being traded;
(c) it is due to be settled within twelve months after the balance sheet date; or

(d) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

AC. Recent accounting pronouncements

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the Restated Standalone Financial Information and the impact is not material.

Ind AS 115 - Revenue from Contract with Customers: On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers. The Company is in the process of evaluating the impact of Ind AS 115 on the revenue recognition policy and the financial statements of the Company.

The standard permits two possible methods of transition:

• Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors

• Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch-up approach)

The effective date for adoption of Ind AS 115 is financial periods beginning on or after 1 April 2018.

The Company will adopt the standard effective 1 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the prior periods will not be retrospectively adjusted.

Note 1
Property, plant and equipment

Reconciliation of carrying amount *(Rs. in million)*

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM sites	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Deemed cost as at 1 April 2015 (Proforma)	**7.40**	**29.42**	**6.61**	**29.75**	**2,823.06**	**1.75**	**40.90**	**22.36**	**107.34**	**-**	**18.17**	**3,086.76**
Additions	-	409.39	-	20.81	483.09	-	71.33	124.20	82.25	-	29.27	1,220.34
Disposals	-	-	-	-	91.67	-	-	-	-	-	-	91.67
Gross carrying amount as at 31 March 2016 (Proforma)	**7.40**	**438.81**	**6.61**	**50.56**	**3,214.48**	**1.75**	**112.23**	**146.56**	**189.59**	**-**	**47.44**	**4,215.43**
Depreciation for the year	-	4.98	2.95	7.73	502.68	0.44	21.19	30.00	35.10	-	20.12	625.19
Disposals	-	-	-	-	41.04	-	-	-	-	-	-	41.04
Accumulated depreciation as at 31 March 2016 (Proforma)	**-**	**4.98**	**2.95**	**7.73**	**461.64**	**0.44**	**21.19**	**30.00**	**35.10**	**-**	**20.12**	**584.15**
Net carrying amount as at 31 March 2016 (Proforma)	**7.40**	**433.83**	**3.66**	**42.83**	**2,752.84**	**1.31**	**91.04**	**116.56**	**154.49**	**-**	**27.32**	**3,631.28**
Deemed cost as at 1 April 2016	**7.40**	**433.83**	**3.66**	**42.83**	**2,752.84**	**1.31**	**91.04**	**116.56**	**154.49**	**-**	**27.32**	**3,631.28**
Additions	-	3.28	-	2.14	564.15	-	11.85	13.29	226.26	47.32	31.39	899.68
Disposals	-	-	-	0.44	92.70	-	0.12	0.68	-	-	0.71	94.65
Gross carrying amount as at 31 March 2017	**7.40**	**437.11**	**3.66**	**44.53**	**3,224.29**	**1.31**	**102.77**	**129.17**	**380.75**	**47.32**	**58.00**	**4,436.31**
Depreciation for the year	-	8.88	1.83	8.23	536.49	0.33	26.92	41.30	65.95	15.08	25.13	730.14
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at 31 March 2017	**-**	**8.88**	**1.83**	**8.23**	**536.49**	**0.33**	**26.92**	**41.30**	**65.95**	**15.08**	**25.13**	**730.14**
Net carrying amount as at 31 March 2017	**7.40**	**428.23**	**1.83**	**36.30**	**2,687.80**	**0.98**	**75.85**	**87.87**	**314.80**	**32.24**	**32.87**	**3,706.17**
Gross carrying amount as at 1 April 2017	7.40	437.11	3.66	44.53	3,224.29	1.31	102.77	129.17	380.75	47.32	58.00	4,436.31
Additions	40.00	67.62	11.52	1.49	789.65	-	6.03	10.94	141.09	5.92	52.72	1,126.98
Disposals	-	-	-	-	259.48	-	0.08	0.06	-	-		259.62
Gross carrying amount as at 31 March 2018	**47.40**	**504.73**	**15.18**	**46.02**	**3,754.46**	**1.31**	**108.72**	**140.05**	**521.84**	**53.24**	**110.72**	**5,303.67**
Accumulated depreciation as at 1 April 2017	-	8.88	1.83	8.23	536.49	0.33	26.92	41.30	65.95	15.08	25.13	730.14
Depreciation for the year	-	8.87	1.61	7.77	554.76	0.25	20.71	29.86	102.69	16.31	31.77	774.60
Disposals	-	-	-		47.20	-	0.02	0.02	-	-		47.24
Accumulated depreciation as at 31 March 2018	**-**	**17.75**	**3.44**	**16.00**	**1,044.05**	**0.58**	**47.61**	**71.14**	**168.64**	**31.39**	**56.90**	**1,457.50**
Net carrying amount as at 31 March 2018	**47.40**	**486.98**	**11.74**	**30.02**	**2,710.41**	**0.73**	**61.11**	**68.91**	**353.20**	**21.85**	**53.82**	**3,846.17**

Note 1
Property, plant and equipment

Notes:

1 The Company has availed the deemed cost exemption in relation to the property, plant and equipment on the date of transition and hence the net block carrying amount as on 1 April 2016 has been considered as the gross block carrying amount on that date. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated Standalone schedule as at 1 April 2015.

Refer note below for the gross block value and the accumulated depreciation on 1 April 2016 (Proforma) and 1 April 2015 (Proforma) under the previous GAAP.

Deemed cost as on 1 April 2016 *(Rs. in million)*

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM sites	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Gross block as per previous GAAP	7.40	447.22	17.30	61.31	4,767.09	7.90	169.97	174.84	352.47	-	110.08	6,115.58
Accumulated depreciation as per previous GAAP	-	13.39	13.64	18.48	2,014.25	6.59	78.93	58.28	197.98	-	82.76	2,484.30
Deemed cost as on 1 April 2016	**7.40**	**433.83**	**3.66**	**42.83**	**2,752.84**	**1.31**	**91.04**	**116.56**	**154.49**	**-**	**27.32**	**3,631.28**

Deemed cost as on 1 April 2015 Proforma *(Rs. in million)*

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM sites	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Gross Block	7.40	37.83	17.30	40.51	4,375.67	7.90	98.64	50.64	270.22	-	80.80	4,986.91
Accumulated amortisation	-	8.41	10.69	10.76	1,552.61	6.15	57.74	28.28	162.88	-	62.63	1,900.15
Deemed cost as on 1 April 2015 Proforma	**7.40**	**29.42**	**6.61**	**29.75**	**2,823.06**	**1.75**	**40.90**	**22.36**	**107.34**	**-**	**18.17**	**3,086.76**

2 Refer note 41 for expenses capitalised as part of the cost of the property, plant and equipment.

Note 2
Intangible assets

Reconciliation of carrying amount

(Rs. in million)

Particulars	Licenses and technical knowhow fees	Software	Other intangible assets*	Total
Deemed cost as at 1 April 2015 (Proforma)	**48.18**	**95.99**	**-**	**144.17**
Additions	**-**	**70.37**	**-**	**70.37**
Disposals	**-**	**-**	**-**	**-**
Gross carrying amount as at 31 March 2016 (Proforma)	**48.18**	**166.36**	**-**	**214.54**
Amortisation for the year	**14.94**	**47.62**	**-**	**62.56**
Disposals	**-**	**-**	**-**	**-**
Accumulated amortisation as at 31 March 2016 (Proforma)	**14.94**	**47.62**	**-**	**62.56**
Net carrying amount as at 31 March 2016 (Proforma)	**33.24**	**118.74**	**-**	**151.98**
Deemed cost as at 1 April 2016	**33.24**	**118.74**	**-**	**151.98**
Additions	57.06	81.18	-	138.24
Disposals	-	-	-	-
Gross carrying amount as at 31 March 2017	**90.30**	**199.92**	**-**	**290.22**
Amortisation for the year	22.42	60.13	-	82.55
Disposals	-	-	-	-
Accumulated amortisation as at 31 March 2017	**22.42**	**60.13**	**-**	**82.55**
Net carrying amount as at 31 March 2017	**67.88**	**139.79**	**-**	**207.67**
Gross carrying amount as at 1 April 2017	90.30	199.92	-	290.22
Additions	-	32.85	164.20	197.05
Disposals	-	-	-	-
Gross carrying amount as at 31 March 2018	**90.30**	**232.77**	**164.20**	**487.27**
Accumulated amortisation as at 1 April 2017	22.42	60.13	-	82.55
Amortisation for the year	21.70	65.99	11.39	99.08
Disposals	-	-	-	-
Accumulated amortisation as at 31 March 2018	**44.12**	**126.12**	**11.39**	**181.63**
Net carrying amount as at 31 March 2018	**46.18**	**106.65**	**152.81**	**305.64**

* The Company has entered into a public private arrangement which meets the definition of a Service Concession Arrangement (SCA) as per Appendix A to Ind AS 11 Construction Contracts. Based on the requirements of Appendix A to Ind AS 11 Construction Contracts, the consideration in relation to such arrangement has been recognised as other intangible assets - refer note 38.

Notes:

1 The Company has availed the deemed cost exemption in relation to intangible assets on the date of transition and hence the net block carrying amount as on 1 April 2016 has been considered as the gross block carrying amount on that date. The Company has followed the same accounting policy choice as initially adopted on transition date i.e. 1 April 2016 while preparing Proforma Restated Standalone schedule as at 1 April 2015.

Refer note below for the gross block value and the accumulated amortisation on 1 April 2016 (Proforma) and 1 April 2015 (Proforma) under the previous GAAP.

(Rs. in million)

	Licenses and technical knowhow fees	Software	Non compete fees	Other intangible assets	Total
Gross Block as per previous GAAP	103.16	266.39	52.00	-	421.55
Accumulated amortisation as per previous GAAP	69.92	147.65	52.00	-	269.57
Deemed cost as on 1 April 2016 (Proforma)	**33.24**	**118.74**	**-**	**-**	**151.98**

(Rs. in million)

	Licenses and technical knowhow fees	Software	Non compete fees	Other intangible assets	Total
Gross Block as per previous GAAP	103.16	196.02	52.00	-	351.18
Accumulated amortisation as per previous GAAP	54.98	100.03	52.00	-	207.01
Deemed cost as on 1 April 2015 (Proforma)	**48.18**	**95.99**	**-**	**-**	**144.17**

2 Refer note 41 for expenses capitalised as part of the cost of intangible assets.

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 3			
Investments in subsidiaries			
Investment in equity instruments (fully paid up unless stated otherwise)			
Unquoted			
12,499,850 equity shares (31 March 2017: 11,320,850; 31 March 2016 (Proforma): 5,900,100) of SGD 1 each of Global Transact Services Pte Ltd	**605.18**	549.81	288.42
75,000,000 equity shares (31 March 2017: 57,325,000; 31 March 2016 (Proforma): 19,325,000) of Rs.10 each of India Transact Services Limited (refer note (i) below)	**750.80**	573.25	193.25
5,550,000 equity shares (31 March 2017: 5,550,000; 31 March 2016 (Proforma): 5,550,000) of Rs.10 each of Securevalue India Limited (refer note (ii) below)	**66.36**	63.72	60.52
	1,422.34	1,186.78	542.19
Aggregate book value of unquoted non-current investments	**1,422.34**	1,186.78	542.19

Notes:

(i) It includes aggregate corporate guarantee commission amounting to Rs. 0.80 million (31 March 2017: Nil, 31 March 2016 (Proforma): Nil)

(ii) It includes aggregate corporate guarantee commission amounting to Rs. 10.86 million (31 March 2017: Rs. 8.22 million, 31 March 2016 (Proforma) : Rs. 5.02 million)

Letters of comfort for support is provided in respect of subsidiaries namely Global Transact Services Pte. Limited and India Transact Services Limited. The Company considers its investments in subsidiaries as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiaries.

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 4			
Non-current financial assets - Trade receivables			
Unsecured, considered good	**9.78**	378.45	449.07
	9.78	378.45	449.07
Note 5			
Non-current financial assets - Loans			
Security deposits	**247.36**	262.88	233.12
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	**329.50**	367.77	423.25
	576.86	630.65	656.37
Note 6			
Other non-current financial assets			
Margin money with maturity of more than twelve months (refer note below)	**33.69**	1.21	0.39
	33.69	1.21	0.39

Note:

Includes interest accrued amounting to Rs. 0.28 million (31 March 2017: Rs. 0.03 million and 31 March 2016 (Proforma): Rs. 0.01 million) on margin money with maturity more than twelve months.

Note 7

Taxes

(a) Amounts recognised in Restated Standalone Summary Statement of Profit and Loss *(Rs. in million)*

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Current tax expense			
Current year	**146.00**	120.00	55.00
	146.00	120.00	55.00
Deferred tax (credit) / charge			
Origination and reversal of temporary differences	**(17.30)**	(59.61)	12.90
	(17.30)	(59.61)	12.90
Tax expense for the year	**128.70**	**60.39**	**67.90**

(b) Amounts recognised in Other Comprehensive Income *(Rs. in million)*

Particulars	Year ended 31 March 2018			Year ended 31 March 2017			Year ended 31 March 2016 Proforma		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Items that will not be reclassified to the Restated Standalone Summary Statement of Profit and Loss									
Remeasurements of the defined benefit plans	(2.26)	0.79	(1.47)	(4.33)	1.50	(2.83)	(4.17)	1.44	(2.73)
	(2.26)	**0.79**	**(1.47)**	**(4.33)**	**1.50**	**(2.83)**	**(4.17)**	**1.44**	**(2.73)**

(c) Reconciliation of effective tax rate *(Rs. in million)*

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Profit before tax	**320.88**	116.06	140.46
Statutory income tax rate in India	**34.61%**	34.61%	34.61%
Tax using the Company's statutory tax rate	**111.05**	40.17	48.61
Tax effect of:			
Expenses not allowed under tax	**2.97**	19.74	19.90
Indexation benefit on land	**(0.09)**	(0.10)	(0.14)
Changes in estimates related to prior years	**15.95**	-	-
Others	**(1.18)**	0.58	(0.47)
Total tax expense	**128.70**	**60.39**	**67.90**

Note 7

Taxes *(Continued)*

(d) Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31 March 2018

(Rs. in million)

Particulars	Net asset / (liability) 1 April 2017	Recognised in profit and loss - credit/(charge)	Recognised in OCI	Net asset / (liability) 31 March 2018
Property, plant and equipment	103.07	31.35	-	134.42
Provision for employee benefits	56.32	5.87	0.79	62.98
Trade receivables	21.44	(18.99)	-	2.45
Borrowings	1.11	0.25	-	1.36
Provision for warranty	15.78	4.55	-	20.33
Loans	(15.78)	(3.49)	-	(19.27)
Intangible assets	4.35	(5.84)	-	(1.49)
Derivative contracts	1.01	(0.98)	-	0.03
Others	(2.85)	4.58	-	1.73
Total	**184.45**	**17.30**	**0.79**	**202.54**

Movement in deferred tax balances for the year ended 31 March 2017

(Rs. in million)

Particulars	Net asset / (liability) 1 April 2016 Proforma	Recognised in profit and loss - credit/(charge)	Recognised in OCI	Net asset / (liability) 31 March 2017
Property, plant and equipment	71.45	31.62	-	103.07
Provision for employee benefits	45.80	9.01	1.50	56.31
Trade receivables	-	21.44	-	21.44
Borrowings	1.56	(0.45)	-	1.11
Provision for warranty	17.39	(1.61)	-	15.78
Loans	(12.08)	(3.70)	-	(15.78)
Intangible assets	0.88	3.48	-	4.36
Derivative contracts	0.09	0.92	-	1.01
Others	(1.75)	(1.10)	-	(2.85)
Total	**123.34**	**59.61**	**1.50**	**184.45**

Movement in deferred tax balances for the year ended 31 March 2016 (Proforma)

(Rs. in million)

Particulars	Net asset / (liability) 1 April 2015 Proforma	Recognised in profit and loss - credit/(charge)	Recognised in OCI	Net asset / (liability) 31 March 2016 Proforma
Property, plant and equipment	80.25	(8.80)	-	71.45
Provision for employee benefits	36.78	7.58	1.44	45.80
Trade receivables	-	-	-	-
Borrowings	1.53	0.03	-	1.56
Provision for warranty	24.42	(7.03)	-	17.39
Loans	(6.95)	(5.13)	-	(12.08)
Intangible assets	-	0.88	-	0.88
Derivative contracts	(0.53)	0.62	-	0.09
Others	(0.70)	(1.05)	-	(1.75)
Total	**134.80**	**(12.90)**	**1.44**	**123.34**

As the Company does not have any intention to dispose investments in unlisted subsidiaries in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

(Rs. in million)

Note 7 **Other non-current tax assets**	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**
Advance tax paid (net of provision for tax)*	**528.35**	**400.74**	**188.11**

* Net of provision for tax Rs. 146.00 million (31 March 2017: Rs. 120.00 million, 31 March 2016 (Proforma) : Rs. 55.00 million)

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 8			
Other non-current assets			
Balances with government authorities*	**81.08**	97.93	87.21
One time upfront fees	**40.32**	79.49	119.18
Capital advances	**9.58**	49.94	20.23
Premium on purchase of property, plant and equipment (refer note 44)	**239.39**	292.58	345.78
Prepaid rent**	**51.87**	49.95	61.49
Other prepaid expenses	**10.53**	7.47	5.08
	432.77	577.36	638.97

* Net of provision Rs.11.17 million (31 March 2017: Nil, 31 March 2016 Proforma: Nil).

** Prepaid rent includes Rs. 40.00 million (31 March 2017: Rs. 40.44 million, 31 March 2016 (Proforma): Rs. 40.88 million) towards advance payment made in relation to leasehold land. Security provided in relation to borrowings of the Company includes such leasehold land.

Note 9
Inventories
(valued at lower of cost and net realisable value)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Raw materials and components	**843.95**	1,109.34	1,116.45
(Includes goods in transit Rs. 493.61 million (31 March 2017: Rs. 590.39 million; 31 March 2016 (Proforma): Rs. 294.67 million))			
Finished goods	**431.03**	449.89	506.39
Stock-in-trade	**64.82**	111.11	82.90
	1,339.80	1,670.34	1,705.74

Note 10
Current financial assets - Trade receivables

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Unsecured, considered good	**3,533.16**	2,905.30	2,642.93
	3,533.16	2,905.30	2,642.93

Trade receivables includes Rs. 54.21 million (31 March 2017: Rs. 22.93 million and 31 March 2016 (Proforma): Rs. 62.18 million) due from an entity which has a common director. Further, trade receivables stated above include due from directors or officers or with any other person or firms or private companies in which any director is a partner or director or member - refer note 52.

Note 11a
Current financial assets - Cash and cash equivalents

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Cash on hand (refer note (i) below)	**27.96**	20.68	26.16
Current accounts	**183.73**	111.96	12.23
Less: Current account balances held in trust for customers (refer note (ii) below)	**(72.49)**	(60.78)	-
Total current account balances	**111.24**	51.18	12.23
	139.20	71.86	38.39

Notes:
(i) Cash on hand as at 31 March 2018 includes Rs. 13.15 million (31 March 2017: Rs. 19.31 million and 31 March 2016 (Proforma) Rs. 25.13 million) held in White Label ATMs deployed by the Company.

(ii) Current bank balance of Rs. 72.49 million (31 March 2017: Rs. 60.78 million and 31 March 2016 (Proforma): Nil) is reduced to the extent of liability of funds held relating to cash burial business.

Note 11b
Current financial assets - Bank balances other than (11a) above

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Margin money with original maturity of less than three months (Refer note (i) below)	**-**	0.11	2.14
Margin money with original maturity more than three months but less than twelve months (Refer note (ii) below)	**51.10**	18.65	30.13
	51.10	18.76	32.27

Notes:
(i) Includes interest accrued amounting to Nil (31 March 2017: Rs. 0.01 million and 31 March 2016 (Proforma): Rs. 0.03 million) on margin money with original maturity of less than three months.

(ii) Includes interest accrued amounting to Rs. 0.90 million (31 March 2017: Rs. 0.42 million and 31 March 2016 (Proforma): Rs. 1.07 million) on margin money with original maturity more than three months but less than twelve months.

Note 12
Current financial assets - Loans

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Loans and advances to related parties (refer note below)	**100.62**	200.99	197.63
Security deposits	**13.92**	-	22.81
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	**88.60**	89.05	88.00
	203.14	290.04	308.44

Note:
The loans given to subsidiaries are for business purposes. The Company charges interest ranging up to 7.00% and is repayable on demand.

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 13			
Other current financial assets			
Unbilled revenue	**1,390.54**	706.20	742.14
	1,390.54	706.20	742.14
Note 14			
Other current assets			
Premium on purchase of property, plant and equipment (refer note 44)	**53.20**	53.20	53.20
Prepaid rent*	**13.56**	15.56	15.26
Other prepaid expenses	**43.25**	31.73	50.82
One time upfront fees	**40.14**	39.69	74.07
Balances with government authorities	**17.93**	64.58	44.76
Initial public offer related expenses	**-**	-	52.02
Advance to employees	**11.07**	8.53	8.66
Other advances	**221.76**	205.44	241.95
	400.91	418.73	540.74

* Prepaid rent includes Rs. 0.44 million (31 March 2017: Rs. 0.44 million, 31 March 2016 (Proforma): Rs. 0.44 million) towards advance payment made in relation to leasehold land. Security provided in relation to borrowings of the Company includes such leasehold land.

Note 15
Equity share capital

a. Details of authorised, issued and subscribed and fully paid up share capital are as follows: ***(Rs. in million)***

Particulars	31 March 2018		31 March 2017		31 March 2016 Proforma	
	Number	Amount	Number	Amount	Number	Amount
Authorised capital						
Equity shares of Rs 10/- each	**150,000,000**	**1,500.00**	150,000,000	1,500.00	150,000,000	1,500.00
Preference shares of Rs. 10/- each	**10,000,000**	**100.00**	10,000,000	100.00	10,000,000	100.00
Issued, subscribed and fully paid up						
Equity shares of Rs 10/- each fully paid up	**120,392,576**	**1,203.93**	120,392,576	1,203.93	120,392,576	1,203.93
Less: Treasury shares*	**(1,886,000)**	**(18.86)**	(1,886,000)	(18.86)	(1,886,000)	(18.86)
	118,506,576	**1,185.07**	118,506,576	1,185.07	118,506,576	1,185.07

b. Reconciliation of number of shares at the beginning and at the end of the year ***(Rs. in million)***

Particulars	31 March 2018		31 March 2017		31 March 2016 Proforma	
	Number	Amount	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	**120,392,576**	**1,203.93**	120,392,576	1,203.93	120,392,576	1,203.93
Less: Treasury shares*	**(1,886,000)**	**(18.86)**	(1,886,000)	(18.86)	(1,886,000)	(18.86)
Shares outstanding at the end of the year	**118,506,576**	**1,185.07**	118,506,576	1,185.07	118,506,576	1,185.07

* The treasury shares of the Company includes the shares held by the AGSTTL Employees Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2018, the Trust held 1,886,000 shares (31 March 2017: 1,886,000; 31 March 2016 (Proforma): 1,886,000) of the Company. This is inclusive of 1,414,500 (31 March 2017: 1,414,500, 31 March 2016 (Proforma): 1,414,500) bonus shares allotted by capitalisation of reserves. The amount equivalent to the face value of the treasury shares has been reduced from share capital and the excess of cost over such face value has been reduced from securities premium account.

c. Particulars of shareholders holding more than 5% of equity shares

Name of shareholder	31 March 2018		31 March 2017		31 March 2016 Proforma	
	No. of shares	Percentage	No. of shares	Percentage	No. of shares	Percentage
Ravi B. Goyal	**66,460,312**	**55.20%**	66,460,312	55.20%	66,460,312	55.20%
TPG Star SF Pte. Ltd.*	**31,256,852**	**25.96%**	31,256,852	25.96%	31,256,852	25.96%
Oriole Ltd.*	**19,797,412**	**16.44%**	19,797,412	16.44%	19,797,412	16.44%

*Subsequent to year end, these shares have been transferred to a company in which Ravi B. Goyal is a significant shareholder and director.

d. Information on equity shares allotted as bonus shares

Particulars	Number of shares				
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2015	31 March 2014
Fully paid up equity shares allotted by capitalisation of reserves	-	-	-	90,294,432	-

e. Terms / rights attached to equity shares

The Company has equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares will be entitled to receive remaining assets of the Company in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

f. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Scheme (ESOS) of the Company, refer note 36.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 16			
Other equity			
Securities premium account	**2,297.77**	2,297.77	2,297.77
Employee stock options reserve	**12.92**	19.63	24.57
General reserve	**10.00**	10.00	10.00
Retained earnings	**1,429.09**	1,231.67	1,173.89
	3,749.78	3,559.07	3,506.23
Securities premium account			
Balance at the beginning of the year	**2,364.23**	2,364.23	2,364.23
Less: Treasury shares*	**(66.46)**	(66.46)	(66.46)
Balance at the end of the year	**2,297.77**	2,297.77	2,297.77
Employee stock options reserve			
Balance at the beginning of the year	**19.63**	24.57	4.12
Add: Movement during the year	**(6.71)**	(4.94)	20.45
Balance at the end of the year	**12.92**	**19.63**	**24.57**
General reserve			
Balance at the beginning of the year	**10.00**	10.00	10.00
Add: Movement during the year	**-**	-	-
Balance at the end of the year	**10.00**	10.00	10.00
Retained earnings			
Balance at the beginning of the year	**1,231.67**	1,173.89	1,104.06
Profit for the year	**192.18**	55.67	72.56
Remeasurements of defined benefit plans for the year (net of tax)	**(1.47)**	(2.83)	(2.73)
Transfer from Employee stock options reserve	**6.71**	4.94	-
Balance at the end of the year	**1,429.09**	1,231.67	1,173.89

* The treasury shares of the Company includes the shares held by the AGSTTL Employee Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2018, the Trust held 1,886,000 shares (31 March 2017: 1,886,000; 31 March 2016 Proforma: 1,886,000) of the Company. This is inclusive of 1,414,500 (31 March 2017: 1,414,500, 31 March 2016 Proforma: 1,414,500) bonus shares allotted by capitalisation of reserves. The amount equivalent to the face value of the treasury shares has been reduced from share capital and the excess of cost over such face value has been reduced from securities premium account.

Nature and purpose of reserves

Securities premium account
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Employee stock options reserve
The Company has established various equity-settled share-based payment plans for certain categories of employees of the Company and its subsidiaries. Refer note 36 for further details on these plans.

General reserve
The Company has transferred a portion of the net profit of the Company before declaring dividend to General reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General reserve is not required under the Companies Act, 2013.

Retained earnings
Retained earnings are the profits that the Company has earned till date, less any transfers to General reserve, dividends or other distributions paid to shareholders.

Note 17
Non-current financial liabilities - Borrowings

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Term loans - Secured			
Indian rupee term loan from banks (refer note (i) below)	**2,640.03**	1,813.08	758.23
Indian rupee term loan from others (refer note (ii) below)	**328.48**	396.73	740.86
	2,968.51	2,209.81	1,499.09

Notes:

(i) Indian rupee term loan from banks carry an interest rate in the range of 8.70% p.a. to 10.65% p.a. The loans are repayable as per the amortisation schedule spread over from 20 months to 65 months. Loans are secured by charge on specific assets comprising of building, ATMs, specific receivables and other related equipments of assigned contract. Further, one of the borrowings which was guaranteed by the personal guarantee of the Managing Director of the Company was repaid during the previous year.

(ii) Indian rupee term loan from others carry an interest rate in the range of 10.50% p.a. to 11.10% p.a. The loans are repayable as per the amortisation schedule spread over from 10 months to 60 months. Loans are secured by charge on specific assets comprising of ATMs, specific receivables and other related equipments of assigned contract.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 18			
Other non-current financial liabilities			
Payables related to Service Concession Arrangment projects (refer note 38)	**71.45**	83.85	90.53
	71.45	83.85	90.53
Note 19			
Non-current-Provisions			
Provision for employee benefits			
Gratuity (refer note 35)	**90.48**	75.92	61.51
	90.48	75.92	61.51
Note 20			
Other non-current liabilities			
Deferred revenue	**20.77**	17.23	9.64
Advance received against asset (refer note 38)	**-**	-	71.62
	20.77	17.23	81.26
Note 21			
Current financial liabilities - Borrowings			
Secured			
From banks (refer note below)			
Buyers credit	**278.65**	504.60	669.84
Working capital loans	**700.54**	1,214.70	1,048.93
Packing credit	**-**	-	50.02
Cash credit	**1,109.87**	1,031.83	1,076.37
	2,089.06	2,751.13	2,845.16

Note: Includes interest accrued amounting to Rs. 3.00 million (31 March 2017: Rs. 8.46 million and 31 March 2016 (Proforma): Rs. 5.55 million).

The above loans are secured by hypothecation of receivables and inventory and are repayable on demand. These loans carry an interest rate as mentioned below:

Buyers credit	7.10% to 8.21% (Including hedging cost)
Working capital loans	9.95% to 10.85%
Cash credit	10.00% to 12.50%

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 22			
Current financial liabilities - Trade payables			
Due to micro, small and medium enterprises (refer note 42)	**32.80**	-	-
Others	**1,745.06**	1,949.87	1,744.98
	1,777.86	1,949.87	1,744.98
Note 23			
Other current financial liabilities			
Current maturities of long-term borrowings (refer note below)	**1,030.87**	930.04	688.28
Accrued employee cost	**226.64**	184.75	112.83
Payable for capital goods	**67.41**	23.28	-
Security deposit from vendors	**13.20**	5.79	5.93
Derivative liability	**0.13**	49.16	21.59
Provision for other expenses	**1,293.67**	431.47	554.93
Payables related to Service Concession Arrangment projects (refer note 38)	**22.30**	16.73	-
	2,654.22	1,641.22	1,383.56

Note: Includes interest accrued amounting to Rs. 13.85 million (31 March 2017: Rs. 14.90 million and 31 March 2016 (Proforma): Rs. 10.94 million).

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 24			
Other current liabilities			
Deferred revenue	**75.83**	97.35	31.81
Statutory liabilities*	**67.62**	90.55	72.86
Advances from customers	**-**	-	7.33
	143.45	187.90	112.00

* Includes dues towards Tax deduction at source, Service tax, Goods and service tax, Provident fund, Employee state insurance contribution, Profession tax and others

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Note 25			
Current-Provisions			
Provision for employee benefits:			
Gratuity (refer note 35)	**13.84**	11.42	8.37
Compensated absences (refer note 35)	**75.89**	75.38	62.47
Other provision for:			
Warranties	**37.40**	29.85	45.69
	127.13	116.65	116.53

Provision for warranty is recognised for machines sold to customers.

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Opening balance	**29.85**	45.69	47.30
Charge during the year	**23.62**	5.04	27.00
Utilisation during the year	**(16.07)**	(20.88)	(28.61)
Closing balance	**37.40**	29.85	45.69

(Rs. in million)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Note 26			
Revenue from operations			
Sales of products			
Sale of traded goods			
- Automation products	**186.42**	25.53	91.19
- Sale of software license	**-**	-	27.50
Sale of manufactured goods			
Automation products	**1,194.38**	1,622.74	1,182.96
ATM and ATM sites	**1,144.47**	1,996.24	2,064.96
	2,525.27	3,644.51	3,366.61
Sales of services			
ATM and management services	**8,882.27**	7,250.12	6,982.51
Less: Amortisation of one time upfront fee and premium on purchase of property, plant and equipment	**(93.70)**	(127.26)	(128.23)
	8,788.57	**7,122.86**	**6,854.28**
AMC services	**1,857.41**	1,683.12	1,392.53
	10,645.98	**8,805.98**	**8,246.81**
Total revenue from operations (net)	**13,171.25**	12,450.49	11,613.42

Note: Revenue from sale of manufactured goods for the comparative year ended 31 March 2017 included excise duty aggregating Rs. 277.56 million and for 31 March 2016 (Proforma) included excise duty aggregating Rs. 213.45 million. Consequent to introduction of Goods and Services Tax Act, 2017 (GST) w.e.f. 1 July 2017, revenue for the year ended 31 March 2018 does not include excise duty for 9 months. The excise duty included in the revenue for the first three months ended 30 June 2017 aggregates Rs. 82.49 million.

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Note 27			
Other income			
Interest income from instruments measured at amortised cost:			
- Deposits with banks	**2.21**	2.28	2.57
- Security deposits	**50.69**	51.46	55.55
- Others	**5.80**	11.24	23.55
Insurance claim	**46.32**	56.14	54.21
Scrap sale	**8.97**	7.03	11.93
Corporate guarantee income	**3.45**	3.20	2.97
Foreign exchange gain (net)	**0.34**	-	-
Others	**0.24**	-	0.25
	118.02	131.35	151.03
Note 28			
Cost of raw materials and components consumed			
Inventories at the beginning of the year	**1,109.34**	1,116.45	942.18
Add: Purchases during the year	**2,584.18**	3,169.76	3,220.42
Less: Inventories at the end of the year	**(843.95)**	(1,109.34)	(1,116.45)
	2,849.57	**3,176.87**	**3,046.15**
Note 29			
Purchase of traded goods	**286.68**	50.13	83.42
	286.68	50.13	83.42
Note 30			
(Increase) / decrease in inventories of finished goods and traded goods			
Finished goods			
Inventories at the beginning of the year	**449.89**	506.39	601.37
Inventories at the end of the year	**431.03**	449.89	506.39
	18.86	56.50	94.98
Traded goods			
Inventories at the beginning of the year	**111.11**	82.90	55.20
Inventories at the end of the year	**64.82**	111.11	82.90
	46.29	(28.21)	(27.70)
Decrease in inventories	**65.15**	28.29	67.28

(Rs. in million)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Note 31			
Employee benefit expenses			
Salaries and wages	**1,044.80**	934.13	781.60
Employee stock option scheme expense (refer note 36)	**-**	-	20.45
Contributions to provident fund and other funds (refer note 35)	**31.21**	26.69	23.82
Gratuity expenses (refer note 35)	**27.97**	17.52	13.71
Staff welfare expenses	**17.38**	12.50	9.90
	1,121.36	990.84	849.48
Note 32			
Other expenses			
Cash management expenses	**2,093.86**	2,052.15	1,763.34
Rent expenses	**1,474.75**	1,289.63	1,197.71
Caretaker and housekeeping expenses	**1,169.43**	972.06	915.07
Electricity expenses	**356.43**	358.54	382.70
Subcontracting expenses	**439.60**	420.81	331.53
Repairs and maintenance			
- Plant and machinery	**447.62**	447.47	419.61
- Others	**28.18**	13.96	11.78
Travelling and conveyance expenses	**223.54**	219.78	202.42
Communication expenses	**40.15**	51.21	50.21
Foreign exchange loss (net)	**-**	0.83	35.11
Tools and equipments	**124.40**	139.33	161.92
Postage and courier	**141.84**	158.20	173.40
Legal and professional charges	**119.28**	127.11	84.97
Insurance charges	**60.07**	70.52	61.72
Provision for warranty (net)	**7.55**	(15.84)	(1.61)
Loss on sale / retirement of property, plant and equipment (net)	**40.08**	21.29	37.13
Rates and taxes	**5.30**	16.75	25.78
Payment to auditors (refer note 43)	**5.05**	4.03	5.93
Directors' sitting fees	**1.88**	1.18	1.55
Decrease in excise duty on inventory	**(36.22)**	(14.83)	(6.22)
Miscellaneous expenses	**203.92**	89.71	166.61
	6,946.71	6,423.89	6,020.66
Note 33			
Finance costs			
Interest expense on financial liabilities measured at amortised cost	**659.25**	609.16	590.00
Other borrowing costs	**47.67**	42.12	30.08
Net loss on derivative contracts	**4.09**	67.18	51.97
Foreign exchange differences treated as adjustment to borrowing costs	**31.74**	(12.95)	(16.25)
	742.75	705.51	655.80

Note 34
Earnings per share (EPS)

	Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
1	**Profit / (loss) attributable to equity shareholders**			
	Net profit / (loss) for the year, attributable to equity shareholders (Rs. in million)	**192.18**	55.67	72.56
2	**Calculation of weighted average number of equity shares - Basic**			
	Number of shares at the beginning and end of the year	**120,392,576**	120,392,576	120,392,576
	Less : Treasury shares	**(1,886,000)**	(1,886,000)	(1,886,000)
	Weighted average number of equity shares for the year	**118,506,576**	118,506,576	118,506,576
3	**Calculation of weighted average number of equity shares - Diluted**			
	Number of shares at the beginning and end of the year	**120,392,576**	120,392,576	120,392,576
	Less : Treasury shares	**(1,886,000)**	(1,886,000)	(1,886,000)
	Effect of share options	**868,219**	1,159,174	1,308,635
	Weighted average number of equity shares for the year	**119,374,795**	119,665,750	119,815,211
4	**Earnings per share**			
	Basic (Rs.)	**1.62**	0.47	0.61
	Diluted (Rs.)	**1.61**	0.47	0.61
5	**Nominal value of shares (Rs.)**	**10.00**	10.00	10.00

Note:

Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during 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.

Note 35

Employee benefits

A. Defined contribution plans

Contribution to Provident fund, Employee State Insurance and any other funds

Amount of Rs 31.21 million (31 March 2017: Rs 26.69 million and 31 March 2016 (Proforma): Rs. 23.82 million) is recognised as an expense and included in "Employee benefit expenses" (refer note 31) in Restated Standalone Summary Statement of Profit and Loss.

B. Defined benefit plans

Gratuity

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary.

The Company does not have a fund plan for gratuity liability

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) / liability and its components

i. Reconciliation of present value of defined benefit obligation *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Defined benefit obligation at the beginning of the year	**87.34**	69.88	54.71
Current service cost	**13.94**	12.40	9.71
Past service cost	**8.27**	-	-
Interest cost	**5.76**	5.12	4.00
Actuarial (gains) / losses recognised in Other comprehensive income			
arising from changes in financial assumptions	**(4.91)**	4.68	0.50
arising from changes in demographic assumptions	**0.20**	(0.60)	(1.08)
arising on account of experience changes	**6.97**	0.25	4.75
Benefits paid directly by the Company	**(13.25)**	(4.39)	(2.71)
Defined benefit obligation at the end of the year	**104.32**	**87.34**	**69.88**

ii. Amount recognised in Restated Standalone Summary Statement of Assets and Liabilities *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Defined benefit obligation	**104.32**	87.34	69.88
Fair value of plan assets	-	-	-
Net defined benefit obligation	**104.32**	**87.34**	**69.88**

iii. Expense recognised in Restated Standalone Summary Statement of Profit and Loss *(Rs. in million)*

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
(i) Expense recognised in the Restated Standalone Summary Statement of Profit and Loss			
Current service cost	**13.94**	12.40	9.71
Past service cost	**8.27**	-	-
Interest cost	**5.76**	5.12	4.00
	27.97	**17.52**	**13.71**
(ii) Expense recognised in the Restated Other Comprehensive Income			
Actuarial (gains) losses on defined benefit obligations			
- arising from changes in financial assumptions	**(4.91)**	4.68	0.50
- arising from changes in demographic assumptions	**0.20**	(0.60)	(1.08)
- arising on account of experience changes	**6.97**	0.25	4.75
	2.26	**4.33**	**4.17**

iv. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Company's plan is shown below:

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Financial assumptions			
Discount rate	**7.70%**	7.05%	7.80%
Salary escalation	**7%**	7%	7%
Employee Turnover			
21 - 30 years	**15%**	16%	12%
31 - 40 years	**12%**	12%	11%
41 - 50 years	**10%**	8%	10%
51 - 59 years	**11%**	13%	13%

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.

Assumptions regarding future mortality are based on published Statistics & Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions

The Company expects Rs. 13.84 million in contribution to be paid to its defined benefit plan in the next year.

v. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2018		31 March 2017		31 March 2016 Proforma	
	Percentage increase	Percentage decrease	Percentage increase	Percentage decrease	Percentage increase	Percentage decrease
Gratuity Plan						
Discount rate 50 bps on defined benefit plans	**-3.38%**	**3.60%**	-3.64%	3.89%	-3.49%	3.73%
Future salary growth 50 bps on defined benefit plans	**3.23%**	**-3.08%**	3.18%	-3.06%	3.09%	-2.96%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vi. Compensated absences

The liability towards compensated absences at 31 March 2018 based on actuarial valuation using the projected accrued benefit method amounted to Rs. 75.89 million (31 March 2017: Rs. 75.38 million and 31 March 2016 (Proforma): Rs. 62.47 million).

Amount of Rs. 12.65 million (31 March 2017: Rs. 21.14 million and 31 March 2016 (Proforma): Rs. 19.31 million) is recognised as an expense and included in “Employee benefit expenses” in the Restated Standalone Summary Statement of Profit and Loss.

Note 36

Employee Stock Option Plan (ESOP)

On 29 February 2012, the Board of Directors approved the Equity-Settled Employee Stock Option Scheme (ESOS 2012) for issue of stock options to the key employees of the Company and others as approved by the Board of Directors comprising of 2,319,588 options convertible into one equity share each.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	ESOS 2012
Grant Date	Tranche 1: 05 March 2012 Tranche 2: 24 July 2012 Tranche 3: 01 February 2015 Tranche 4: 01 February 2015
Fair Value at Grant Date	Rs. 39.13 to Rs. 152.46
Exercise Price	Rs. 39.13 to Rs. 111.13
Vesting Period	1 to 3 years from the respective date of grant
Exercise Period*	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of first vesting)
Expected Life	2.5 to 4 years

* There has been an amendment to the exercise period of the ESOP schemes.

The details of activity under ESOS 2012 are summarised below:-

Particulars	31 March 2018 (No. of options)	31 March 2017 (No. of options)	31 March 2016 Proforma (No. of options)
	ESOS 2012	ESOS 2012	ESOS 2012
Outstanding at the beginning of the year	**1,560,000**	1,886,000	1,886,000
Granted during the year	**-**	-	-
Exercised during the year	**-**	-	-
Lapsed during the year	**392,000**	326,000	-
Outstanding at the end of the year	**1,168,000**	1,560,000	1,886,000
Exercisable at the end of the year	**1,168,000**	1,560,000	1,886,000
Weighted average remaining contractual life (years)	**0 to 0.50**	0 to 0.50	0.94 to 1.50
Weighted average fair value of options granted (Rs.)	**7.77 to 121.26**	7.77 to 121.26	7.77 to 121.26
Weighted average exercise price (Rs.)	**39.13 to 111.13**	39.13 to 111.13	39.13 to 111.13

Note: The above options are after considering a bonus issue of 3:1 during the year ended 31 March 2015.

The Black and Scholes Options Pricing model had been used for computing the weighted average fair value considering the following inputs:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Expected Volatility	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%
Weighted average share price (Rs.)	39.13	50.00	152.46	152.46
Exercise Price (Rs.)	39.13	39.13	39.13	111.13
Expected life of options granted in years	3.04	2.91	2.50	2.31

Of the ESOS 2012 above, 909,668 options are reserved for issue of equity shares of the Company.

The Company has instituted the Equity-Settled Employee Stock Option Scheme (ESOS 2015) on 30 January 2015 pursuant to resolutions dated 30 January 2015 and 3 February 2015 passed by the Board and Shareholders, respectively comprising of 1,216,000 options convertible into one equity share each. The Company has not granted any options under the said scheme.

ESOS 2012 and ESOS 2015 are in compliance with the requirements of SEBI.

Note 37
Operating leases

Company as a lessee

The Company has entered into operating lease agreements for office spaces, godowns, guest house, ATMs, ATM sites and land. Lease payments on non-cancellable lease agreement debited to the Restated Standalone Summary Statement of Profit and Loss and the future lease payments in respect of non-cancellable operating lease are summarised below:

i. Future minimum lease payments

(a) The Company has entered into the operating lease for ATM and ATM sites. The leases have an average life of 1 to 5 years. Future minimum lease rentals payable under non - cancellable operating leases are as follows:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Less than one year	**147.40**	132.47	147.45
Between one and five years	**340.84**	152.45	237.68
More than five years	-	-	-
	488.24	**284.92**	**385.13**

(b) The Company has taken various office spaces, godowns and guest house on an operating lease basis. The lease period varies from 3 to 8 years and rentals are payable monthly. Future minimum lease rentals payable under the non-cancellable operating leases are as follows:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Less than one year	**40.51**	30.00	51.15
Between one and five years	**130.55**	128.25	50.46
More than five years	**3.06**	4.90	6.25
	174.12	**163.15**	**107.86**

ii. Amounts recognised in the Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Rent expense	**1,474.75**	1,289.63	1,197.71
	1,474.75	**1,289.63**	**1,197.71**

Note 38
Service concession arrangement

During the year ended 31 March 2016, the Company along with a private bank (acting in the capacity of lead bidder) and another third party jointly bid for a public private arrangement to set up an open loop, contactless, smart card based Automatic Fare Collection System (AFCS) in relation to a metro rail project. The roles, responsibilities and obligations of all the parties was agreed as part of a consortium agreement executed between the three parties.

The Company's responsibilities include supply, installation and testing of AFCS equipment and support/maintenance of such equipment for a period of 6 years. The Company is entitled to receive a specified percentage of the value of ticket sales generated by the metro rail project for a period of 10 years.

The arrangement has been identified as a service concession arrangement in accordance with Appendix A to Ind AS 11 Construction Contracts where the Company's responsibilities include supply of the specified equipment and maintenance/support in relation to the same and the consideration linked to the ticket revenue generated by the related metro rail project.

During the year ended 31 March 2017, the Company was in the process of fulfilling its supply/installation/testing obligation and hence the cost incurred in relation to the project was capitalised as Intangible Assets under Development, net of in substance reimbursements received from co-bidders. In addition, amounts payable in relation to such projects have been reflected as Other financial liabilities.

During the year ended 31 March 2018, to the extent the installation and consequent deployment of equipment has been completed, related expenditure (net of in substance reimbursements received from co-bidders) and corresponding revenue based on the percentage of installation and deployment is recognised in the Restated Standalone Summary Statement of Profit and Loss and the consequent Intangible Assets have been recognised in the Restated Standalone Summary Statement of Assets and Liabilities. In addition, amounts payable in relation to such projects have been reflected as Other financial liabilities.

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 39
Contingent liabilities and commitments
(to the extent not provided for)

A. Contingent liabilities ***(Rs. in million)***

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Claims against the Company not acknowledged as debts:	**13.29**	12.66	7.15
Matters in dispute under appeal			
(i) Service tax	**0.47**	0.47	0.47
(ii) Sales tax	**27.29**	12.29	5.42
(iii) Excise duty*	**5.77**	5.35	5.35
(iv) Custom duty	**8.46**	8.41	-
Total	**55.28**	**39.18**	**18.39**

* Excludes, interest amount which would be finalised during the course of assessment.

Against the above pending tax litigation Company has paid Rs. 3.87 million (31 March 2017: Rs 4.02 million and 31 March 2016 (Proforma): Nil) under protest.

The Company's pending litigations comprise of claims against the Company and pertaining to proceedings pending with Indirect tax and customs authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

B. Capital and other commitments ***(Rs. in million)***

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Estimated amount of contracts remaining to be executed on capital account and not provided for*	**2,123.58**	1,683.62	32.42

*Includes in respect of contract with a vendor for committed purchases where the Company is in the process of finalising terms of extension beyond the stipulated tenure.

Note 40

Specified Bank Notes

During the year ended 31 March 2017, the Company had specified Bank Notes (SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated 30 March 2017. The details of SBNs held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination-wise SBNs and other notes as per the notification were as follows:

(Rs. in million)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	17.15	0.72	**17.86**
Add: Permitted Receipt	-	-	-
Less: Permitted Payment	-	-	-
Less: Amount Deposited in Bank	(17.15)	(0.72)	**(17.86)**
Closing cash in hand as on 30 December 2016	-	-	-

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

During the year ended 31 March 2017, the Company had started ICD cash management services under B2B segment. Under ICD services, the Company offers cash handling management, MIS to customers, collection, transit, direct deposit into customers account and cash burials facility. The cash was handled and managed through ICD machines installed at customer's locations. In case the customer takes cash burial facility, the Company deposits cash in its own account and the same is subsequently transferred to the customer's bank accounts (The Companies major customers were various banks to whom the cash burial facility is offered). The Company earns service revenue for the various services offered under ICD as per contract/agreement entered with the customers. The details of cash collected and deposited as part of the ICD services during the period 8 November 2016 to 30 December 2016 were as under:

(Rs. in million)

Particulars	SBNs	Other denomination notes	Total
Amounts received	1,259.09	1,339.51	**2,598.60**
Amount deposited in bank	(1,259.09)	(1,339.51)	**(2,598.60)**

Note 41

Capitalisation of expenditure

The Company has developed certain softwares wherein the following development expenses have been capitalised by the Company.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Salaries and wages	**21.16**	26.74	20.33
	21.16	**26.74**	**20.33**

The Company has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress.

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Salaries and wages	**55.93**	55.12	46.94
Rent expenses	**27.90**	15.79	7.39
	83.83	**70.91**	**54.33**

Note 42

Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company.

The following disclosures are made for the amounts due to the micro, small and medium enterprises:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
The principal amount remaining unpaid to any supplier as at the end of each accounting year	**32.80**	-	-
Interest due thereon	**0.19**	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	**-**	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act	**-**	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	**-**	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	**-**	-	-

Note 43
Payment to auditors (excluding tax)

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma*
As Auditor			
Audit fees	**4.50**	3.80	5.80
Certification fees and other services	**0.07**	-	-
Reimbursement of expenses	**0.48**	0.23	0.13
	5.05	**4.03**	**5.93**

* Paid to a firm other than B S R & Co. LLP

Note 44

During the year 31 March 2014, the Company had entered into an agreement with a customer for providing ATM Management services for 10 years. As a part of the arrangement, the Company acquired existing ATM sites at total consideration of Rs. 926.25 million. Further, an interest free security deposit of Rs. 880 million has been advanced towards such acquisition of the ATM network.

The property, plant and equipment acquired were capitalised at the respective fair value of Rs.649.64 million and the difference of Rs. 276.61 million between the fair value of property, plant and equipment acquired and the total consideration was recognised as premium on purchase of assets under 'Other assets'. In addition, the difference between the fair value and transaction price of the interest free security deposit referred to above has also been adjusted with premium on purchase of assets under 'Other assets'. The aggregate premium on purchase of equipment is amortised over the life of the contract with an adjustment to revenue. The charge for the current year is Rs. 53.20 million (31 March 2017: Rs.53.20 million and 31 March 2016 (Proforma): Rs. 53.20 million).

The Company is depreciating the property, plant and equipment acquired over the remaining useful life.

Note 45
Corporate social responsibility expenses

a. Gross amount required to be spent by the Company during the year: Rs. 4.60 million (31 March 2017: Rs. 4.70 million, 31 March 2016 (Proforma): Rs. 5.00 million).

b. Amount spent during the year on: *(Rs. in million)*

	In cash			Yet to be paid in cash		
Particulars	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma***
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	-	-	-	-	-	-
	-	-	-	-	-	-

c. Related party transaction in relation to corporate social responsibility Nil (31 March 2017: Nil and 31 March 2016 (Proforma): Nil)

d. Provision during the year Nil (31 March 2017: Nil and 31 March 2016 (Proforma): Nil)

Note 46
Investment in subsidiaries

As at 31 March 2018 the Company has investment amounting to Rs. 1,422.34 million (31 March 2017: Rs. 1,186.78 million and 31 March 2016 (Proforma): Rs. 542.19 million in its wholly owned subsidiaries namely “Global Transact Services Pte. Ltd.”, “India Transact Services Limited” and “Securevalue India Limited”. The Company has also provided loans amounting to Rs. 100.62 million (31 March 2017: Rs. 200.99 million and 31 March 2016 (Proforma): Rs. 197.63 million) to fund the operations of its subsidiaries and the loans are considered recoverable.

Letters of comfort for support is provided in respect of subsidiaries namely Global Transact Services Pte. Ltd. and India Transact Services Limited. The Company considers its investments in subsidiaries as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiaries.

Note 47
Transfer pricing

During the year ended 31 March 2016, the management had carried out a detailed domestic transfer pricing study/analysis in accordance with the regulations and all the specified domestic transactions were at arm’s length.

Note 48
Share issue expenses

During the year ended 31 March 2017, the Company has charged off expenses aggregating to Rs 54.76 million (31 March 2016 (Proforma): Rs.28.11 million) in connection with the proposed public issue of its equity shares.

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 49

Financial instruments – Fair values and risk management

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below . It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

(Rs. in million)

31 March 2018	**Carrying amount**				**Fair value**			
	Amortised cost	**FVTPL**	**FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets								
Trade receivables	9.78			9.78		9.78		9.78
Loans	576.86			576.86		576.86		576.86
Other financial assets	33.69			33.69		33.69		33.69
Current financial assets								
Trade receivables	3,533.16			3,533.16				-
Cash and cash equivalents	139.20			139.20				-
Bank balances other than (11a) above	51.10			51.10				-
Loans	203.14			203.14				-
Other financial assets	1,390.54			1,390.54				-
	5,937.47	**-**	**-**	**5,937.47**	**-**	**620.33**	**-**	**620.33**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	3,999.38			3,999.38		3,999.38		3,999.38
Other non-current financial liabilities	71.45			71.45		71.45		71.45
Current financial liabilities								
Borrowings	2,089.06			2,089.06				-
Trade payables	1,777.86			1,777.86				-
Other financial liabilities	1,623.22			1,623.22				-
Derivative liability		0.13		0.13		0.13		0.13
	9,560.97	**0.13**	**-**	**9,561.10**	**-**	**4,070.96**	**-**	**4,070.96**

(Rs. in million)

31 March 2017	**Carrying amount**				**Fair value**			
	Amortised cost	**FVTPL**	**FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets								
Trade receivables	378.45			378.45		378.45		378.45
Loans	630.65			630.65		630.65		630.65
Other financial assets	1.21			1.21		1.21		1.21
Current financial assets								
Trade receivables	2,905.30			2,905.30				-
Cash and cash equivalents	71.86			71.86				-
Bank balances other than (11a) above	18.76			18.76				-
Loans	290.04			290.04				-
Other financial assets	706.20			706.20				-
	5,002.47	**-**	**-**	**5,002.47**	**-**	**1,010.31**	**-**	**1,010.31**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	3,139.85			3,139.85		3,139.85		3,139.85
Other non-current financial liabilities	83.85			83.85		83.85		83.85
Current financial liabilities								
Borrowings	2,751.13			2,751.13				-
Trade payables	1,949.87			1,949.87				-
Other financial liabilities	662.02			662.02				-
Derivative liability		49.16		49.16		49.16		49.16
	8,586.72	**49.16**	**-**	**8,635.88**	**-**	**3,272.86**	**-**	**3,272.86**

Note 49
Financial instruments – Fair values and risk management

(Rs. in million)

31 March 2016 (Proforma)	Carrying amount				Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
Non-current financial assets								
Trade receivables	449.07			449.07		449.07		449.07
Loans	656.37			656.37		656.37		656.37
Other financial assets	0.39			0.39		0.39		0.39
Current financial assets								
Trade receivables	2,642.93			2,642.93				-
Cash and cash equivalents	38.39			38.39				
Bank balances other than (11a) above	32.27			32.27				
Loans	308.44			308.44				-
Other financial assets	742.14			742.14				-
	4,870.00	**-**	**-**	**4,870.00**	**-**	**1,105.83**	**-**	**1,105.83**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	2,187.37			2,187.37		2,187.37		2,187.37
Other non-current financial liabilities	90.53			90.53		90.53		90.53
Current financial liabilities				-				-
Borrowings	2,845.16			2,845.16				-
Trade payables	1,744.98			1,744.98				-
Other financial liabilities	673.69			673.69				-
Derivative liability		21.59		21.59		21.59		21.59
	7,541.73	**21.59**	**-**	**7,563.32**	**-**	**2,299.49**	**-**	**2,299.49**

Notes:

a. The fair value of cash and cash equivalents, other bank balances, current trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

b. Measurement of fair values: The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique
- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique
Forward contracts	The fair value of the forward contracts is determined with reference to the forward exchange rate applicable as of the reporting date for the residual maturity of the contract being valued.
Long term borrowings	The fair value of long term borrowing is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Long term financial assets	The fair value of long term financial assets is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt discounted using appropriate discounting rates.

Note 49
Financial instruments – Fair values and risk management

B. Financial risk management

The Company has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

ii. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and investments. The carrying amounts of financial assets represent the maximum credit risk exposure

a. Trade receivables

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery / service terms and conditions. The Company makes specific provisions against such trade receivables wherever required and monitors the same at periodic intervals.
Credit risk from trade receivables is managed through the Company's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Company extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. Based on prior experience, the portfolio of customers and an assessment of the current economic environment, management believes there is no credit risk provision required. Also, the Company does not have any significant concentration of credit risk.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

(Rs. in million)

Particulars	Gross carrying amount		
	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**
Not past due	**9.78**	378.45	449.07
Past due 1 - 180 days	**2,803.69**	2,456.24	2,118.42
More than 180 days	**729.47**	449.06	524.51
Total	**3,542.94**	**3,283.75**	**3,092.00**

The amounts reflected in the table above are not impaired as at the reporting dates.

b. Cash, cash equivalents and other bank balances

The Company held cash and cash equivalents and other bank balances of Rs. 190.30 million at 31 March 2018 (31 March 2017: Rs. 90.62 million, 31 March 2016 (Proforma): Rs. 70.66 million). The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

c. Derivatives

The derivatives are entered into with banks with good credit ratings.

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 49
Financial instruments – Fair values and risk management

iii. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company aims to maintain the level of its cash and bank balances at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Company also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

		Contractual cash flows			*(Rs. in million)*
31 March 2018	**Gross carrying amount**	**Total**	**Up to 1 year**	**1 - 5 years**	**More than 5 years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	3,999.38	4,914.95	1,378.89	3,449.35	86.71
Short-term loans/working capital loans	2,089.06	2,089.06	2,089.06	-	-
Trade payables	1,777.86	1,777.86	1,777.86	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	1,694.67	1,718.03	1,623.25	94.78	-
Derivative financial liabilities					
Forward contracts	0.13				
- Outflow		(279.21)	(279.21)	-	-
- Inflow		276.18	276.18	-	-
Total	**9,561.10**	**10,496.87**	**6,866.03**	**3,544.13**	**86.71**

		Contractual cash flows			*(Rs. in million)*
31 March 2017	**Gross carrying amount**	**Total**	**Up to 1 year**	**1 - 5 years**	**More than 5 years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	3,139.85	3,799.49	1,216.60	2,582.89	-
Short-term loans/working capital loans	2,751.13	2,751.13	2,751.13	-	-
Trade payables	1,949.87	1,949.87	1,949.87	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	745.87	779.09	662.01	111.50	5.58
Derivative financial liabilities					
Forward contracts	49.16				
- Outflow		(861.03)	(861.03)	-	-
- Inflow		799.52	799.52	-	-
Total	**8,635.88**	**9,218.07**	**6,518.10**	**2,694.39**	**5.58**

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 49
Financial instruments – Fair values and risk management

		Contractual cash flows			*(Rs. in million)*
31 March 2016 (Proforma)	**Gross carrying amount**	**Total**	**Up to 1 year**	**1 - 5 Years**	**More than 5 years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	2,187.37	2,637.22	897.01	1,740.21	-
Short-term loans/working capital loans	2,845.16	2,845.16	2,845.16	-	-
Trade payables	1,744.98	1,744.98	1,744.98	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	764.22	800.34	666.53	16.73	117.08
Derivative financial liabilities					
Forward contracts	21.59				
- Outflow		(699.10)	(699.10)	-	-
- Inflow		668.24	668.24	-	-
Total	**7,563.32**	**7,996.84**	**6,122.82**	**1,756.94**	**117.08**

(i) The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

(ii) Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings / financial assistance by the respective subsidiaries. These amounts will be payable on default by the concerned parties. As of the reporting date, none of the subsidiary have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees.

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. – will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Company uses derivatives to manage market risks.

a. Currency risk

The functional currency of the Company is Indian rupees. The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency. The Company uses forward exchange contracts to hedge its currency risk on borrowings, most with a maturity of less than one year from the reporting date. Exposure on trade receivables and trade payables is unhedged.

The summary quantitative data about the Company's exposure to currency risk is as follows (the amounts below have been presented in their respective foreign currencies in millions):

				(in million)
31 March 2018	**USD**	**EUR**	**SGD**	**JPY**
Financial assets (A)				
Trade and other receivables	4.97	0.04	-	2.04
Loan to subsidiaries	-	-	0.02	-
	4.97	0.04	0.02	2.04
Financial liabilities (B)				
Trade and other payables	1.15	0.05	-	-
Buyer's credit	4.25	-	-	-
Foreign currency non-resident ('FCNR') loan	-	-	-	-
Interest on FCNR	-	-	-	-
Less: Forward contracts	(4.25)	-	-	-
	1.15	0.05	-	-
Net exposure (A - B)	**3.82**	**(0.01)**	**0.02**	**2.04**

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 49
Financial instruments – Fair values and risk management

(in million)

31 March 2017	USD	EUR	SGD
Financial assets (A)			
Trade and other receivables	3.58	0.02	-
Loan to subsidiaries	-	-	0.02
	3.58	0.02	0.02
Financial liabilities (B)			
Trade payables	0.86	0.10	-
Buyer's credit	7.75	-	-
Foreign currency non-resident ('FCNR') loan	4.48	-	-
Interest on FCNR	0.05	-	-
Less: Forward contracts	(12.28)	-	-
	0.86	0.10	-
Net exposure (A - B)	**2.72**	**(0.08)**	**0.02**

(in million)

31 March 2016 (Proforma)	USD	EUR	SGD
Financial assets (A)			
Trade and other receivables	0.33	0.05	-
Loan to subsidiaries	-	-	0.02
	0.33	0.05	0.02
Financial liabilities (B)			
Trade and other payables	5.82	0.10	-
Buyer's credit	10.07	-	-
Foreign currency non-resident ('FCNR') loan	-	-	-
Interest on FCNR	-	-	-
Less: Forward contracts	(10.07)	-	-
	5.82	0.10	-
Net exposure (A - B)	**(5.49)**	**(0.05)**	**0.02**

The following significant exchange rates have been applied in respective year:

Currency	31 March 2018	31 March 2017	31 March 2016 (Proforma)
USD	**65.0441**	64.8386	66.3329
EUR	**80.6222**	69.2476	75.0955
SGD	**49.5122**	46.3678	49.0845
JPY	**0.6154**	N.A.	N.A.

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, EUR, SGD and JPY at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected Statement of profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in million)

Particulars	31 March 2018		31 March 2017		31 March 2016 Proforma	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
5% movement						
USD	**(12.42)**	**12.42**	(8.82)	8.82	18.21	(18.21)
EUR	**0.04**	**(0.04)**	0.28	(0.28)	0.19	(0.19)
SGD	**(0.05)**	**0.05**	(0.05)	0.05	(0.05)	0.05
JPY	**(0.06)**	**0.06**	-	-	-	-
	(12.49)	**12.49**	**(8.59)**	**8.59**	**18.35**	**(18.35)**

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 49
Financial instruments – Fair values and risk management

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.
The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding.

The interest rate profile of the Company's interest-bearing financial instruments as is as follows:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	-	-	-
	-	-	-
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	**(6,088.44)**	(5,890.98)	(5,032.53)
	(6,088.44)	**(5,890.98)**	**(5,032.53)**

Fair value sensitivity analysis for fixed-rate instruments

The entity does not account for any fixed-rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the Restated Standalone Summary Statement of Profit and Loss.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the entity by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the reporting date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the period.

(Rs. in million)

Particulars	Profit or (Loss)	
	100 bps increase	**100 bps decrease**
31 March 2018		
Variable rate instruments	**(60.88)**	60.88
Cash flow sensitivity	**(60.88)**	**60.88**
31 March 2017		
Variable rate instruments	**(58.91)**	58.91
Cash flow sensitivity	**(58.91)**	**58.91**
31 March 2016 (Proforma)		
Variable rate instruments	**(50.33)**	50.33
Cash flow sensitivity	**(50.33)**	**50.33**

Note 50
Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Company's Capital Management is to maximise shareholders value.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Company monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities comprising interest-bearing loans and borrowings, less cash, cash equivalents, other bank balances and non-current margin money. Total equity comprises of all components of equity.

The Company's adjusted net debt to equity ratio is as follows:

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
Non-current borrowings	**2,968.51**	2,209.81	1,499.09
Current borrowings	**2,089.06**	2,751.13	2,845.16
Current maturities of long term borrowings	**1,030.87**	930.04	688.28
Gross debt	**6,088.44**	5,890.98	5,032.53
Less - Cash, cash equivalents & other bank balances	**190.30**	90.62	70.66
Less - Margin money (non-current)	**33.69**	1.21	0.39
Adjusted net debt	**5,864.45**	**5,799.15**	**4,961.48**
Total equity	**4,934.85**	**4,744.14**	**4,691.30**
Adjusted net debt to equity ratio	**1.19**	**1.22**	**1.06**

Note 51
Segment reporting

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the company's performance and allocates the resources based on the analysis of various performance indicators by business segments.

The Company's business segments have been divided into three business verticals - Payment Solutions, Banking Automation Solutions and Other Automation Solutions.

Payment Solutions – Comprises of ATM outsourcing and managed services, intelligent cash deposit machines (iCDs), transaction switching and fastlane and toll & transit solutions.

Banking Automation Solutions – Comprises of sale of ATM machines and cash recyclers, currency technology products, self service terminals and services related to such sales both within and outside India.

Other Automation Solutions - Comprises of sale of machines and related services to customers present in the Retail, Petroleum and Colour sectors.

Segment information based on business segment as at and for the year ended 31 March 2018 ***(Rs. in million)***

Particulars	31 March 2018			
	Payment Solutions	**Banking Automation Solutions**	**Other Automation Solutions**	**Total**
Revenue				
Total Revenue	8,788.58	2,254.17	2,128.50	13,171.25
Revenue from operations (net)	**8,788.58**	**2,254.17**	**2,128.50**	**13,171.25**
Segment results	1,730.52	128.61	83.38	1,942.51
Less: unallocated expenses				996.90
Operating profit				**945.61**
Add: other income				118.02
Less: finance costs				742.75
Profit before tax				**320.88**
Less: tax expense				128.70
Profit for the year				**192.18**
Segment assets	7,854.35	2,542.66	916.34	11,313.35
Unallocated assets				3,564.43
Total assets	**7,854.35**	**2,542.66**	**916.34**	**14,877.78**
Segment liabilities	2,078.13	1,022.37	336.71	3,437.21
Unallocated liabilities				6,505.72
Total liabilities	**2,078.13**	**1,022.37**	**336.71**	**9,942.93**
Capital expenditure	995.18	122.01	48.18	1,165.37
Unallocated capital expenditure				197.44
Total	**995.18**	**122.01**	**48.18**	**1,362.81**
Depreciation	602.55	118.63	32.71	753.89
Unallocated depreciation				119.79
Non cash expenditure	-	38.87	24.33	63.20
Total	**602.55**	**157.50**	**57.04**	**936.88**

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 51
Segment reporting *(Continued)*

Segment information based on business segment as at and for the year ended 31 March 2017 ***(Rs. in million)***

Particulars	31 March 2017			
	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total
Revenue				
Total Revenue	7,122.85	3,149.08	2,178.56	12,450.49
Revenue from operations (net)	**7,122.85**	**3,149.08**	**2,178.56**	**12,450.49**
Segment results	962.12	514.72	148.90	1,625.74
Less: unallocated expenses				935.52
Operating profit				**690.22**
Add: other income				131.35
Less: finance costs				705.51
Profit before tax				**116.06**
Less: tax expense				60.39
Profit for the year				**55.67**
Segment assets	5,889.85	3,185.72	1,544.31	10,619.88
Unallocated assets				3,157.84
Total assets	**5,889.85**	**3,185.72**	**1,544.31**	**13,777.72**
Segment liabilities	1,073.86	1,246.86	327.43	2,648.15
Unallocated liabilities				6,385.43
Total liabilities	**1,073.86**	**1,246.86**	**327.43**	**9,033.58**
Capital expenditure	841.79	250.92	63.01	1,155.72
Unallocated capital expenditure				71.64
Total	**841.79**	**250.92**	**63.01**	**1,227.36**
Depreciation	562.85	89.57	27.52	679.94
Unallocated depreciation				132.75
Non cash expenditure	-	8.91	19.42	28.33
Total	**562.85**	**98.48**	**46.94**	**841.02**

Annexure VI - Notes to the Restated Standalone Financial Information *(Continued)*

Note 51
Segment reporting *(Continued)*

Segment information based on business segment as at and for the year ended 31 March 2016 ***(Rs. in million)***

Particulars	31 March 2016 Proforma			
	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total
Revenue				
Total Revenue	6,854.28	3,119.55	1,639.59	11,613.42
Revenue from operations (net)	**6,854.28**	**3,119.55**	**1,639.59**	**11,613.42**
Segment results	1,242.22	402.52	(80.67)	1,564.07
Less: unallocated expenses				918.84
Operating profit				**645.23**
Add: other income				151.03
Less: finance costs				655.80
Profit before tax				**140.46**
Less: tax expense				67.90
Profit for the year				**72.56**
Segment assets	5,955.60	3,032.80	1,308.81	10,297.21
Unallocated assets				2,328.71
Total assets	**5,955.60**	**3,032.80**	**1,308.81**	**12,625.92**
Segment liabilities	1,082.79	1,135.95	278.62	2,497.36
Unallocated liabilities				5,437.26
Total liabilities	**1,082.79**	**1,135.95**	**278.62**	**7,934.62**
Capital expenditure	636.83	108.76	18.66	764.25
Unallocated capital expenditure				234.17
Total	**636.83**	**108.76**	**18.66**	**998.42**
Depreciation	520.39	44.87	14.71	579.97
Unallocated depreciation				107.78
Non cash expenditure	-	128.11	21.47	149.58
Total	**520.39**	**172.98**	**36.18**	**837.33**

Information about major customers

Revenue from two external customers based in India, covered across segments aggregating to Rs. 5,555.71 million (31 March 2017: 4,937.55 million; 31 March 2016 Proforma: 4,992,79 million) represented more than 10% of the Company's total revenue.

Note 52
Related party transactions

A. Related Parties and their relationship

a) Subsidiaries

Name of the subsidiaries
India Transact Services Limited
Securevalue India Limited
Global Transact Services Pte. Ltd.
Novus Technologies Pte. Ltd.
Novus Technologies (Cambodia) Company Limited
Novus Transact Philippines Corporation
Novustech Transact Lanka (Pvt) Ltd (w.e.f. 23 September 2016)

b) Key Management Personnel and relatives

Mr. Ravi B. Goyal	Executive, Chairman & Managing Director
Mr. Badrinarain K. Goyal	Non-executive Non Independent Director / Father of Mr. Ravi B Goyal
Mrs. Anupama R. Goyal	Non-executive Non Independent Director / Wife of Mr. Ravi B. Goyal
Mr. Sudip Bandyopadhyay	Non-executive, Independent Director
Mr. Bharat Shah	Non-executive, Independent Director
Mr. Vijay Chugh	Non-executive, Independent Director
Mr. Jagadish Capoor	Non-executive, Independent Director
Mr. D. Sivanandhan	Non-executive, Independent Director
Mr. Kiran B. Goyal	Brother of Mr. Ravi B. Goyal
Mr. Karthik Srinivasan	Non-executive, Nominee Director (w.e.f 31 October 2017)
Mr. Puneet Bhatia	Non-executive, Nominee Director (w.e.f 16 October 2017)
Mr. Shomik Mukherjee	Non-executive, Nominee Director (w.e.f 17 June 2016 till 31 October 2017)
Mr. Vishwarupe Narain	Non-executive, Nominee Director (till 16 October 2017)
Mr. Mahesh Chhabria	Non-executive, Nominee Director (till 17 June 2016)

c) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Advanced Graphic Systems
Fillon Technologies India Private Limited
Instruments Research Associates Private Limited
Wow Foods Brand Private Limited

B. Details of transactions with related parties including disclosure required under Section 186 (4) of the Companies Act, 2013 for loans, investments and guarantees

(Rs. in million)

Particulars	**Transactions for the year ended**			**Amount receivable / (payable) as at**		
	31 March 2018	**31 March 2017**	**31 March 2016 Proforma**	**31 March 2018**	**31 March 2017**	**31 March 2016 Proforma**
Sales of goods, software license and services						
Advanced Graphic Systems	**1.29**	-	-	**-**	-	-
Instruments Research Associates Private Limited	**25.64**	22.51	17.50	**50.03**	41.76	35.04
Fillon Technologies India Private Limited	**1.50**	1.17	1.22	**0.70**	0.16	0.31
Securevalue India Limited	**8.16**	16.55	19.70	**51.87**	41.93	23.47
India Transact Services Limited	**5.00**	5.00	36.77	**5.00**	44.62	36.98
Novus Technologies Pte. Ltd.	**47.42**	154.39	-	-	154.39	-
Novustech Transact Lanka (Pvt) Ltd	**22.35**	-	-	-	-	-
Novus Technologies (Cambodia) Company Limited	**31.58**	-	-	**31.58**	-	-
Purchase of goods and services						
Instruments Research Associates Private Limited	**4.88**	4.17	9.77	**0.30**	-	-
Fillon Technologies India Private Limited	**2.11**	2.08	1.67	**(0.22)**	-	-
Securevalue India Limited	**1,491.08**	1,293.25	1,110.66	**(151.21)**	(42.80)	(54.12)
India Transact Services Limited	**42.85**	5.67	-	**(13.88)**	(5.67)	-
Purchase of land and building						
Ravi B Goyal	**105.75**	-	-	**(19.69)**	-	-
Re-imbursements of expenses						
Securevalue India Limited	**-**	15.52	8.92	**38.83**	38.83	23.30
India Transact Services Limited	**-**	0.65	0.05	**-**	0.70	0.05
Fillon Technologies India Private Limited	**-**	0.05	0.04	**-**	0.05	-
Instruments Research Associates Private Limited	**-**	0.19	0.15	**-**	0.33	0.15
Advanced Graphic Systems	**-**	0.18	0.13	**-**	0.18	0.13
Wow Foods Brand Private Limited	**-**	-	-	**0.08**	0.08	0.08
Deposit given/(repaid)						
Mr. Ravi B. Goyal	**(37.50)**	-	-	**25.00**	62.50	62.50
Mrs. Anupama R. Goyal	**-**	-	-	**2.00**	2.00	2.00
Remuneration (refer note 1 and 3 below)						
Mr. Ravi B. Goyal	**24.00**	24.00	12.60	**(1.30)**	-	8.10
Director's sitting fees						
Mr. Bharat Shah	**0.48**	0.15	0.38	**(0.09)**	-	(0.09)
Mr. Vijay Chugh	**0.25**	0.20	0.20	**(0.05)**	-	(0.05)
Mr. Jagadish Capoor	**0.38**	0.23	0.30	**(0.07)**	-	(0.07)
Mr. D. Sivanandhan	**0.30**	0.30	0.30	**-**	-	(0.09)
Mr. Sudip Bandyopadhyay	**0.45**	0.30	0.38	**(0.09)**	-	(0.09)

Note 52
Related party transactions

(Rs. in million)

Particulars	Transactions for the year ended			Amount receivable / (payable) as at		
	31 March 2018	31 March 2017	31 March 2016 Proforma	31 March 2018	31 March 2017	31 March 2016 Proforma
Rent expenses						
Mr. Ravi B. Goyal	**0.44**	0.44	0.44	**-**	(0.04)	-
Mrs. Anupama R. Goyal	**2.10**	2.10	1.88	**-**	-	-
Interest income						
India Transact Services Limited	**5.42**	11.24	7.81	**4.88**	20.25	10.50
Professional fees						
Mr. Kiran B. Goyal	**4.80**	4.80	3.52	**(0.30)**	(0.33)	(0.43)
Investments						
Global Transact Services Pte. Ltd.	**55.38**	261.38	95.62	**-**	-	-
India Transact Services Limited	**177.55**	380.00	100.00	**-**	-	-
Securevalue India Limited	**2.64**	3.20	2.97	**-**	-	-
Loan given / (repaid)						
India Transact Services Limited	**(105.25)**	6.39	66.33	**43.04**	128.04	134.43
Securevalue India Limited	**-**	-	-	**51.87**	51.87	51.87
Global Transact Services Pte. Ltd.	**-**	-	-	**0.83**	0.83	0.83

Notes:

1. The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.

2. Guarantees outstanding as on 31 March 2018 Rs.708.85 million (31 March 2017:Rs. 612.51 million and 31 March 2016 (Proforma): Rs 660.71 million) is given by the Company on behalf of subsidiaries for acquiring property, plant and equipment and meeting the working capital requirements. While the Company has not charged any commission in relation to such guarantees, the amount represents accounting adjustments recognised in accordance with requirements of Ind AS 109 "Financial Instruments".

3. During the year ended 31 March 2016, the Company had paid remuneration to the managing director in accordance with the Agreement entered into with him. During the year ended 31 March 2016, management evaluated the compliance with the provisions of Section 197 read with Schedule V to the Act and the amount of Rs 9.40 million paid in excess of the limits was treated as receivable as at 31 March 2016. This amount was subsequently recovered / adjusted from the salaries payable to the Managing Director.

Note 53
First time adoption

As stated in Note 2.A to Annexure V, the Company has prepared the Restated Standalone Financial Information for the years ended 31 March 2018, 2017 and 2016 under Ind AS. The Company's statutory standalone financial statements for the years ended 31 March 2017 and 31 March 2016 were prepared in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in Annexure V have been applied in preparing the Restated Standalone Financial Information for the financial years ended 31 March 2018, 31 March 2017 and 31 March 2016.

For statutory reporting purposes, the date of transition to Ind AS is 1 April 2016. However, for the purposes of the Restated Standalone Financial Information, the date of transition has been considered as 1 April 2015. In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. Similar adjustments have been made to arrive at the Restated Standalone Financial Information relevant to the financial year ended 31 March 2016.

Optional exemptions availed and mandatory exceptions
In preparing the financial information, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

A. Optional exemptions availed

1. Property, plant and equipment and intangible assets
As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date
(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to:
− fair value;
− or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.
The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).
(iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.
As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets.

2. Investments in subsidiaries
The Company has elected to adopt the carrying value under previous GAAP as on the date of transition.

3. Share based payments
The Company has elected not to apply Ind AS 102 to equity instruments that vested before date of transition to Ind AS.

B. Mandatory exceptions

1. Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.
However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement. Key estimates considered that were not required under the previous GAAP are listed below:
- Fair valuation of financial instruments carried at FVTPL.
- Impairment of financial assets based on the expected credit loss model.
- Determination of the discounted value for financial instruments carried at amortised cost.
- Fair valuation of financial guarantee contracts.

2. Classification and measurement of financial assets
Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Note 53

First time adoption *(Continued)*

Reconciliation of equity as previously reported under Previous GAAP and Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	Notes to first time adoption	31 March 2017	31 March 2016 Proforma
Total equity as per previous GAAP		**4,743.07**	**4,656.55**
Borrowings carried at amortised cost	1	(3.21)	(4.51)
Amortised cost measurement of security deposits	2	45.60	34.91
Reversal of lease equalisation reserve	3	56.58	51.59
Fair valuation of corporate guarantees issued	4	8.22	5.02
Fair value measurement of derivative contracts	5	(2.92)	(0.25)
Service concession arrangements	6	(12.57)	(2.53)
Revenue recognition - deferral of upfront fee, multiple deliverables, etc.	7	(36.96)	-
Retrospective capitalisation of stores and spares	8	(18.30)	(7.34)
Deferred tax (including on above, as applicable)	10	(11.60)	(25.71)
Total Ind AS adjustments		**24.84**	**51.18**
Total restatement adjustments - refer Annexure VII		**(23.77)**	**(16.43)**
Total equity as per Restated Standalone Summary Statement of Assets and Liabilities		**4,744.14**	**4,691.30**

Reconciliation of profit as previously reported under Previous GAAP and Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Notes to first time adoption	Year ended 31 March 2017	Year ended 31 March 2016 Proforma
Net profit for the year reported under previous GAAP		**86.52**	**35.64**
Borrowings carried at amortised cost	1	1.30	-
Amortised cost measurement of security deposits	2	10.69	13.75
Reversal of lease equalisation reserve	3	4.99	(3.78)
Fair valuation of corporate guarantees issued	4	3.20	2.97
Fair value measurement of derivative contracts	5	(2.67)	(1.82)
Revenue from service concession arrangements	6	(10.04)	(2.53)
Revenue recognition - deferral of upfront fee, multiple deliverables, etc.	7	(36.96)	-
Retrospective capitalisation of stores and spares	8	(10.96)	59.72
Actuarial loss on remeasurement of defined benefit obligation	9	4.33	4.17
Deferred tax (including on above, as applicable)	10	12.61	(25.19)
Total Ind AS adjustments		**(23.51)**	**47.29**
Total restatement adjustments - refer Annexure VII		**(7.34)**	**(10.37)**
Total profit for the year as per Restated Standalone Summary Statement of Profit and Loss		**55.67**	**72.56**

Notes to first time adoption

1 **Borrowings carried at amortised cost**

Under the previous GAAP, the borrowings were measured at the transaction price with the transaction costs in relation to the borrowings being amortised on a straight-line basis over the period of the related borrowing. Under Ind AS, borrowings are measured at amortised cost determined with reference to the effective interest rate method.

2 **Amortised cost measurement of security deposits**

The Company has made interest free security deposits in relation to certain leasing arrangements where the Company is a lessee and in relation to a revenue arrangement. Under previous GAAP such security deposits were measured at their respective transaction values.

Under Ind AS, security deposits are required to be measured at fair value on initial recognition and subsequently measured at amortised cost on every reporting date. The difference between transaction value and fair value on initial recognition, in case of deposits for leasing arrangements, are amortised over the lease term. In case of the deposit for revenue arrangement, the difference between fair value and transaction value is adjusted with revenue over the contractual term of the revenue arrangement.

Note 53

First time adoption *(Continued)*

3 Reversal of lease equalisation reserve

Under previous GAAP, lease expense in relation to operating leases was recognised on a straight-line basis over the lease term taking into account the lease escalation. Under Ind AS, the operating lease rentals are not to be straight-lined if the lease escalations are in line with the general inflation trends.

4 Fair valuation of corporate guarantees issued

The Company has given financial guarantees on behalf of subsidiaries which were disclosed as contingent liabilities under previous GAAP. Under Ind AS, financial guarantee contracts are accounted at fair value and guarantee income is recognised over the period of the contract. The fair value of such guarantees is recognised as additional investment in subsidiaries.

5 Fair value measurement of derivative contracts

Under previous GAAP, the premium and discount on forward contracts were amortised over the contract period. However, under Ind AS all derivatives are measured at fair value at each reporting period and changes therein are recognised in the Restated Standalone Summary Statement of Profit and Loss. The gain or loss on such derivative is presented in the Restated Standalone Summary Statement of Profit and Loss in the same line item as the corresponding foreign exchange loss or gain arising from the hedged transaction.

6 Service concession arrangements

The Company along with two other bidders has entered into an arrangement with a government agency wherein the Company's obligation included supply, installation and operation/maintenance of specified equipment in return for a specified share of the revenue generated from the project. Under the previous GAAP, the expenditure incurred by the Company towards the cost of such equipment was reflected as capital work in progress. Under Ind AS, the arrangement is identified as service concession arrangement and accounted for accordingly. Further, advance received from co-bidder has been reflected as financial liability (based on fair value on initial recognition) with the corresponding difference being adjusted with cost of the equipment.

7 Revenue recognition - deferral of upfront fee, multiple deliverables, etc.

Under Ind AS, identification of deliverables are required to be made based on their separate standalone value to the customers and measurement of revenue in relation to such deliverables are required to be based on their respective fair values (including adjustment for time value of money, as applicable). Under previous GAAP, revenue was recognised based on the terms of the related contracts.

8 Retrospective capitalisation of stores and spares

Under previous GAAP, stores and spares were treated as inventory and charged to the Statement of Profit and Loss on consumption. Under Ind AS, stores and spares with a useful life of more than one year shall be treated as property, plant and equipment (PPE). Such stores and spares need to be depreciated from the date they are ready for use over their estimated useful life. Hence, stores and spares which were erstwhile treated as inventory under previous GAAP have been classified as part of PPE if recognition criteria are met. Also, such stores and spares are depreciated from the date of purchase over their estimated useful life.

9 Actuarial loss on remeasurement of defined benefit obligation

Under previous GAAP, actuarial loss in relation to defined benefit plans were recognised in the Statement of Profit and Loss. Ind AS requires remeasurements in relation to defined benefit plans to be recognised in Other Comprehensive Income (OCI) along with the corresponding deferred tax.

10 Deferred taxes

Previous GAAP required deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of the balance sheet approach has resulted in recognition of deferred tax on new temporary differences which was not required under previous GAAP. Also all Ind AS adjustments may have corresponding deferred tax impact.

Note 53

First time adoption *(Continued)*

Reconciliation of equity as at 1 April 2015

As specified in the Guidance Note, the equity balance computed under Proforma Standalone Ind AS financial information for the year ended 31 March 2016 (i.e. equity under previous GAAP as at 1 April 2015 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended 31 March 2016 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. 1 April 2016), prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at 1 April 2015. Accordingly, the closing equity balance as at 31 March 2016 of the Proforma Standalone Ind AS financial statements has not been carried forward to the opening Standalone Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is as below:

(Rs. in million)

Particulars	Notes to first time adoption	1 April 2015 Proforma
Total equity as per previous GAAP		**4,600.46**
Borrowings carried at amortised cost	1	(4.51)
Amortised cost measurement of security deposits	2	21.16
Reversal of lease equalisation reserve	3	55.37
Fair valuation of corporate guarantees issued	4	2.06
Fair value measurement of derivative contracts	5	1.57
Retrospective capitalisation of stores and spares	8	(67.06)
Deferred tax (including on above, as applicable)	10	(1.96)
Total Ind AS adjustments		**6.63**
Total restatement adjustments - refer Annexure VII		**(6.07)**
Total equity considered for Restated Standalone Financial Information		**4,601.02**

Annexure VII - Statement on Adjustments to Audited Standalone Financial Statements

Summarised below are the restatement adjustments made to the audited financial statements for the periods mentioned below and their impact on the equity of the Company:

(Rs. in million)

	Note	31 March 2017	31 March 2016 Proforma
A. Total equity as per audited financial statements as per previous GAAP		**4,743.07**	**4,656.55**
B. Total Ind AS Adjustments (refer note 53 of Annexure VI)		24.84	51.18
C. Total equity as per Ind AS (A+B)		**4,767.91**	**4,707.73**
D. Adjustments:			
Material restatement adjustments			
(i) Audit qualifications	1	-	-
Total		-	-
(ii) Adjustments due to prior period items / other adjustments			
Adjustment for excess provision for income taxes	3(a)	-	7.34
Adjustment for short provision for indirect taxes	3(b)	(23.77)	(23.77)
Total		(23.77)	(16.43)
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable		-	-
Total		-	-
D. Total impact of adjustments (i + ii + iii)		**(23.77)**	**(16.43)**
E. Total equity as per restated standalone financial statements (C+D)		**4,744.14**	**4,691.30**

Summarised below are the restatement adjustments made to the audited financial statements for the periods mentioned below and their impact on the profit/(loss) of the Company:

(Rs. in million)

Particulars	Note	31 March 2018	31 March 2017	31 March 2016 Proforma
A. Net profit after tax as per audited financial statements prepared under previous GAAP		**NA**	**86.52**	**35.64**
B. Total Ind AS Adjustments (refer note 53 of Annexure VI)		**NA**	**(23.51)**	**47.29**
C. Net profit as per Ind AS (A+B)		**168.42**	**63.01**	**82.93**
D. Adjustments:				
Material Restatement adjustments				
(i) Audit Qualifications	1	-	-	-
Total		-	-	-
(ii) Other adjustments				
Adjustment for excess provision for income taxes	3(a)	-	(7.34)	(10.36)
Adjustment for short provision for indirect taxes	3(b)	23.77	-	(0.01)
Total		**23.77**	**(7.34)**	**(10.37)**
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable		-	-	-
Total		-	-	-
D. Total impact of adjustments (i + ii + iii)		**23.77**	**(7.34)**	**(10.37)**
E. Net profit as restated (C+D)		**192.19**	**55.67**	**72.56**

Notes to adjustments:

1. Adjustments for Audit Qualification: None

2. Material regrouping

Appropriate adjustments have been made in the Restated Summary Statements of Assets and Liabilities, Profit and Cash Flows, wherever required, by a reclassification of the corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited financial statements of the Company for the year ended 31 March 2018.

3. Material restatement adjustments

a) Adjustments for excess provision for income taxes

Excess provisions for income taxes pertaining to earlier years, based on intimations/ orders/ received/ returns filed, accounted for during the years ended 31 March 2017 and 31 March 2016 have been adjusted in the respective financial years to which they pertain. Adjustments related to financial years prior to 31 March 2016 have been adjusted against the opening balance of retained earnings as at 1 April 2015.

b) Adjustment for short provision for indirect taxes

Short provisions for indirect taxes pertaining to earlier years, based on intimations/ orders/ received/ returns filed, accounted for during the year ended 31 March 2018 have been adjusted against the opening balance of retained earnings as at 1 April 2015.

Annexure VII - Statement on Adjustments to Audited Standalone Financial Statements

Non-adjusting items

1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2016 ('CARO') issued by the Central Government of India terms of Sub-Section (11) of Section 143 of the Companies Act, 2013 for the years ended 31 March 2018, 31 March 2017 and 31 March 2016. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e. CARO), which do not require any adjustments in the Restated Financial Information are reproduced below in respect of the financial statements presented:

For the year ended 31 March 2018

Clause (vii)(a)

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Provident fund, Employees state insurance, Income tax, Service tax, Duty of customs, Duty of excise, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities, though there has been slight delays in few cases. Undisputed statutory dues of Sales tax, Value added tax and Goods and service tax have not been regularly deposited with the appropriate authorities and there have been serious delays in many cases.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' state insurance, Income tax, Sales tax, Value added tax, Service tax, Goods and service tax, Duty of customs, Duty of excise, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

Clause (vii)(b)

According to the information and explanations given to us, no dues of Income Tax, Sales tax, Value added tax, Service tax, Goods and service tax, Duty of customs which have not been deposited with the appropriate authorities on account of any dispute, except are as follows :

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under protest	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	2,531.25	Nil	March 2014 to November 2015	Appellate Commissioner
The Customs Act, 1962	Customs Duty	302.36	9.00	F.Y. 2005- 2006 to 2008- 2009	Customs, Excise and Service Tax Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	Nil	FY 2011-13	High Court of Odisha
The Kerala VAT Act, 2003	Value Added Tax	1.36	0.99	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Kerala VAT Act, 2003	Value Added Tax	1.08	0.24	F.Y. 2010-11	High Court
The Central Excise Act,1944	Excise Duty	5.35	Nil	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Excise Act,1944	Excise Duty	0.43	Nil	F.Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal
Uttar Pradesh VAT Act, 2008	Sales Tax	2.54	0.63	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	0.50	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	0.16	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	Nil	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level
The Haryana VAT Act, 2003	Value Added Tax and Penalty	0.69	Nil	F.Y. 2012-2013	Tribunal
The Kerala VAT Act, 2003	Central Sales Tax and Interest	4.63	0.75	F.Y. 2013-16	Deputy Commissioner (Appeals)
The Andhra Pradesh VAT Act, 2005	Value Added Tax	2.42	0.30	F.Y. 2012-13	Appellate Deputy Commissioner
The Bihar VAT Act, 2005	Value Added Tax	3.07	3.07	F.Y. 2011-12	Joint Commissioner Appeal
West Bengal VAT Act, 2003	Value Added Tax and Interest	3.36	Nil	F.Y. 2011-12	Joint Commissioner Appeal
West Bengal VAT Act, 2003	Value Added Tax	13.92	1.34	F.Y. 2014-15	Joint Commissioner Appeal
The Customs Act, 1962	Customs Duty	8.41	Nil	F.Y. 2011-12	Commissioner Appeal

Annexure VII - Statement on Adjustments to Audited Standalone Financial Statements

For the year ended 31 March 2017

Clause (vii)(b)
According to the records of the Company, the dues outstanding of income-tax, sales-tax, value added tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Amount paid under protest (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	1,129.00	Nil	March 2014 to November 2015	High Court of Bombay
The Customs Act, 1962	Customs Duty	302.36	9.00	F.Y. 2005- 2006 to 2008- 2009	Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	Nil	FY 2011-13	High Court of Odisha
The Kerala VAT Act, 2003	Value Added Tax	1.36	0.99	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act,1944	Excise Duty	5.35	Nil	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
Uttar Pradesh VAT Act, 2008	Sales Tax	2.54	0.63	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	0.50	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	0.10	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	Nil	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level
The Haryana VAT Act, 2003	Value Added Tax and Penalty	0.69	Nil	F.Y. 2012-2013	Tribunal
The Kerala VAT Act, 2003	Central Sales Tax and Interest	4.63	1	F.Y. 2013-16	Deputy Commissioner (Appeals)
The Andhra Pradesh VAT Act, 2005	Value Added Tax	2.42	0.30*	F.Y. 2012-13	Appellate Deputy Commissioner
The Bihar VAT Act, 2005	Value Added Tax	3.07	3.07	F.Y. 2011-12	Joint Commissioner Appeal
The Customs Act, 1962	Customs Duty and Penalty	8.41	1.25	F.Y. 2011-12	Additional Commissioner

*Amount is paid under protest after 31 March 2017

For the year ended 31 March 2016
Clause (vii)(b)
According to the records of the Company, the dues outstanding of income-tax, sales-tax, value added tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	1,129.00	March 2014 to November 2015	High Court of Bombay
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005- 2006 to 2008- 2009	Appellate Tribunal
The Odisha VAT Act, 2004	Value Added Tax and Penalty	16.65	FY 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	2.24	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act,1944	Excise Duty	5.35	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
Uttar Pradesh VAT Act, 2008	Sales Tax	2.51	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	FY 2011-13	High Court
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	FY 2011-12	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005- 2006	Appellate Authority - Upto Commissioner level

Further in addition to the audit opinion on the financial statements, the auditors are required to comment upon the internal financial controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act") for the years ended 31 March 2018, 31 March 2017 and 31 March 2016. Certain statements/comments included in the Annexure to the Auditors' report relating to Internal Financial Controls, which do not require any adjustments in the Restated Standalone Financial Information are reproduced below:

For the year ended 31 March 2016
Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness have been identified as at 31 March 2016:
- The Company's internal financial controls over recording the receipts and issue of refurbished inventories in case of spares were not operating effectively which could potentially result in accounting of incorrect value of spares consumption and inventories in the financial statement.

A 'material weakness' is a deficiency or a combination of deficiencies in Internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has maintained in all material respects, adequate internal financial controls over financial reporting and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, ,such internal financial controls over financial reporting were operating effectively as of 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting Issued by the Institute of Chartered Accountants of India.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the Standalone Financial Statements of AGS Transact Technologies Limited, which comprise the Balance Sheet as at 31 March 2016 and the related Statement of Profit and Loss and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory Information. This material weakness was considered in determining the nature, timing and extent of audit tests applied in our audit of the 31 March 2016 Standalone Financial Statements of AGS Transact Technologies Limited and this report does not affect our report dated 30 September 2016, on which we have expressed an unqualified opinion on those financial statements.

Annexure VII - Statement on Adjustments to Audited Standalone Financial Statements

Reconciliation of equity as at 1 April 2015

The equity balance computed under Proforma Standalone Ind AS Financial Information for the year ended 31 March 2016 (i.e. equity under previous GAAP as at 1 April 2015 adjusted for impact of Ind AS 101 items and after considering profit or loss for the year ended 31 March 2016 with adjusted impact due to Ind AS principles applied on proforma basis) and equity balance computed in opening Ind AS Balance sheet as at transition date (i.e. 1 April 2016) prepared for filing under Companies Act, 2013, differs due to restatement adjustments made as at 1 April 2015. Accordingly, the closing equity balance as at 31 March 2016 of the Restated Standalone Financial Information (Proforma) has not been carried forward to the opening Standalone Ind AS Balance sheet as at transition date already adopted for reporting under Companies Act, 2013. Reconciliation of the same is disclosed in Note 53 of Annexure VI.

(Rs. in million)

	Note	1 April 2015 Proforma
A. Total equity as per audited financial statements as per previous GAAP		**4,600.46**
B. Total Ind AS Adjustments (refer note 53 of Annexure VI)		6.63
C. Total equity as per Ind AS (A+B)		4,607.09
D. Adjustments:		
Material restatement adjustments		
(i) Audit qualifications	1	-
Total		-
(ii) Adjustments due to prior period items / other adjustments		
Adjustment for excess provision for income taxes	3(a)	17.70
Adjustment for short provision for indirect taxes	3(b)	(23.77)
Total		(6.07)
(iii) Deferred tax impact on adjustments in (i) and (ii), as applicable		-
Total		-
D. Total impact of adjustments (i + ii + iii)		**(6.07)**
E. Total equity as per restated standalone financial statements (C+D)		**4,601.02**

Annexure VIII - Restated Standalone Summary Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	31 March 2018	31 March 2017	31 March 2016 Proforma
Interest income from instruments measured at amortised cost:				
- Deposits with banks	Non recurring	**2.21**	2.28	2.57
- Security deposits	Recurring	**50.69**	-	-
- Others	Non recurring	**5.80**	11.24	23.55
Scrap sale	Recurring	**8.97**	7.03	11.93
Insurance claims received	Recurring	**46.32**	56.14	54.21
Corporate guarantee income	Non recurring	**3.45**	-	-
Foreign exchange gain (net)	Non recurring	**0.34**	-	-
Others	Non recurring	**0.24**	-	0.25
Total Other income as per audited financial statements		**118.02**	**76.69**	**92.51**
Add/Less: Ind AS adjustments				
Amortised cost measurement of security deposits		**N.A.**	51.46	55.55
Fair valuation of corporate guarantees issued		**N.A.**	3.20	2.97
Total other adjustments		**-**	**54.66**	**58.52**
Total Restated Other Income		**118.02**	**131.35**	**151.03**

Notes:

i) The classification of Other income as recurring / non-recurring business activity is based on the current operations and business activity of the Company as determined by the management.

ii) The amounts disclosed above are based on the Restated Standalone Summary Statement of Profit and Loss of the Company.

iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

Annexure IX - Restated Standalone Summary Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2018

a) Long-term Borrowings

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 31 March 2018 (Rs. in million)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	IndusInd Bank	Term Loan	INR	471.02	MIBOR + 438 bps	Quarterly	1. Exclusive charge by way of Hypothecation on 1,300 Axis Bank ATMs under ATM Network Deployment and Management Agreement between AGS and Axis Bank subject to minimum cover of 0.5x on WDV basis and 1.0x of cash flow cover to be maintained 2. Exclusive charge on receivables of Axis Bank for hypothecated ATMs under ATM Network Deployment and Management Agreement between AGS and Axis Bank 3. Charge on Security Deposit & Termination amount recoverable from Axis Bank under ATM Network Deployment and Management Agreement 4. DSRA equivalent for 1 quarter interest to be maintained in the form of FDR 5. The tenor for the loan is 60 months and ending on June 2022 6. Bank shall levy any prepayment charge/fee in respect of prepayment as stipulated by the Bank from time to time
2	IndusInd Bank	Term Loan	INR	1,113.42	3 months MCLR + 5 bps	Monthly	1. Exclusive charge by way of Hypothecation on 2,245 Axis Bank ATMs under AGS takeover and Management Agreement between AGS and Axis Bank subject to minimum cover of 0.9x on WDV of ATM (incl. associated assets) plus assets purchase premium plus security deposits 2. Exclusive charge on receivables of Axis Bank on hypothecated ATMs under AGS takeover and Management Agreement between AGS and Axis Bank 3. Charge on Security Deposit & Termination amount recoverable from Axis Bank under AGS takeover and Management Agreement between AGS and Axis Bank 4. DSRA equivalent for 1 quarter interest worked out on average basis for12 months to be maintained in the form of lien marked FDR 5. The tenor for the loan is 63 months and ending on April 2023 6. Prepayment charges is Nil
3	South Indian Bank	Term Loan	INR	174.66	1 year MCLR + 150 bps	Quarterly	1. Exclusive charge with other term lending institutions on movable fixed assets, both present and future, located at the entire ATM sites with the security cover of 1.25 times during the pendency of the facility. 2. Second pari passu charge over the entire receivables of the Company, both present and future, due from banks who are utilising the ATMs financed from the proceeds of the facility. (first charge being with the working capital financing banks) 3. The tenor for the loan is 72 months (including moratorium period of 12 months) and ending on December 2019 4. Prepayment charges are 3% of the pre-paid amount if closed through take-over by other banks, 2% if closed from own funds. Prepayment penalty will be collected in case of term loans having floating rate or fixed rate of interest @ 2.00% on the prepaid amount if the amount prepaid crosses the least of the following: - I. Loan amount equalling to 6 EMIs II. 2 quarterly instalments III. 1 half year instalment IV. 10% of the loan amount
4	South Indian Bank	Term Loan	INR	373.40	1 year MCLR + 115 bps	Quarterly	1. Exclusive first charge on movable fixed assets, both present and future, located at the various ATM sites with the security cover of minimum 1.25 times during the pendency of the loan. 2. Second charge over the entire receivables both present and future, due from banks who are utilising the ATMs financed from the proceeds of the loan. (first charge being with the working capital financing banks) 3. The tenor for the loan is 61 months (including moratorium period of 01 month) and ending on October 2021 4. Prepayment charges are 3% of the pre-paid amount if closed through take-over by other banks, 2% if closed from own funds. Prepayment penalty will be collected in case of term loans having floating rate or fixed rate of interest @ 2.00% on the prepaid amount if the amount prepaid crosses the least of the following: - I. Loan amount equalling to 6 EMIs II. 2 quarterly instalments III. 1 half year instalment IV. 10% of the loan amount
5	Clix Finance India Pvt. Ltd.	Term Loan	INR	48.77	SBI base rate + 245 bps	Monthly	1. Exclusive charge over the ATMs and related assets to be installed under the Department of financial services ('DFS') contracts 2. Exclusive charge of receivables and cash flows related to the assets under the DFS contracts 3. Exclusive charge over the escrow account opened with HDFC Bank Limited. 4. The tenor for the loan is 66 months (including moratorium period of 06 months) and ending on January 2019 5. Prepayment charge of 1.25% of the amount being prepaid. No Prepayment charges on reset of interest margin subject to 25 days prior notice to Lender

Annexure IX - Restated Standalone Summary Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2018

a) Long-term Borrowings *(Continued)*

6	HDFC Bank	Term Loan	INR	76.75	Base rate + 180 bps	Quarterly	1. First exclusive charge by hypothecation over ATMs and other related assets installed under the outsourcing model with HDFC Bank. 2. The tenor for the loan is 63 months (including moratorium period of 03 months) and ending on November 2019
7	HDFC Bank	Term Loan	INR	642.42	3 year MCLR + 195 bps	Quarterly	1. Exclusive charge on movable fixed Assets both present and future deployed for ICICI Bank and others with Security Value of INR 600 million 2. Exclusive charges on receivables from ATMs deployed for ICICI Bank under IAD model 3. The tenor for the loan is 60 months and ending on January 2022 4. Prepayment charges of 2.00% of the amount being prepaid
8	Kotak Mahindra Bank	Term Loan	INR	246.57	Base rate + 115 bps	Quarterly	1. Mortgage of Land and Building on Plot No. EL-82 and EL-83, MIDC, TTC Industrial Area, Mahape, Navi Mumbai, Thane 2. The tenor for the loan is 60 months (including moratorium period of 06 months) and ending on November 2020
9	Karur Vysya Bank	Term Loan	INR	479.87	1 year MCLR + 140 bps	Quarterly	1. Exclusive charge on the receivables of RBL Bank 2. Exclusive charge by way of hypothecation on the ATMs under Service Provider Agreement between AGS and the Banks with security cover of 0.50x 3. Charge on Security Deposit and Termination amount recoverable from the Bank under Service Provider Agreement 4. DSRA equivalent for 1 quarter interest to be maintained in the form of FDR 5. The tenor for the loan is 72 months and ending on September 2023 6. Prepayment charges of 2.00% of the amount being prepaid
10	Hero FinCorp Ltd.	Term Loan	INR	372.50	HFCL 3 year MCLR - 20 bps	Quarterly	1. Exclusive charge by way of hypothecation of ATMs under Service Provider Agreement between AGS and the banks subject to minimum security cover of 0.50x of the loan amount 2. Exclusive charge by way of hypothecation on identified receivables of ICICI Bank under Service Provider Agreement between AGS and ICICI Bank to the extent of 1.0x of the borrower's indebtedness to Hero FinCorp Ltd. 3. Charge on Security Deposit and Termination amount recoverable from ICICI Bank under Service Provider Agreement for the above receivables. 4. DSRA equivalent to 1 quarter EMI to be maintained in the form of Fixed Deposit lien marked in favour of Hero FinCorp Ltd. 5. Escrow of the above ICICI Bank receivables from the contract 6. The tenor for the loan is 60 months and ending on April 2023 7. Foreclosure not allowed within 12 months from the disbursal date. After 12 months till loan closure, Foreclosure penalty 1% plus applicable tax will be applicable
	Total			**3,999.38**			

Notes:

1. The figures disclosed above are based on the Restated Standalone Summary Statement of Assets and Liabilities of the Company.

2. The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

3. The rate of interest given above are base rate / MCLR / MIBOR plus spread as agreed with the lenders in the respective facility letters.

4. The above includes long-term borrowings disclosed under Annexure VI and the current maturities of long-term borrowings included in Other current liabilities.

5. Transaction costs in relation to borrowings are regarded as an adjustment to effective interest rate under Ind AS and has been adjusted with respective borrowings. The above outstanding includes interest accrued but not due in respect of the respective borrowing as on the reporting date.

Annexure IX - Restated Standalone Summary Statement of Principal Terms of Secured Borrowings outstanding as at 31 March 2018

b) Short-term borrowings

Sr. No.	Lender	Nature of facility	Loan currency	Amount outstanding as at 31 March 2018 (Rs. in million)	Rate of interest (%)	Repayment terms	Security / Principal terms and conditions
1	Citibank N.A.	Cash Credit	INR	66.16	12.00%	On Demand	First pari passu charge on entire current assets of the Company, both present and future, except receivables specifically charged to term lenders.
2	Standard Chartered Bank	Cash Credit	INR	114.47	11.10%	On Demand	First pari passu charge on all current assets of the Company (except receivables specifically charged to term lenders)
3	ICICI Bank	Cash Credit	INR	412.13	6 months MCLR + 235 bps	On Demand	First pari passu charge on current assets of the Company except receivables exclusively charged on term loan lenders.
4	Yes Bank	Cash Credit	INR	146.51	1 year MCLR + 240 bps	On Demand	First pari passu charge on current assets of the Company except receivables exclusively charged on term loan lenders.
5	HDFC Bank	Cash Credit	INR	133.96	1 year MCLR + 190 bps	On Demand	First pari passu charge over current and future current assets of the Company except receivables specifically charged on term loan lenders.
6	Axis Bank	Cash Credit	INR	236.64	3 months MCLR + 220 bps	On Demand	First pari passu charge on entire current assets of the Company, present and future (except receivables specifically charged on term loan lenders).
7	Citibank N.A.	Working Capital Demand Loan	INR	200.00	10.40%	15 days	1. First pari passu charge on entire current assets of the Company, both present and future, except receivables specifically charged to term lenders. 2. Max. Tenor upto 1 year
8	HDFC Bank	Working Capital Demand Loan	INR	350.10	9.95%	45 days	1. First pari passu charge over current and future current assets of the Company except receivables specifically charged on term loan lenders. 2. The tenor is not more than 90 days
9	Kotak Mahindra Bank	Working Capital Demand Loan	INR	150.45	10.85%	70 days	1. First pari passu hypothecation charge to be shared with all secured working capital banks on all existing and future current assets of the company excluding the following :- a) Receivables under the Takeover and Management Agreement between the Company and Axis Bank (charged to L & T Finance); and b) Receivables of PSU banks (charged to GE Capital Services India). 2. Max. Tenor upto 180 days
10	Standard Chartered Bank	Buyers credit	USD	151.80	LIBOR + applicable spread	178 to 179 days	1. First pari passu charge on all current assets of the Company (except receivables specifically charged to term lenders) 2. Max. Tenor upto 180 days
11	ICICI Bank	Buyers credit	USD	97.76	LIBOR + applicable spread	99 to 249 days	1. First pari passu charge on current assets of the Company, including stocks of raw materials, goods-in-progress, semi-finished and finished goods and other movables such as book debts, bills, both present and future except receivables specifically charged on term loan lenders. 2. Total tenor of LC and Buyer's Credit should not exceed 360 days from the date of shipment.
12	Axis Bank	Buyers credit	USD	29.08	LIBOR + applicable spread	178 to 199 days	1. First pari passu charge on entire current assets of the Company, present and future (except receivables specifically charged on term loan lenders) 2. Total usance including LC period not to exceed 240 days
			Total	**2,089.06**			

Notes:
i) The figures disclosed above are based on the Restated Standalone Summary Statement of Assets and Liabilities of the Company.

ii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

iii) The rate of interest given above are base rate / MIBOR / LIBOR plus spread as agreed with the lenders in the respective facility letters.

iv) The above outstanding includes interest accrued but not due in respect of the respective borrowing as on the reporting date.

AGS Transact Technologies Limited

Annexure X - Restated Standalone Summary Statement of Accounting Ratios

Sr. No.	Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
1	Restated profit after tax (Rs. in million)	**192.18**	55.67	72.56
2	Weighted average number of basic equity shares outstanding during the period	**118,506,576**	118,506,576	118,506,576
3	Weighted average number of diluted equity shares outstanding during the period	**119,374,795**	119,665,750	119,815,211
4	Number of equity shares outstanding at the end of the year	**118,506,576**	118,506,576	118,506,576
5	Net worth for equity shareholders (Rs. in million)	**4,934.85**	4,744.14	4,691.30
6	Accounting ratios:			
	Earnings per share (refer note 34)			
	Basic earnings per share (Rs.) (1)/(2)	**1.62**	0.47	0.61
	Diluted earnings per share (Rs.) (1)/(3)	**1.61**	0.47	0.61
	Return on net worth for equity shareholders (1)/(5)	**3.89%**	1.17%	1.55%
	Net Asset Value per share (Rs.) (5)/(4)	**41.64**	40.03	39.59

Notes:

i) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

ii) The ratios have been computed as follows:

a) Earning Per Share (Basic) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Earning Per Share (Diluted) = $\frac{\text{Restated profit for the year}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

c) Return on Net worth (%) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Restated net worth at the end of the year}}$

d) Net Asset Value per Share (Rs.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Number of equity shares outstanding at the end of the year}}$

iii) Net worth for calculating ratios = Equity share capital + Other equity (including Securities premium, General reserve, Employee stock options outstanding and Retained earnings).

iv) 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.

v) Earnings per share calculations are in accordance with Indian Accounting Standard 33 (Ind AS 33) - Earnings per share.

Annexure XI - Restated Standalone Summary Statement of Capitalisation

(Rs. in million)

Particulars	Pre-issue as at 31 March 2018	As adjusted for issue (Refer note ii below)
Debt:		
Long term borrowings	2,968.51	[.]
Short term borrowings	2,089.06	[.]
Current portion of secured long term borrowings, included in other current liabilities	1,030.87	[.]
Total Debt (A)	**6,088.44**	
Shareholders' Funds:		
Equity share capital	1,185.07	[.]
Reserves and surplus	3,749.78	[.]
Total Shareholders' Funds (B)	**4,934.85**	
Total Debt / Shareholders' Funds (A/B)	**1.23**	**[.]**

Notes:

i) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

ii) The corresponding figures (as adjusted for issue) are not determinable at this stage pending the completion of the book building process and hence have not been furnished.

Annexure XII - Restated Standalone Summary Statement of Tax Shelter

(Rs. in million)

Particulars	31 March 2018	31 March 2017	31 March 2016 Proforma
A. Profit before tax as restated	**320.88**	**116.06**	**140.46**
B. Company's domestic tax rate	**34.61%**	34.61%	34.61%
C. Tax using the Company's domestic tax rate	**111.05**	40.17	48.61
Adjustments			
Tax impact of permanent differences due to:			
Expenses not allowed under tax	**2.97**	19.74	19.90
Income not subject to tax	**-**	-	-
Changes in estimates related to prior years	**15.95**	-	-
Others	**(1.27)**	0.48	(0.61)
D. Total tax impact of permanent differences	**17.65**	**20.22**	**19.29**
Tax impact of timing differences due to:			
Property, plant and equipment	**31.35**	31.62	(8.80)
Provision - Employee benefits	**5.87**	9.01	7.58
Trade receivables	**(18.99)**	21.44	-
Borrowings	**0.25**	(0.45)	0.03
Provision for warranty	**4.55**	(1.61)	(7.03)
Loans	**(3.49)**	(3.70)	(5.13)
Intangible assets	**(5.84)**	3.48	0.88
Derivative contracts	**(0.98)**	0.92	0.62
Others	**4.58**	(1.10)	(1.05)
E. Total tax impact of timing differences	**17.30**	**59.61**	**(12.90)**
F. Net adjustments (D+E)	**34.95**	**79.83**	**6.39**
G. Tax liability (C+F)	**146.00**	**120.00**	**55.00**

Notes:

i) The figures disclosed above are based on the Restated Standalone Summary Financial Information of the Company.

ii) The above statement has been prepared based on the tax computations for the respective years. The figures for the year ended 31 March 2018 is based on the provisional computations of total income prepared by the Company and are subject to any changes that may be considered at the time of filing of the return of income.

iii) The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

Annexure XIII - Restated Standalone Summary Statement of Dividend

	31 March 2018	31 March 2017	31 March 2016 Proforma
Number of equity shares (excluding treasury shares)	**118,506,576**	118,506,576	118,506,576
Face value (Rs.)	**10.00**	10.00	10.00
Dividend per equity share (in Rs.)	**-**	-	-
Rate of dividend	**-**	-	-
Dividend tax rate	**-**	-	-
Total dividend (in Rs. million)	**-**	-	-
Dividend tax (in Rs. million)	**-**	-	-

Note:

The above Annexure should be read in conjunction with the Basis of preparation and Significant Accounting Policies appearing in Annexure V, Notes to the Restated Standalone Financial Information appearing in Annexure VI and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure VII.

Annexure A.I - Restated Standalone Summary Statement of Assets and Liabilities

(Rs. in million)

Particulars	Note	31 March 2015	31 March 2014
Equity and liabilities			
Shareholders' funds			
Share capital	*1*	1,185.07	295.67
Reserves and surplus	*2*	3,409.33	4,043.63
		4,594.40	**4,339.30**
Non-current liabilities			
Long-term borrowings	*3*	1,781.40	2,198.65
Other long-term liabilities	*7*	70.81	46.59
Long-term provisions	*4*	71.19	54.46
		1,923.40	**2,299.70**
Current liabilities			
Short-term borrowings	*5*	2,327.79	1,365.56
Trade payables	*6*	1,995.25	1,682.45
Other current liabilities	*7*	1,332.47	1,332.00
Short-term provisions	*4*	104.74	81.38
		5,760.25	**4,461.39**
Total		**12,278.05**	**11,100.39**
Assets			
Non-current assets			
Fixed assets			
Tangible fixed assets	*8*	3,021.17	3,070.51
Intangible assets	*8*	144.16	120.15
Capital work-in-progress		525.86	363.59
Intangible assets under development		-	29.04
		3,691.19	**3,583.29**
Non-current investments	*9*	341.55	249.09
Deferred tax assets (net)	*10*	136.36	54.96
Long-term loans and advances	*11*	1,299.09	1,493.90
Trade receivables	*13*	215.53	-
Other non-current assets	*15*	208.20	247.10
		2,200.73	**2,045.05**
Current assets			
Inventories	*12*	1,773.15	1,488.79
Trade receivables	*13*	3,396.86	2,557.73
Cash and bank balances	*14*	227.69	54.17
Short-term loans and advances	*11*	522.77	718.24
Other current assets	*15*	465.66	653.12
		6,386.13	**5,472.05**
Total		**12,278.05**	**11,100.39**

The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

As per our examination report of even date attached.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Rajesh Mehra
Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Place: Mumbai
Date: 16 August 2018

Annexure A.II - Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

Particulars	Note	Year ended 31 March 2015	Year ended 31 March 2014
Income			
Revenue from operations (gross)	*16*	11,858.35	9,720.94
Less: Excise duty		(186.59)	(240.96)
Revenue from operations (net)		**11,671.76**	**9,479.98**
Other income	*17*	35.97	32.37
Total income		**11,707.73**	**9,512.35**
Expenses			
Cost of raw materials and components consumed	*18*	3,797.63	3,098.44
Purchase of traded goods		534.39	227.91
(Increase) in inventories of finished goods and traded goods	*19*	(284.96)	(86.72)
Employee benefit expenses	*20*	709.93	682.09
Other expenses	*21*	5,188.34	4,187.60
Total expenses		**9,945.33**	**8,109.32**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**1,762.40**	**1,403.03**
Finance costs	*22*	634.35	552.77
Depreciation and amortisation expense	*8 and 2.4(c)*	748.28	612.29
Profit before tax		**379.77**	**237.97**
Tax expenses			
Current tax			
Pertaining to profits for the current year		218.90	94.76
Deferred tax (credit)		(81.40)	(10.98)
Total tax expenses		**137.50**	**83.78**
Profit for the year		**242.27**	**154.19**
Earnings per equity share (nominal value of share Rs. 10)			
Basic earnings per share (Rs.)	*23*	2.16	1.72
Diluted earnings per share (Rs.)	*23*	2.02	1.29

The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

As per our examination report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
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Partner
Membership No.: 103145

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Place: Mumbai
Date: 16 August 2018

Annexure A.III - Restated Standalone Summary Statement of Cash Flows

(Rs. in million)

Particulars		Year ended 31 March 2015	Year ended 31 March 2014
A. Cash flow from operating activities			
Restated net profit before tax		**379.77**	**237.97**
Adjustments for:			
Finance costs		558.15	517.94
Amortisation of premium on forward contracts		76.20	34.83
Interest income		(5.55)	(5.22)
Depreciation and amortisation		748.28	612.29
Loss on disposal of fixed assets (net)		13.36	-
Provision for warranty (net)		16.08	18.11
Write back of provision for diminution in value of inventories		-	(42.53)
Employee stock option scheme expense		4.13	-
Inventories written off		87.83	129.25
Bad debts written off		85.00	65.41
Unrealised foreign exchange rate (gain)		(0.21)	(6.19)
Operating profit before working capital changes		**1,963.04**	**1,561.86**
Changes in working capital :			
(Increase) in inventories		(370.45)	(218.19)
(Increase) in trade receivables		(1,139.54)	(306.91)
Decrease / (increase) in deposit given for acquisition of ATMs		88.01	(714.10)
Decrease in loans and advances		168.80	85.91
Decrease / (increase) in other current assets		219.77	(651.99)
Decrease / (increase) in other non-current assets		27.66	(235.12)
Increase in trade payables		486.47	248.30
(Decrease) / increase in other current liabilities		(229.62)	350.28
Increase in other non-current liabilities		24.22	26.11
Increase in provisions		24.09	15.93
Cash generated from operations		**1,262.45**	**162.08**
Direct taxes paid (net)		(83.82)	(91.19)
Net cash generated from operating activities	**(A)**	**1,178.63**	**70.89**
B. Cash flow from investing activities			
Purchase of fixed assets, capital work-in-progress, advances, etc.		(884.40)	(1,648.38)
Investment in subsidiaries		(92.46)	(148.09)
Interest received		2.14	7.49
Loan given to subsidiaries		(55.98)	(58.06)
Repayment of loan by subsidiaries		47.50	-
Fixed deposits matured during the year (net)		1.77	23.32
Repayment of loan by another company		-	0.85
Net cash used in investing activities	**(B)**	**(981.43)**	**(1,822.87)**
C. Cash flow from financing activities			
Proceeds from issuance of equity share capital		94.78	-
Loan given to AGSTTL Employees Welfare Trust		(85.32)	-
Proceeds from long-term borrowings		217.50	2,212.13
Repayment of long-term borrowings		(556.54)	(307.02)
Proceeds from short-term borrowings - secured (net)		960.73	378.47
Dividend paid on CCPS including tax		(0.15)	(0.08)
Share issue expenses		(31.62)	-
Interest paid		(518.84)	(438.07)
Other finance charges paid		(113.70)	(106.31)
Net cash flow (used in)/generated from financing activities	**(C)**	**(33.16)**	**1,739.12**
Net increase in cash and cash equivalents	**(A)+(B)+(C)**	**164.04**	**(12.86)**
Cash and cash equivalents at the beginning of the year		31.04	43.90
Cash and cash equivalents at the end of the year		**195.08**	**31.04**
Components of cash and cash equivalents			
Cash on hand		0.81	0.97
With banks- on current account		191.56	27.79
- on deposit account		2.71	2.28
Total cash and cash equivalents (note 14)		**195.08**	**31.04**

The above statement has been prepared under the indirect method as set out in Accounting Standard - 3 (AS 3) on cash flow statement.

The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

As per our examination report of even date attached.
For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date: 16 August 2018

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN No. 01374288

Badrinarain Goyal
Director
DIN No. 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date: 16 August 2018

Annexure A.IV - Basis of Preparation and Significant Accounting Policies

1 Reporting entity

AGS Transact Technologies Limited (the 'Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is in the business of supplying, installing and managing technology-based automation products and providing related services to its customers present in the Banking, Petroleum, Colour and Retail sectors. The Company also provides complete ATM Outsourcing and Managed Services and transaction switching and processing services to various banks and financial institutions.

2.1 (A) Basis of preparation and presentation

The Restated Standalone Financial Information relates to the Company and have been specifically prepared by the management for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India ("SEBI") in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The Restated Standalone Financial Information consist of the Restated Standalone Summary Statement Of Assets And Liabilities of the Company as at 31 March 2015 and 2014, the Restated Standalone Summary Statement of Profit and Loss and the Restated Standalone Summary Statement of Cash Flows for each of the years ended 31 March 2015 and 2014, and Annexures A.IV to A.X thereto (hereinafter collectively referred to as "the Restated Standalone Financial Information").

The Restated Standalone Financial Information of the Company for the years ended 31 March 2015 and 2014 have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013 ("the Act") (upto 31 March 2014), and the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 (from 1 April 2014), to the extent applicable along with Section 26 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time in pursuance of provisions of Securities and Exchange Board of India Act, 1992 ("ICDR Regulations"). The Act and the ICDR Regulations require the information in respect of the assets and liabilities and profits and losses of the Group for each of the five years immediately preceding the issue of the Prospectus. Accordingly, the Group has presented the Restated Standalone Financial Information for the year ended 31 March 2015 and 31 March 2014 in conformity with Generally Accepted Accounting Principles in India ("Indian GAAP").

The Restated Standalone Financial Information were approved by the Board of Directors of the Company in their meeting held on 16 August 2018.

These Restated Standalone Financial Information have been compiled by the management from the Audited Standalone Financial Statements and:

- do not require any adjustments for the changes in accounting policies, as the accounting policies as at and for the year ended 31 March 2015 are materially consistent with the policies adopted as at and for the year ended 31 March 2014. Accordingly, no adjustments have been made to the Audited Standalone Financial Statements of the respective periods presented on account of changes in accounting policies;
- have been made after incorporating adjustments and regroupings for the material amounts in the respective financial year to which they relate;
- as per the requirements of Indian GAAP, do not contain any extra-ordinary items that need to be disclosed separately in the Restated Standalone Financial Information;
- There are no qualifications in the auditors' reports on the Audited Standalone Financial Statements of the Company as at 31 March 2015 and 2014 and for each of the year ended 31 March 2015 and 2014, which require any adjustments to the Restated Standalone Financial Information;
- Other audit qualifications included in the Annexure to the auditors' report issued under Companies (Auditor's Report) Order, 2015 issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 on the Audited Standalone Financial Statements for the year ended 31 March 2015 and Companies

(Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956 on the Audited Standalone Financial Statements for the year ended 31 March 2014, which do not require any corrective adjustment in the Restated Standalone Financial Information are included in Annexure A.VI – Statement on Adjustments to Audited Standalone Financial Statements;

- The resultant impact of deferred tax due to the aforesaid adjustments, if any.

(B) Functional and presentation currency

The Restated Standalone Financial Information are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to the nearest million upto two decimals, unless otherwise indicated.

2.2 Use of estimates and judgements

The preparation of the Restated Standalone Financial Information 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.

2.3 Current, non-current classification

Assets

An asset is classified as current when it satisfies any of the following criteria:

- it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within 12 months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets. All other assets are classified as non-current.

Liability

A liability is classified as current when it satisfies any of the following criteria:

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within 12 months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Current liabilities include the current portion of non-current financial liabilities. All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of operations and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

2.4 Fixed assets and depreciation

(a) Tangible fixed assets

Tangible fixed assets are carried at the cost of acquisition or construction, less accumulated depreciation and accumulated impairment, if any. The cost of tangible fixed assets includes taxes (other than those subsequently recoverable from tax authorities), duties, freight and other directly attributable cost related to the acquisition and installation of the respective assets. Further, preoperative expenses such as salaries, rent, octroi charges, brokerage, legal and professional fees, etc. incurred during installation period are capitalised under the respective asset head as part of the indirect installation cost, to the extent to which the expenditure is allocable / apportioned to the asset-head. In case of composite contract involving acquisition of tangible fixed assets and providing services, the tangible fixed assets are capitalised at respective fair value of the asset acquired.

(b) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Intangible assets are amortised on a straight line basis over the estimated useful economic life.

The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Restated Standalone Summary Statement of Profit and Loss in the year in which the expenditure is incurred.

Research and development cost

Research costs are expensed as incurred. Development expenditure incurred on an individual project is recognised as an intangible asset when the Group can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project, i.e., the estimated useful life of four years. Amortisation is recognised in the Restated Standalone Summary Statement of Profit and Loss. During the period of development, the asset is tested for impairment annually.

(c) Depreciation and amortisation

Change in accounting estimate: Useful lives / depreciation rates

Considering the applicability of Schedule II being effective from 1 April 2014, the management has re-estimated useful lives and residual values of all its tangible fixed assets and intangible assets. The Company has revised the depreciation rates of certain tangible fixed assets as per the useful life specified in Part 'C' of Schedule II to the Act. Depreciation rates prescribed under Schedule XIV of the Companies Act, 1956 were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II prescribes useful lives for tangible fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II to the Act allows companies to use higher / lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the Restated Standalone Financial Information. For certain tangible fixed assets, the management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of tangible fixed assets, though these rates in are different from lives prescribed under Schedule II.

As a result of this change, the depreciation charge for the year ended 31 March 2015 is higher by Rs. 22.77 million. In respect of assets whose useful life is already exhausted as on 1 April 2014, depreciation of Rs. 0.70 million (net of deferred tax impact of Rs. 0.36 million) has been adjusted against the opening reserves in accordance with the requirement of Schedule II of the Act.

Till 31 March 2014, depreciation on tangible fixed assets were provided using Straight Line basis ('SLM') and Written down basis ('WDV') using the rates based on the useful lives estimated by the management or those prescribed in Schedule XIV to the Companies Act, 1956 whichever was higher.

From 1 April 2014, depreciation on tangible fixed assets except ATM sites and intangible assets is provided on written down basis using the rates arrived at based on the useful lives of the assets estimated by the management.

		Erstwhile Life (up to 31 March 2014)		Revised Life (1 April 2014 onwards)
Category	**Method of depreciation**	**Rate (%)**	**Useful lives (years)**	**Useful lives (years)**
Buildings – freehold	WDV	5.00	58	60
ATM Sites*	SLM	14.28	7	7
Plant and machinery	WDV	13.91	20	15
Furniture and fixtures	WDV	18.10	15	10
Office equipments, electrical installations and air conditioners	WDV	13.91	20	5 - 10
Computers	WDV	40.00	5	3 – 6
Vehicles for office purpose	WDV	25.89	9	8
Software	SLM	25.00	4	4
Technical Know How	SLM	14.28	7	7

Leasehold improvements are amortised over the primary period of lease i.e. lease period which ranges from 3 to 9 years as per the agreement or the life of respective assets, whichever is lower.

Non-compete fees are amortised over the period of the contract i.e. 3 years.

The management has estimated, supported by independent assessment by professionals, the useful lives of the following classes of assets:

* ATM sites are depreciated over the estimated useful lives of 7 years, which is lower than that indicated in Schedule II.

(d) Impairment of tangible fixed assets 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.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units 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.

Impairment losses of continuing operations if any, are recognised in the Restated Standalone Summary Statement of Profit and Loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

2.5 Revenue recognition

(a) 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. Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

(b) Revenue from services is recognised on rendering of respective services to customers as per the agreements entered into with the respective customers.

The revenue from ATM and management services is disclosed net off service level agreement deductions and one time / upfront fees charged to the Restated Standalone Summary Statement of Profit and Loss. The one time / upfront fees paid to customer are amortised over the period of the respective contract.

Revenue from maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

(c) The Company collects service tax, sales tax and value added tax on behalf of the government and therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue.

(d) Dividend income is recognised when the right to receive dividend is established by the reporting date.

(e) Interest income is recognised on the time proportion basis.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

2.6 Lease accounting

Where the Company is the lessee

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 Restated Standalone Summary Statement of Profit and Loss on a straight-line basis over the lease term.

2.7 Inventories

(a) Raw materials, finished goods, stores, spares, traded items and consumables are carried at the 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 be sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

(b) In determining cost of raw materials, traded items, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

(c) Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(d) Cost of finished goods includes the cost of raw materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

2.8 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. However, provision for diminution in the value, if any, is made to recognise decline other than temporary in the value of investments.

2.9 Transactions in foreign currency

(a) 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.

(b) 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.

(c) Exchange difference

All other exchange differences are recognised as income or as expenses in the period in which they arise.

(d) Forward exchange contracts entered into to hedge foreign currency risk of an existing asset / liability

The premium or discount arising at the inception of forward exchange contract is amortised and recognised as an expense/ income over the life of the contract. Exchange differences on such contracts are recognised in the Restated Standalone Summary Statement of Profit and Loss in the period in which the exchange rates change. Any profit or loss arising on cancellation or renewal of such forward exchange contract is also recognised as income or as expense for the period.

2.10 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. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognised as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognised as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The Company operates a gratuity plan. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each reporting date. The actuarial valuation is carried out using the projected unit credit method. Actuarial gains and losses are recognised in full in the period in which they occur in the Restated Standalone Summary Statement of Profit and Loss.

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 reporting date. Actuarial gains or losses are immediately taken to the Restated Standalone Summary Statement of Profit and Loss and are not deferred. The Company presents the entire leave as a current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

2.11 Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the tax law enacted in the respective countries of domicile. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences 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 situation where the legal entity has an 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.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

In the situations where the legal entity is entitled to a tax holiday under the tax law enacted in the respective countries of domicile or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognised in respect of timing differences which reverse during the tax holiday period, to the extent the legal entity's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognised in the year in which the timing differences originate. However, the legal entity restricts recognition of deferred tax assets to the extent that it has become reasonably certain 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. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax asset to the extent that it has become reasonably certain 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 are reviewed at each reporting date. The Company writes-down the carrying amount of 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 certain 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 tax liabilities relate to the same taxable entity and the same taxation authority.

2.12 Provisions and contingencies

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 benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Warranty provisions

Provisions for warranty-related costs are recognised when the related product is sold or service provided. Provision is based on historical experience. The estimate of such warranty-related costs is reviewed and revised annually.

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 Restated Standalone Financial Information.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

2.13 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the year is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) if any that have changed the number of equity shares outstanding, without a corresponding change in resources.
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.

2.14 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 Restated Standalone Summary Statement of Profit and Loss. In its measurement, the Company does not include depreciation, amortisation of intangible assets, finance costs and tax expense. Finance cost includes interest on borrowings, amortisation of premium on forward contracts and exchange difference to the extent considered as an adjustment to borrowing costs.

2.15 Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

2.16 Segment reporting

Change in accounting policy - Identification of Segments
In accordance with Accounting Standard - 17 - “Segment Reporting”, the Company presented its segmental information adopting business segment as the primary reporting format and geographical segment as the secondary reporting format.

Till the previous year ended 31 March 2014, the Company recognised two business segments, namely, Retail Automation Solutions and Outsourcing Business.

Effective 1 April 2014, the Company evaluated and changed the basis of identification of segments based on the vertical business centers and the risks and rewards and has identified ‘Payment Solutions’, ‘Banking Automation Solutions’ and ‘Other Automation Solutions’ segments as the primary reportable segments.

Accordingly, information required to be presented under Accounting Standard - 17 - "Segment Reporting" has been given in the Restated Standalone Financial Information.

Identification of segments
The Company’s operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets.

Annexure A.IV - Basis of Preparation and Significant Accounting Policies *(Continued)*

Inter-segment transfers

The Company generally accounts for intersegment sales and transfers at cost plus appropriate margins.

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 Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the Restated Standalone Financial Information of the Company as a whole.

2.17 Borrowing costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

2.18 Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Guidance Note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India, the cost, if any, of equity-settled transactions is measured using the intrinsic value method and recognised, together with a corresponding increase in the “Stock options outstanding account” in reserves. 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 expense or credit recognised in the Restated Standalone Summary Statement of Profit and Loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that year and is recognised in employee benefits expense.

1 Share capital

Details of authorised, issued and subscribed share capital

(Rs. in million)

	31 March 2015	31 March 2014
Authorised shares		
150,000,000 (31 March 2014: 25,000,000) equity shares of Rs. 10/- each	1,500.00	250.00
10,000,000 (31 March 2014: 10,000,000) preference shares of Rs. 10/- each	100.00	100.00
Issued, subscribed and fully paid up shares		
120,392,576 (31 March 2014: 22,424,500) equity shares of Rs. 10/- each fully paid up	1,203.93	224.25
Less: Amount recoverable from AGSTTL Employees Welfare Trust (refer note 41)	(18.86)	-
	1,185.07	224.25
Nil (31 March 2014: 7,141,664) 0.1% compulsory convertible preference shares ('CCPS') of Rs. 10/- each fully paid up	-	71.42
	1,185.07	**295.67**

a. Details of shareholders holding more than 5% shares in the Company

(Rs. in million)

Name of shareholder	31 March 2015 Number	31 March 2015 % of holding	31 March 2014 Number	31 March 2014 % of holding
Equity shares of Rs. 10/- each fully paid up				
Ravi B. Goyal	66,460,312	55.20	16,615,078	74.09
TPG Star SF Pte. Ltd.	31,256,852	25.96	-	-
Oriole Limited	19,797,412	16.44	4,799,353	21.40
CCPS of Rs. 10/- each fully paid up				
TPG Star SF Pte. Ltd.	-	-	6,991,664	97.90

b. Reconciliation of number of shares outstanding at the beginning and at the end of the year:

(Rs. in million)

Equity shares	31 March 2015 Number	31 March 2015 Amount	31 March 2014 Number	31 March 2014 Amount
Outstanding at the beginning of the year	22,424,500	224.25	22,424,500	224.25
Add: Conversion of CCPS	7,141,664	71.42	-	-
Add: Exercise of Employee Stock Options	60,480	0.60	-	-
Add: Issue of treasury shares	471,500	4.72	-	-
Add: Bonus shares issued during the year	90,294,432	902.94	-	-
Outstanding at the end of the year	**120,392,576**	**1,203.93**	**22,424,500**	**224.25**

(Rs. in million)

Compulsory convertible preference shares	31 March 2015 Number	31 March 2015 Amount	31 March 2014 Number	31 March 2014 Amount
Outstanding at the beginning of the year	7,141,664	71.42	7,141,664	71.42
Less: Converted during the year	(7,141,664)	(71.42)	-	-
Outstanding at the end of the year	**-**	**-**	**7,141,664**	**71.42**

c. Information on equity shares allotted as bonus shares

	Number of shares				
	31 March 2015	**31 March 2014**	**31 March 2013**	**31 March 2012**	**31 March 2011**
Fully paid equity shares allotted by capitalisation of reserves	90,294,432	-	-	-	13,750,000

d. Terms / rights attached to equity shares

The Company has equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

e. Terms of conversion / redemption of CCPS

The Company declared and paid dividends in Indian rupees. CCPS carried dividend at 1 paisa per share (till such time CCPS remained outstanding). CCPS carried rights as agreed between the shareholders and / or provided in the Articles of Association of the Company. Each CCPS was converted into 1 (One) equity share of the Company on 6 February 2015.

f. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Scheme (ESOS) of the Company, refer note 25.

2 Reserves and surplus

(Rs. in million)

	31 March 2015	31 March 2014
a. Securities premium account		
Opening balance as per last financial statement	3,177.71	3,177.71
Add : Premium on issue of equity shares	89.46	-
Less : Amounts utilised towards issue of fully paid bonus shares	(902.94)	-
Add : Adjustment for bonus issue in relation to shares held by AGSTTL Employees Welfare Trust (refer note 41)	14.14	
Less : Amounts recoverable from AGSTTL Employees Welfare Trust (refer note 41)	(80.60)	-
Closing balance	**2,297.77**	**3,177.71**
b. Employee stock options outstanding		
Opening balance as per last financial statement	-	-
Add: Compensation towards options granted during the year	4.13	-
Closing balance	**4.13**	**-**
c. General reserve	**10.00**	**10.00**
d. Surplus in the statement of profit and loss		
Opening balance as per last financial statement	855.92	701.81
Add : Net profit for the year	242.27	154.19
Less : Impact of depreciation as per the Companies Act, 2013 (refer change in estimate note 2.4(c))	(0.70)	-
Less : Dividend on preference shares	(0.05)	(0.07)
Less : Tax on preference dividend	(0.01)	(0.01)
Closing balance	**1,097.43**	**855.92**
	3,409.33	**4,043.63**

3 Long-term borrowings

(Rs. in million)

	Non-current portion		Current maturities	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Term loans - secured				
From banks (refer note (i) below)	694.37	766.66	278.91	200.71
From others (refer note (ii) below)	1,087.03	1,431.99	344.96	344.96
Amount disclosed under the head “other current liabilities" (refer note 7)	-	-	(623.87)	(545.67)
	1,781.40	**2,198.65**	**-**	**-**

(i) Indian Rupee term loan from banks carry an interest rate in the range of 11.80% p.a. to 12.50% p.a. The loans are repayable as per the amortisation schedule spread over from 2 months to 57 months. Loans are secured by charge on specific assets comprising of ATMs and other related equipments of assigned contract. One of the loan is further secured by receivables arising from such contract. Further, one of the loan has been guaranteed by the personal guarantee of the managing director of the Company.

(ii) Indian rupee term loan from others carry an interest rate in the range of 12.45% p.a. to 12.80% p.a. The loans are repayable as per the amortisation schedule spread over from 48 months to 51 months. Loans are secured by charge on receivables arising from specific assets comprising of ATMs and other related equipments of assigned contract.

4 Provisions

(Rs. in million)

	Long-term		Short-term	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Provision for employee benefits:				
- Gratuity (refer note 24)	46.66	34.27	8.05	7.04
- Compensated absences	-	-	49.39	38.70
Other provisions for:				
Warranties (refer note 39)	24.53	20.19	47.30	35.56
Proposed preference dividend	-	-	-	0.07
Tax on proposed preference dividend	-	-	-	0.01
	71.19	**54.46**	**104.74**	**81.38**

5 Short-term borrowings

	(Rs. in million)	
	31 March 2015	**31 March 2014**
Secured		
From banks		
Buyers credit	329.99	497.10
Working capital loans	625.00	200.00
Packing credit	-	180.00
Cash credit	1,372.80	488.46
	2,327.79	**1,365.56**

The above loans are secured by hypothecation of receivables and inventories of the Company and are repayable on demad. These loan carry an interest rate range as mentioned below:

Buyers credit	7.50% to 8.50% (including hedging cost)
Working capital loans	10.75% to 12.75%
Packing credit	12.50%
Cash credit	11.75% to 13.50%

6 Trade payables

	(Rs. in million)	
	31 March 2015	**31 March 2014**
Due to micro, small and medium enterprises (refer note 33)	-	-
Others	1,995.25	1,682.45
	1,995.25	**1,682.45**

7 Other liabilities

				(Rs. in million)
	Non-current		**Current**	
	31 March 2015	**31 March 2014**	**31 March 2015**	**31 March 2014**
Current maturities of long-term borrowings (refer note 3)	-	-	623.87	545.67
Interest accrued but not due on borrowings	-	-	16.46	12.50
Deferred revenue	15.44	10.77	44.78	57.61
Statutory liabilities*	-	-	66.30	105.38
Accrued employee cost	-	-	96.66	127.25
Lease equalisation	55.37	35.82	-	-
Advances from customers	-	-	5.51	52.94
Provision for other expenses	-	-	468.96	404.85
Provision for exchange loss on forward contracts	-	-	9.93	25.80
	70.81	**46.59**	**1,332.47**	**1,332.00**

* Includes dues towards Tax deduction at source, Service tax, Value Added Tax, Provident fund, Employee state insurance contribution, Profession tax and others.

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

8 Fixed assets

(A) Tangible fixed assets

(Rs. in million)

Particulars	Freehold land	Leasehold land	Building	Leasehold building	Leasehold improvements	Plant and machinery	ATM sites	Vehicles	Furniture and fixtures	Electrical installations and equipments	Computers	Total
Gross book value as at 1 April 2013	7.40	43.94	19.15	18.67	13.10	4.36	2,265.16	7.90	85.08	36.22	58.68	**2,559.66**
Additions during the year	-	-	-	-	3.96	26.75	1,562.79	-	3.27	3.05	5.11	1,604.93
Deletions during the year	-	-	-	-	-	-	31.08	-	-	-	-	31.08
Gross book value as at 31 March 2014	**7.40**	**43.94**	**19.15**	**18.67**	**17.06**	**31.11**	**3,796.87**	**7.90**	**88.35**	**39.27**	**63.79**	**4,133.51**
Additions during the year	-	-	-	-	0.23	9.40	602.14	-	10.29	11.37	17.00	650.43
Deletions during the year	-	-	-	-	-	-	23.35	-	-	-	-	23.35
Gross book value as at 31 March 2015	**7.40**	**43.94**	**19.15**	**18.67**	**17.29**	**40.51**	**4,375.66**	**7.90**	**98.64**	**50.64**	**80.79**	**4,760.59**
Accumulated depreciation as at 1 April 2013	-	1.26	6.70	0.09	4.22	1.36	420.61	4.75	33.95	8.98	31.83	**513.75**
Depreciation for the year	-	0.46	0.62	0.20	3.33	2.68	522.04	0.82	10.01	4.07	11.78	556.01
Depreciation on disposals	-	-	-	-	-	-	6.76	-	-	-	-	6.76
Accumulated depreciation as at 31 March 2014	**-**	**1.72**	**7.32**	**0.29**	**7.55**	**4.04**	**935.89**	**5.57**	**43.96**	**13.05**	**43.61**	**1,063.00**
Depreciation on assets whose lives had expired as at 1 April 2014 [refer note 2.4(c)]	-	-	-	-	-	-	-	-	-	-	1.06	1.06
Depreciation for the year	-	0.46	0.59	0.20	3.13	6.72	624.95	0.58	13.78	15.23	17.96	683.60
Depreciation on disposals	-	-	-	-	-	-	8.24	-	-	-	-	8.24
Accumulated depreciation as at 31 March 2015	**-**	**2.18**	**7.91**	**0.49**	**10.68**	**10.76**	**1,552.60**	**6.15**	**57.74**	**28.28**	**62.63**	**1,739.42**
Net Block as at 31 March 2014	**7.40**	**42.22**	**11.83**	**18.38**	**9.51**	**27.07**	**2,860.98**	**2.33**	**44.39**	**26.22**	**20.18**	**3,070.51**
Net Block as at 31 March 2015	**7.40**	**41.76**	**11.24**	**18.18**	**6.61**	**29.75**	**2,823.06**	**1.75**	**40.90**	**22.36**	**18.16**	**3,021.17**

(B) Intangible assets

(Rs. in million)

Particulars	Licenses and technical knowhow fees	Software (refer note below)	Non-compete fees	Total
Gross book value as at 1 April 2013	99.12	87.00	52.00	**238.12**
Additions during the year	2.59	21.77	-	24.36
Deletion during the year	-	-	-	-
Gross book value as at 31 March 2014	**101.71**	**108.77**	**52.00**	**262.48**
Additions during the year	1.45	87.24	-	88.69
Deletion during the year	-	-	-	-
Gross book value as at 31 March 2015	**103.16**	**196.01**	**52.00**	**351.17**
Accumulated amortisation as at 1 April 2013	23.47	40.47	22.11	**86.05**
Amortisation for the year	15.44	23.52	17.32	**56.28**
Amortisation on disposals	-	-	-	**-**
Accumulated amortisation as at 31 March 2014	**38.91**	**63.99**	**39.43**	**142.33**
Amortisation for the year	16.07	36.04	12.57	64.68
Amortisation on disposals	-	-	-	-
Accumulated amortisation as at 31 March 2015	**54.98**	**100.03**	**52.00**	**207.01**
Net block as at 31 March 2014	**62.80**	**44.78**	**12.57**	**120.15**
Net block as at 31 March 2015	**48.18**	**95.98**	**-**	**144.16**

Note:

(i) Refer note 32 for expenses capitalised as part of cost of the fixed assets.

(ii) Software includes jointly owned assets having gross block: Rs. 7.50 million (31 March 2014: Rs. 7.50 million) and net block: Rs. 3.96 million (31 March 2014: Rs. 5.86 million). Ownership is 30% - 50% based on the allocation between territories.

9 Non-current investments

	(Rs. in million)	
	31 March 2015	31 March 2014
Trade investments (valued at cost, unquoted equity instruments)		
Investment in subsidiaries		
3,900,100 equity shares (31 March 2014: 2,000,100) of SGD 1 each of Global Transact Services Pte. Ltd.	192.80	100.34
9,325,000 equity shares (31 March 2014: 9,325,000) of Rs. 10 each of India Transact Services Limited	93.25	93.25
5,550,000 equity shares (31 March 2014: 5,550,000) of Rs. 10 each of Securevalue India Limited	55.50	55.50
	341.55	**249.09**
Aggregate book value of unquoted non-current investments	341.55	249.09

10 Deferred tax assets (net)

	(Rs. in million)	
	31 March 2015	31 March 2014
Deferred tax assets / (liabilities)		
Provision for employee benefits	36.79	27.19
Lease equalisation	18.82	12.17
Depreciation and amortisation	56.34	(3.35)
Provision for warranties	24.41	18.95
Net deferred tax assets	**136.36**	**54.96**

11 Loans and advances

(Unsecured, considered good)

	Long-term		Short-term (Rs. in million)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
a. Capital advances	40.26	28.22	-	-
b. Loans and advances to related parties (refer note 27 and 36)	-	-	123.49	112.32
c. Others				
Deposit given for acquisition of ATMs and ATM sites	659.99	748.00	88.00	88.00
Security deposits	277.78	282.10	11.98	13.14
One time upfront fees	185.54	255.67	82.74	80.22
Advances recoverable in cash or in kind	-	-	120.78	157.24
Taxes paid (net of provision for tax)	57.23	106.91	-	85.40
Prepaid expenses	15.26	16.66	44.85	29.65
Balances with government authorities	63.03	56.34	39.13	134.73
Loans to employees	-	-	11.80	17.54
	1,299.09	**1,493.90**	**522.77**	**718.24**

12 Inventories

	(Rs. in million)	
(valued at lower of cost and net realisable value)	31 March 2015	31 March 2014
Raw materials, components and spare parts [Includes in transit Rs. 269.71 million (31 March 2014:Rs. 173.68 million)]	1,116.58	1,117.18
Finished goods	601.37	343.50
Traded goods	55.20	28.11
	1,773.15	**1,488.79**

13 Trade receivables (unsecured)

	Non-current		Current (Rs. in million)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good	-	-	619.61	492.99
Others				
Considered good	215.53	-	2,777.25	2,064.74
	215.53	**-**	**3,396.86**	**2,557.73**

Trade receivables includes Rs. 23.42 million (31 March 2014: Rs. 27.54 million) due from an entity which has a common director. Further, trade receivables stated above include debts due from directors or officers or with any other person or firms or private companies in which any director is a partner or director or member - refer note 27.

14 Cash and bank balances

	Non-current		Current (Rs. in million)	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Cash and cash equivalents				
Balances with banks				
- On current accounts	-	-	191.56	27.79
- Deposits with original maturity of less than three months	-	-	2.71	2.28
Cash on hand	-	-	0.81	0.97
Other bank balances				
- Margin money with maturity of more than twelve months	0.74	11.98	-	2.07
- Margin money with maturity more than three months but less than twelve months	-	-	32.61	21.06
Amount disclosed under non-current assets (refer note 15)	(0.74)	(11.98)	-	-
	-	**-**	**227.69**	**54.17**

15 Other assets

	Non-current		Current	
(Rs. in million)	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Margin money with maturity of more than twelve months (refer note 14)	0.74	11.98	-	-
Accrued interest on fixed deposits	-	-	1.83	12.15
Unbilled revenue	-	-	382.15	602.71
Unamortised premium on forward contracts	-	-	4.10	10.60
Premium on purchase of assets (refer note 37)	207.46	235.12	27.66	27.66
Initial public offer related expenses (refer note 40)	-	-	49.92	-
	208.20	**247.10**	**465.66**	**653.12**

16 Revenue from operations (net)

(Rs. in million)	Year ended 31 March 2015	Year ended 31 March 2014
Sale of products		
Sale of traded goods		
- Automation products	638.19	285.75
Sale of manufactured goods		
Automation products	1,432.45	1,178.24
ATM and ATM sites	2,839.98	2,412.23
Less: Excise duty	(186.59)	(240.96)
	4,724.03	**3,635.26**
Sale of services		
ATM and management services	5,921.63	5,058.94
Less: Amortisation of one time upfront fee and premium on purchase of assets (refer note 37)	(110.40)	(220.22)
	5,811.23	4,838.72
AMC services	1,136.50	1,006.00
	6,947.73	**5,844.72**
Total revenue from operations (net)	**11,671.76**	**9,479.98**

17 Other income

(Rs. in million)	Year ended 31 March 2015	Year ended 31 March 2014
Interest		
- On bank deposits	2.85	5.22
- Others	2.69	11.22
Insurance claims received	24.46	13.48
Scrap sale	5.82	2.45
Others	0.15	0.00*
	35.97	**32.37**

**Amount less than Rs. 0.01 million*

18 Cost of raw materials and components consumed

(Rs. in million)	Year ended 31 March 2015	Year ended 31 March 2014
Inventories at the beginning of the year	1,117.18	1,048.10
Add: Purchases during the year	3,797.03	3,167.52
Less: Inventories at the end of the year	(1,116.58)	(1,117.18)
	3,797.63	**3,098.44**

19 (Increase) in inventories of finished goods and traded goods

(Rs. in million)	Year ended 31 March 2015	Year ended 31 March 2014
Finished goods :		
Inventories at the beginning of the year	343.50	251.03
Inventories at the end of the year	601.37	343.50
	(257.87)	**(92.47)**
Traded goods :		
Inventories at the beginning of the year	28.11	33.86
Inventories at the end of the year	55.20	28.11
	(27.09)	**5.75**
	(284.96)	**(86.72)**

20 Employee benefit expenses

	Year ended 31 March 2015	Year ended 31 March 2014
		(Rs. in million)
Salaries and wages (refer note 32)	656.71	653.69
Contributions to provident and other funds (refer note 24)	16.67	11.33
Employee stock option scheme expense (refer note 25)	4.13	-
Gratuity expenses (refer note 24)	16.43	8.16
Staff welfare expenses	15.99	8.91
	709.93	**682.09**

21 Other expenses

	Year ended 31 March 2015	Year ended 31 March 2014
		(Rs. in million)
Rent (refer note 26)	995.67	882.51
Caretaker and housekeeping expenses	836.81	555.02
Cash management expenses	1,541.82	1,244.07
Electricity expenses	292.99	266.41
Subcontracting expenses	238.85	220.99
Repairs and maintenance - Plant and machinery	305.68	185.30
- Office	15.05	20.99
Traveling and conveyance expenses	167.31	146.05
Legal and professional charges	79.10	65.53
Communication expenses	74.53	57.21
Bad debts written off	85.00	65.41
Insurance charges	58.63	27.75
Tools and equipments	66.80	96.45
Postage and courier	167.51	155.37
Increase/(decrease) in excise duty on inventories	57.27	(1.19)
Foreign exchange loss (net)	23.47	100.41
Provision for warranty (net) (refer note 39)	16.08	18.11
Rates and taxes	13.63	0.40
Loss on disposal of fixed assets (net)	13.36	-
Auditor's remuneration (refer note 35(g))	7.59	3.04
Corporate social responsibility expenses (refer note 34)	0.90	-
Directors' sitting fees	0.97	0.26
Miscellaneous expenses	129.32	77.51
	5,188.34	**4,187.60**

22 Finance costs

	Year ended 31 March 2015	Year ended 31 March 2014
		(Rs. in million)
Interest	522.80	444.77
Other borrowing costs	35.35	31.38
Amortisation of premium on forward contracts	76.20	34.83
Exchange difference to the extent considered as an adjustment to borrowing costs	-	41.79
	634.35	**552.77**

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

23 Earnings per share (EPS)

The following are the profit and share data used in the basic and diluted EPS computations:

Particulars	31 March 2015	31 March 2014
Basic earnings per share		
Restated net profit after tax as per the Restated Standalone Summary Statement of Profit and Loss (Rs. in million)	242.27	154.19
Less: Dividends on convertible preference shares and tax thereon (Rs. in million)	(0.06)	(0.08)
Restated net profit attributable to equity shareholders (Rs. in million)	242.21	154.11
Weighted average number of equity shares	112,349,726	89,698,000
Basic earnings per share (Rs.)	**2.16**	**1.72**
Face value per share (Rs.)	10.00	10.00
Restated net profit as per above (Rs. in million)	242.21	154.11
Add: Dividends on convertible preference shares and tax thereon (Rs. in million)	0.06	0.08
Restated net profit after adjusting dividend on potential equity shares (Rs. in million)	242.27	154.19
Weighted average number of equity shares after considering potential equity shares	119,667,960	119,507,812
Diluted earnings per share (Rs.)	**2.02**	**1.29**
Weighted average number of equity shares	112,349,726	89,698,000
Effect of dilution		
Convertible preference shares	6,104,655	28,566,656
Stock options granted under ESOP	1,213,579	1,243,156
Weighted average number of equity shares after considering potential equity shares	119,667,960	119,507,812

Pursuant to the Board of Directors recommendation and approval of members dated 30 January 2015 and 3 February 2015 respectively:

- Rs. 71.42 million Compulsory Convertible Preference Shares (‘CCPS’) were converted into 7,141,664 equity shares.
- Shares issued as bonus in the ratio 3:1 to the equity shareholders after considering the conversion of CCPS.

For the purposes of computation of Basic and Diluted Earnings per share, the Equity shares as well as CCPS outstanding as at 31 March 2014 are adjusted for such bonus shares.

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

24 Employee benefits

Contribution to Provident fund and any other funds

Amount of Rs. 16.67 million (31 March 2014: Rs. 11.33 million) is recognised as an expense and included in "Employee benefits" (refer note 20) in Restated Standalone Summary Statement of Profit and Loss.

Gratuity

The gratuity benefit payable to the employees of the Company is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary.

The Company does not have a fund plan for gratuity liability.

The following tables summarise the components of net benefit expense recognised in the Restated Standalone Summary Statement of Profit and Loss and the funded status and amounts recognised in the Restated Standalone Summary Statement of Assets and Liabilities for the respective plans:

i. Reconciliation of present value of defined benefit obligation *(Rs. in million)*

	Year ended 31 March 2015	Year ended 31 March 2014
Current service cost	7.59	6.89
Interest cost on benefit obligation	4.30	2.98
Expected return on plan assets	-	-
Net actuarial loss / (gain) recognised in the year	4.54	(1.71)
Net defined benefit expense for the year	**16.43**	**8.16**

ii. Amount recognised in the Restated Standalone Summary Statement of Assets and Liabilities *(Rs. in million)*

	31 March 2015	31 March 2014
Present value of unfunded obligations	54.71	41.31
Fair value of plan assets	-	-
Net plan liability	**54.71**	**41.31**

iii. Changes in the present value of defined benefit obligation are as follows: *(Rs. in million)*

	31 March 2015	31 March 2014
Opening defined benefit obligation	41.31	34.00
Current service cost	7.59	6.89
Interest cost	4.30	2.98
Benefits paid	(3.03)	(0.85)
Actuarial (gains) / losses on obligation	4.54	(1.71)
Closing defined benefit obligation	**54.71**	**41.31**

iv. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Company's plan is shown below:

	31 March 2015	31 March 2014
Financial assumptions		
Discount rate	7.90%	8.95%
Estimated future salary increase	7.00%	7.00%
Employee turnover		
21 - 30 years	15.83%	22.50%
31 - 40 years	12.44%	15.00%
41 - 50 years	14.19%	16.00%
51 - 59 years	9.89%	5.00%

v. Experience adjustments

Amounts for experience adjustments are as follows:

(Rs. in million)

Gratuity	31 March 2015	31 March 2014	31 March 2013	31 March 2012	31 March 2011
Defined benefit obligation	54.71	41.31	34.00	18.40	12.12
Experience adjustments on plan liabilities	1.36	1.47	8.54	5.40	1.55

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

25 Employee Stock Option Plan (ESOP)

On 29 February 2012, the Board of Directors approved the Equity-Settled Employee Stock Option Scheme (ESOS 2012) for issue of stock options to the key employees of the Company and others as approved by the Board of Directors comprising of 579,897 options convertible into one equity share each.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	**ESOS 2012**
Grant Date	Tranch 1: 05 March 2012 Tranch 2: 24 July 2012 Tranch 3: 01 February 2015 Tranch 4: 01 February 2015
Fair Value at Grant Date	Rs. 156.52 to Rs. 609.83
Exercise Price	Rs. 156.52 to Rs. 444.50
Vesting Period	1 to 3 years from the respective date of grant
Exercise Period*	5 years or one year from the date of listing whichever is later (to be reckoned from date of first vesting)
Expected Life	2.5 to 4 years

* There has been an amendment to the exercise period of the ESOP schemes.

The details of activity under ESOS 2012 are summarised below:-

Particulars	**31 March 2015** (No. of options)	**31 March 2014** (No. of options)
Outstanding at the beginning of the year	480,000	480,000
Granted during the year	85,500	-
Exercised during the year	60,480	-
Lapsed during the year	33,520	-
Outstanding at the end of the year	471,500	480,000
Exercisable at the end of the year	471,500	480,000
Weighted average remaining contractual life (years)	1.94 to 2.50	2.94
Weighted average fair value of options granted (Rs.)	31.09 to 485.01	33.61
Weighted average exercise price (Rs.)	156.52 to 444.50	156.52

The Black and Scholes Options Pricing model had been used for computing the weighted average fair value considering the following inputs:

Particulars	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**
Dividend Yield	0.00%	0.00%	0.00%	0.00%
Expected Volatility	0.00%	0.00%	0.00%	0.00%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%
Weighted average share price (Rs.)	156.52	200.00	609.83	609.83
Exercise Price (Rs.)	156.52	156.52	156.52	444.50
Expected life of options granted in years	3.04	2.91	2.50	2.31

The Company measures the cost of ESOP using the intrinsic value method. Had the Company used the fair value model to determine compensation, its profit after tax and earnings per share as reported would have changed to the amounts indicated below:

(Rs. in million)

	31 March 2015	**31 March 2014**
Restated net profit after tax as reported	242.27	154.19
Add: ESOP cost using the intrinsic value method	4.13	-
Less: ESOP cost using the fair value method	(4.74)	(3.03)
Proforma profit after tax	**241.66**	**151.16**
Earnings per share		
Basic		
- As reported (Rs.)	2.16	1.72
- Proforma (Rs.)	2.15	1.69
Diluted		
- As reported (Rs.)	2.02	1.29
- Proforma (Rs.)	2.01	1.26

Of the ESOS 2012 above, 47,917 options are reserved for issue of equity shares of the Company.

The Company has instituted the Equity-Settled Employee Stock Option Scheme (ESOS 2015) on 30 January 2015 pursuant to resolutions dated 30 January 2015 and 3 February 2015 passed by the Board and Shareholders, respectively comprising of 304,000 options convertible into one equity share each. The Company has not granted any options under the said scheme.

Bonus shares were issued on 12 February 2015, the effect of the same has not been given above.

ESOS 2012 and ESOS 2015 are in compliance with the requirements of Securities and Exchange Board of India.

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

26 Leases

Operating leases - Company as a lessee

i. Amounts recognised in the Restated Standalone Summary Statement of Profit and Loss

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Rent expense	995.67	882.51
	995.67	**882.51**

ii. The Company has entered into the operating lease for ATM Sites. The leases have an average life of 2 to 5 years. Future minimum lease rentals payable under non-cancellable operating leases are as follows:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Less than one year	136.40	103.68
Between one and five years	187.09	323.49
More than five years	-	-
	323.49	**427.17**

iii. The Company has taken various offices and guest house on an operating lease basis. The lease period varies from 3 to 9 years and rentals are payable monthly. Future minimum lease rentals payable under the non–cancellable operating leases are as follows:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Less than one year	54.57	40.61
Between one and five years	80.21	59.01
More than five years	7.59	4.77
	142.37	**104.39**

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

27 Related party transactions

A. Related parties

Nature of relationship	Name of the related party
Related parties where controls exist	
Subsidiaries	Global Transact Services Pte. Ltd. India Transact Services Limited Securevalue India Limited Novus Technologies Pte. Ltd. (w.e.f. 28 November 2013) Novus Technologies (Cambodia) Company Limited (w.e.f. 29 August 2014) Novus Transact Philippines Corporation (w.e.f. 15 September 2014)
Related parties under AS 18 with whom transactions have taken place during the year	
Key management personnel	Mr. Ravi B. Goyal
Relatives of key management personnel	Mr. Badrinarain K.Goyal (Father of Mr. Ravi B. Goyal) Ms. Anupama R. Goyal (Wife of Mr. Ravi B. Goyal) Mr. Kiran B. Goyal (Brother of Mr. Ravi B. Goyal)
Enterprises owned or significantly influenced by key management personnel or their relatives	Advanced Graphic Systems AGS Sundyne Technologies India Private Limited Fillon Technologies India Private Limited Instruments Research Associates Private Limited AGSTTL Employees Welfare Trust AGS Mega Automation Systems Private Limited

B. Details of transactions with related parties *(Rs. in million)*

Particulars	Transactions for the year ended		Amount receivable / (payable) as at	
	31 March 2015	31 March 2014	31 March 2015	31 March 2014
Sales of goods and services				
Advanced Graphic Systems	0.18	0.79	-	0.87
Instruments Research Associates Private Limited	15.60	13.48	53.64	49.23
AGS Sundyne Technologies India Private Limited	-	-	-	0.03
Fillon Technologies India Private Limited	1.14	1.23	0.48	0.30
Securevalue India Limited	1.58	9.06	1.62	10.14
India Transact Services Limited	2.76	-	1.42	-
Purchase of goods and services				
AGS Sundyne Technologies India Private Limited	17.40	20.31	(0.08)	-
Instruments Research Associates Private Limited	15.01	16.21	(1.96)	(2.82)
Advanced Graphic Systems	-	1.19	-	-
Fillon Technologies India Private Limited	2.60	2.36	(0.21)	(0.09)
Securevalue India Limited	752.78	264.39	(164.47)	(61.81)
India Transact Services Limited	1.67	-	(1.87)	-
Deposits given				
Mr. Ravi B. Goyal	-	-	62.50	62.50
Mrs. Anupama R. Goyal	-	-	2.00	2.00
Remuneration				
Mr. Ravi B. Goyal	18.00	18.00	-	(0.12)
Rent expense				
Mr. Ravi B. Goyal	0.44	0.44	-	-
Mrs. Anupama R. Goyal	1.50	1.50	-	-
Rent income				
India Transact Services Limited	-	-	0.77	0.77
Interest income				
India Transact Services Limited	2.69	-	2.69	-
Professional fees				
Mr. Kiran B. Goyal	2.40	5.40	(0.20)	(0.20)
Investment				
Global Transact Services Pte. Ltd.	92.46	100.34	-	-
India Transact Services Limited	-	22.75	-	-
Securevalue India Limited	-	25.00	-	-
Loan given				
India Transact Services Limited	55.98	11.36	67.33	11.36
Securevalue India Limited	-	46.70	51.87	99.37
Global Transact Services Pte. Ltd.	-	-	0.83	0.83
AGSTTL Employees Welfare Trust	85.32	-	85.37	0.05
Repayment of loan given				
Securevalue India Limited	47.50	-	-	-
AGS Mega Automation Systems Private Limited	-	0.85	-	-

Notes:

1. The amounts disclosed above are based on the Restated Standalone Summary Statement of Profit and Loss of the Company.

2. The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

AGS Transact Technologies Limited

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

28 Segment reporting

The Company's business segment has been divided into three business verticals - Payment Solutions, Banking Automation Solutions and Other Automation Solutions.

Payment Solutions – This segment includes complete management of ATMs under both outsourcing and managed services model and transaction switching.

Banking Automation Solutions – Comprises of sale of ATM machines, ATM sites, banking kiosks, currency technology products and services related to such sales.

Other Automation Solutions - Comprises of sale of machines and related services to customers present in the Retail, Petroleum and Colour sectors.

(A) Primary Segment information based on business segment *(Rs. in million)*

Particulars	31 March 2015				31 March 2014			
	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total
Revenue								
Total Revenue	5,811.23	3,646.55	2,213.98	11,671.76	4,838.73	2,955.49	1,685.76	9,479.98
Revenue from operations (net)	**5,811.23**	**3,646.55**	**2,213.98**	**11,671.76**	**4,838.73**	**2,955.49**	**1,685.76**	**9,479.98**
Segment results	941.62	553.80	251.05	1,746.47	977.30	382.04	71.57	1,430.91
Less: unallocated expenses				768.32				672.54
Operating profit				**978.15**				**758.37**
Add: other income				35.97				32.37
Less: finance costs				634.35				552.77
Profit before tax				**379.77**				**237.97**
Less: tax expense				137.50				83.78
Profit for the year				**242.27**				**154.19**
Segment assets	5,657.58	2,764.04	1,896.07	10,317.69	5,720.52	2,757.74	1,052.40	9,530.66
Unallocated assets				1,960.36				1,569.73
Total assets	**5,657.58**	**2,764.04**	**1,896.07**	**12,278.05**	**5,720.52**	**2,757.74**	**1,052.40**	**11,100.39**
Segment liabilities	948.68	1,205.99	290.17	2,444.84	1,091.11	1,052.82	232.45	2,376.38
Unallocated liabilities				5,238.81				4,384.71
Total liabilities	**948.68**	**1,205.99**	**290.17**	**7,683.65**	**1,091.11**	**1,052.82**	**232.45**	**6,761.09**
Capital expenditure	604.58	4.19	0.14	608.91	1,414.35	2.75	18.32	1,435.42
Unallocated capital expenditure				263.44				179.26
Total	**604.58**	**4.19**	**0.14**	**872.35**	**1,414.35**	**2.75**	**18.32**	**1,614.68**
Depreciation	636.97	30.40	9.14	676.51	534.88	32.78	10.39	578.05
Unallocated depreciation				71.77				34.24
Non cash expenditure	18.13	134.12	36.66	188.91	-	122.03	48.22	170.25
Total	**655.10**	**164.52**	**45.80**	**937.19**	**534.88**	**154.81**	**58.61**	**782.54**

(B) Secondary segment information based on geographical location

(Rs. in million)

Particulars	31 March 2015		
	Within India	Outside India	Total
Revenue	11,657.72	14.04	11,671.76
Assets	12,254.41	23.64	12,278.05
Capital expenditure	872.35	-	872.35

(Rs. in million)

Particulars	31 March 2014		
	Within India	Outside India	Total
Revenue	9,460.98	19.00	9,479.98
Assets	11,093.40	6.99	11,100.39
Capital expenditure	1,614.68	-	1,614.68

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

29 Contingent liabilities

(Rs. in million)

	31 March 2015	31 March 2014
Claims against the Company not acknowledged as debts		
Tax matters in dispute under appeal		
i. Service tax	0.47	0.47
ii. Sales tax	9.30	9.30
iii. Excise duty*	5.16	5.16
Total	**14.93**	**14.93**
Guarantees given on behalf of subsidiary	499.79	183.71

The guarantee given, have been used for acquiring fixed assets and meeting the working capital requirements by the subsidiary.

* Excludes, interest amount which would be finalised during the course of assessment.

The Company's pending litigations comprise of claims against the Company and pertaining to proceedings pending with Indirect tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities where applicable, in its standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

30 Capital and other commitments

(Rs. in million)

	31 March 2015	31 March 2014
Estimated amount of contracts remaining to be executed on capital account and not provided for	47.53	52.47

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

31 Derivative instruments and un-hedged foreign currency exposure

a. Derivative outstanding at reporting date to hedge foreign currency loan:

(Rs. in million)

	31 March 2015	31 March 2014
Forward contract to buy USD	5.27	7.89
Forward contract to buy EUR	-	0.28

b. Foreign currency exposures that are not hedged by derivative instruments are as under:

(Rs. in million)

	31 March 2015	31 March 2014
Import trade and other payables	413.52	496.16
Export trade and other receivables	23.64	6.99

32 Capitalisation of expenditure

The Company has capitalised the following expenses of revenue nature to the cost of tangible fixed assets, intangible assets / capital work-in-progress. Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Company.

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Salaries and wages	42.14	68.83
Rent expenses	9.32	17.08
	51.46	**85.91**

33 Details of dues to micro, small and medium enterprises as defined under the MSMED Act, 2006

Information in respect of micro, small and medium enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors. The Company did not have any transaction with micro, small and medium enterprises. Consequently, as at the balance sheet date, no amounts are due to any of the micro, small and medium entities.

(Rs. in million)

	31 March 2015	31 March 2014
The principal amount remaining unpaid to any supplier as at the end of each accounting year.	-	-
Interest due thereon	-	-
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED Act.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006.	-	-

34 Corporate social responsibility expenses

(a) Gross amount required to be spent by the company during the year - Rs. 3.20 million
(b) Amount spent during the year on

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Construction/acquisition of any asset	-	-
Others	0.90	-
	0.90	**-**

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

35 (a) Value of imports calculated on CIF basis

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Raw materials	351.33	518.62
Capital goods	16.22	2.55
Others	2,388.71	2,211.43
Total	**2,756.26**	**2,732.60**

(b) Expenditure in foreign currency (accrual basis)

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Travelling and conveyance expenses	17.38	13.45
Interest on borrowings	15.69	11.55
Total	**33.07**	**25.00**

(c) Raw material consumed

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
ATM – related components	2,165.32	1,526.46
Colour dispensers	442.97	341.36
Others	1,189.34	1,230.62
Total	**3,797.63**	**3,098.44**

(d) Details of purchase of raw materials

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
ATM – related components	2,412.40	1,697.18
Colour dispenser	408.86	308.56
Others	975.77	1,161.77
Total	**3,797.03**	**3,167.51**

(e) Import and indigenous raw materials, components and spare part consumed

(Rs. in million)

	% of Consumption	Year ended 31 March 2015	% of Consumption	Year ended 31 March 2014
Raw materials, stores and spares				
Imports	63.00	2,375.83	76.00	2,348.37
Indigenous	37.00	1,421.80	24.00	750.07
Total	**100.00**	**3,797.63**	**100.00**	**3,098.44**

(f) Earnings in foreign currency (accrual basis)

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Sale of automation products (manufactured)	14.04	19.00
Total	**14.04**	**19.00**

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

(g) Auditor's remuneration (excluding service tax)

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
As Auditor (refer note below)		
Audit fees	7.00	3.00
Reimbursement of expenses	0.59	0.04
In other manner		
Certification relating to Initial Public Offer*	6.88	-
	14.47	**3.04**

Note:
Paid to a firm other than B S R & Co. LLP

* Out of the above expenditure, Rs. 6.88 million (31 March 2014 - Nil) is included in Initial public offer related expenses and disclosed under the head 'Other current assets' in the Balance sheet.

(h) Detail of automation products sold*

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Point of sale machines	271.95	100.45
BT – Tint master	524.14	454.72
Thin Client	29.64	45.41
Others	1,244.92	863.40
Total	**2,070.65**	**1,463.98**

* The above figures are inclusive of excise duty, wherever applicable.

36 Investment in subsidiaries

As at 31 March 2015, the Company has investments amounting to Rs. 341.55 million (31 March 2014: Rs. 249.09 million) in its wholly owned subsidiaries namely "Global Transact Services Pte. Ltd.", "India Transact Services Limited." and "Securevalue India Limited". The Company has also provided loans amounting to Rs. 123.49 million (31 March 2014: Rs. 112.32 million) to fund the operations of its subsidiaries. These being long term and strategic investments, the management are of the view that there is no diminution other than temporary in the value of these investments.

The loans given to subsidiaries are for business purposes. The company has charged interest as per the provisions of the Act and are repayable on demand.

37 During the year ended 31 March 2014, the Company had entered into an agreement with one of the customers for providing of ATM Management services for 10 years and as a part of the arrangement the Company acquired existing ATM sites at total consideration of Rs.926.25 million. The tangible fixed assets acquired during the transactions were capitalised at the respective fair value of Rs. 649.64 million and the difference between the fair value of tangible fixed asset acquired and the total consideration of Rs. 276.61 million is recognised as Premium on purchase of assets under 'Other assets'. The Company was depreciating the tangible fixed assets acquired over the remaining useful life of 1 to 7 years and the Premium on purchase of assets over the contract period. The charge for the current year is Rs. 27.66 million (31 March 2014: Rs. 13.83 million).

38 As at 31 March 2015, the Company was in the process of completing the registration for profession tax for certain location, resulting into delay in payment of dues for those locations.

39 Provision for warranties

Provision for warranties is recognised for machines sold to customers. Disclosure of provision for warranties as required under AS–29 Provisions, Contingent Liabilities and Contingent Assets is as under:

(Rs. in million)

	Year ended 31 March 2015	Year ended 31 March 2014
Opening balance	55.75	37.63
Charge for the year (net of utilisation)	16.08	18.11
Closing balance	**71.83**	**55.74**

It is expected that the above provision will be utilised over a period as per agreed warranty terms.

Annexure A.V - Notes to the Restated Standalone Financial Information *(Continued)*

40 Share issue expenses

Up to 31 March 2015, the Company has incurred Rs. 49.92 million (31 March 2014: Nil) in connection with the proposed public issue of its equity shares. This amount has been carried forward and disclosed separately under the head 'Other Current Assets' in the Restated Standalone Summary Statement of Assets and Liabilities This amount shall be adjusted against securities premium arising from the proposed issue of equity shares, as permitted under Section 52 of the Act.

41 Loans and advances to AGSTTL Employees Welfare Trust

During the year ended 31 March 2015, the Company has given advances of Rs. 85.32 million to AGSTTL Employees Welfare Trust for the purchase of 471,500 equity shares of the Company for the purpose of issue of shares under Employee ESOP Scheme. The tenure of the loan is for the period of 5 years and is interest free.

Annexure A.VI - Statement on Adjustments to Audited Standalone Financial Statements

Summarised below are the restatement adjustments made to the audited financial statements for the periods mentioned below and their impact on the profit / (loss) and net worth of the Company:

Reconciliation of net profit

(Rs. in million)

	Note	Year ended 31 March 2015	Year ended 31 March 2014
A. Net profit after tax as per audited financial statements		**233.08**	**146.10**
B. Adjustments:			
Material restatement adjustments			
(i) Audit qualifications		-	-
(ii) Other adjustments			
Adjustments for excess/short provision for income taxes	3.(a)	9.19	8.09
C. Total impact of restatement adjustments		**9.19**	**8.09**
D. Total restated net profit		**242.27**	**154.19**

Reconciliation of total equity

(Rs. in million)

	Note	As at 31 March 2015	As at 31 March 2014
A. Total equity as per audited financial statements		**4,600.47**	**4,354.57**
B. Restatement adjustments:			
Material items relating to previous periods			
Adjustments for excess/short provision for income taxes	3.(a)	17.70	8.50
Adjustment for short provision for indirect taxes	3.(b)	(23.77)	(23.77)
B. Total impact of adjustments		**(6.07)**	**(15.27)**
C. Total restated equity		**4,594.40**	**4,339.30**

Notes to adjustments

1. **Adjustments for audit qualification: None**

2. **Material regroupings:**

Appropriate adjustments have been made in the Restated Standalone Financial Information, wherever required by reclassification of corresponding items of income, expenses, assets, liabilities and cash flows in order to bring them in line with the groupings as per the audited standalone financial statements of the Company as at 31 March 2015.

3. **Other adjustments:**

(a) **Adjustments for excess/short provision for income taxes**

Excess / short provisions for income taxes, based on intimations/ orders/ received/ returns filed, accounted for during the years ended 31 March 2017, 31 March 2016, 31 March 2015 and 31 March 2014 have been adjusted in the respective financial years to which they pertain to. Adjustments related to financial years prior to 31 March 2014 have been adjusted against the opening balance of Statement of profit and loss as at 1 April 2013.

(b) **Adjustment for short provision for indirect taxes**

Short provisions for indirect taxes, based on intimations/ orders/ received/ returns filed, accounted for during the year ended 31 March 2018 have been adjusted against the opening balance of the Statement of Profit and Loss as at 1 April 2013.

Non-adjusting items

1. Audit Qualifications in Annexure to Auditors' Report, which do not require any corrective adjustments in the Restated Standalone Financial Information

In addition to the audit opinion on the financial statements, the auditors are required to comment upon the matters included in the Companies (Auditor's Report) Order, 2015 issued by the Central Government of India terms of sub-section (11) of Section 143 of the Companies Act, 2013 for the year ended 31 March 2015 and the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India under sub-section (4A) of Section 227 of the Companies Act, 1956 for the year ended 31 March 2014. Certain statements/comments included in the annexure to the Auditors' report on the financial statements (i.e. CARO), which do not require any adjustments in the Restated Standalone Financial Information are reproduced below in respect of the financial statements presented:

Year ended 31 March 2015

Clause (vii)(a)

Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues have generally been regular ly deposited with the appropriate authorities though there has been a slight delay in a few cases of payment of profession tax.

Clause (vii)(b)

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Period to which amount relates	Due Date	Date of Payment
Profession tax	Profession tax	0.61	Various months	Various	Rs. 0.36 million has been paid till date

Annexure VI - Statement on Adjustments to Audited Standalone Financial Statements *(Continued)*

Clause (vii)(c)

According to the records of the Company, the dues outstanding of sales-tax, service tax, customs duty, excise duty, value added tax, entry tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount demanded (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Central Excise Act, 1944	Cenvat Credit	454.99	March 2014 to December 2014	Appellate Authority - Upto Commissioner Level
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005-2006 to 2008-2009	Appellate Tribunal
The Orissa VAT Act, 2004	Value Added Tax	16.65	F.Y. 2011-13	High Court
The Kerala VAT Act, 2003	Value Added Tax	6.78	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	5.16	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Sales Tax Act, 1956	Sales Tax	2.51	F.Y. 2007-08	Appellate Authority - Upto Commissioner level
The Orissa Entry Tax Act, 1999	Entry Tax	1.46	F.Y. 2011-13	High Court
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005-2006	Appellate Authority - Upto Commissioner level

Clause (xii)

We have been informed by the management of certain cases of burglary / thefts of items by third parties at various ATM sites amounting to Rs. 15.83 million. The Company has filed the complaint with the concerned Regulatory authorities and also filed the insurance claims for the recovery of amounts. The Company has charged off losses doubtful of recovery Rs. 1.78 million during the year being the balance amount after recovery from the insurance companies.

Year ended 31 March 2014
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 payment of provident fund, profession tax, work contract tax, tax deducted at source and service tax where there has been delays in certain cases. However, such delays in deposit have not been serious.

Clause (ix)(b)

According to the information and explanations given to us, undisputed dues in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Name of Statute	Nature of the dues	Amount demanded (Rs. in million)	Periods to which the amount relates	Due date	Date of payment
The Income Tax Act, 1961	Self assessment tax	1.98	April to September 2013	Various due dates	12 September 2014
Profession tax	Profession tax	1.13	Various months	Various due dates	Not paid yet

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 demanded (Rs. in million)	Periods to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Demand arising during the course of assessment	4.47	Assessment year 2010-11	Assessing Officer
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005-2006 to 2008-2009	Appellate Tribunal
The Kerala VAT Act, 2003	Value Added Tax	6.78	F.Y. 2010-11	Deputy Commissioner (Appeals)
The Central Excise Act, 1944	Excise Duty	5.16	F.Y. 2010-11	Appellate Authority - Upto Commissioner level
The Central Sales Tax Act, 1956	Sales Tax	2.51	F.Y. 2007- 08	Appellate Authority - Upto Commissioner level
The Finance Act, 1994	Service Tax	0.47	F.Y. 2005-2006	Appellate Authority - Upto Commissioner level

Clause (xxi)

We have been informed by the management of certain cases of attempted burglary / thefts of Items at various ATM sites by third parties amounting to Rs. 5.87 million. The Company has flied the complaint with the concerned Regulatory authorities and also filed the Insurance claims for the recovery of amounts. The Company has charged off the entire amount of losses Rs. 5.87 million in these financial statements.

Annexure VI - Statement on Adjustments to Audited Standalone Financial Statements *(Continued)*

Reconciliation of retained earnings as at 1 April 2013 *(Rs. in million)*

	Note	**As at 1 April 2013**
A. Net worth as per IGAAP		**4,208.54**
B. Restatement adjustments:		
Material items relating to previous periods		
Adjustments for excess/short provision for income taxes	3.(a)	0.42
Adjustment for short provision for indirect taxes	3.(b)	(23.77)
B. Total impact of adjustments		**(23.35)**
C. Total restated net worth		**4,185.19**

Annexure A.VII - Restated Standalone Summary Statement of Other Income

(Rs. in million)

Particulars	Nature (Recurring/ Non-recurring)	Year ended 31 March 2015	Year ended 31 March 2014
Interest			
- On bank deposits	Non-recurring	2.85	5.22
- Others	Non-recurring	2.69	11.22
Insurance claims received	Recurring	24.46	13.48
Scrap sale	Recurring	5.82	2.45
Others	Non-recurring	0.15	0.00*
Total restated other income		**35.97**	**32.37**

**Amount less than Rs. 0.01 million*

Notes:

1. The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

2. The amounts disclosed above are based on the Restated Standalone Summary Statement of Profit and Loss of the Company.

3. The classification of other income as non-recurring/recurring is based on the current operations and business activity of the Company as determined by the management.

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Annexure A.VIII - Restated Standalone Summary Statement of Accounting Ratios

(Rs. in million)

Sr. No.	Particulars	Year ended 31 March 2015	Year ended 31 March 2014
1	Restated net profit for the year (Rs. in million)	242.27	154.19
	Less: Dividend on preference share (Rs. in million)	(0.05)	(0.07)
	Less: Tax on preference dividend (Rs. in million)	(0.01)	(0.01)
	Restated net profit available to equity shareholders	**242.21**	**154.11**
2	Weighted average number of equity shares considered for calculating basic earnings per share	112,349,726	89,698,000
3	Weighted average number of equity shares considered for calculating diluted earnings per share	119,667,960	119,507,812
4	Number of equity shares outstanding at the end of the year (net of shares held by AGSTTL Employees Welfare Trust)	116,620,576	22,424,500
5	Number of compulsorily convertible preference shares outstanding at the end of the year	-	7,141,664
6	Net worth for equity shareholders	4,594.40	4,339.30
7	Accounting ratios:		
	Earnings per share (refer note 23)		
	Basic earnings per share (Rs.) (1)/(2)	2.16	1.72
	Diluted earnings per share (Rs.) (1)/(3)	2.02	1.29
	Return on net worth (%) (1)/(6)	5.27%	3.55%
	Net asset value per share (Rs.) (refer note 7 below) (6)/(4)	39.40	193.51

Notes:

1 The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

2 The ratios have been computed as follows:

a) Earning Per Share (Basic) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year}}$

b) Earning Per Share (Diluted) = $\frac{\text{Restated net profit for the year, available for equity shareholders}}{\text{Weighted average number of diluted potential equity shares outstanding during the year}}$

c) Return on Net worth (%) = $\frac{\text{Restated net profit after tax and adjustments, available for equity shareholders}}{\text{Restated net worth at the end of the year}}$

d) Net Asset Value per Share (Rs.) = $\frac{\text{Restated net worth at the end of the year}}{\text{Weighted average number of equity shares outstanding during the year}}$

3 Net worth for calculating ratios = Equity share capital + Reserves and surplus (including Securities premium, General reserve, Employee stock options outstanding and Retained earnings).

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 The Company does not have any revaluation reserves or extra-ordinary items.

6 Earnings per share calculations are in accordance with Accounting Standard 20 (AS 20) - Earnings per share.

7 The Company had issued bonus shares in the ratio of 3:1 during the financial year ended 31 March 2015 and accordingly, the net asset value per share as of 31 March 2015 has been computed with reference to the shares outstanding post the completion of bonus issue. Had the net asset value per share been computed as of 31 March 2014 with reference to the shares outstanding after the issue of bonus shares (including the impact of conversion of CCPS), the net asset value per share as of 31 March 2014 would have been Rs. 36.04.

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Annexure A.IX - Restated Standalone Summary Statement of Tax Shelter

(Rs. in million)

Particulars	Year ended 31 March 2015	Year ended 31 March 2014
A. Restated net profit before tax	**379.77**	**237.97**
B. Company's domestic tax rate	**33.99%**	**33.99%**
C. Tax using the Company's domestic tax rate	**129.08**	**80.89**
Adjustments		
Tax impact of permanent differences due to:		
Expense not allowed for tax purposes	18.96	2.57
Changes in estimates related to prior years	-	6.70
Others	(10.54)	(6.38)
D. Total tax impact of permanent differences	**8.42**	**2.89**
Tax impact of timing differences due to:		
Employee benefits	9.60	5.41
Lease equalisation	6.65	8.87
Depreciation and amortisation	59.69	19.92
Provision for warranty	5.46	6.16
Provision for doubtful debts and advances	-	(14.93)
Provision for inventories	-	(14.45)
E. Total tax impact of timing differences	**81.40**	**10.98**
F. Net adjustments (D+E)	**89.82**	**13.87**
G. Tax liability (C+F)	**218.90**	**94.76**

(i) The figures disclosed above are based on the Restated Standalone Financial Information of the Company.

(ii) The above statement has been prepared as per the Restated Standalone Summary Statement of Profit and Loss of the Company.

(iii) The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

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Annexure A.X - Restated Standalone Summary Statement of Dividend of the Company

	Year ended 31 March 2015	Year ended 31 March 2014
Number of equity shares (excluding treasury shares)	118,506,576	22,424,500
Face value (Rs.)	10.00	10.00
Dividend per equity share (Rs.)	-	-
Rate of dividend	-	-
Dividend tax rate	-	-
Total dividend	-	-

	Year ended 31 March 2015	Year ended 31 March 2014
Dividend on Compulsory Convertible Preference Shares (CCPS):		
Number of CCPS (refer note below)	-	7,141,664
Face value (Rs.)	10.00	10.00
Dividend per preference share (Rs.)	0.01	0.01
Rate of dividend	0.1%	0.1%
Dividend paid on preference shares	0.05	0.07
Tax on above dividend	0.01	0.01

Note:
7,141,664 CCPS were converted into equity shares during the year ended 31 March 2015.

The above Annexure should be read in conjunction with the Basis of Preparation and Significant Accounting Policies appearing in Annexure A.IV, Notes to the Restated Standalone Financial Information appearing in Annexure A.V and Statement on Adjustments to Audited Standalone Financial Statements appearing in Annexure A.VI.

FINANCIAL INDEBTEDNESS

For details of borrowing powers of the Board, see "*Our Management – Borrowing Powers of the Board*" on page 182.

Except as disclosed below, our Company and our Subsidiaries do not have any outstanding borrowings as of July 31, 2018.

A brief summary of the financial indebtedness of our Company and our Subsidiaries as of July 31, 2018 is disclosed below.

Nature of Borrowing	Amount Sanctioned (₹ in Million)	Amount Outstanding as of July 31, 2018 (₹ in Million)[(1)]
Our Company		
Secured Borrowings (Fund Based including Buyer's Credit#)		
Term Loans	5,750	3,637.51
Working Capital	4,400	1,817.16
Sub Total (A)	**10,150**	**5,454.67**
Our Subsidiaries		
SVIL		
Secured Borrowings (Fund Based)		
Term Loans	120	27.36
Working capital	230	131.81
Vehicle loans	973.30	412.33
Sub Total (B)	**1,323.30**	**571.50**
ITSL		
Unsecured Borrowings		
Overdraft	200	0.00
Sub Total (C)	**200**	**0.00**
Novus Lanka		
Secured Borrowings		
Term Loans	406.22*	354.25*
Sub Total (D)	**406.22***	**354.25***
Novus SGP		
Unsecured Borrowings		
Loan from director	56.13±	56.13±
Sub Total (E)	**56.13±**	**56.13±**
Total (A) + (B) + (C) + (D) + (E)	**12,135.65**	**6,436.55**

(1) Includes interest accrued but not due, as of July 31, 2018. Transaction costs in relation to term loan borrowings have been adjusted.
 # Buyer's Credit in USD is converted into INR using the exchange rate of USD1= INR 68.6068 as at July 31, 2018, based on the reference rate released by the RBI.

**The term loans availed by Novus Lanka are denominated in LKR. The sanctioned amount and the outstanding amounts for such term loans as at July 31, 2018 has been converted into INR using the exchange rate of LKR1 = INR0.4276, based on www.oanda.com.*

±The cash advance availed by Novus SGP is demonimated in SGD. The sanctioned amount and the outstanding amounts for such unsecured borrowings as at July 31, 2018 has been converted into INR using the exchange rate of SGD1 = INR 50.3040, based on www.oanda.com.

Other than as disclosed in "*Financial Statements*" and "*Related Party Transactions*" on pages 203 and 201, respectively, there are no outstanding unsecured loans availed by our Company or availed by our Subsidiaries, Promoters or Group Entities from our Company.

Principal terms of the borrowings availed by our Company and our Subsidiaries are disclosed below.

1. ***Interest:*** The interest rate applicable to our borrowing facilities is typically tied to the respective lender's base rate/ MCLR/ MIBOR/ LIBOR/ AWPLR prevailing at the time. The typical spread applicable to our borrowings ranges from 5 basis points to up to 438 basis points above the relevant lender's base rate/ MCLR/ MIBOR/ LIBOR/ AWPLR. Some of the loans availed by our Subsidiaries also have a fixed rate of interest typically ranging from 8.0% to 11.0%.

2. ***Tenor:*** The tenor of the term loans availed by us typically ranges from 60 months to 72 months. The tenor of the working capital limits is typically up to 12 months and such facilities are repayable on demand.

3. ***Security:*** Our borrowings are typically secured by a first or second ranking *pari passu* or exclusive charge by way of hypothecation on our receivables or a charge on our contract assets and other equipments. Some of our borrowing arrangements require counter guarantees of our Company.

4. ***Pre-payment and premature redemption:*** Facilities availed by us typically have pre-payment provisions which allow for pre-payment of the outstanding loan amount on receiving prior approval from such concerned lender, subject to such pre-payment penalties as may be decided by the lender at the time of such prepayment, or as laid down in the facility agreements, as the case may be. Among the facilities which specify a pre-payment penalty, the penalty typically ranges from 1.0% to 2.0% of the amount outstanding and proposed to be pre-paid. In relation to some of the vehicle loan facilities availed by SVIL, the pre-payment penalty ranges from 4.0% to 10.0% of the amount outstanding and proposed to be repaid.

5. ***Events of Default:*** The financing arrangements entered into by us contain standard events of default including:

   (i) non-payment or default of any amounts due on the facility or loan obligations;
   (ii) breach of covenants and conditions stipulated in the loan documents;
   (iii) failure to create security as stipulated in the loan documents;
   (iv) default on amounts due to/ facilities extended by any other lenders;
   (v) proceedings relating to winding up, liquidation or insolvency being initiated against us; and
   (vi) our Company or our Subsidiaries ceasing or threatening to cease to carry on its business.

   The details above are indicative and there may be additional terms that may amount to an event of default under the various financing arrangements entered into by us, such as any amendment to the memoranda and articles of association of our Company or our Subsidiaries or any change in our management or shareholding without the prior consent of the lenders. We are required to ensure that the aforementioned events of default and other events of default, as specified under the various facility documents and agreements entered into by us, are not triggered.

6. ***Penalty:*** Facilities availed by us contain provisions prescribing penalties for delayed payment or delay in submission of documents required under such facility documents, non-creation of security and default in our repayment obligations, which typically ranges from 1% to 2% of the amounts due and payable.

7. ***Restrictive Covenants:*** Certain borrowing arrangements entered into by us contain restrictive covenants, including covenants restricting certain actions except with the prior approval of or intimation to the lender. An indicative list of such restrictive covenants is disclosed below.

   (i) lender's unconditional right to revise or cancel the terms of the facility (including the credit limits, rates of interest, pre-payment charges and repayment schedule) at its sole discretion, without notice and without assigning reasons;
   (ii) lender's right to accelerate payments, recall the amount under the facility or cancel the undrawn portion of the sanctioned amount;
   (iii) lender's absolute right to settle any indebtedness owed by our Company or our Subsidiaries, as applicable, by adjusting balance of any account of the Company our Subsidiaries, as applicable, without prior notice;
   (iv) lender's right to appoint a nominee director on the board of the Company or our Subsidiaries, as applicable;
   (v) lender's right to seek certain amendments to the constitutional documents of the Company or

our Subsidiaries, as applicable;

(vi) lender's right to seek conversion of debt into equity upon default;

(vii) restriction on assignment of our Company's or our Subsidiaries' obligations, as applicable, under the facility documents;

(viii) restriction on undertaking certain corporate actions except with the prior approval of, or intimation to, as applicable, the lender, including:

- effecting any change in our capital structure including by way of fresh issuance of Equity Shares;
- amendments to the memorandum and articles of association of the Company or our Subsidiaries, as applicable,;
- undertaking guarantee obligations on behalf of any third party;
- formulating any scheme of amalgamation or reconstruction;
- change in the constitution of the Company or our Subsidiaries, as applicable, including shareholding pattern, ownership, controlling interest and control;
- change in the management of the Company or our Subsidiaries, as applicable, including changes in the composition of the board of directors and the key managerial personnel of the Company or our Subsidiaries, as applicable;
- investment by way of share capital or extending loans or advances or placing deposits with any other entity (excluding our group companies and associate companies);
- declaration of dividend except out of profits relating to the financial year;
- carrying out any change of business; and
- making any pre-payment of principal amounts due under the facilities.

8. ***Consequences of Events of Default:*** Upon the occurrence of certain events or otherwise, certain lenders to our Company and our Subsidiaries, as applicable, have the right to:

(i) convert the whole or part of the outstanding amount of the facility into fully paid-up Equity Shares of our Company or our Subsidiaries, as applicable, at a conversion price to be determined in accordance with applicable laws;

(ii) appoint nominee directors;

(iii) review/revoke the sanction of the loan and in case the loan has already been disbursed, to withhold disbursement of the balance loan amount and to recall the loan already advanced in certain circumstances;

(iv) impose penal/default interest;

(v) accelerate the facility and declare all amounts payable by our Company or our Subsidiaries, as applicable, in respect of the facility to be due and payable immediately or otherwise payable on demand; and

(vi) enforce the security.

The details provided above are indicative and there may be additional terms, conditions and requirements under the specific borrowing arrangements entered into by us.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion in conjunction with our Restated Financial Information for financial years 2018, 2017, 2016, 2015 and 2014, including the related notes and annexures.

*Our Restated Financial Information as of and for financial years 2018, 2017 and 2016 included in this Draft Red Herring Prospectus has been prepared under Ind AS notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) Rules, 2016, read with the Companies Act, 2013. The restated financial information as of and for financial years 2018 and 2017 has been compiled from the audited consolidated financial statements of our Company prepared under Ind AS. Our date of transition to Ind AS was April 1, 2016 and the audited financial statements for financial year 2018 were the first to be prepared in accordance with Ind AS. The restated financial information as of and for financial year 2016 has been prepared by making Ind AS adjustments to the audited financial statements prepared under previous generally accepted accounting principles followed in India ("**Indian GAAP**") as of and for financial year 2016. The restated financial information as of and for financial years 2015 and 2014 included in this Draft Red Herring Prospectus have been prepared under Indian GAAP. The Restated Financial Information are restated in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations.*

Our Fiscal ends on March 31 of each year. Accordingly, all references to a particular financial year are to the 12-month period ended March 31 of that year.

This section contains industry-related data and statistics from the reports titled "India ATM Market Outlook to 2023" and "India Payment Services Market Outlook to 2023", prepared by Ken Research Private Limited, which we have commissioned.

This discussion contains forward-looking statements that involve risks and uncertainties and reflects our current view with respect to future events and financial performance. Actual results may differ from those anticipated in these forward-looking statements as a result of factors such as those set forth under "Forward-looking Statements" and "Risk Factors" on pages 19 and 20, respectively.

Overview

We are one of India's leading providers of end-to-end cash and digital payment solutions and automation technology. We provide customised products and services comprising ATM outsourcing and cash management, as well as digital payment solutions including merchant solutions, transaction processing services and mobile wallets. As of March 31, 2018, we were the second largest company in India in terms of number of ATMs managed, revenue from ATM managed services and number of ATMs provided with cash management services, and the fourth largest company in India in terms of revenue from cash management *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018)*. For the financial year 2018, we derived 97.4% of our revenues from India where our business started, although we have expanded internationally to offer automation and payment solutions to banks and financial institutions in other Asian countries such as Sri Lanka, Singapore, Cambodia, and Philippines. Our total revenue from operations was ₹14,813.17 million for the financial year 2018, and our total revenue from operations grew at a CAGR of 10.7% between the financial years 2016 and 2018.

We started providing banking automation solutions in India in 2004. We deployed products from international solution providers such as Diebold Nixdorf and established our own country-wide service infrastructure and automation solutions expertise to provide related services. Beginning 2009, we leveraged our banking automation solutions expertise and service reach to offer ATM outsourcing and managed services by, among other things, entering into a cooperation agreement with Diebold Nixdorf for banking and retail products. As part of our strategy to strengthen our presence in the cash value chain, offer an integrated payments platform and improve our operational efficiencies, we commenced offering transaction switching services in 2011 and cash management services in 2012. In 2014, we expanded our offerings into digital payment solutions, enhancing our integrated digital platform and Software-as-a-Service ("**SaaS**") capabilities. We also entered into an alliance with ACI Worldwide ("**ACI**"), a leading international payments solution provider, in 2016, which has further strengthened our value proposition to customers.

We operate our business in the following segments:

- Payment Solutions;
- Banking Automation Solutions; and
- Other Automation Solutions (for customers in the retail, petroleum and colour sectors).

Our Payment Solutions segment comprises ATM outsourcing and managed services, cash management services, intelligent cash deposit machines ("**iCDs**"), transaction switching and digital payment solutions, merchant solutions, automatic vehicle fuelling (or *Fastlane)*, toll and transit solutions and agency banking. Our customers in the Payment Solutions segment include ICICI Bank Limited, Axis Bank Limited, HDFC Bank Limited, RBL Bank Limited, BTI Payments Private Limited, Hindustan Petroleum Corporation Limited ("**HPCL**"), Indian Oil Corporation Limited ("**IOCL**"), Lanka IOC, Utkarsh Small Finance Bank Limited, and Ly Hour Pay Pro and DaraPay in Cambodia.

- In our ATM outsourcing and managed services businesses, we are responsible for the end-to-end management of ATMs, starting from site identification and development, followed by machine deployment, maintenance and management on behalf of our customers. While we own the ATMs in our outsourcing services business, the ownership of these machines remains with the customers themselves under our managed services business. As of June 30, 2018, our portfolio consisted of 13,329 ATMs and 24,323 ATMs under our outsourcing and managed services businesses, respectively.
- Our subsidiary SVIL's cash management services build on our ATM outsourcing and managed services businesses, and include cash replenishment, cash pick-up, cash-in-transit ("**CIT**"), cash vaulting and cash processing services for ATMs managed by us and by other operators. As of June 30, 2018, we provide cash management services through a fleet of 1,323 cash vans, and 307 vaults and spoke locations, covering approximately 1,400 cities and towns in India. Our subsidiary SVIL was the second largest cash management company in India, by number of ATMs serviced, as of March 31, 2018 *(Source: India ATM Managed Services Market Outlook to 2023, Ken Research, June 2018*).
- We also provide transaction switching services, where we integrate a variety of payment channels, including internet payment gateways and several mobile payment systems, to route, switch and process electronic transactions even across non-banking segments. This gives us the ability to cater to the needs of banks, retailers, petrol stations and other financial institutions across the payment transactions value chain and to assist our customers in the issuance of new cards, migrating their existing card base and the authorization of cards. Our in-house switch development software team also develops customized switching solutions for our customers.
- To enhance our digital portfolio and address new market segments, we commenced our operations in merchant solutions. Our merchant services include device-based and device-less payment solutions, prepaid and loyalty programs, Cash@POS, payment gateway and remote payment solutions, loans against card receivables and other value added services. As of June 30, 2018, we have approximately 61,000 merchants as clients.

Our Banking Automation Solutions business segment, which commenced in 2004, comprises the supply and installation of ATMs and other automated banking products and the provision of services, including maintenance, software and hardware upgrades and spare parts. As of June 30, 2018, we have supplied and installed approximately 54,000 ATMs and we have approximately 50 banking customers, including ICICI Bank Limited, Axis Bank Limited and HDFC Bank Limited.

Our Other Automation Solutions business segment encompasses our retail, petroleum and colour operations. As part of our Other Automation Solutions segment, we supply automation products and provide implementation services, system integration, remote management and support and help desk services. Customers for our retail sector offerings include Future Retail Limited, while customers for our petroleum sector offerings include HPCL and IOCL. Our colour operations primarily comprise the supply of automatic paint dispensers and related services, and serve customers including Kansai Nerolac Paints Limited and Berger Paints India Limited.

As of June 30, 2018, we had installed, maintained or managed a network of approximately 72,000 ATMs, provided cash management services to approximately 28,900 ATMs through our subsidiary, Securevalue India

Limited ("**SVIL**"), installed approximately 71,000 merchant POS and 37,000 cash billing terminals, automated approximately 8,000 petroleum outlets and installed approximately 54,000 colour dispensing machines across India. For the three months ended June 30, 2018, SVIL replenished a daily average amount of ₹8,016.97 million, and we processed 193.60 million and 427.14 million switching transactions in the three months ended June 30, 2018 and in the financial year 2018, respectively. For the three months ended June 30, 2018, we processed 34.38 million merchant transactions with gross transaction value of ₹13,376.89 million. Our operations covered approximately 2,200 cities and towns, servicing approximately 235,000 machines or customer touch points as of June 30, 2018.

Significant Factors Affecting Our Results of Operations and Financial Condition

Ability to Deliver New and Innovative End-to-end Solutions

The business segments in which we operate are characterised by evolving industry standards, changing customer preferences and introduction of new technologies, products and services. Responding to opportunities to expand into other services to complement our core payment and banking offerings is a key element of our growth strategy. As new technologies develop, our infrastructure may need to be replaced or upgraded, or we may need to develop completely new services, such as our initiative to develop mobile payments services, to maintain our competitive position. We expect that our ability to anticipate these technological advances and develop innovative end-to-end solutions for our customers to meet their requirements in a timely and cost-effective manner will have a significant effect on our results of operations.

Further, we believe that the diversification of our business and revenue base is a key component of our success. We believe that our financial performance is tied to our ability to provide diversified, customised end-to-end solutions to existing and new customers. We derive a significant majority of revenue from our Payment Solutions segment, particularly from providing ATM outsourcing and cash management services. We are growing our digital solutions business and to the extent that our diversification strategy is successful, it will mitigate risks associated with revenue concentration.

Continued Relationships with Customers, Key Partners and Vendors

We have developed strong relationships with several key customers. We intend to deepen our relationships with our customers by offering customised, end-to-end payment transactions and automation solutions and procure repeat orders. Our ability to maintain and strengthen our relationships with such customers will affect our revenues.

We have established relationships with several key partners and vendors. Our ability to continue offer our products and services is dependent on our continued relationships with such key partners and vendors. We believe that our long-standing relationship with such companies has led to effective knowledge sharing and the adoption of global best practices, thereby enabling us to improve and develop our in-house service capabilities. Such tie-ups have also allowed us to develop credibility, as we are able to cater to our customers in a quick and effective manner. Consequently, the development and continued maintenance of relationships with our partners and vendors is a key factor in the operation of our business.

Government Regulation and Policy

The payments and banking industries in India, and more specifically, the installation, maintenance and management of ATMs and the installation and servicing of payment systems, are regulated and the regulatory environment has been subject to changes in the past. In addition, interchange fees, which are the fees charged by one bank for usage of another bank's ATM card on the first bank's ATM machines, in India is set by member organisations such as the National Payments Corporation of India. Any potential future governmental or other actions that affect the amount of interchange fees that can be assessed on a transaction will affect our revenues.

Government policies may also affect our business. For example, the withdrawal of the two largest denominations as part of the demonetisation in India in November 2016 and the resultant shortage of banknotes led to customers being unable to withdraw cash at ATMs. This contributed to a decline in the number of transactions on the ATM network and lower growth in the managed services market in the financial year 2017.

In addition to India, we also operate in select Asian countries, and laws and regulations vary substantially in each of these countries. The extensive regulatory structures under which we carry out our operations influences our flexibility to respond to market conditions, competition or changes in our cost structure.

For further details, please see the sections "*Regulations and Policies*" and "*Government and Other Approvals*" on pages 162 and 488, respectively.

Capital Requirements and Availability of Funding

Our business is capital intensive, as a substantial amount of capital is required to build, maintain and operate an ATM network and infrastructure. Further, we would require a significant amount of capital to purchase or manufacture automated products, develop and implement new technologies, acquire and invest in new businesses and expand our operations into new jurisdictions. We expect that our capital expenditures for the financial years 2019 and 2020 will be up to ₹1,500 million and ₹1,750 million, respectively. To the extent that our capital requirements exceed available resources, we will be required to seek additional debt or equity financing. Additional debt financing could increase our interest expense and may require us to comply with additional restrictive covenants under our financing agreements. Our ability to obtain additional financing will also depend on a number of factors, including our future financial condition, results of operations and cash flows, general market conditions and economic, political and other conditions in the markets where we operate. Our ability to finance our capital needs, and secure other financing when needed, on acceptable terms, is a key factor in the operation of our business.

Market Conditions and Demand for our Products and Services

Our results of operations depend on the continued existence, success and growth of, and demand for, our various products and services. Developments in the global and Indian economy influence the decisions of enterprises to determine their spending for payment transactions and automation solutions, thereby affecting the demand for our products and services.

Sales to Indian customers have comprised a majority of our total revenues, so consequently, our operating results depend on general economic conditions in India. With the economy showing signs of recovery and the Government's focus on financial inclusion, we expect the demand for our products and services to grow. Further, as we have also started expanding our operations to Southeast Asian and other countries, our results could be affected by economic conditions in those markets.

Competition

Our businesses are in industries which are highly competitive. For our banking sector operations, our principal competition comes from independent ATM manufacturers and managed services providers and national and regional financial institutions. We compete with our competitors for the sale, operations and maintenance of ATMs and they could affect our ability to obtain or maintain desirable locations for our ATMs. Our competitors in our Payment Solutions segment include other cash management companies, commercial banks and other POS players. See "*Industry Overview*" on page 119.

Increased competition could affect our transaction fees, gross margins and market share.

Our Critical Accounting Policies

We set forth below certain critical accounting policies. For a complete description of significant accounting policies applicable to us, see "*Financial Statements - Annexure V – Notes to Restated Standalone Financial Information*" and "*Financial Statements - Annexure V – Notes to Restated Consolidated Financial Information*" on page 203.

Basis of measurement

The Restated Consolidated Financial Information have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial instruments (assets and liabilities) measured at fair value (refer accounting policy regarding financial instruments).

- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations.

Key estimates and assumptions

While preparing the Restated Consolidated Financial Information in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the balance sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively. Judgement, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of property, plant and equipment and investment property are based on the life prescribed in Schedule II of the Act. In cases where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period. All useful lives are reviewed at each reporting period and revised, if required.

Recognition and measurement of other provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the closing date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Discounting of long-term financial assets / liabilities

All financial assets or liabilities are required to be measured at fair value on initial recognition. In case of financial assets or liabilities which are required to subsequently be measured at amortized cost, interest is accrued using the effective interest method.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognized using the Group's incremental borrowing rate. In case of operating lease, all payments under the arrangement are treated as lease payments.

Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers. Further information about the assumptions made in measuring fair values is included in the following note: Impairment test of non-financial assets - key assumptions underlying recoverable amounts.

Taxes

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

Basis of consolidation

The Restated Consolidated Financial Information has been prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements'.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra Group transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognized as 'Goodwill on Consolidation' being an asset in the Restated Consolidated Financial Information. The said Goodwill is not amortized, however, it is tested for impairment at each balance sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognized as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the Restated Consolidated Summary Statement of Assets and Liabilities. In case of acquisition of additional stake in the existing subsidiary, the excess of purchase consideration over the Group's portion of equity of the subsidiary on the date on which the additional investment is made, is adjusted in equity.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the Restated Consolidated Summary Statement of Assets and Liabilities separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:

a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and

b) The non-controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence.

The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Restated Consolidated Summary Statement of Profit and Loss and Restated Consolidated Summary Statement of Changes in Equity.

Upon loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in the Restated Consolidated Summary Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognized in Restated Consolidated Summary Statement of Profit and Loss. Subsequently, it may be accounted for as an equity-accounted investee depending on the level of influence retained.

As far as possible, the Restated Consolidated Financial Information is prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's Restated Standalone Financial Information.

The subsidiaries considered in the preparation of the Restated Consolidated Financial Information and the shareholding of the Group in these companies as of March 31, 2018 is as follows:

Subsidiaries	**Holding Company**	**Country of Incorporation**	**Ownership interest**
India Transact Services Limited (w.e.f. April 1, 2010)	Company	India	100%
Securevalue India Limited (w.e.f. April 24, 2012)	Company	India	100%
Global Transact Services Pte. Ltd. ("**GTSL**") (w.e.f. March 6, 2009)	Company	Singapore	100%
Novus Technologies Pte. Ltd. ("**NTPL**") (w.e.f. November 28, 2013)	GTSL	Singapore	90%
Novus Technologies (Cambodia) Company Limited (w.e.f. 29, August 2014)	NTPL	Cambodia	90%
Novus Transact Philippines Corporation (w.e.f. September 15, 2014)	NTPL	Philippines	90%
Novustech Transact Lanka (Pvt.) Ltd. (w.e.f. September 23, 2016)	NTPL	Sri Lanka	90%

Financial assets

Initial recognition and measurement

Financial assets are recognized when the Group becomes a party to the contractual provisions of the instrument.

On initial recognition, a financial asset is recognized at fair value, in case of financial assets which are recognized at fair value through profit and loss ("**FVTPL**"), its transaction cost is recognized in the Restated Consolidated Summary Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Classification and subsequent measurement

The Group classifies its financial assets into a) financial assets measured at amortised cost, b) financial assets measured at fair value through other comprehensive income ("**FVOCI**"), and c) financial assets measured at fair value through profit or loss ("**FVTPL**"). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

a) Financial assets measured at amortized costs

A financial asset is classified and measured at amortized costs if it is held within a business model whose objective is to:

- hold financial asset in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using effective interest rate method ("**EIR**"). Amortized cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortization of such interest forms part of finance income in the Restated Consolidated Summary Statement of Profit and Loss. Any impairment loss arising from these assets is recognized in the Restated Consolidated Summary Statement of Profit and Loss.

b) FVOCI

Debt investments at financial assets measured at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognized in Restated Consolidated Summary Statement of Profit and Loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Restated Consolidated Summary Statement of Profit and Loss.

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

c) FVTPL

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortized cost, is classified as FVTPL. Financial assets at fair value through profit and loss are measured at fair value, and changes therein are recognized in the Restated Consolidated Summary Statement of Profit and Loss.

Trade receivables

Trade receivables are initially recognized at fair value. Subsequently, these assets are held at amortized cost, using the effective interest rate (EIR) method. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, prior experience, customer profile and expectations about future cash flows.

Financial liabilities

Initial recognition and measurement

A financial liability is recognized when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value less any directly attributable transaction costs unless at initial recognition, they are classified as fair value through profit and loss. A financial liability is classified as at FVTPL if it is held for trading, or it is a derivative or it is designated as such on initial recognition.

Subsequent measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in Restated Consolidated Summary Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortized cost using EIR. Interest expense and foreign exchange gains and losses are recognized in the Restated Consolidated Summary Statement of Profit and Loss.

Derivative financial instruments

The Group holds derivative financial instruments (forward contracts) to hedge its foreign currency exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in Restated Consolidated Summary Statement of Profit and Loss. The gain or loss on such derivative is presented in the Restated Consolidated Summary Statement of Profit and Loss in the same line item as the corresponding foreign exchange loss or gain arising from the hedged transaction.

Share Capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognized as a deduction from equity.

Treasury shares

The Company has created AGSTTL Employees Welfare Trust ("**Trust**") for providing share-based payment to its employees. The Trust is used as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company for giving shares to employees. The Company treats Trust as its extension and shares held by Trust are treated as treasury shares. Treasury shares are recognized at cost and deducted from equity. No gain or loss is recognized in Restated Consolidated Summary Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in capital reserve. Share options exercised during the reporting period are deducted from treasury shares.

Property, Plant and Equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located after deducting trade discounts and rebates.

Pre-operative expenses such as salaries, rent, octroi charges, brokerage, legal and professional fees, etc. incurred during installation period are capitalized under the respective asset head as part of the indirect installation cost, to the extent to which the expenditure is allocable / apportioned to the asset-head. In case of composite contract involving acquisition of property, plant and equipment and providing services, the property, plant and equipment are capitalized at the respective fair value of the asset acquired.

Stores and spares includes tangible items used as rotables in supply of goods or services and are expected to be used for a period more than 1 year.

Demo assets includes assets which are given for training, testing and demonstration to various current and prospective customers for supply of goods or services and are expected to be used for a period more than 1 year.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in Restated Consolidated Summary Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of balance sheet are disclosed as 'Capital work-in-progress'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are classified as capital advances.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its tangible assets recognized as of transition date measured as per the previous Indian GAAP and use that carrying value as the deemed cost of tangible assets. The Group has followed the same accounting policy choice as initially adopted on transition date i.e. April 1, 2016 while preparing proforma Ind AS Restated Financial Information for the years ended March 31, 2016.

Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the entity.

Depreciation

Useful life of property, plant and equipment

During the year ended March 31, 2016, based on review of physical condition and technical assessment of the specific assets capitalized in earlier years, the management had revised the estimates of useful life for ATM Machines from 7 years to 10 years. The effect of change in useful life on depreciation was recognized prospectively. As a result of this change depreciation for the year ended March 31, 2016 was lower by ₹ 155.81 million.

Residual value

During the year ended March 31, 2016, based on the experience and technical assessment, the management had revised the estimates relating to the residual value of certain class of property, plant and equipment, mainly ATM Machines and other movable assets at ATM sites like Air Conditioners, UPS, etc. The residual value of these specific assets was revised to 5% of original cost as compared to Zero as estimated earlier. The effect of change in residual value was recognized prospectively. As a result of this change, the depreciation for the year ended March 31, 2016 was lower by ₹ 31.10 million.

Depreciation on property, plant and equipment

Depreciation is provided on the Written Down Value ("**WDV**") method, except in the case of Building, ATM, ATM sites, demo assets, POS machines and stores and spares where the Straight-Line Method ("**SLM**") is used, over the estimated useful life of each asset as determined by the management. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

The estimated useful life and method of depreciation of items of property, plant and equipment are as follows:

Asset	Method of Depreciation	Useful life (years)
Buildings	SLM	30-60
ATM machines[1 and 3]	SLM	5-10
Other assets at ATM Sites[1 and 3]	SLM	7
POS machines[1 and 3]	SLM	3-5
Demo assets	SLM	2-5
Stores and spares[2]	SLM	5
Plant and machinery[1]	WDV	10-15
Furniture and fixtures[3]	WDV	2-10
Office equipment, electrical installation and air conditioners[3]	WDV	2-10
Computers[3]	WDV	1-6
Vehicles for office purposes	WDV	8
Vehicles for cash management[1]	SLM	7

Notes: 1) ATM machines, other assets at ATM sites, POS machines, vehicles for cash management business and plant and machinery are depreciated over the estimated useful lives, which is lower than the useful life indicated in Schedule II of the Act. 2) The management has estimated, supported by independent assessment by professionals, the useful lives of the classes of assets. 3) Foreign subsidiaries are depreciating assets on SLM basis. The useful life for ATM machines, POS machines, furniture and fixtures; office equipment, electrical installation and air conditioner and computers have been estimated to be 5 years, 3 years, 2 years, 2 to 3 years and 1 year respectively.

Leasehold improvements are amortized over the primary period of lease i.e. lease period which ranges from 3 to 10 years as per the agreement or the life of respective assets, whichever is lower

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Intangible assets

Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the Restated Consolidated Summary Statement of Profit and Loss in the year in which the expenditure is incurred.

Subsequent expenditure

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any. Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates.

Service concession arrangements

The Group recognizes an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortization and accumulated impairment losses, if any.

Transition to Ind AS

On transition to Ind AS, the Group has elected to continue with the carrying value of all of its intangible assets recognized as of transition date, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

Amortization of intangible assets

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Technical know-how	7
Software	4

Non-compete fee is amortized over the period of contract. The estimated useful life of an intangible asset in a service concession arrangement is amortized over the period of contract. The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Expenditure on research and development

Expenditure on research activities is recognized in the Restated Consolidated Summary Statement of Profit and Loss as incurred.

Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in Restated Consolidated Summary Statement of Profit and Loss as incurred.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortization of the asset begins when development is complete and the asset is available for use. It is amortized on a straight line basis over the period of expected future benefit from the related project. Amortization is recognized in the Restated Consolidated Summary Statement of Profit And Loss.

During the period of development, the asset is tested for impairment annually.

Impairment of non-financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units ("**CGUs**"). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Restated Consolidated Summary Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill on business combinations is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Inventories

Raw materials, finished goods, stores, spares (other than those capitalized in property, plant and equipment), traded items and consumables are carried at the lower of cost and net realizable 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 sold at or above cost. The comparison of cost and net realizable value is made on an item-by-item basis.

In determining cost of raw materials, finished goods, traded items, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of finished goods includes the cost of raw materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition. Fixed production overheads are allocated on the basis of normal capacity of production facilities.

Revenue

Sale of goods

Revenue from the sale of goods in the course of ordinary activities is measured at fair value of the consideration received or receivable, is inclusive of excise duty, as applicable and net of returns, service level agreement deductions, warranties, trade discounts, goods and service tax / service tax / value added tax / sales tax (as applicable) and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing effective control over, or managerial involvement with, the goods, and the amount of revenue can be measured reliably. Revenue from sale of ATM sites is recognized based on customer acceptance received on completion of the ATM sites.

Rendering of services

Revenue from services is recognized on rendering of respective services to customers as per the agreements entered into with the respective customers.

The revenue from ATM and management services is disclosed net of service level agreements deductions, one-time upfront fees and premium on purchase of property, plant and equipment. One-time upfront fees and premium on purchase of property, plant and equipment is amortized over the period of the respective contract.

Revenue from maintenance contracts is recognized pro-rata over the period of the contract as and when services are rendered.

Revenue from one time set up fees is recognized over the expected contractual term with the customers. Servicing fees for POS machine is recognized on monthly basis based on certainty of collection and transaction fees on the basis of transactions settled using POS machines.

The Group collects goods and service tax, service tax, sales tax and value added taxes, as applicable on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognized based on the stage of completion of the work performed. Operation or service revenue is recognized in the period in which the services are provided by the Group.

Multiple deliverable arrangements

When two or more revenue generating activities or deliverables are provided under a single arrangement, each deliverable that is considered to be a separate unit of account is accounted for separately. The allocation of consideration from a revenue arrangement to its separate units of account is based on the relative fair value of each unit. If the fair value of the delivered item is not reliably measurable, then revenue is allocated based on the difference between the total arrangement consideration and the fair value of the undelivered item.

Recognition of dividend income, interest income or expense

Dividend income is recognized in Restated Consolidated Summary Statement of Profit and Loss on the date on which the Group’s right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

For all financial instruments measured at amortized cost, interest income or expense is recorded using the effective interest rate (“**EIR**”), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in other income in the Restated Consolidated Summary Statement of Profit and Loss.

Finance lease interest expense is recognized upon commencement of the finance lease agreement using constant periodic rate of return over the period of the agreement.

Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognized in Restated Consolidated Summary Statement of Profit and Loss in the period in which they arise.

Foreign operations

In case of foreign operations whose functional currency is different from the parent's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the year. Resulting foreign currency differences are recognized in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve ("**FCTR**"). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Restated Consolidated Summary Statement of Profit and Loss

Fair value gain / (loss) of derivative contracts

Foreign exchange difference on foreign currency borrowings, settlement gain / (loss) and fair value gain/loss on derivative contracts relating to borrowings are accounted and disclosed under finance cost.

Employee benefits

Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognized in the year in which the employee renders the related services. For the amount expected to be paid, the Group recognize an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered Provident Fund Scheme and Employee State Insurance Corporations. The Group has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the year in which the employment services qualifying for the benefit are provided. Some of the foreign subsidiaries of the Group makes specified contributions towards pension scheme. These contributions are recognized as an expense in the Restated Consolidated Summary Statement of Profit and Loss, during the period in which the employee renders the related services.

Gratuity - Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary and the tenure of employment with the Group.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized in other comprehensive income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in Restated Consolidated Summary Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognized immediately in Restated Consolidated Summary Statement of Profit and Loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognized as a liability at the present value of the estimated liability for leave as a result of services rendered by employees, which is determined at each balance sheet date based on an actuarial valuation by an independent actuary using the projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employee benefits, are based on the market yields on Government of India securities as at the balance sheet date. Re-measurement gains and losses are recognized immediately in the Restated Consolidated Summary Statement of Profit and Loss.

The Group presents the above liability as current in the Restated Consolidated Summary Statement of Assets and Liabilities.

Employee stock compensation cost

The grant date fair value of equity settled share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

Provisions (other than for employee benefits)

A provision is recognized if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Provision for warranties

Provision for warranty-related costs is recognized when the related product is sold or service provided. Provision is based on technical estimates which are based on historical experience. The estimates of such warranty-related costs are reviewed and revised annually.

Leases

Leases where the Group is lessee

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 recognized as an expense in the Restated Consolidated Summary Statement of Profit and Loss on a straight-line basis over the lease term, unless the escalation is in line with inflation

Leases where the Group is lessor

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 recognized as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognized in the Restated Consolidated Summary Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the Restated Consolidated Summary Statement of Profit and Loss.

Income Tax

Income tax comprises current and deferred tax. It is recognized in Restated Consolidated Summary Statement of Profit and Loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

Current Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

Deferred Tax

Deferred tax is recognized in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves. Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.
Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

Operating segments

Basis for segmentation

An operating segment is a component of the entity that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Such decision is taken by Chief Operating

Decision Maker ("**CODM**"). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

Business segment

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. Accordingly, the Group has identified 'Payment Solutions', 'Banking Automation Solutions' and 'Other Automation Solutions' segments as the primary reportable segments.

Geographical segment

The Group's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

Segment information

- Inter-segment transfers: The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

- 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 the accounting policies adopted for preparing and presenting the Restated Consolidated Financial Information of the Group as a whole.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, unrestricted bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

Segment Information

Our financial statements are prepared and presented in three business segments:

- Payment Solutions, which includes ATM outsourcing and managed services, cash management services, iCDs, transaction switching and electronic payment solutions, merchant solutions, automatic vehicle fuelling (or *Fastlane)*, toll and transit solutions and agency banking;

- Banking Automation Solutions, which comprises sale of ATM machines and cash recyclers, currency technology products and self-service terminals and services related to such sales both within and outside India; and

- Other Automation Solutions, which comprises sale of machines and related services to customers in the retail, petroleum and colour sectors.

Our restated consolidated segment-wise total revenue net of inter-segment revenue and results are presented below for financial years 2018, 2017 and 2016:

Financial Year	**Particulars**	**Payment Solutions** *Amount (₹ in millions)*	**Banking Automation Solutions** *Amount (₹ in millions)*	**Other Automation Solutions** *Amount (₹ in millions)*	**Total** *Amount (₹ in millions)*
2018	Total Revenue	10,508.41	2,176.24	2,128.52	14,813.17
	Segment Results	1,829.70	85.09	83.40	1,998.19

Financial Year	Particulars	Payment Solutions *Amount (₹ in millions)*	Banking Automation Solutions *Amount (₹ in millions)*	Other Automation Solutions *Amount (₹ in millions)*	Total *Amount (₹ in millions)*
2017	Total Revenue	8,199.45	2,978.66	2,178.05	13,356.16
	Segment Results	905.42	423.99	148.39	1,477.80
2016	Total Revenue	7,360.37	3,109.36	1,625.81	12,095.54
	Segment Results	1,090.80	402.50	(94.46)	1,398.84

Revenue and Expenses

*Revenue***.** Our total revenue consists of revenue from operations and other income.

Revenue from Operations. Revenue from operations comprises revenues from the sale of products, the sale of manufactured goods and revenue from services.

Sale of products comprises sale of traded goods comprising the following automation products:

- Petroleum automation products contributing to the Other Automation Solutions segment; and
- Certain banking automation products contributing to the Payment Solutions segment.

Sale of manufactured goods comprises sale of:

- Automation products such as banking currency automation products and retail and colour automation products contributing to the Banking Automation Solutions and Other Automation Solutions segments, respectively; and
- ATM and ATM sites contributing to the Banking Automation Solutions segment.

Revenue from services comprises revenue from:

- ATM and management services contributing to the Payment Solutions segment;
- maintenance services in respect of automation products supplied under Banking Automation Solutions, Other Automation Solutions and Payment Solution segments;
- Electronic payment services includes revenue received from providing digital solutions contributing to the Payment Solutions segment; and
- Cash management services contributing to the Payment Solutions segment.

Other Income. Other income primarily includes interest income from security deposits, bank deposits and insurance claims received.

Expenses

Expenses consists of cost of raw materials and components consumed, excise duty on sale of goods, purchase of traded goods, increase or decrease in inventories of finished goods and traded goods, employee benefit expenses and other expenses.

Cost of raw materials and components consumed. Cost of raw materials and components consumed comprises manufacturing and all other direct costs incurred towards the cost of manufactured goods.

Excise duty. Excise duty on sale of goods comprises excise payments made in relation to goods manufactured.

Purchase of traded goods. Purchase of traded goods comprises the cost of certain automation products purchased from third parties.

Increase or decrease in inventories of finished goods and traded goods. Difference of opening and closing stock of finished and traded goods.

Employee benefit expenses. Employee benefit expenses include salaries and wages, contributions to provident and other funds, gratuity and other staff welfare benefits.

Other Expenses. Other expenses primarily include:

- Cash management expenses;
- Rent expenses;
- Caretaker and housekeeping expenses;
- Repairs and maintenance – plant and machinery;
- Subcontracting expenses; and
- Power and fuel expenses.

Finance costs. Finance costs include interest expense on financial liabilities measured at amortized costs, other borrowing costs, foreign exchange differences treated as adjustments to borrowing costs and net realized loss on derivative contracts.

Depreciation and amortization expenses. Depreciation and amortization expenses includes the depreciation and amortization of buildings, plant and machinery, demo assets, electrical installations and equipment, stores and spares, vehicles, ATM sites, furniture and fixtures, computers, leasehold improvements, POS machines and intangibles.

Our Results of Operations

The following table sets out financial data from our restated consolidated information of profit and loss for the financial years 2018, 2017 and 2016, the components of which are also expressed as a percentage of total revenue for such periods:

	For the Financial Year					
	2018		**2017**		**2016**	
	Amount (₹ in millions)	*% of Total Revenue*	*Amount (₹ in millions)*	*% of Total Revenue*	*Amount (₹ in millions)*	*% of Total Revenue*
Revenue						
Revenue from Operations	14,813.17	99.1	13,356.16	98.8	12,095.54	98.7
Other Income	140.53	0.9	166.37	1.2	164.64	1.3
Total Revenue	**14,953.70**	**100.0**	**13,522.53**	**100.0**	**12,260.18**	**100.0**
Expenses						
Cost of Raw Materials and Components Consumed	2,841.07	19.0	3,097.17	22.9	3,035.98	24.8
Excise Duty	82.49	0.6	277.56	2.1	213.45	1.7
Purchase of Traded Goods	541.96	3.6	94.72	0.7	120.04	1.0
Decrease in Inventories of Finished Goods and Traded Goods	62.23	0.4	41.15	0.3	56.13	0.5
Employee Benefit Expenses	2,333.44	15.6	2,222.76	16.4	1,785.54	14.6

	For the Financial Year					
	2018		2017		2016	
	Amount (₹ in millions)	*% of Total Revenue*	*Amount (₹ in millions)*	*% of Total Revenue*	*Amount (₹ in millions)*	*% of Total Revenue*
Other Expenses	6,898.31	46.1	6,106.96	45.2	5,639.65	46.0
Finance Costs	827.75	5.5	780.72	5.8	714.80	5.8
Depreciation and Amortisation	1,128.98	7.5	1,004.66	7.4	785.37	6.4
Profit/(Loss) before Tax	**237.47**	**1.6**	**(103.17)**	**(0.8)**	**(90.78)**	**(0.7)**
Total Tax Expense	174.26	1.2	112.04	0.8	83.21	0.7
Profit/(Loss) After Tax	**63.21**	**0.4**	**(215.21)**	**(1.6)**	**(173.99)**	**(1.4)**

Financial Year 2018 Compared to Financial Year 2017

Total Revenue. Our total revenue increased by 10.6% to ₹14,953.70 million for the financial year 2018 from ₹13,522.53 million for the financial year 2017, primarily due to an increase in revenue from operations.

Revenue from Operations. Our revenue from operations increased by 10.9% to ₹14,813.17 million for the financial year 2018 from ₹13,356.16 million for the financial year 2017 due to an increase in revenue from services to ₹12,078.16 million for the financial year 2018 from ₹9,694.75 million for the financial year 2017, primarily as a result of:

- an increase in revenue from ATM and management services to ₹8,988.39 million for the financial year 2018 from ₹7,122.86 million for the financial year 2017 due to an increase in transaction fees received as part of our service contracts; and
- an increase in revenue from electronic payment services to ₹508.54 million for the financial year 2018 from ₹117.19 million for the financial year 2017 due to an increase in digital transactions in India as well as in our overseas operations,

which were partially offset by a decrease in revenue from cash management services to ₹723.85 million for the financial year 2018 from ₹777.08 million for the financial year 2017 due to higher revenues from cash replenishment earned in financial year 2017 as a result of the demonetization in November 2016.

The increase in revenue from services to ₹12,078.16 million for the financial year 2018 from ₹9,694.75 million for the financial year 2017 was partially offset by a decrease in revenue from sale of products to ₹2,735.01 million for the financial year 2018 from ₹3,661.41 million for the financial year 2017, due to:

- a decrease in revenue from the sale of manufactured automation products to ₹1,186.22 million for the financial year 2018 from ₹1,756.13 million for the financial year 2017 primarily as a result of a reduction in new orders for colour automation products and the full year accounting impact of excise duty during the financial year 2017 as compared to a three month impact in the financial year 2018 since GST, which subsumed excise duty, was introduced in India with effect from July 1, 2017; and
- a decrease in revenue from the sale of ATM and ATM sites to ₹1,093.07 million for the financial year 2018 from ₹1,841.85 million for the financial year 2017 primarily due to reduction in new orders for ATMs from public sector banks,

which were partially offset by an increase in revenue from the sale of automation products under traded goods to ₹455.72 million for the financial year 2018 from ₹63.43 million for the financial year 2017 due to an increase in the number of orders for petroleum automation products.

Revenue from Operations Per Segment.

Our revenue from Payment Solutions increased by 28.2% to ₹10,508.41 million for the financial year 2018 from ₹8,199.45 million for the financial year 2017, primarily due to:

- an increase in ATM and management services to ₹8,988.39 million for the financial year 2018 from ₹7,122.86 million for the financial year 2017 due to an increase in transaction fees received under our service contracts and an increase in the number of transactions on our platform in both India and overseas operations; and
- an increase in revenue from electronic payment services to ₹508.54 million for the financial year 2018 from ₹117.19 million for the financial year 2017 due to an increase in digital transactions in both domestic and international markets,

which were partially offset by a decrease in revenue from cash management services to ₹723.85 million for the financial year 2018 from ₹777.08 million for the financial year 2017 due to higher revenues from cash replenishment earned in financial year 2017 as a result of the demonetisation in November 2016.

Our revenue from Banking Automation Solutions decreased by 26.9% to ₹2,176.24 million for the financial year 2018 from ₹2,978.66 million for the financial year 2017, primarily due to a decrease in revenue from the sale of ATM and ATM sites to ₹1,093.07 million for the financial year 2018 from ₹1,841.85 million for the financial year 2017 primarily due to reduction in new orders for ATMs from public sector banks.

Our revenue from Other Automation Solutions segment decreased by 2.3% to ₹2,128.52 million for the financial year 2018 from ₹2,178.05 million for the financial year 2017, primarily due to a decrease in sale of automation products manufactured by us to ₹1,186.22 million for the financial year 2018 from ₹1,756.13 million for the financial year 2017, which was partially offset by an increase in revenue from the sale of automation products under traded goods to ₹455.72 million for the financial year 2018 from ₹63.43 million for the financial year 2017 due to increased orders for petroleum automation products.

Other Income. Our other income decreased by 15.5% to ₹140.53 million for the financial year 2018 from ₹166.37 million for the financial year 2017, primarily due to a decrease in income from fidelity insurance claim payments to ₹71.66 million for the financial year 2018 from ₹99.48 million for the financial year 2017.

Our cost of goods sold was primarily determined by the cost of raw materials and components consumed, adjusted by excise duty on sale of goods and changes in purchase of traded goods and inventories of finished goods and traded goods, as follows:

> *Cost of Raw Materials and Components Consumed.* Our cost of raw materials and components consumed decreased by 8.3% to ₹2,841.07 million for the financial year 2018 from ₹3,097.17 million for the financial year 2017, primarily due to lower consumption of raw materials in line with a decrease in sales of banking and other automation products.
>
> *Excise Duty.* Our excise duty on sale of manufactured goods decreased by 70.3% to ₹82.49 million for the financial year 2018 from ₹277.56 million for the financial year 2017 as a result of introduction of GST with effect from July 1, 2017 which subsumed the excise duty.
>
> *Purchase of Traded Goods.* Our purchase of traded goods increased to ₹541.96 million for the financial year 2018 from ₹94.72 million for the financial year 2017, primary due to an increase in materials purchased executing orders received for petroleum automation products.
>
> *Inventories of Finished Goods and Traded Goods.* Decrease in inventories of finished goods and traded goods was ₹62.23 million for the financial year 2018 as compared to ₹41.15 million for the financial year 2017, primarily attributable to efficient inventory management.

Employee Benefit Expenses. Our employee benefits expense increased by 5.0% to ₹2,333.44 million for the financial year 2018 from ₹2,222.76 million for the financial year 2017, primarily as a result of salary increases following the annual appraisal, which was partly offset by the decrease in the number of employees to 5,471 as of March 31, 2018 from 5,799 as of March 31, 2017 in line with our focus on digital operations.

Other Expenses. Our other expenses increased by 13.0% to ₹6,898.31 million for the financial year 2018 from ₹6,106.96 million for the financial year 2017, primarily due to an increase in transaction expenses for shared POS services to ₹184.64 million from ₹68.36 million, an increase in rent to ₹1,597.09 million from ₹1,346.72 million, and an increase in caretaker and housekeeping expenses to ₹1,650.25 million from ₹1,300.58 million, each as a result of the growth in business under our Payment Solutions segment, partially offset by a decrease in cash management expenses to ₹602.78 million from ₹758.90 million as a result of our Subsidiary SVIL servicing a higher number of our ATMs as compared to the previous year , and such revenue getting netted out upon consolidation.

Finance Costs. Our finance costs increased by 6.0% to ₹827.75 million for the financial year 2018 from ₹780.72 million for the financial year 2017. The increase in total long-term borrowings (including current maturities) and short-term borrowings to ₹7,034.21 million as of March 31, 2018, from ₹6,566.42 million as of March 31, 2017, was primarily on account of capital expenditure incurred in relation to deployment of ATMs.

Depreciation and Amortisation. Our depreciation and amortisation expenses increased by 12.4% to ₹1,128.98 million for the financial year 2018 from ₹1,004.66 million for the financial year 2017, primarily relating to an increase in ATMs.

Total Tax Expense. Our total tax expense increased by 55.5% to ₹174.26 million for the financial year 2018 from ₹112.04 million for the financial year 2017, primarily as result of increase in our taxable income.

Restated Profit/Loss For the Period. Our restated profit for the year increased to ₹63.21 million for the financial year 2018 from a loss of ₹215.21 million for the financial year 2017.

Financial Year 2017 Compared to Financial Year 2016

Total Revenue. Our total revenue increased by 10.3% to ₹13,522.53 million for the financial year 2017 from ₹12,260.18 million for the financial year 2016, primarily due to an increase in revenue from operations.

Revenue from Operations. Our revenue from operations increased by 10.4% to ₹13,356.16 million for the financial year 2017 from ₹12,095.54 million for the financial year 2016 primarily as a result of:

- an increase in revenue from ATM and management services to ₹7,122.86 million for the financial year 2017 from ₹6,849.28 million for the financial year 2016 and an increase in revenue from cash management services to ₹777.08 million for the financial year 2017 from ₹406.84 million for the financial year 2016 due to increase in new orders and higher revenues from cash replenishment as a result of the demonetisation in November 2016; and

- an increase in revenue from sale of products to ₹3,661.41 million for the financial year 2017 from ₹3,364.71 million for the financial year 2016, primarily as a result of an increase in revenue from colour automation products, which was partially offset by a decrease in revenue from the sale of ATM and ATM sites and a decrease in revenue from the sale of automation products under goods traded by us.

Revenue from Operations Per Segment.

Our revenue from Payment Solutions increased by 11.4% to ₹8,199.45 million for the financial year 2017 from ₹7,360.37 million for the financial year 2016, primarily due to:

- an increase in revenue from ATM and management services to ₹7,122.86 million for the financial year 2017 from ₹6,849.28 million for the financial year 2016 due to increase in new orders;
- an increase in revenue from electronic payment services to ₹117.19 million for the financial year 2017 from ₹14.00 million for the financial year 2016 due to increase in digital transactions in India; and
- an increase in revenue from cash management services to ₹777.08 million for the financial year 2017 from ₹406.84 million for the financial year 2016 due to increase in new orders and higher revenues from cash replenishment as a result of the demonetisation in November 2016.

Our revenue from Banking Automation Solutions decreased by 4.2% to ₹2,978.66 million for the financial year 2017 from ₹3,109.36 million for the financial year 2016, primarily due to a decrease in revenue from the sale of ATM and ATM sites to ₹1,841.85 million for the financial year 2017 from ₹2,064.96 million for the financial year 2016, which was partially offset by an increase in revenue from maintenance services revenue under Banking Automation Solutions.

Our revenue from Other Automation Solutions segment increased by 34.0% to ₹2,178.05 million for the financial year 2017 from ₹1,625.81 million for the financial year 2016, primarily due to an increase in revenue of manufactured automation products to ₹ 1,756.13 million for the financial year 2017 from ₹ 1,213.84 million for the financial year 2016 primarily due to increase in revenue from colour automation products, which was partially offset by a decrease in revenue from the sale of automation products under traded goods to ₹63.43 million for the financial year 2017 from ₹85.91 million for the financial year 2016 due to lower orders of our petroleum automation products.

Other Income. Our other income increased by 1.1% to ₹166.37 million for the financial year 2017 from ₹164.64 million for the financial year 2016, primarily due to an increase in income from fidelity insurance claim payments to ₹99.48 million for the financial year 2017 from ₹64.53 million for the financial year 2016.

Our cost of goods sold was primarily determined by the cost of raw materials and components consumed, adjusted by excise duty on sale of goods and changes in purchase of traded goods and inventories of finished goods and traded goods, as follows:

> *Cost of Raw Materials and Components Consumed.* Our cost of raw materials and components consumed increased by 2.0% to ₹3,097.17 million for the financial year 2017 from ₹3,035.98 million for the financial year 2016, primarily in line with an increase in our sales volume.
>
> *Excise Duty.* Our excise duty on sale of goods increased by 30.0% to ₹277.56 million for the financial year 2017 from ₹213.45 million for the financial year 2016, primarily due to an increase in revenue from automation products manufactured by us.
>
> *Purchase of Traded Goods.* Our purchase of traded goods decreased by 21.1% to ₹94.72 million for the financial year 2017 from ₹120.04 million for the financial year 2016, primarily due to a decrease in revenue from the sale of automation products under traded goods to ₹63.43 million for the financial year 2017 from ₹85.91 million for the financial year 2016 due to lower orders of our petroleum automation products.
>
> *Inventories of Finished Goods and Traded Goods.* Decrease in inventories of finished goods and traded goods was ₹41.15 million for the financial year 2017 as compared to ₹56.13 million for the financial year 2016.

Employee Benefit Expenses. Our employee benefits expense increased by 24.5% to ₹2,222.76 million for the financial year 2017 from ₹1,785.54 million for the financial year 2016, primarily as a result of salary increases following the annual appraisal and compensation costs under our employee stock option scheme, which were partially offset by the decrease in the number of our employees to 5,799 as of March 31, 2017 from 5,851 as of March 31, 2016.

Other Expenses. Our other expenses increased by 8.3% to ₹6,106.96 million for the financial year 2017 from ₹5,639.65 million for the financial year 2016, primarily due to an increase in transaction expenses for shared POS services to ₹68.36 million from ₹9.19 million, an increase in rent to ₹1,346.72 million from ₹1,244.97 million, and an increase in caretaker and housekeeping expenses to ₹1,300.58 million from ₹1,139.26 million, each as a result of the growth in the size of our Payment Solutions segment, partially offset by a decrease in sales promotion expenses primarily for our wallet business to ₹24.13 million from ₹44.68 million.

Finance Costs. Our finance costs increased by 9.2% to ₹780.72 million for the financial year 2017 from ₹ 714.80 million for the financial year 2016. The increase in total long-term borrowings (including current maturities) and short-term borrowings to ₹6,566.42 million as of March 31, 2017, from ₹5,629.31 million as of March 31, 2016, was primarily on account of capital expenditures incurred in relation to deployment of ATMs.

Depreciation and Amortisation. Our depreciation and amortisation expenses increased by 27.9% to ₹1,004.66 million for the financial year 2017 from ₹785.37 million for the financial year 2016, primarily relating to an increase in the number of ATMs deployed by us.

*Total Tax Expense***.** Our total tax expense increased by 34.6% to ₹112.04 million for the financial year 2017 from ₹83.21 million for the financial year 2016, primarily because of increase in taxable income of certain subsidiaries.

*Restated Loss For the Period***.** Our restated loss for the year increased to ₹215.21 million for the financial year 2017 from ₹173.99 million for the financial year 2016.

Financial Condition, Liquidity and Capital Resources

We define liquidity as our ability to generate sufficient funds from internal and external sources to meet our obligations and commitments. In addition, liquidity includes the ability to obtain appropriate equity and debt financing and to convert into cash those assets that are no longer required to meet existing strategic and financial objectives. Liquidity cannot be considered separately from capital resources that consist of current or potentially available funds for use in achieving long-range business objectives and meeting debt service and other commitments.

We have historically financed our capital requirements primarily through financing from banks and other financial institutions in the form of term loans, cash generated from the issuance of equity shares and cash generated from operating activities. We are required to undertake capital investment on a regular basis to purchase and upgrade automated products, among other things. Our financing requirements are primarily for such capital expenditures, developing and implementing new technologies, acquiring and investing in new businesses, expanding our operations into new jurisdictions and working capital. We believe that we will have sufficient capital resources from our operations, net proceeds of the Issue and other financing from banks, financial institutions and other lenders to meet our capital requirements for at least the next twelve months.

Cash Flows

The table below summarises our cash flows for the financial years 2018, 2017 and 2016:

	For the Financial Year		
	2018	**2017**	**2016**
	Amount (₹ in millions)		
Net cash generated from operating activities	1,955.59	2,058.00	1,397.16
Net cash used in investing activities	(1,613.32)	(2,097.23)	(1,256.19)
Net cash generated from / (used in) financing activities	(307.06)	154.70	(306.55)
Net increase / (decrease) in cash and cash equivalents	**35.21**	**115.47**	**(165.58)**

Operating Activities

Net cash generated from operating activities was ₹1,955.59 million for the financial year 2018. While our profit before taxation was ₹237.47 million for the financial year 2018, we had an operating profit before working capital changes of ₹2,252.68 million primarily as a result of adjustments due to depreciation and amortisation of ₹1,128.98 million and finance costs of ₹827.75 million. Our working capital adjustments to our net cash from operations for the financial year 2018 primarily included an increase in other current liabilities of ₹706.10 million due to an increase in other expenses in line with our business growth, an increase in other current assets of ₹650.78 million due to an increase in unbilled revenue, an increase in trade receivables of ₹502.06 million in line with our revenue growth and a decrease in inventories of ₹224.17 million due to efficient inventory management.

Net cash generated from operating activities was ₹2,058.00 million for the financial year 2017. While our loss before taxation was ₹103.17 million for the financial year 2017, we had an operating profit before working capital changes of ₹1,673.22 million primarily as a result of adjustments due to depreciation and amortisation of ₹1,004.66 million and finance costs of ₹780.72 million. Our working capital adjustments to our net cash from operations for the financial year 2017 primarily included a decrease in loans of ₹188.08 million due to a realisation of short term deposits, an increase in trade payables of ₹187.98 million in line with our revenue growth, an increase in other current liabilities of ₹177.91 million due to an increase in other expenses in line with our revenue growth and a decrease in inventories of ₹154.17 million due to efficient inventory management.

Net cash generated from operating activities was ₹1,397.16 million for the financial year 2016. While our loss before taxation was ₹90.78 million for the financial year 2016, we had an operating profit before working capital changes of ₹1,539.08 million primarily as a result of adjustments due to depreciation and amortisation of ₹785.37 million and finance costs of ₹714.80 million. Our working capital adjustments to our net cash from operations for the financial year 2016 primarily included an increase in other current assets of ₹387.84 million due to an increase in unbilled revenue, a decrease in trade receivables of ₹473.35 million due to efficient realisation from receivables, an increase in inventories of ₹252.90 million in the banking automation products and an increase in other current liabilities of ₹229.45 million due to deferment of certain revenues.

Investing Activities

Net cash used in investing activities was ₹1,613.32 million for the financial year 2018, primarily consisting of the purchase of property, plant and equipment, including capital advances and work-in-progress, of ₹1,550.72 million in relation to ATMs and ATM sites.

Net cash used in investing activities was ₹2,097.23 million for the financial year 2017, primarily consisting of the purchase of property, plant and equipment, including capital advances and work-in-progress, of ₹2,108.49 million in relation to ATMs and ATM sites as well as expenditure incurred in relation to growing our digital payments business.

Net cash used in investing activities was ₹1,256.19 million for the financial year 2016, primarily consisting of the purchase of property, plant and equipment, including capital advances and work-in-progress, of ₹1,268.27 million in relation to commencing of our operations at AGS House and setting up of ATMs and ATM sites.

Financing Activities

Net cash used in financing activities was ₹307.06 million for the financial year 2018. Net cash used in financing activities primarily consisted of repayment of long-term borrowings of ₹1,519.53 million, short term loans of ₹ 693.14 million and interest paid of ₹719.65 million, partially offset by proceeds from long-term borrowings of ₹2,730.09 million.

Net cash generated from financing activities was ₹154.70 million for the financial year 2017. Net cash generated from financing activities primarily consisted of proceeds from long-term borrowings of ₹1,810.78 million, partially offset by repayment of long-term borrowings of ₹891.50 million and interest paid of ₹670.36 million.

Net cash used in financing activities was ₹306.55 million for the financial year 2016. Net cash used in financing activities primarily consisted of repayment of long-term borrowings of ₹701.80 million and interest paid of ₹637.22 million, partially offset by proceeds from long-term borrowings of ₹641.72 million and proceeds from short-term borrowings (net) of ₹511.35 million.

Indebtedness

Our indebtedness as of March 31, 2018 is set out below:

	As of March 31, 2018
	Amount (₹ in millions)
Secured Loans	
Long-term Borrowings (includes current maturities)	4,785.95
Short-term Borrowings	2,193.02
Total Secured Loans	**6,978.97**
Total Unsecured Loans	**55.24**
Grand Total	**7,034.21**

Includes interest accrued but not due, as of March 31, 2018. Transaction costs in relation to long term borrowings have been adjusted.
Buyer's credit in foreign currency converted into INR at 1 US$ = INR 65.0441 as of March 31, 2018, based on the reference rate released by RBI.
Term Loan Facility availed by Novus Lanka is denominated in Sri Lankan rupee (LKR). Sanctioned Amount is LKR 700 million. Both sanctioned amount and outstanding amount as of March 31, 2018 have been converted into INR using the prevailing exchange rate on 31 March 2018 which was 1 LKR =0.4172 INR

Our financing agreements that we have entered into with our lenders contain certain restrictive covenants that limit our ability to undertake certain types of transactions. See "*Financial Indebtedness*" for a description of material terms of our indebtedness on page 444 of this Draft Red Herring Prospectus.

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 or force us to sell our assets, which may adversely affect our business, results of operations and financial condition.

See "*Risk Factors – Our inability to meet our obligations, including financial and other covenants under our debt financing arrangements, could adversely affect our business, results of operations, cash flows and financial condition"* on page 32.

Credit Ratings

We have obtained the following ratings from India Ratings and Research Private Limited for a line of credit in the total amount of ₹8,893.92 million and support rating for one of our subsidiaries for a line of credit in the total amount of ₹772.02 million:

- Long-term rating of A-; the outlook on long term rating is stable, and
- Short term rating of A1.

These ratings are valid until June 24, 2019.

Capital and Other Commitments

As of March 31, 2018, our estimated contracts, remaining to be executed on capital and other account and not provided for were ₹2,195.25 million. These contracts primarily relate to procurement of ATM kits for manufacturing of ATMs.

Operating Leases

We have entered into operating leases for ATM, ATM sites, office premises and POS terminals. The leases have a life ranging between one to eight years.

As of March 31, 2018, the future minimum lease payments in respect of our non-cancellable operating leases are as follows:

Particulars	**Within 1 Year**	**Between 1 and 5 Years**	**More than 5 Years**	**Total**
	Amount (₹ in millions)			
Minimum Lease Payments	351.02	760.60	24.96	1,136.58

Capital Expenditures

We expect that our capital expenditures for the financial years 2019 and 2020 will be up to ₹1,500 million and ₹1,750 million, respectively.

Contingent Liabilities

The following table sets out our contingent liabilities as of March 31, 2018:

Particulars	**As of March 31, 2018**
	Amount (₹ in millions)
Claims against the Group not acknowledged as debts	13.29
Excise Duty Matters	5.77
Sales Tax Matters	27.29
Service Tax Matters	0.47
Custom Duty Matters	8.46
Total	**55.28**

For details, see "*Financial Statements – Annexure VI – Notes to the Restated Consolidated Financial Information, Note 39 - Contingent Liabilities and commitments*", in accordance with the provisions of Indian Accounting Standard - 37 – "Provisions, Contingent Liabilities and Contingent Assets" on page 203.

Auditor's Reservations/Qualifications/Adverse Remarks

Other than as provided on "*Summary of Financial Information*" on page 58, there have been no reservations, qualifications and adverse remarks by our statutory auditors for the financial years 2018, 2017 and 2016. In addition, in the standalone audited financial statements as of and for the financial year 2016, the auditors identified a material weakness in the Company's internal financial controls over recording the receipts and issue of refurbished inventories, which could potentially result in incorrectly accounting for the value of spares consumption and inventories in the financial statements.

Related Party Transactions

We have in the past engaged, and in the future may engage, in transactions with related parties, including with our affiliates. In the past, such transactions have been for, among other things, the purchase or sale of goods and services, loans granted and provision of professional services.

For additional details of our related party transactions, see the section "*Related Party Transactions*" on page 201.

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Quantitative and Qualitative Disclosures about Market Risk

Exchange Rate Risk

We procure products such as ATMs, ATM kits, POS, cash billing terminals and petroleum automation equipment and some of our spare parts and consumables from suppliers overseas. We face exchange rate risk because revenues of our international subsidiaries and certain of our obligations are denominated in foreign currencies. Although we currently have hedging arrangements for some of our foreign exchange exposure, we remain exposed to exchange rate risk.

Interest Rate Risk

We are subject to interest rate risk, primarily because most of our borrowings from banks and other financial institutions are at floating interest rates. As of March 31, 2018, most of our indebtedness consisted of floating rate indebtedness.

Interest rates are highly sensitive to many factors beyond our control, including the monetary policies of the RBI, deregulation of the financial sector in India, domestic and international economic and political conditions, inflation and other factors. Upward fluctuations in interest rates increase the cost of servicing existing and new debts, which affects our results of operations.

Inflation Risk

India has experienced high inflation in the past. See the section "*Risk Factors – We are subject to regulatory, economic and social and political uncertainties and other factors beyond our control.*" on page 39.

Unusual or Infrequent Events or Transactions

To our knowledge, there have been no transactions or events which, in our judgment, would be considered unusual or infrequent.

Known Trends or Uncertainties

Our business has been affected and we expect that it will continue to be affected by the trends identified above in "- *Significant Factors Affecting Our Results of Operations and Financial Condition*" and the uncertainties described in the section "*Risk Factors*" on pages 449 and 20, respectively. To our knowledge, except as disclosed in this Draft Red Herring Prospectus, there are no known factors which we expect to have a material adverse effect on our income.

Future Relationship between Cost and Revenue

Other than as described in "*Risk Factors*" on page 20 and this section, there are no known factors that might affect the future relationship between cost and revenue.

Competitive Conditions

We expect competition in our industry from existing and potential competitors to intensify. For details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" on pages 20 and 141, respectively.

Seasonality of Business

Our business is not seasonal in nature.

New Products or Business Segments

Except as disclosed in "*Our Business*" on page 141, we have not announced and do not expect to announce in the near future any new products or business segments.

Significant Developments Occurring after March 31, 2018

Except as disclosed in the Draft Red Herring Prospectus, no circumstances have arisen since the date of the last restated financial information as disclosed in this Draft Red Herring Prospectus which materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next twelve months.

Recent Accounting Pronouncements

On March 28, 2018, the MCA notified Ind AS 115, Revenue from Contracts with Customers ("**Ind AS 115**").

Ind AS 115 requires that revenue be recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Ind AS 115 further requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Ind AS 115 permits two methods of transition:

- Retrospective approach - Under this approach, Ind AS 115 will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors; and
- Cumulative catch-up approach – Under this approach, Ind AS 115 will be applied retrospectively with cumulative effect.

We adopted Ind AS 115 effective April 1, 2018 using the cumulative catch-up approach. Accordingly, comparative financial data for prior periods will not be retrospectively adjusted.

Also, on March 28, 2018, the MCA notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration ("**Ind AS 21**"). Ind AS 21 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. We have evaluated the effect of Ind AS 21 on the restated consolidated financial information and have decided that the impact is not material.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below, there are no (i) outstanding criminal proceedings, (ii) outstanding actions taken by statutory or regulatory authorities, (iii) outstanding direct and indirect tax claims and (iv) outstanding material litigation, in each case, involving our Company, our Subsidiaries, our Promoters, our Group Entities and our Directors.

Our Board has considered and adopted the following policy with regard to outstanding litigation to be disclosed by our Company in this Draft Red Herring Prospectus pursuant to a resolution of our Board dated August 16, 2018:

a. *notices received by the Company and its directors, promoters, group entities and subsidiaries (collectively, the "**Relevant Parties**") from third parties (excluding notices from statutory, regulatory or tax authorities) shall not be evaluated for materiality until the Relevant Parties are impleaded as defendants in proceedings before any judicial forum;*

b. *litigation involving the Relevant Parties before any judicial forum having a monetary impact exceeding ₹0.63 million, which is 1% of the consolidated profit after tax of the Company for the financial year ended March 31, 2018, in accordance with the Restated Consolidated Financial Information disclosed in the Offer Documents shall be considered material. However, in relation to civil litigation where the monetary liability is not quantifiable, such civil litigation shall be considered material in the event that the outcome of such litigation would have a material adverse effect on the position of the Company;*

c. *where the decision in one case is likely to affect the decision in similar cases, even though the amount involved in an individual litigation may not exceed the threshold specified in (b) above; and*

d. *all other outstanding litigation which may not meet the specific threshold and parameters as set out in (b) or (c) above, but where an adverse outcome would materially and adversely affect the business, operations or financial position or reputation of the Company.*

Further, pursuant to a resolution of our Board dated August 16, 2018, our Board has considered and adopted a policy on materiality for the purpose of disclosure of material creditors in this Draft Red Herring Prospectus according to which all small scale undertakings and other creditors to our Company to whom the amount due by our Company exceeds ₹39.4 million, which is 2% of the total trade payables of the Company as at March 31, 2018 in accordance with the Restated Consolidated Financial Information disclosed in this Draft Red Herring Prospectus, will be considered material.

I. Litigation involving our Company

(a) Criminal Proceedings against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against our Company other than as disclosed below.

1. Mrs. Bharati Ganesh Totare and Mr. Ganesh Pramod Totare, the applicants, have jointly filed a criminal revision application (no. 208/2016) dated December 12, 2016, before the District and Sessions Judge, Ahmednagar, Maharashtra ("**Sessions Judge**"), against an order of the Judicial Magistrate, Ahmednagar dated November 30, 2016. These proceedings relate to the termination of a leave and license agreement by our Company. Upon termination of the leave and license agreement by our Company, the applicants (the landlords) refused to allow our Company to remove the ATM machine and other equipment installed on the licensed premises. Our Company then filed a criminal complaint number 591/2016 in the court of the Judicial Magistrate, Ahmednagar against the applicants, under, amongst others, Section 342 and 384 of the Indian Penal Code, 1860 ("**IPC**") for wrongful confinement and extortion, respectively. Pursuant to the order dated November 30, 2016, the Judicial Magistrate issued notices to the applicants, aggrieved by which the applicants filed this revision application, alleging that due process was not followed while issuing the order dated November 30,

2016. The Sessions Judge, by his order dated December 19, 2016, has stayed the hearing of the application until further orders. The matter is currently pending.

2. Loyalty HR Benefits Private Limited (through Mr. Ameerul Hasan Siddiqui) has filed a criminal complaint under Sections 406, 409 and 420 of IPC, Sections 63 and 63B of the Copyright Act, 1957 and the Copyright Rules, 1958 and Sections 16, 51 and 107 read with Section 96 of the Copyright, Designs and Patents Act before the Metropolitan Magistrate, 61st Court at Kurla, Mumbai ("**Metropolitan Magistrate, Kurla**") alleging that our Company had violated the complainant's intellectual property rights in respect of the development of a particular software. The Metropolitan Magistrate, Kurla ordered the Antop Hill Police Station (the "**Police Station**") to investigate the offences alleged in such criminal complaint. Subsequently, the Police Station filed an investigation report before the Metropolitan Magistrate, Kurla on November 18, 2015 stating that no offence could be made out in such criminal complaint. In response to a protest petition filed by the complainant, the Metropolitan Magistrate, Kurla redirected the Police Station to re-investigate such matter. The Police Station then filed a second investigation report before the Metropolitan Magistrate, Kurla on January 6, 2017 stating that no offence could be made out in such criminal complaint. In response to a protest petition filed by the complainant, the Metropolitan Magistrate, Kurla passed an order dated February 1, 2018 rejecting such protest petition. Against such order of the Metropolitan Magistrate, Kurla, the complainant has preferred a criminal revision petition (no. 4689 of 2018) before the Sessions court on April 4, 2018 against the State of Maharashtra (Police Station). The matter is currently pending and the next date of hearing is scheduled at August 29, 2018.

(b) Criminal Proceedings by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by our Company other than as disclosed below.

1. Our Company has filed a criminal complaint dated September 3, 2016, against Mrs. Bharati Ganesh Totare and Mr. Ganesh Pramod Totare (together, the "**Accused**") in the Court of the Chief Judicial Magistrate, Ahmednagar, Maharashtra, alleging wrongful restraint, criminal intimidation and criminal breach of trust. Our Company had entered into a leave and license agreement dated October 7, 2014 with the Accused to set up an ATM at the licensed premises. However, on March 17, 2016, the Accused closed the entry of the ATM and did not allow access to our Company to the premises. Further, the Accused also did not allow our Company to remove the ATM machine and the cash lying therein from the premises. Consequently, our Company has filed this criminal complaint. The matter is currently pending and the next date of hearing is scheduled at September 11, 2018.

2. Our Company has filed a criminal complaint under Section 500 of the IPC against Mr. Ameerul Hasan Siddiqui alleging defamation before the Court of the Metropolitan Magistrate, Bhoiwada, Mumbai on February 20, 2018. The matter is currently pending for admission.

(c) Actions and Proceedings initiated by Statutory/Regulatory Authorities involving our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Company other than as disclosed below.

1. Our Company received a notice dated March 16, 2018, from the Shops and Establishment Commissioner, Bengaluru, alleging non-compliances with certain provisions of the Payment of Wages Act, 1948, the Minimum Wages Act, 1948 and the Karnataka Shops and Commercial Establishments Act, 1961. Our Company has submitted the required documents and the relevant regulator has acknowledged the submission of the documents. Our Company has not received any further communication in this regard.

2. Our Company received seven notices, each dated March 26, 2018, from the Labour Enforcement Officer (Central), Bhilwara, Rajasthan, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay two sums of ₹55,536 and ₹20,688 each to seven employees of the contractor of our Company, for two different breaches as the difference of amount payable to such employees under the Minimum Wages Act, 1948 and the rate of wages actually paid for the same time periods during which such persons

were employed by the contractors of our Company. Our Company is yet to make such payments. The matter is currently pending.

3. Our Company received a notice dated March 26, 2018, from the Labour Enforcement Officer (Central), Bhilwara, Rajasthan, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay two sums of ₹27,768 and ₹10,344 each to an employee of the contractor of our Company, for two different breaches as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid for the same time periods during which such person was employed by the contractors of our Company. Our Company is yet to make such payments. The matter is currently pending.

4. Our Company received a notice dated March 26, 2018, from the Labour Enforcement Officer (Central), Bhilwara, Rajasthan, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay two sums of ₹9,256 and ₹3,448 each to an employee of the contractor of our Company, for two different breaches as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid for the same time periods during which such person was employed by the contractors of our Company. Our Company is yet to make such payments. The matter is currently pending.

5. Our Company received two notices, each dated March 16, 2018, from the office of the Deputy Chief Labour Commissioner (Central), Raipur, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay sums of ₹20,004 and ₹6,036 to two employees of the contractor of our Company, respectively, as the difference of amount payable to such employees under the Minimum Wages Act, 1948 and the rate of wages actually paid to them. Our Company is yet to make such payments. The matter is currently pending.

6. Our Company received a notice dated March 26, 2018, from the office of the Deputy Chief Labour Commissioner (Central), Raipur, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay a sum of ₹6,636 to an employee of the contractor of our Company, as the difference of amount entitled to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid to him. Our Company is yet to make such payments. The matter is currently pending.

7. Our Company received a notice dated March 26, 2018, from the office of the Deputy Chief Labour Commissioner (Central), Raipur, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay two sums of ₹14,502 and ₹10,052 to an employee of the contractor of our Company as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid to him and also towards non-payment of wages for working on the weekly rest day. Our Company is yet to make such payments. The matter is currently pending.

8. Our Company received a notice dated March 26, 2018, from the office of the Deputy Chief Labour Commissioner (Central), Raipur, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay two sums of ₹3,324 and ₹1,792 to an employee of the contractor of our Company as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid to him and also towards non-payment of wages for working on the weekly rest day. Our Company is yet to make such payments. The matter is currently pending.

9. Our Company received a notice dated April 3, 2018, from the office of the Assistant Labour Commissioner, Kota, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay a sum of ₹68,092 to an employee of the contractor of our Company as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid to him. Our Company is yet to make such payments. The matter is currently pending.

10. Our Company received four notices, each dated April 9, 2018, from the office of the Assistant Labour Commissioner, Kota, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay a sum of ₹68,092 each to four employees of the contractor of our Company as the difference of amount payable to such employees under the Minimum Wages Act, 1948 and the rate of wages actually paid to them. Our Company is yet to make such payments. The matter is currently pending.

11. Our Company received a notice dated April 9, 2018, from the office of the Assistant Labour Commissioner, Kota, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay a sum of ₹62,092 to an employee of the contractor of our Company as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid to him. Our Company is yet to make such payments. The matter is currently pending.

12. Our Company received a notice dated February 23, 2018, from the office of the Labour Enforcement Officer (Central), Patna, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Our Company was also directed to pay two sums of ₹104,260 and ₹52,184 to an employee of the contractor of our Company as the difference of amount payable to such employee under the Minimum Wages Act, 1948 and the rate of wages actually paid to him and also towards non-payment of wages for working on the weekly rest day. Our Company is yet to make such payments. The matter is currently pending.

13. Our Company received a notice dated February 23, 2018, from the office of the Labour Enforcement Officer (Central), Patna, alleging non-compliances with certain provisions of the Contract Labour (Regulation and Abolition) Act, 1970 and the Contract Labour (Regulation and Abolition) Central Rules, 1971. The matter is currently pending.

14. Our Company received a notice dated May 14, 2018 from the office of the Registrar of Companies, Maharashtra, at Mumbai, alleging that our Company had not filed Form CRL-1 in accordance with the Companies (Restriction on Number of Layers) Rules, 2017 within the stipulated time limit of 150 days from September 20, 2017. Our Company responded to this notice by its letter dated May 25, 2018, submitting that it was not required to file Form CRL-1, as our Company had two wholly owned subsidiaries incorporated in India and therefore the provisions of the Companies (Restriction on Number of Layers) Rules, 2017 did not apply to our Company.

15. Our Company has received a notice dated July 7, 2018, from the Office of the Commissioner of Customs, Chennai, requiring us to submit certain documents to enable the Department of Revenue to finalize certain provisionally assessed bills of entry. We are yet to submit the required documents.

16. Our Company has received four notices, each dated July 31, 2018 from the office of the Regional Labour Commissioner (Central), Ajmer, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Under such notices, the labour enforcement officer has demanded that our Company pay two sums of ₹55,536 and ₹20,688 each to four employees of the contractor of the Company. The matter is currently pending.

17. Our Company has received two notices, each dated August 2, 2018 from the office of the Regional Labour Commissioner (Central), Ajmer, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Under such notices, the labour enforcement officer has demanded that our Company pay two sums of ₹57,509 and ₹32,022 each to two employees of the contractor of the Company. The matter is currently pending.

18. Our Company has received a notice dated August 2, 2018 from the office of the Regional Labour Commissioner (Central), Ajmer, alleging non-compliances with certain provisions of the Minimum Wages Act, 1948 and the rules made thereunder. Under such notice, the labour enforcement officer has demanded that our Company pay a sum of ₹816 to an employee of the contractor of the Company. The matter is currently pending.

19. Our Company has received 11 notices from various local body tax departments in Maharashtra in connection with delay in submission of certain documents, including books of accounts and returns in prescribed format. Such matters are currently pending at various stages.

(a) Material Civil Litigation against our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against our Company other than as disclosed below.

1. Om Associates (through its partner, Mr. Pradeep Gupta), being a partnership concern, and Mr. Pradeep Gupta and Ms. Shubha Gupta (as partners of Om Associates) ("**Om Associates**") have filed a suit on May 31, 2013 against our Company (through our Chairman and Managing Director, Mr. Ravi B. Goyal) and Mr. Prakash Shetty, our employee, before the Court of the Civil Judge (Senior Division), Kanpur Nagar, Uttar Pradesh seeking (a) specific performance of a contract regarding maintenance and supervision by Om Associates of 155 ATMs of Axis Bank Limited ("**UP Axis Bank ATMs**") in the state of Uttar Pradesh and (b) permanent injunction from handing over management of two ATMs situated at Armapore Estate Colony, Kanpur Nagar and Air Force Station, Lucknow and the UP Axis Bank ATMs to third parties on May 31, 2013. The matter is currently pending.

2. Mr. Kumar Sanjay has filed a rent petition dated March 15, 2018 against our Company in the Court of the Rent Controller, Civil Court, Kurukshetra, Haryana seeking the ejection of our Company from certain premises. The complainant has alleged that our Company has not paid rent for the last three years for premises taken on rent by our Company from the complainant to run at ATM. Further, the complainant has alleged that our Company has shut down the ATM at the premises for the last two years, diminishing the value and utility of such premises. The complainant has claimed arrear rent of ₹432,000, arrear electricity expenses of ₹32,571 and a compensation of ₹1,000,000 for diminishing the value and utility of the premises. The Rent Controller issued a notice dated May 9, 2018 to our Company asking our Company to appear before him on July 7, 2018. The next date of hearing is scheduled at September 26, 2018.

3. Mrs. Asha Patil has filed a special civil suit dated December 17, 2015, against our Company in the Court of the Civil Judge, Senior Division, Sangli in Maharashtra. Our Company had entered into a leave and license agreement with the husband of the complainant to set up an ATM at the leased premises. The complainant has alleged that due care was not taken by our Company while installing an antenna on the terrace of the licensed premises, and the husband of the complainant died from electric shock upon touching the antenna. The complainant has claimed a compensation of ₹3,752,000. Our Company filed its written statement in the court on December 20, 2017. The matter is currently pending.

4. Mr. Karan Munjal has filed a plaint on July 21, 2017 against our Company before the Additional Civil Judge (Senior Division), Faridabad in Haryana. Our Company had entered into a license agreement with the husband of the complainant to set up an ATM at the leased premises. The complainant has alleged that due to cancellation of the agreement by our Company, he has suffered losses equivalent to the amount payable as rent during the period July 12, 2016 until July 11, 2024. The matter is currently pending.

(b) Material Civil Litigation by our Company

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by our Company other than as disclosed below.

Our Company has filed a municipal appeal dated February 27, 2017 in the court of the Civil Judge (S.D.), Thane, against the Navi Mumbai Municipal Corporation ("**NMMC**"), the Assistant Commissioner/Ward Officer, E-Ward, Tax Department, NMMC (the "**Ward Officer**"), the Maharashtra Industrial Development Corporation ("**MIDC**") and others. Our Company has challenged the legality of two notices dated February 3, 2017, issued by the Ward Officer in relation to two plots, EL-82 and EL-83 in the TTC Industrial Area, MIDC, which were leased to Mr. Ravi B. Goyal and our Company by the MIDC in November 2010. Pursuant to the notices, the Ward Officer has imposed a liability of ₹3,338,418 upon our Company for tax arrears for the two plots since 1995, despite such plots being leased to our Company only in November 2010. Our Company has paid the entire amount under protest, including a sum of ₹514,388, which we consider the maximum amount due for such tax for the period starting from November 2010. MIDC filed its written submission on June 15, 2017, and the other respondents filed their respective written submissions on August 1, 2017. Pursuant to its order dated March 7, 2018, the court agreed to hear our appeal on merits. The matter is currently pending.

(c) Material Legal Notices received by our Company

From time to time our Company receives legal notices from, among others, landlords, merchants, customers and service providers. As on date, our Company has not received any material legal notices other than as disclosed below.

1. Our Company has received a notice dated July 2, 2018 from Israeli Credit Insurance Company (the "**ICIC**"), wherein the ICIC has alleged that our Company has not made a payment of €274,208 to OTI Petrosmart (pty) Ltd., a policy holder of ICIC, for the goods supplied to us during the period from December, 2017 until March 2018. ICIC has further requested us to confirm as to why such payment has not been made. We are yet to respond to this notice.

2. Our Company has received three demand notices from individual landlords, where such landlords have each claimed an amount in excess of ₹0.63 million from us as arrears in rent and damages. No litigation proceedings have yet been initiated against us pursuant to such notices.

II. Litigation involving our Subsidiaries

(a) Criminal Proceedings against our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Subsidiaries.

SVIL

3. The CBI, through the Superintendent of Police, Anti-Corruption Branch, filed an FIR against various persons, including, *inter alia*, SVIL, dated December 3, 2016, under various sections of the IPC and the Prevention of Corruption Act, 1988, alleging cheating, criminal conspiracy, criminal breach of trust, misappropriation and forgery. The CBI alleged that SVIL had entered into a criminal conspiracy with certain officials at specified banks and other unknown persons to dishonestly and fraudulently divert the new currency meant for deposit in the ATMs or replenishing the ATMs of different banks and exchanged them against old demonetized currency notes through middlemen and agents. SVIL denied the allegations pursuant to its letter dated January 19, 2017 to the CBI, and requested the CBI to remove SVIL's name from the list of accused persons. The CBI is currently investigating the matter.

(b) Criminal Proceedings by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Subsidiaries, other than as disclosed below.

1. An FIR dated July 4, 2014 was filed by SVIL, under Section 394 of the IPC with the police station at Kunnathunadu, Ernakulam, alleging theft of cash amounting to ₹970,000 by two unidentified persons.

2. An FIR dated July 7, 2014 was filed by SVIL, under Section 381 of the IPC with the police station at Kunnathunadu, Ernakulam, alleging theft of cash amounting to ₹720,500, by an employee of SVIL.

3. An FIR dated July 8, 2014 was filed by SVIL, under Section 461and 381 of the IPC with the police station at Moovattupuzha, Cochin, alleging misappropriation of cash amounting to ₹103,500 by an employee of SVIL.

4. An FIR dated July 11, 2014 was filed by SVIL under Section 381 of the IPC with the police station at Puthencruze, Ernakulam, alleging theft of cash amounting to ₹314,500 by an employee of SVIL.

5. An FIR dated August 29, 2014 was filed by SVIL, under Section 379 of the IPC with the police station at Amrtisar City, Amritsar, alleging misappropriation of cash amounting to ₹743,000 by an employee of SVIL.

6. An FIR dated October 7, 2014 was filed by SVIL, under Section 406 of the IPC with the police station at Sector 10, Gurgaon, alleging misappropriation of cash amounting to ₹1,165,000 by an employee of SVIL.

7. An FIR dated May 21, 2015 was filed by SVIL, under Section 380 of the IPC with the police station at Pali Road, Raigad, alleging misappropriation of cash amounting to ₹230,200 by an employee of SVIL.

8. An FIR dated October 10, 2015 was filed by SVIL, under Sections 34, 408 and 420 of the IPC with the police station at GTB Enclave, New Delhi, alleging misappropriation of cash amounting to ₹4,519,900 by certain employees of SVIL.

9. An FIR dated November 3, 2015 was filed by SVIL, under Section 379 of the IPC with the police station at Pondy Bazaar, Chennai, alleging theft of cash amounting to ₹950,000 by unidentified persons.

10. An FIR dated November 20, 2015 was filed by SVIL, under Section 406 of the IPC with the police station at Model Town, Panipat, alleging misappropriation of cash amounting to ₹5,007,000 by certain employees of SVIL.

11. An FIR dated March 13, 2016 was filed by SVIL, under Section 380 of the IPC with the police station at Gummudipoondi, Thiruvvallur alleging misappropriation of cash amounting to ₹850,000 by certain employees of SVIL.

12. An FIR dated April 29, 2016 was filed by SVIL, under Sections 34, 381 and 406 of the IPC with the police station at Camp Palwal, Faridabad, alleging misappropriation of cash amounting to ₹2,001,500 by certain employees of SVIL.

13. An FIR dated May 2, 2016 was filed by SVIL, under Sections 34, 408 and 420 of the IPC with the police station at Palghar, Mumbai, alleging misappropriation of cash amounting to ₹1,921,600 by certain employees of SVIL.

14. An FIR dated August 13, 2016 was filed by SVIL, under Sections 408, 409 and 420 of the IPC with the police station at Madivala, Bangalore, alleging misappropriation of cash amounting to ₹19,767,400 by certain employees of SVIL.

15. An FIR dated September 1, 2016 was filed by SVIL, under Section 406 of the IPC with the police station at Mahendragarh, alleging misappropriation of cash amounting to ₹1,638,500 by certain employees of SVIL.

16. An FIR dated October 20, 2016 was filed by SVIL, under Section 409 and 420 of the IPC with the police station at Mangalore (East), Mangalore, alleging misappropriation of cash amounting to ₹8,863,000 by certain employees of SVIL.

17. An FIR dated November 13, 2016 was filed by SVIL, under Sections 34, 403, 406 and 420 of the IPC with the police station at Sadar Bazar, Raichur, alleging misappropriation of cash amounting to ₹9,989,700 by certain employees of SVIL.

18. An FIR dated December 21, 2016 was filed by SVIL, under Section 406 and 420 of the IPC with the police station at Pratap Nagar, Bhilwara, alleging misappropriation of cash amounting to ₹1,760,300 by certain employees of SVIL.

19. An FIR dated December 27, 2016 was filed by SVIL, under Section 408 of the IPC with the police station at DCB, Tiruppur, alleging misappropriation of cash amounting to ₹2,572,900 by certain employees of SVIL.

20. An FIR dated May 19, 2017 was filed by SVIL, under Sections 34, 394 and 397 of the IPC with the police station at Rohini, New Delhi, alleging armed robbery of cash amounting to ₹1,900,000 by two unidentified persons.

21. An FIR dated July 14, 2017 was filed by SVIL, under Sections 34 and 408 of the IPC with the police station at Civil Lines, Karnal, alleging misappropriation of cash amounting to approximately ₹20,000,000 by certain employees of SVIL.

22. An FIR dated July 19, 2017, was filed by SVIL, under Section 392 of the IPC with the police station at Christianganj, Ajmer, alleging armed robbery of cash amounting to ₹6,400,000 by an unidentified person.

23. An FIR dated September 22, 2017 was filed by SVIL, under Sections 34, 408 and 420 of the IPC with the police station at Bhadrakali, Nashik, alleging misappropriation of cash amounting to ₹5,600,000 by certain employees of SVIL.

24. An FIR dated January 18, 2018 was filed by SVIL, under Section 372 and 403 of the IPC with the police station at Patepur, Vaishali, alleging misappropriation of cash amounting to ₹6,768,800 by certain employees of SVIL.

25. An FIR dated April 7, 2018 was filed by SVIL, under Section 394 of the IPC with the police station at Ganganhar, Haridwar, alleging theft of cash amounting to ₹2,500,000 by unidentified persons.

26. An FIR dated June 28, 2018 was filed by SVIL, under Section 34, 406, 408 and 420 of the IPC with the police station at Madiwala, Bangalore, alleging misappropriation of cash amounting to ₹7,772,800 by certain employees of SVIL.

(c) Actions by Statutory/Regulatory Authorities involving our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving our Subsidiaries, other than as disclosed below.

1. ITSL received a show cause notice dated July 20, 2017 from the Assistant Commissioner of Sales Tax, Mumbai, as to why ITSL should not be assessed under Section 7 of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 on grounds of incorrect returns filed by ITSL for the financial year ended March 31, 2016. ITSL responded to this notice pursuant to its letter dated September 2, 2017 demonstrating or noting for compliance the discrepancies alleged by the Assistant Commissioner of Sales Tax, Mumbai. ITSL has not received any further communication in this matter.

2. SVIL received a show cause notice dated July 20, 2017 from the Assistant Commissioner of Sales Tax, Mumbai as to why SVIL should not be assessed under Section 7 of the Maharashtra State Tax on Professions, Trades, Callings and Employment Act, 1975 on grounds of incorrect returns filed by SVIL for the financial year ended March 31, 2016. SVIL responded to this notice pursuant to its letter dated August 19, 2017 demonstrating or noting for compliance the discrepancies alleged by the Assistant Commissioner of Sales Tax, Mumbai. SVIL has not received any further communication in this matter.

3. SVIL received a notice dated February 3, 2016 from the Employees' State Insurance Corporation, Haryana, alleging non-payment of contributions under the ESIC Act, as well as non-filing of returns for contribution for the period from December 2, 2013 until July 31, 2014. By an order dated March 18, 2016, the Employees' State Insurance Corporation, Haryana imposed a fine of ₹726,360 on SVIL. SVIL submitted a response to the Employee State Insurance Corporation, Haryana on November 25, 2016, stating that it had already deposited the said amount and attaching the relevant ESIC challans. SVIL has not received any further communication in this matter.

4. SVIL received a notice dated May 21, 2016 from the Shops and Establishment Commissioner, Madiwala, Bengaluru alleging non-compliance with certain provisions under the Payment of Bonus Act, 1972, the Minimum Wages Act, 1948, the Karnataka Shops & Commercial Establishments Act, 1961, the Payment of Wages Act, 1936 and the Karnataka Labour Welfare Fund Act, 1965. SVIL responded to this notice on June 8, 2016, demonstrating or noting for compliance the discrepancies

alleged by the Shops and Establishment Commissioner, Madiwala, Bangalore. SVIL has not received any further communication in this matter.

5. SVIL received a notice dated July 18, 2016 from the Shops and Establishment Commissioner, Mysore alleging non-compliances with certain provisions of the Minimum Wages Act, 1948, the Payment of Wages Act, 1936, the Payment of Bonus Act, 1972, the Karnataka Shops & Establishments Act, 1961 and the Karnataka Labour Welfare Fund Act, 1965. SVIL responded to this notice demonstrating or noting for compliance the discrepancies alleged by the Shops and Establishment Commissioner, Mysore. The reply by SVIL was received by the Shops and Establishment Commissioner, Mysore on July 29, 2016. SVIL has not received any further communication in this matter.

6. SVIL received a notice dated October 28, 2016 from the Employees' State Insurance Corporation, Bengaluru, requiring SVIL to pay interest of ₹18,702 on the contributions made by it under the ESIC Act. SVIL made this payment on December 15, 2016, and has not received any further communications on this matter.

7. SVIL received a notice dated February 7, 2017 from the Social Security Officer appointed under the ESIC Act for inspection of certain records of SVIL for the period between April, 2012 until January, 2017. Further, SVIL received a notice dated July 17, 2017 from the Employees' State Insurance Corporation, Lower Parel, Mumbai, alleging non-payment of contributions under the ESIC Act for total wages of ₹837,885 during the financial year ended March 31, 2013. SVIL responded to this notice on August 21, 2017, demonstrating the requisite contribution made by SVIL. SVIL has not received any further communications in this matter.

(d) Material Civil Litigation against our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Subsidiaries, other than as disclosed below.

1. Sarva Shramik Sanghatana, a trade union of the employees of SVIL, has filed a petition alleging unfair labour practices under the MRTU and PULP Act against SVIL, Mr. Ravi B. Goyal and Mr. Deepak Anant Pharde, an employee of SVIL before the Industrial Court, Maharashtra at Mumbai on June 16, 2017, for, *inter alia*, (a) restraining the respondents from terminating the services of certain employees, (b) setting aside an order suspending certain employees and (c) directing the respondents to pay deducted wages of such suspended employees for the period of suspension. Sarva Shramik Sanghatana has also filed an application for interim relief on June 16, 2017, which SVIL has opposed through its reply filed on April 17, 2018. The matter is currently pending.

2. Sarva Shramik Sanghatana, a trade union of the employees of SVIL, has filed a petition alleging unfair labour practices under the MRTU and PULP Act against SVIL, Mr. Ravi B. Goyal and Mr. Deepak Anant Pharde before the First Labour Court, Mumbai on June 23, 2017 for, *inter alia*, (a) directing the respondents to cease and desist from engaging in unfair labour practices and (b) setting aside the order terminating certain employees with full back wages and consequential benefits. Sarva Shramik Sanghatana filed an application for interim relief on June 23, 2017, which SVIL has opposed through its reply filed on July 25, 2017. The First Labour Court, Mumbai passed an order dated August 18, 2017 partly allowing the interim application filed by Sarva Shramik Sanghatana and ordered the respondents to deposit the monthly wages of the terminated employees in the First Labour Court, Mumbai pending final disposal of such complaint on merits. In compliance with such order, our Company has deposited ₹530,830 on June 5, 2018. The matter is currently pending.

3. Sarva Shramik Sanghatana, a trade union of the employees of SVIL, has filed a petition alleging unfair labour practices under the MRTU and PULP Act against SVIL, Mr. Ravi B. Goyal and Mr. Deepak Anant Pharde before the Industrial Court, Maharashtra at Mumbai on August 7, 2017 for, *inter alia*, (a) declaring that the transfer of certain employees of SVIL was *mala fide* and staying the transfer of such employees and (b) an order to the respondents to not harass employees of SVIL who are enrolled as member of Sarva Shramik Sanghatana. Sarva Shramik Sanghatana filed an application for similar interim relief, as above, on August 7, 2017, which SVIL has opposed through its reply filed on November 21, 2017. The matter is currently pending.

4. Sarva Shramik Sanghatana, a trade union of the employees of SVIL, has filed a charter of demand dated April 2, 2018 to the Deputy Commissioner of Labour (Conciliation), Mumbai submitting a list of demands, including *adhoc* rise in wages, annual increments and classification, grant of dearness allowance and other benefits, and requesting the Deputy Commissioner of Labour (Conciliation) to admit the dispute against SVIL in conciliation. SVIL responded to the charter of demand pursuant to its letter dated June 5, 2018, stating that the wages did not require any revision apart from the increment in normal wages. The matter is currently pending.

5. Mrs. Achutha and Mrs. Anthoniyammal have jointly filed a claims original petition dated November 3, 2015 in the Motor Accident Claims Tribunal, Vellore against SVIL and HDFC Ergo General Insurance Company. The complainants alleged that a van belonging to SVIL hit Mrs. Achutha's husband, who died in the accident. The complainants have claimed compensation of ₹3,000,000. SVIL filed its written statement in the Motor Accident Claims Tribunal on March 2, 2017. The matter is currently pending.

6. Mrs. Sujata Balu Jounjkar and certain of her family members have jointly filed a claim application dated December 15, 2017 in the Accident Claims Tribunal, Baramati, Pune, against SVIL and HDFC Ergo General Insurance Company. The complainants have alleged that a van belonging to SVIL hit Mrs. Sujata Balu Jounjkar's husband, who died in the accident. The complainants have claimed a total compensation of ₹2,000,000 and ₹50,000 for a no fault liability together with an interest of 12% per annum on such amount. The matter is currently pending.

7. Mrs. Mindra Devi and four others individuals have jointly filed a claim petition dated January 8, 2015 in the Motor Accident Claims Tribunal, Dwarka, Delhi against SVIL and Magma HDI General Insurance Company Limited. The complainants have alleged that a van belonging to SVIL hit a vehicle in which three of their relatives were traveling, who died in the accident. The complainants have claimed a total compensation of ₹8,000,000 together with an interest of 18% per annum on such amount. The next date of hearing is scheduled at September 19, 2018.

8. Mrs. Arita and others have filed a claim petition dated October 20, 2014 in the Motor Accident Claims Tribunal, Dwarka, Delhi against SVIL and Magma HDI General Insurance Company Limited. The complainant has alleged that a van belonging to SVIL hit her husband, who died in the accident. The complainant has claimed a total compensation of ₹2,500,000 together with an interest of 12% per annum on such amount. The next date of hearing is scheduled at September 19, 2018.

9. Mr. Balu Appa Kothali has filed a claim petition dated March 15, 2018 in the Motor Accident Claims Tribunal and the District Judge, Belagavi, against SVIL and HDFC Ergo General Insurance Company . The complainant has alleged that he was hit by a vehicle belonging to SVIL, and was consequently injured. The complainant has claimed compensation of ₹3,000,000. The next date of hearing is scheduled at September 3, 2018.

10. Mr. Ashok Madhukar Kolekar has filed a claim application dated March 16, 2018 in the Accident Claims Tribunal, Baramati, Pune, against SVIL. The complainant has alleged that he was hit by a van belonging to SVIL, and was consequently injured. The complainant has claimed compensation of ₹600,000 together with an interest of 12% per annum on such amount, and a separate no fault liability claim of Rs.25,000. The Accident Claims Tribunal fixed the date of hearing at April 26, 2018, and subsequently at August 23, 2018. The matter is currently pending.

11. Mr. Naresh Anand Shinde has filed a claim application dated February 14, 2018 in the Motor Accident Claims Tribunal, Mumbai, against SVIL and HDFC Ergo General Insurance Company. The complainant has alleged that he was hit by a van belonging to SVIL, and was consequently injured. The complainant has claimed compensation of ₹700,000 and ₹25,000 towards no fault liability together with an interest of 12% per annum on such amount. The Motor Accident Claims Tribunal issued notice to SVIL on April 7, 2018. The next date of hearing is scheduled at September 4, 2018.

(e) Material Civil Litigation by our Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Subsidiaries.

III. Litigation involving our Directors

(a) Criminal Proceedings against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Directors other than as disclosed below.

Mr. Vijay Chugh

1. Mr. Sudhir Diwan has filed a criminal writ petition (no. 1337 of 2014) before the Bombay High Court seeking to quash an order dated January 31, 2014 of the Additional Sessions Judge, Greater Mumbai which dismissed a criminal complaint filed by Mr. Diwan. The matter is currently pending. Mr. Diwan had originally filed a criminal complaint (no. 73/SW/2008) before the Additional Chief Metropolitan Magistrate, 38th Court, Ballard Pier, Mumbai (the "**ACMM**") against the RBI and certain officers of the RBI, including Mr. Vijay Chugh (then Chief General Manager, RBI) under Section 63 of the Copyright Act, 1957 and provisions of the Indian Penal Code, 1860, alleging, *inter alia*, that the RBI and such officials had violated the Copyright Act, 1957. The ACMM issued process against the accused under Section 63 of the Copyright Act, 1957 and under the Indian Penal Code, 1860 through an order dated May 7, 2013 against which the accused filed a revision petition (no. 632 of 2013). On hearing the revision petition, the Additional Sessions Judge, Greater Mumbai passed an order dated January 31, 2014 setting aside the order of the ACMM and dismissed the criminal complaint under Section 203 of the Code of Criminal Procedure, 1973.

(b) Criminal Proceedings by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Directors.

(c) Actions by Statutory/Regulatory Authorities involving our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Directors.

(d) Material Civil Litigation against our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Directors other than as disclosed below.

1. *Mr. Ravi B. Goyal*

See "*Outstanding Litigation and Material Developments - Material Civil Litigation against our Company*" and *Outstanding Litigation and Material Developments - Material Civil Litigation against our Subsidiaries"* on pages 479 and 483 above.

(e) Material Civil Litigation by our Directors

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Directors.

IV. Litigation involving our Promoters

(a) Criminal Proceedings against our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Promoters.

(b) Criminal Proceedings by our Promoters

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Promoters.

(c) *Actions by Statutory/Regulatory Authorities involving our Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Promoters.

(d) *Material Civil Litigation against our Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Promoters other than as disclosed below.

Mr. Ravi B. Goyal

1. See "*Outstanding Litigation and Material Developments - Material Civil Litigation against our Company*" and "*Outstanding Litigation and Material Developments - Material Civil Litigation against our Subsidiaries*" on pages 479 and 483 above.

(e) *Material Civil Litigation by our Promoters*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Promoters.

V. Litigation involving our Group Entities

(a) *Criminal Proceedings against our Group Entities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated against any of our Group Entities.

(b) *Criminal Proceedings by our Group Entities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding criminal proceedings initiated by any of our Group Entities.

(c) *Actions by Statutory/Regulatory authorities involving our Group Entities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding actions or proceedings by statutory/regulatory authorities involving any of our Group Entities.

(d) *Material Civil Litigation against our Group Entities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated against any of our Group Entities

(e) *Material Civil Litigation by our Group Entities*

As on the date of this Draft Red Herring Prospectus, there are no outstanding material civil proceedings initiated by any of our Group Entities

(f) Tax Proceedings involving our Company, Subsidiaries, Directors, Promoters and Group Entities

Details of outstanding tax proceedings involving our Company, Subsidiaries, Directors, Promoters and Group Entities as on the date of this Draft Red Herring Prospectus are disclosed below.

Nature of Proceedings	***Number of Proceedings***	***Amount involved (₹ in million)***
Direct Tax*		
Company	Nil	-
Subsidiaries		
SVIL	1	1.92

Nature of Proceedings	Number of Proceedings	Amount involved (₹ in million)
Directors		
Ravi B. Goyal	1	4.68
Promoters		
Ravi B. Goyal	see above	see above
Group Entities		
IRAPL	1	1.46
Sub-Total (A)	3	8.06
**Such amount excludes any interest or penalty in relation to such direct tax proceedings*		
Indirect Tax*		
Company	30	2762.72
Subsidiaries		
ITSL	1	0.77
Directors		
	Nil	-
Promoters		
	Nil	-
Group Entities		
Advanced Graphic Systems	2	0.63
Sub-Total (B)	33	2,764.12
**Such amount excludes any interest or penalty in relation to such indirect tax proceedings*		
TOTAL (A+B)	36	2,772.18

(g) **Outstanding Dues to Creditors**

In accordance with the SEBI ICDR Regulations, our Company, pursuant to a resolution dated August 16, 2018 of our Board considers all creditors to whom the amount due by our Company exceeds ₹ 39.4 million, which is 2% of the total trade payables of our Company as on March 31, 2018 in accordance with the Restated Consolidated Financial Information as material creditors of our Company. Details of material creditors (small scale undertakings and other creditors) of our Company based on such determination are disclosed below.

Material Creditors	Number of Creditors	Amount Involved (₹ in million)
Small scale undertakings	Nil	-
Other creditors	8	510.63

For further details of the outstanding dues to creditors as of March 31, 2018, see the website of our Company at www.agsindia.com.

Information provided on the website of our Company is not a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company's website, www.agsindia.com, would be doing so at their own risk.

(h) Material Developments since the Last Balance Sheet

Other than as disclosed in "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 447, in the opinion of our Board, no circumstances have arisen since the date of our last balance sheet as disclosed in this Draft Red Herring Prospectus which materially and adversely affect, or are likely to affect, our operations or profitability, or the value of our consolidated assets, or our ability to pay our liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

Set forth below is an indicative list of material approvals obtained by our Company and our Subsidiaries for undertaking their business. In view of these approvals, our Company and our Subsidiaries can undertake their business activities as currently conducted and disclosed in this Draft Red Herring Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India, the State Governments or other statutory authorities do not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. Unless otherwise stated, these approvals, licenses or registrations are valid as at the date of this Draft Red Herring Prospectus. We have also disclosed below material approvals for which (i) we have filed an application which is pending as at the date of this Draft Red Herring Prospectus; and (ii) we have not yet filed an application. For details in connection with the regulatory and legal framework within which we operate, see "*Regulations and Policies" on page 162.*

I. APPROVALS IN RELATION TO THE OFFER

For details in relation to the approvals and authorizations in relation to the Offer, see "*The Offer*" on page 77.

II. APPROVALS IN RELATION TO OUR BUSINESS

A. Material approvals obtained by our Company

1. Incorporation Details

- Certificate of incorporation dated December 11, 2002 issued to our Company by the RoC.
- Fresh certificate of incorporation dated June 3, 2010 issued to our Company by the RoC consequent to change of name to AGS Transact Technologies Private Limited.
- Fresh certificate of incorporation dated July 20, 2010 issued to our Company by the RoC consequent to conversion from a private limited company to a public limited company and the resultant change in the name.

2. Certificate of authorization dated June 30, 2014 to set up, own and operate payment systems for white label ATMs issued to our Company by the RBI, with effect from June 30, 2014 and valid until June 30, 2019. Certain key conditions of the certificate of authorization include, among others, the following:

- Our Company is required to comply with the PSS Act, the FEMA, the Companies Act, 1956, the Prevention of Money Laundering Act, 2002 and all applicable rules, regulations, guidelines, circulars, orders, notifications issued thereunder;
- The authorization cannot be transferred or assigned without the prior approval of the RBI;
- Our Company is not entitled to any fees other than the applicable "interchange" fee that would be payable to an acquirer bank with respect to a bank owned ATM;
- Our Company is not permitted to charge customers any amount (whether directly or indirectly) to use a white label ATM;
- Our Company is required to put in place a customer grievance redressal mechanism containing a definite time frame for the resolution of any grievances;
- Our Company is required to intimate the RBI of the names of the nodal officers appointed to ensure regulatory compliance, together with their complete contact information, and any change thereof;
- Any change in the mode of operation or the settlement procedure would require the prior approval of the RBI;
- The introduction in India of any new payment system product or service (other than as authorized) would not be permitted without the prior approval of the RBI;
- Our Company is required to ensure due diligence and adhere to "fit and proper person" criteria prior to effecting any changes in the Board. Our Company is also required to inform the RBI of any such changes;

- Our Company is required to maintain appropriate agreements with sponsor banks and ATM network operators to address customer complains within a definite time period; and
- Our Company is required to be fully responsible and accountable for the activities of other associates engaged in white label ATM operations.

3. We have obtained registrations under applicable shops and establishments legislations in the relevant states in India where we operate including, but not limited to, the following:

- Andhra Pradesh Shops and Establishments Act, 1988;
- Assam Shops and Establishments Act, 1971;
- Bihar Shops and Establishments Act, 1953;
- Delhi Shops and Establishments Act, 1954;
- Gujarat Shops and Commercial Establishments Act, 1948;
- Jammu and Kashmir Shops and Establishment Act, 1966;
- Karnataka Shops and Commercial Establishments Act, 1961;
- Kerala Shops and Commercial Establishments Act, 1950;
- Madhya Pradesh Shops and Establishments Act, 1958;
- Maharashtra Shops and Establishments Act, 1948;
- Maharashtra Shops and Establishments (Regulation of Employment and Conditions of Service) Act, 2017;
- Orissa Shops and Commercial Establishments Act, 1956;
- Puducherry Shops and Establishments Act, 1964;
- Punjab Shops and Establishments Act, 1958;
- Rajasthan Shops and Commercial Establishments Act, 1958;
- Tamil Nadu Shops and Establishments Act, 1947;
- Telangana Shops and Establishment Act, 1988;
- Uttarakhand Shops and Commercial Establishment Act, 1962;
- Uttar Pradesh Shops and Commercial Establishment Act, 1962; and
- West Bengal Shops and Establishments Act, 1963.

4. We have obtained relevant registrations under the Central Goods and Services Tax Act, 2017, in the relevant states and union territories in India where we operate, including, but not limited to, the following:

S. No.	**State / Union Territory**
1.	Andhra Pradesh
2.	Assam
3.	Bihar
4.	Chandigarh
5.	Chhattisgarh
6.	Daman and Diu
7.	Delhi
8.	Goa
9.	Gujarat
10.	Haryana
11.	Himachal Pradesh
12.	Jammu and Kashmir
13.	Jharkhand
14.	Karnataka
15.	Kerala
16.	Madhya Pradesh
17.	Maharashtra
18.	Odisha
19.	Puducherry
20.	Punjab
21.	Rajasthan
22.	Tamil Nadu
23.	Telangana

S. No.	State / Union Territory
24.	Uttarakhand
25.	Uttar Pradesh
26.	West Bengal

5. We have obtained registrations under applicable labour law legislations including, but not limited to, the following:

- Bombay Labour Welfare Fund Act, 1953;
- Contract Labour (Regulation and Abolition) Act, 1970, as a principal employer, covering our establishments in:
  i. Amritsar, Punjab;
  ii. Bangalore, Karnataka;
  iii. Chennai, Tamil Nadu;
  iv. Hyderabad, Telangana;
  v. Indore, Madhya Pradesh;
  vi. Kolkata, West Bengal;
  vii. Lucknow, Uttar Pradesh;
  viii. Mumbai, Maharashtra;
  ix. Navi Mumbai, Maharashtra; and
  x. New Delhi.
- Employees' Provident Fund and Miscellaneous Provisions Act, 1952;
- Employees' State Insurance Act, 1948 covering our branches/units in:
  i. Ahmedabad, Gujarat;
  ii. Amritsar, Punjab;
  iii. Guwahati, Assam;
  iv. Bangalore, Karnataka;
  v. Bhopal, Madhya Pradesh;
  vi. Chandigarh;
  vii. Chennai, Tamil Nadu;
  viii. Cuttack, Odisha;
  ix. Dehradun, Uttarakhand;
  x. Ernakulam, Kerala;
  xi. Gurgaon, Haryana;
  xii. Secunderabad, Telangana;
  xiii. Indore, Madhya Pradesh;
  xiv. Jaipur, Rajasthan;
  xv. Kolkata, West Bengal;
  xvi. Lucknow, Uttar Pradesh;
  xvii. Mumbai, Maharashtra;
  xviii. New Delhi;
  xix. Patna, Bihar;
  xx. Puducherry;
  xxi. Pune, Maharashtra; and
  xxii. Srinagar, Jammu and Kashmir.
- Karnataka Labour Welfare Fund Act, 1965;
- Kerala Labour Welfare Fund Act, 1975;
- Gujarat State Tax on Profession, Trade, Calling and Employments Act, 1976;
- Madhya Pradesh Shram Kalyan Nidhi Adhiniyam, 1982; and
- Tamil Nadu Labour Welfare Fund Act, 1972.

6. We have obtained an importer-exporter code with respect to our operations in Daman, Kalamboli and Puducherry. This code is subject to the condition that in case of any change in the name/address or constitution of the holder of the importer-exporter code, the import-exporter code holder shall cease to be eligible to import or export against the importer-exporter code after the expiry of 90 days from the date of such a change unless in the meantime, the consequential changes are effected in the importer-exporter code by the concerned licensing authority.

7. We have received the commencement certificate from the Maharashtra Industrial Development Corporation to carry out development work and building permit for our branch office in Mahape, Navi Mumbai.

8. We have obtained certain environmental and other licenses with respect to our operations in Daman and Diu, including but not limited to the following:

   - License to work a factory under the Factories Act, 1948 and the rules made thereunder;
   - Occupancy certificate under the Goa, Daman and Diu Village Panchayat (Regulation of Building) Rules, 1971;
   - License under the Water (Prevention and Control of Pollution) Act, 1974; and

9. We have obtained a certificate of approval for our quality management system which was found to conform to the requirements of the standard ISO 9001:2008 with respect to our Corporate Office, branch office, operations office, manufacturing unit, repair centre and warehouse from Indian Register Quality Systems ("**IRQS**"), a department of Indian Register of Shipping. Certain key conditions of this approval include, among others,

   i. that the approval is subject to continued satisfactory maintenance of our quality management system to the above standard, which will be monitored by IRQS; and
   ii. that the certificate shall expire on July 17, 2021.

10. Our Company has received Legal Entity Identifier number (335800GHEDPT3DNZXB96) from the Legal Entity Identifier India Limited, which is valid until September 26, 2018.

B. Material approvals obtained by our Subsidiaries

Our Subsidiaries, SVIL and ITSL, have obtained registrations under the applicable Indian tax laws, including the Central Goods and Services Tax Act, 2017. In addition, both SVIL and ITSL have obtained registrations under applicable labour laws including, but not limited to, registrations under the relevant Shops and Establishment Acts, Employees' Provident Funds and Miscellaneous Act, 1952, the Employees' State Insurance Act, 1948, and the Contract Labour (Regulation and Abolition) Act, 1970. SVIL has also received a license to engage in the business of private security agency in the states of Maharashtra (valid until June 21, 2020), Tamil Nadu (valid until November 2, 2019) and Karnataka (valid until February 17, 2019). ITSL has received a certificate of authorization to set up and operate a payment system for semi-closed prepaid payment instrument services in India with effect from May 30, 2014, which is valid until May 31, 2019. Such certificate of authorization is subject to certain terms and conditions under the PSS Act, regulations and the directions/guidelines issued under the PSS Act, from time to time.

Our Subsidiary, Novus Philippines has received a business permits from its regulator, valid until December 31, 2018, and eligible for renewal. Novus Philippines has also received a certificate of registration with Bureau of Customs, Philippines, valid until December 19, 2018.

C. Material licenses and approvals for which applications have been filed by our Company and our Subsidiaries

Our Company has made an application for the following registrations or renewals as at the date of this Draft Red Herring Prospectus:

- Trade license for operations in Cuttack, Odisha.

Our Subsidiaries have applied for the following registrations or renewals which are pending as of the date of this Draft Red Herring Prospectus:

- SVIL – License to engage in the business of private security agency in Andhra Pradesh, Haryana, Kerala and Punjab.

III. INTELLECTUAL PROPERTY

A. Registrations obtained by our Company

Trademark

As on the date of this Draft Red Herring Prospectus, our Company and our Subsidiaries have registered 211 trademarks in India and abroad.

Third parties have opposed the registration of the trademarks "*Fastlane*" and "*Kisan*", under different classes, by our Company.

Copyright

As on the date of this Draft Red Herring Prospectus, our Company and our Subsidiaries have registered 3 copyrights in artistic works in India.

B. Applications filed by our Company and our Subsidiaries

Trademark

As on the date of this Draft Red Herring Prospectus, our Company and our Subsidiaries have filed 75 applications in India for registration of various trademarks.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to a resolution dated June 7, 2018 and our Shareholders have approved the Offer pursuant to a special resolution dated June 7, 2018.

The Offer for Sale has been authorized by the Selling Shareholders as disclosed in "*The Offer*" on page 77.

The Equity Shares being offered by the Selling Shareholders in the Offer for Sale have been held by them for a period of at least one year prior to the date of filing of this Draft Red Herring Prospectus with SEBI, calculated in the manner as set out under Regulation 26(6) of the SEBI ICDR Regulations and are eligible for being offered in the Offer for Sale. Each Selling Shareholder has also confirmed with respect to the Equity Shares held by him that he is the legal and beneficial owner of the Equity Shares being offered in the Offer for Sale.

Each Selling Shareholder has confirmed that he has not been prohibited from dealings in the securities market.

Our Company has received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Prohibition by the SEBI or Other Governmental Authorities

Our Company, our Promoters, members of our Promoter Group, our Group Entities, our Directors and the persons in control of our Company and of our corporate Promoter have not been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

The companies with which our Promoters, our Directors or persons in control of our Company are or were associated as promoters, directors or persons in control have not been debarred from accessing the capital markets under any order or direction passed by the SEBI or any other regulatory or governmental authority.

Other than Mr. Jagdish Capoor and Mr. Sudip Bandyopadhyay, none of our Directors is in any manner associated with the securities market and there has been no action taken by the SEBI against our Directors or any such entity.

(i) Mr. Jagdish Capoor, one of our Directors, is also a director of HDFC Securities Limited, a registered stock broker with membership of the BSE, MCX-SX and NSE. HDFC Securities Limited is also registered with the SEBI as a research analyst.

    In June 2017, the SEBI issued an administrative warning for observation related to non-display of the compliance officer's details by HDFC Securities Limited as a stock broker in its correspondence with clients. In light of such observations by the SEBI, HDFC Securities Limited has taken steps to comply with the observations and has furnished its action taken report to the SEBI.

    The SEBI had carried out an inspection of books and records of HDFC Securities Limited for the period between April 1, 2010 to March 31, 2011 and issued an administrative warning pursuant to a letter dated July 5, 2012 in relation to the incorporation of certain objectionable clauses in the 'know your customer' (KYC) document. Such objectionable clauses have been removed in compliance with the observation (Letter ref. COM/AUG-12/003 dated August 3, 2012 and COM/DEC-12/028 dated December 24, 2012).

    Further in July 2014, certain observations with respect to updates in the anti-money laundering policy and KYC documentation on financial information of clients were reported by the SEBI after an inspection and accordingly, administrative warning was issued to HDFC Securities Limited. In light of such observations by the SEBI, HDFC Securities Limited has taken steps to comply with the observations and has furnished its action taken report to the SEBI through letters dated August 18, 2014 (reference no. COM/AUG-14/018) and December 11, 2014 (reference no. COM/DEC-14/021).

(ii) Mr. Sudip Bandyopadhyay, one of our Directors, became a promoter of Inditrade Capital Limited, with effect from November 8, 2016. Inditrade Capital Limited is registered with the SEBI as a broker.

A monetary penalty of ₹0.8 million was imposed by the SEBI on Inditrade Capital Limited for quarterly non-settlement of funds and securities pertaining to certain quarters of the Financial Year 2011-12 and Financial Year 2012-13.

Prohibition by the RBI

None of our Company, our Directors, our Promoters, relatives (as defined under the Companies Act, 2013) of our individual Promoter and our Group Entities has been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 26(1) of the SEBI ICDR Regulations, as disclosed below.

- Our Company has net tangible assets of at least ₹30 million in each of the three immediately preceding full years (of 12 months each), of which not more than 50% of the net tangible assets are held as monetary assets.

- 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 five immediately preceding years.

- Our Company has a net worth of at least ₹10 million in each of the three immediately preceding full years (of 12 months each).

- The aggregate size of the proposed Offer and all previous issues made in the same Financial Year is not expected to exceed five times the pre-Offer net worth of our Company as per the audited balance sheet of the immediately preceding Financial Year.

- Our Company has not changed its name during the immediately preceding year.

Our Company's net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets, pre-tax operating profit and net worth derived from the Restated Financial Information included in this Draft Red Herring Prospectus as at, and for the five immediately preceding Financial Years are disclosed below.

(₹ *in million*)

Particulars*	Financial Year				
	2018	**2017**	**2016**	**2015**	**2014**
Restated Consolidated Financial Information					
Net tangible assets	3,319.38	3,418.44	3,860.82	4,012.30	3,904.65
Monetary assets	314.30	211.80	104.84	264.09	108.00
Monetary assets as a percentage of the net tangible assets	9.47%	6.20%	2.72%	6.58%	2.77%
Pre-tax operating profit	924.69	511.18	459.38	959.63	654.50
Net worth	4,021.02	3,939.78	4,171.41	4,328.67	4,154.86
Restated Standalone Financial Information					
Net tangible assets	4,312.02	4,269.03	4,415.98	4,313.88	4,135.15
Monetary assets	223.99	91.83	71.05	230.26	78.30
Monetary assets as a percentage of the net tangible assets	5.19%	2.15%	1.61%	5.34%	1.89%
Pre-tax operating profit	945.61	690.22	645.23	978.15	758.37
Net worth	4,934.85	4,744.14	4,691.30	4,594.40	4,339.30

** As restated. Source: Restated Financial Information*

Notes:

i) *"Net tangible assets" mean the sum of all net assets of the Company, excluding intangible assets as defined in Ind AS 38 - Intangible Assets/ Accounting Standard 26 (AS 26) issued by the Institute of Chartered Accountants of India and excluding deferred tax assets/ liabilities, as restated.*

ii) *'Monetary assets' include cash and cash equivalents, other bank balances including non-current portion of fixed deposits with banks and interest accrued thereon, as restated.*

iii) *'Pre-tax operating profit' has been calculated as restated net profit before aggregate of tax, other income and finance costs, as restated.*

iv) *'Net worth' means the aggregate of the paid-up share capital, and other equity/reserves and surplus (excluding revaluation reserve), as restated.*

Financial Years 2014, 2015 and 2018 are the three most profitable years out of the five immediately preceding Financial Years in terms of our Restated Financial Information.

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 shall not be less than 1,000, failing which the entire application monies shall be refunded in accordance with the timelines specified under applicable law. In case of delay, if any, in refund within such timelines as prescribed under applicable law, our Company and the Selling Shareholders shall be liable to pay interest on the application money in accordance with applicable law.

Our Company is in compliance with conditions specified in Regulation 4(2) of the SEBI ICDR Regulations to the extent applicable.

Disclaimer Clause of the SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO 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 TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY THE SEBI. THE SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMS, ICICI SECURITIES LIMITED, AXIS CAPITAL LIMITED, HDFC BANK LIMITED, IIFL HOLDINGS LIMITED, INDUSIND BANK LIMITED AND NOMURA FINANCIAL ADVISORY AND SECURITIES (INDIA) PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SEBI ICDR REGULATIONS 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 SHAREHOLDERS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPECTIVE RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMS, HAVE FURNISHED TO THE SEBI, A DUE DILIGENCE CERTIFICATE DATED AUGUST 20, 2018 WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGERS TO THE ABOVEMENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, TO THE EXTENT NOT REPLACED BY THE COMPANIES ACT, 2013, THE COMPANIES ACT, 2013, TO THE EXTENT IN FORCE, 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 DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE 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 – NOTED FOR COMPLIANCE;

5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING OF THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI, TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS;

6. WE CERTIFY THAT REGULATION 33 OF THE SEBI ICDR REGULATIONS, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS - COMPLIED WITH AND NOTED FOR COMPLIANCE;

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSES (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI ICDR REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER – NOT APPLICABLE;

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY, AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION – COMPLIED WITH;

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONIES RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION – NOTED FOR COMPLIANCE; ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT, AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013;**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER WILL BE ALLOTTED IN DEMATERIALIZED FORM ONLY;**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI ICDR REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION;**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

    (a) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND

    (b) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE 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 –COMPLIED WITH AND NOTED FOR COMPLIANCE;**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC – COMPLIED WITH;**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY – COMPLIED WITH;**

16. **WE ENCLOSE A STATEMENT ON PRICE INFORMATION OF 'PAST ISSUES HANDLED BY THE MERCHANT BANKERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER)', AS PER THE FORMAT SPECIFIED BY THE SEBI THROUGH CIRCULAR– COMPLIED WITH;**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING**

PROSPECTUS AS CERTIFIED BY PARIKH & PARIKH, CHARTERED ACCOUNTANTS, FIRM REGISTRATION NO. 107526W, BY WAY OF A CERTIFICATE DATED AUGUST 20, 2018;

18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(A) OR (B) (AS THE CASE MAY BE) OF THE SEBI ICDR REGULATIONS TO LIST ON THE INSTITUTIONAL TRADING PLATFORM, UNDER CHAPTER XC OF THE SEBI ICDR REGULATIONS (IF APPLICABLE) – NOT APPLICABLE.

The filing of this Draft Red Herring Prospectus does not, however, absolve our Company or any person that authorizes the issue of this Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. The 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 Red Herring Prospectus and the Prospectus.

All legal requirements pertaining to the Offer will be complied with at the time of registration 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 and 33 of the Companies Act, 2013.

Price Information of Past Issues Handled by the BRLMs

1. I-Sec

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
1.	AU Small Finance Bank Limited	19,125.14	358.00	10-Jul-17	530.00	+58.76%, [+2.12%]	+65.20%, [+2.23%]	+95.38%,[+8.06%]
2.	Security and Intelligence Services (India) Limited	7,795.80	815.00	10-Aug-17	879.80	-3.29%, [+1.17%]	+3.14%, [+5.40%]	+39.12%,[+8.62%]
3.	Matrimony. Com Limited	4,974.79	985.00 (1)	21-Sep-17	985.00	-12.28%, [+0.62%]	-7.64%,[+3.37%]	-16.55%,[-0.27%]
4.	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	27-Sep-17	651.10	+3.62%, [+6.25%]	+18.97%,[+8.17%]	+15.36%,[4.06%]
5.	SBI Life Insurance Company Limited	83,887.29	700.00 (2)	03-Oct-17	735.00	-7.56%, [+5.89%]	-0.07%,[+5.84%]	-2.30%,[3.57%]
6.	Newgen Software Technologie	4,246.20	245.00	29-Jan-18	254.10	-0.20%, [-5.18%]	+2.51%[-3.51%]	-2.00%,[1.33%]

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
	s Limited							
7.	Galaxy Surfactants Limited	9,370.90	1,480.00	8-Feb-18	1,525.00	+1.14%, [-3.31%]	-0.85%[+1.33%]	-14.68%,[7.66%]
8.	Aster DM Healthcare Limited	9,801.40	190.00	26-Feb-18	183.00	-13.66%,[-3.77%]	-5.39%,[+1.00%]	-
9.	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59%[+4.96%]	+15.41%,[+4.36%]	-
10.	HDFC Asset Management Company Limited	28,003.31	1,100.00	06-Aug-18	1,726.25	-	-	-

Source: www.nseindia.com

Notes:

1. *All data sourced from www.nseindia.com*
2. *Benchmark index considered is NIFTY*
3. *30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	33,128.11	-	-	-	-	-	1	-	-	-	-	-	-
2017-2018	9	208,306.61	-	-	5	1	-	3	-	-	4	1	2	1
2016-2017	12	160,855.45	-	-	3	4	4	1	-	1	1	7	2	1

2. Axis Capital

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue name	Issue size (₹ 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	HDFC Asset Management Company Limited	28,003.31	1,100	06-Aug-18	1,726.25	-	-	-
2	Sandhar Technologies Limited	5,124.80	332.00	02-Apr-18	346.10	+19.59%, [+4.96%]	+15.41%,[+4.36 %]	-
3	Hindustan Aeronautics Limited	41,131.33	1,215.00[!]	28-Mar-18	1,152.00	-6.96%, [4.98%]	-25.84%, [+6.41%]	-
4	Bandhan Bank Limited	44,730.19	375.00	27-Mar-18	499.00	+31.81%, [3.79%]	+42.53%, [+5.68%]	-
5	Aster DM Healthcare Limited	9801.00	190.00	26-Feb-18	183.00	-13.66%, [-3.77%]	-5.39%, [+1.00%]	-
6	Khadim India Limited	5,430.57	750.00	14-Nov-17	730.00	-10.40%,[+0.06 %]	-6.47%, [+3.47%]	+10.21%, [+6.09%]
7	The New India Assurance Company Limited	18,933.96	800[$]	13-Nov-17	750.00	-27.91%,[+0.15 %]	-7.81%, [+3.08%]	-13.06%, [+5.69%]
8	Mahindra Logistics Limited	8,288.84	429[^]	10-Nov-17	429.00	+2.49%,[0.00 %]	+9.48%,[+1.50 %]	+21.00%, [+3.84%]
9	Reliance Nippon Life Asset Management Limited	15,422.40	252	06-Nov-17	295.90	+3.61%[-3.19%]	+8.12%,[+2.05 %]	-4.21, [+1.59%]
10	General Insurance Corporation of India	111,758.43	912[@]	25-Oct-17	850.00	-12.92%,[+0.52 %]	-13.95%,[+6.52 %]	-22.02%, [2.81%]

Source: www.nseindia.com
[*]Offer Price was ₹ 632.00 per equity share to Eligible Employees
[@]Offer Price was ₹ 855.00 per equity share to Retail Individual Bidders and Eligible Employees
[^]Offer Price was ₹ 387.00 per equity share to Eligible Employees
[$]Offer Price was ₹ 770.00 per equity share to Retail Individual Bidders and Eligible Employees
! Offer Price was ₹1,190.00 per equity share to Retail Individual Bidders and Eligible Employees

Notes:
1. *Issue Size derived from Prospectus/final post issue reports, as available.*
2. *The CNX NIFTY is considered as the Benchmark Index.*
3. *Price on NSE is considered for all of the above calculations.*
4. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered*
5. *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*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	33,128.11	-	-	-	-	-	1	-	-	-	-	-	-
2017-2018	18	415,433.38	-	1	9	1	3	5	-	2	5	3	2	1
2016-2017	10	111,377.80	-	-	1	4	2	3	-	-	-	7	1	2

3. HDFC Bank

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	-	-	-
2.	H.G. Infra Engineering Limited	4,620	270	March 9, 2018	270.00	+22.96% [+1.49%]	+8.35% [+4.48%]	-
3.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310.00	+30.16%[+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
4.	AU Small Finance Bank Limited	19,125.14	358	July 10, 2017	525.00	+58.76%[+2.12%]	+65.20% [+2.23%]	+95.38% [+8.06%]
5.	Shankara Building Products Limited	3,450.01	460	April 5, 2017	555.05	+51.04% [+1.02%]	+80.91% [+3.78%]	+214.86% [+6.41%]
6.	Avenue Supermarts Limited	18,700.00	299	March 21, 2017	600.00	+145.08% [-0.20%]	+166.35% [+5.88%]	+264.38% [+11.31%]
7.	RBL Bank Limited	12,129.67	225	August 31, 2016	274.20	+27.07% [-2.22%]	+56.98% [-7.50%]	+107.91% [+1.26%]

Source: www.nseindia.com

Notes:

1. *Opening price information as disclosed on the website of NSE*
2. *Change in closing price over the issue/offer price as disclosed on NSE*

3. *Change in closing price over the closing price as on the listing date for benchmark index i.e. NIFTY 50*
4. *In case of reporting dates falling on a trading holiday, values for the trading day immediately after the trading holiday have been considered*
5. *30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years preceding the current Financial Year):

Financial Year	**Total No. of IPOs**	**Total Funds Raised (₹ in million)**	**Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing**			**Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing**			**Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing**			**Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing**		
			Over 50%	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**	**Over 50%**	**Between 25%-50%**	**Less than 25%**
2018 - 19*	1	86,950.07	-	-	-	-	-	-	-	-	-	-	-	-
2017 - 18	4	114,145.22	-	-	-	2	1	1	-	-	-	3	-	-
2016 - 2017	2	30,829.67	-	-	-	1	1	-	-	-	-	2	-	-

**The information is as on the date of this Draft Red Herring Prospectus*

4. <u>IIFL</u>

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	**Issue Name**	**Issue Size (₹ in million)**	**Issue Price (₹)**	**Listing Date**	**Opening Price on Listing Date (in ₹)**	**+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 30th Calendar Day from Listing**	**+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 90th Calendar Days from Listing**	**+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 180th Calendar Day from Listing**
1	Capacit'e Infraprojects Limited	4,000.00	250.00	September 25, 2017	399.00	+34.9%, [+3.3%]	+60.3%, [+5.3%]	+18.1%, [+0.3%]
2	ICICI Lombard General Insurance Company Limited	57,009.39	661.00	September 27, 2017	651.00	+3.3%, [+4.6%]	+19.0%, [+6.7%]	+15.4%, [+2.6%]
3	Indian Energy Exchange Limited	10,007.26	1,650.00	October 23, 2017	1,500.00	-5.6%, [+1.9%]	-1.8%, [+7.4%]	-0.7%, [+4.1%]
4	Reliance Nippon Life Asset Management Limited	15,422.40	252.00	November 06, 2017	295.90	+1.2%, [-3.9%]	+5.9%, [+2.9%]	-4.2%, [+1.6%]
5	HDFC Standard Life Insurance Company Limited	86,950.07	290.00	November 17, 2017	310.00	+31.5%, [+1.2%]	+49.0%, [+3.2%]	+71.6%, [+5.2%]

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
6	Shalby Limited	5,048.00	248.00	December 15, 2017	239.70	-4.2%, [+4.2%]	-11.7%, [+1.1%]	-29.3%, [+5.9%]
7	Future Supply Chain Solutions Limited	6,496.95	664.00	December 18, 2017	664.00	+4.1%, [+4.4%]	+6.9%, [-1.3%]	-5.2%, [+4.7%]
8	ICICI Securities Limited	35,148.49	520.00	April 04, 2018	435.00	-28.9%, [+3.6%]	-38.6%, [+4.4%]	NA
9	Varroc Engineering Limited	19,551.75	967.00	July 06, 2018	1,015.00	+1.6%, [+5.7%]	NA	NA
10	HDFC Asset Management Company Limited	28,003.31	1,100.00	August 6, 2018	1,726.25	NA	NA	NA

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30th, 90th and 180th calendar day from listed day have been taken as listing day plus 30, 90 and 180 calendar days, except wherever 30th /90th / 180th calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. % change taken against closing CNX NIFTY Index a day prior to the listing date. NA means Not Applicable

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years preceding the current Financial Year):

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2016-17	5	92,062.31	-	-	1	2	1	1	-	-	-	3	1	1
2017-18	9	1,98,722.66	-	-	3	1	2	3	-	1	3	2	1	2
2018-19	3	82,703.55	-	1	-	-	-	1	-	-	-	-	-	-

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered.

5. <u>IndusInd</u>

IndusInd has not handled any initial public offerings of equity shares in the current Financial Year and the two Financial Years preceding the current Financial Year.

6. Nomura

Price information of past public issues (during the current Financial Year and the two Financial Years immediately preceding the current Financial Year):

S. No.	Issue Name	Issue Size (₹ in million)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (in ₹)	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 30th Calendar Day from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 90th Calendar Days from Listing	+/-% Change in the Closing Price, (+/-% Change in Closing Benchmark) – 180th Calendar Day from Listing
1.	HDFC Asset Management Company Limited	28,003.31	1,100	August 6, 2018	1,726.25	Not applicable	Not applicable	Not applicable
2.	Indostar Capital Finance Limited	18,440.00	572	May 21, 2018	600	-0.96% [+1.84%]	-15.87% [+9.84%]	Not applicable
3.	Future Supply Chain Solutions Limited	6,496.95	664	December 18, 2017	664	+3.50% [+3.00%]	+6.27% [-2.83%]	-5.20% [+4.13%]
4.	HDFC Standard Life Insurance Company Limited	86,950.07	290	November 17, 2017	310	+30.16% [+1.02%]	+48.93% [+2.11%]	+74.66% [+5.04%]
5.	The New India Assurance Company Limited[1]	95,858.23	800	November 13, 2017	750	-27.91% [+0.15%]	-7.81% [+3.08%]	-13.06% [+5.69%]
6.	Reliance Nippon Life Asset Management Limited	15,422.40	252	November 6, 2017	295.9	+3.61% [-3.19%]	+8.12% [+2.05%]	-4.21% [+1.59%]
7.	Central Depository Services (India) Limited	5,239.91	149	June 30, 2017	250	+127.92% [+5.84%]	+128.86%, [+2.26%]	+146.71%, [+10.61%]
8.	Tejas Networks Limited	7,766.88	257	June 27, 2017	257	+28.04%, [+5.35%]	+17.82%, [+3.80%]	+51.36%, [+10.73%]
9.	Housing and Urban Development Corporation Limited[2]	12,097.77	60	May 19, 2017	73	+13.17%, [+2.44%]	+34.67%, [+4.98%]	+35.67%, [+8.05%]
10.	BSE Limited	12,434.32	806	February 3, 2017	1,085	+17.52%, [+2.55%]	+24.41%, [+6.53%]	+34.43% [+15.72%]

Source: www.nseindia.com

1. *Price for retail individual investors and Eligible Employees bidding in the Employee Reservation Portion was INR770.00 per equity share*
2. *Price for retail individual bidders bidding in the retail portion and to eligible employees was INR58.00 per equity share*

Notes:

1. *The CNX NIFTY has been considered as the Benchmark Index.*
2. *Price on NSE is considered for all of the above calculations.*
3. *In case 30th/90th/180th day is not a trading day, closing price on NSE of the next trading day has been considered.*
4. *Not applicable – Period not completed.*

Summary statement of price information of past public issues (during the current Financial Year and the two Financial Years preceding the current Financial Year):

Financial Year	Total No. of IPOs	Total Funds Raised (₹ in million)	Nos. of IPOs Trading at Discount – 30th Calendar Days from Listing			Nos. of IPOs Trading at Premium – 30th Calendar Day from Listing			Nos. of IPOs Trading at Discount – 180th Calendar Day from Listing			Nos. of IPOs Trading at Premium – 180th Calendar Day from Listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
2018-2019	2	46,443.31	-	-	1	-	-	-	-	-	-	-	-	-
2017-2018	7	229,832.21	-	1	-	1	2	3	-	-	3	3	1	-
2016-2017	1	12,434.32	-	-	-	-	-	1	-	-	-	-	1	-

Source: www.nseindia.com

Notes:
1. *The information is as on the date of this Draft Red Herring Prospectus.*
2. *The information for each of the financial years is based on issues listed during such financial year.*
3. *2 issues were completed in the financial year 2018-19. However, 1 issue has not completed 180 days and 1 issue has not completed both 30 days and 180 days.*

Track Record of Past Issues Handled by the BRLMs

For details regarding the track record of the BRLMs, as specified in circular (No. CIR/MIRSD/1/2012) dated January 10, 2012 issued by the SEBI, see the websites of the BRLMs, as disclosed in the table below.

S. No.	Name of BRLM	Website
1.	ICICI Securities Limited	www.icicisecurities.com
2.	Axis Capital Limited	www.axiscapital.co.in
3.	HDFC Bank Limited	www.hdfcbank.com
4.	IIFL Holdings Limited	www.iiflcap.com
5.	IndusInd Bank Limited	www.indusind.com
6.	Nomura Financial Advisory and Securities (India) Private Limited	www.nomuraholdings.com/company/group/asia/india/index.html

Caution - Disclaimer from our Company, the Selling Shareholders and the BRLMs

Our Company, our Directors, our Promoters, the Selling Shareholders 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 Company's instance. Anyone placing reliance on any other source of information, including our Company's website, www.agsindia.com, or any other website of our Company or any website of any of the Subsidiaries, the members of our Promoter Group, the Promoters, the Group Entities or any of their affiliates, would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information, to the extent required in relation to the Offer, shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be made available by our Company, the Selling Shareholders and 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.

None of our Company, our Directors, the Selling Shareholders or any member of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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 any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, 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 the Equity Shares.

Our customers include affiliates of the BRLMs or the BRLM entity. Axis Bank, ICICI Bank, HDFC Bank and IndusInd Bank are our customers. The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders, our Promoters, members of our Promoter Group and our Group Entities, and their respective affiliates, associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with or become customers or suppliers to our Company, the Selling Shareholders, our Promoters, members of our Promoter Group and our Group Entities, and their respective affiliates, associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

The Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, as amended, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Systemically Important NBFCs or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, insurance companies registered with the IRDAI, permitted provident funds and pension funds, insurance funds set up and managed by the army, navy and air force of the Union of India, and insurance funds set up and managed by the Department of Posts, Government of India) and to Eligible FPIs, Eligible NRIs and other eligible foreign investors, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations and registered multinational and bilateral development financial institutions.

The Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai, India 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 the SEBI for its observations. Accordingly, the Equity Shares represented thereby 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 issue hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, the Selling Shareholders, the Subsidiaries, our Promoters, members of our Promoter Group or our Group Entities since the date hereof or that the information contained herein is correct as at 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, as amended ("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 the United States, in offshore transactions in compliance with Regulation S under the U.S. Securities Act ("Regulation S") and the applicable laws of the jurisdiction where those offers and sales occur; and (ii) in the United States, to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act ("Rule 144A")), pursuant to the private placement exemption set out in Section 4(a) 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.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus has been 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 registration with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been 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 registration with the RoC.

Filing

A copy of this Draft Red Herring Prospectus has been filed with the SEBI at the Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C4 A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India. Further, the BRLMs have also made an online filing of this Draft Red Herring Prospectus through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2018/011 dated January 19, 2018.

A copy of the Red Herring Prospectus, along with the documents required to be registered under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with the RoC at the office of the Registrar of Companies, Maharashtra at 100, Everest, 5th Floor, Marine Drive, Mumbai 400 002.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalized.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such other time period as may be specified under applicable law. Further, each Selling Shareholder confirms that he shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by law. 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 the SEBI, it shall repay without interest all monies received from the Bidders, failing which interest shall be due to be paid to the Bidders at the rate of 15% per annum for the delayed period.

Consents

Consents in writing of: (a) the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, the Auditors of our Company, the Legal Advisors to our Company as to Indian law, the Legal Advisors to the Underwriters as to Indian Law, the International Legal Advisers to the Underwriters, the Bankers to our Company and (b) the BRLMs, the Registrar to the Offer, the Syndicate Members, the Escrow Collection Bank(s), the Refund Bank(s), the Public Offer Account Bank(s) and the Monitoring Agency to act in their respective capacities, have been obtained/will be obtained prior to filing of the Red Herring Prospectus with the RoC and filed (as applicable) along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act, 2013 and such consents that have been obtained have not been withdrawn as on the date of this Draft Red Herring Prospectus.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Auditors have given their written consent for inclusion of their reports on the Restated Financial Information of our Company, each dated August 16, 2018 and the statement of tax benefits dated August 20, 2018 in the form and context included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Experts

Our Company has not obtained any expert opinions other than as disclosed below.

Our Company has received written consent from the Statutory Auditors namely, B S R & Co. LLP, Chartered Accountants, Chartered Accountants, to include its name as required under 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 examination reports of the Statutory Auditors on the Restated Consolidated Financial Information and Restated Standalone Financial Information, each dated August 16, 2018 and the statement of tax benefits dated August 20, 2018, included in this Draft Red Herring Prospectus and such consent has not been withdrawn until the filing of this Draft Red Herring Prospectus with the SEBI.

Offer Expenses

The expenses of the Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, advertisement expenses, registrar and depository fees and listing fees. For further details, see "*Objects of the Offer – Offer Related Expenses*" on page 111.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission, brokerage and selling commission and reimbursement of their out-of-pocket expenses) will be as per the Syndicate Agreement, a copy of which will be available for inspection at our Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date. For further details, see "*Objects of the Offer – Offer Related Expenses*" on page 111.

Commission Payable to SCSBs, Registered Brokers, RTAs and CDPs

For details of commission payable to SCSBs, Registered Brokers, RTAs and CDPs, see "*Objects of the Offer – Offer Related Expenses*" on page 111.

Fees Payable to the Registrar to the Offer

The fees payable to the Registrar to the Offer for, *inter alia*, processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as stated in the Registrar Agreement, a copy of which will be available for inspection at our Registered Office from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment Advice by registered post/speed post.

For details of Offer expenses, see "*Objects of the Offer – Offer Related Expenses*" on page 111.

Commission or Brokerage on Previous Issues

Since this is an initial public offering of the Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares by our Company since its incorporation.

Particulars regarding Public or Rights Issues by Our Company during the Last Five Years

Our Company has not made any public or rights issues during the five years immediately preceding the date of this Draft Red Herring Prospectus.

Previous Issues of Equity Shares Otherwise than for Cash

Our Company has not issued any Equity Shares for consideration otherwise than for cash, other than as set out in *"Capital Structure - Notes to Capital Structure – Issue of Equity Shares for consideration other than cash"* on page 90.

Capital Issues during the Previous Three Years by our Company, Subsidiaries and Group Entities

Our Company has not made any capital issues during the three years immediately preceding the date of this Draft Red Herring Prospectus. None of the Subsidiaries or the Group Entities is listed on any stock exchange.

Performance vis-à-vis Objects – Details of Public or Rights Issues by our Company, Subsidiaries and Group Entities in the Last Ten Years

Our Company has not undertaken any previous public or rights issue. None of the Subsidiaries or the Group Entities is listed on any stock exchange.

Outstanding Debentures or Bonds or Preference Shares or Other Instruments

Except for the employees stock options granted under the ESOP Schemes as disclosed in "*Capital Structure – Notes to Capital Structure – Employee Stock Option Plans*" on page 97, our Company does not have any outstanding debentures or bonds or preference shares or other instruments as on the date of this Draft Red Herring Prospectus.

Partly Paid-up Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The Registrar Agreement provides for the retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch of the letters of Allotment, dematerialized credit and refund orders to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All Offer-related grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary 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 the Bidder, number of Equity Shares applied for, date of submission of Bid cum Application Form and the name and address of the Designated Intermediary with whom the Bid cum Application Form was submitted.

Further, Bidders shall also enclose a copy of the Acknowledgment Slip or specify the application number duly received from the Designated Intermediaries in addition to the documents/information mentioned hereinabove.

In terms of circular (No. SEBI/HO/CFD/DIL2/CIR/P/2018/22) dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months from the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, and for any delay beyond which, the concerned SCSB would have to pay interest at the rate of 15% per annum.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer. The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the Selling Shareholders, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations.

Investors can contact the Company Secretary and Compliance Officer 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 intimations and non-receipt of funds by electronic mode.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs

Disposal of Investor Grievances by Our Company

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary for the redressal of routine investor grievances shall be ten 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 is not listed and accordingly, as of the date of this Draft Red Herring Prospectus, there are no pending investor complaints against our Company and our Company has not received any investor complaints in the three years prior to the filing of this Draft Red Herring Prospectus.

Our Company has constituted a Stakeholders' Relationship Committee comprising Mr. Sudip Bandyopadhyay, Mr. Jagdish Capoor and Mr. Vijay Chugh as members. For details, see "*Our Management – Committees of the Board – Stakeholders' Relationship Committee*" on page 184.

Our Company has also appointed Ms. Sneha Kadam, Company Secretary, as our Compliance Officer for the Offer. For details, see "*General Information*" on page 79.

There are no listed companies under the same management as our Company.

Changes in Statutory Auditors

There has been no change in the auditors of our Company during the three years immediately preceding the date of this Draft Red Herring Prospectus, other than the following:

Name of Auditors	Date of Appointment	Date of Resignation	Reasons for change
S.R. Batliboi & Associates, LLP	July 30, 2013	December 20, 2016	Expiry of term
B. S. R. & Co. LLP	December 22, 2016	N.A.	Appointment as auditors

Capitalization of Reserves or Profits

Our Company has not capitalized its reserves or profits at any time during the five years immediately preceding the date of this Draft Red Herring Prospectus, except as disclosed below.

Our Company capitalized its securities premium pursuant to a Shareholders resolution dated February 3, 2015, and allotted bonus shares to Shareholders as on a record date of February 11, 2015. For details, see "*Capital Structure –Notes to Capital Structure – Issue of Equity Shares for consideration other than cash*" on page 90.

Revaluation of Assets

Our Company has not re-valued its assets in the five years immediately preceding the date of this Draft Red Herring Prospectus.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the SEBI ICDR Regulations, the SCRA, the SCRR, our Memorandum of Association and our Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

The Offer

The Offer comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

Other than listing fees, expenses in relation to the legal counsel of our Company and in relation to corporate advertisements which will be paid by our Company, all costs, fees and expenses with respect to the Offer shall be shared between our Company and the Selling Shareholders in the manner agreed to among our Company and the Selling Shareholders and in proportion to the number of Equity Shares issued under the Fresh Issue and transferred under the Offer for Sale, respectively, upon completion of the Offer. Further, the Selling Shareholders shall reimburse our Company for all expenses, incurred by our Company in relation to the Offer for Sale on their behalf in accordance with applicable law, in proportion to the Equity Shares transferred under the Offer for Sale. For details in relation to Offer expenses, see "*Objects of the Offer – Offer Related Expenses*" on page 111.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum of Association and our Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares, including in respect of the right to receive dividend and voting. The Allottees, upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see "*Main Provisions of the Articles of Association*" on page 563.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to our Shareholders in accordance with the provisions of Companies Act, our Memorandum of Association and our Articles of Association and provisions of the SEBI Listing Regulations and other applicable law. For further details in relation to dividends, see "*Dividend Policy*" and "*Main Provisions of the Articles of Association*" on pages 202 and 563, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot will be decided by our Company and the Promoter Selling Shareholder in consultation with the BRLMs and advertised in the [●] edition of the English national daily newspaper, [●], the [●] edition of the Hindi national daily newspaper, [●] and the [●] edition of the Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the websites of the Stock Exchanges. The Offer Price shall be determined by our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, after the Bid/Offer

Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with Disclosure and Accounting Norms

Our Company shall comply with all disclosure and accounting norms as specified by the SEBI from time to time.

Rights of Shareholders

Subject to applicable laws, rules, regulations and guidelines and our Articles of Association, our Shareholders shall have the following rights:

- right to receive dividends, if declared;
- right to attend general meetings and exercise voting rights, unless prohibited by law;
- right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- right to receive offers for rights Equity Shares and be allotted bonus Equity Shares, if announced;
- right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- right of free transferability, subject to applicable laws including any rules and regulations prescribed by the RBI; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI Listing Regulations and our Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see "*Main Provisions of the Articles of Association*" on page 563.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be allotted only in dematerialized form. The trading of the Equity Shares shall only be in the dematerialized segment of the Stock Exchanges. In this context, the following agreements have been signed among our Company, the respective Depositories and the Registrar to the Offer:

- agreement dated October 19, 2010 among our Company, NSDL and the Registrar to the Offer; and
- agreement dated October 25, 2010 among our Company, CDSL and the Registrar to the Offer.

Market Lot and Trading Lot

Since trading of the Equity Shares is in dematerialized form, the tradable lot is one Equity Share. Allotment in the Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares. For details of basis of allotment, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment*" on page 553.

Joint Holders

Subject to the provisions contained in our Articles of Association, where two or more persons are registered as the holders of the Equity Shares, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of the Offer is with the competent courts/authorities in Mumbai, Maharashtra, India.

Nomination Facility to Bidders

In accordance with Section 72 of the Companies Act, 2013, the sole Bidder, or the First Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by our Board, elect either:

a) to register himself or herself as the holder of the Equity Shares; or

b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant would prevail. If the Bidders wish to change the nomination, they are requested to inform their respective Depository Participant.

Withdrawal of the Offer

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to not proceed with the Offer, in whole or part thereof, after the Bid/Offer Opening Date but before the Allotment. In such an event our Company shall issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by the SEBI, providing reasons for not proceeding with the Offer. In such event, the BRLMs through the Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which the Equity Shares are proposed to be listed.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company and the Promoter Selling Shareholder withdraw the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with a public offering of Equity Shares, our Company shall file a fresh draft red herring prospectus with the SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	[●][1]
BID/OFFER CLOSES ON	[●][2]

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

[(2)] *Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, 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.*

An indicative timetable in respect of the Offer is disclosed below.

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalization of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA	On or about [●]
Credit of Equity Shares to dematerialized accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs.

While our Company and the Selling Shareholders shall ensure that all steps for the completion of the necessary formalities for the listing and commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. Each Selling Shareholder confirms that he shall extend all reasonable co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date.

Submission of Bids (Other than Bids from Anchor Investors)

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time (“**IST**”))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

(i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Investors, and

(ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Investors.

On the Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received from Retail Individual Investors after taking into account the total number of Bids received and as reported by the BRLMs to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* data contained in the physical Bid cum Application Form, for a particular Bidder, the details of the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date and in any case no later than 1.00 PM IST on the Bid/Offer Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, as is typically experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Offer.

Bids will be accepted only during Monday to Friday (excluding any public holiday). None of our Company, the Selling Shareholders or the Members of the Syndicate shall be liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to revise the Price Band during the Bid/Offer Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in the Price Band shall not exceed 20% on either side, *i.e.* the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly. The Floor Price shall not be less than the face value of the Equity Shares.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding ten 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 the terminals of the Syndicate Members and by intimation to the Designated Intermediaries.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) minimum allotment as specified under Rule 19(2)(b) of the SCRR, including devolvement of Underwriters, if any, within 60 days from the Bid/Offer Closing Date, our Company and the Selling Shareholders shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company and the Selling Shareholders shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and other applicable law.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, 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 shall be not less than 1,000.

Arrangement for Disposal of Odd Lots

Since our Equity Shares will be traded in dematerialized form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

Restrictions on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer Equity Share capital of our Company, the minimum Promoters' contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 88 and except as provided in our Articles of Association, there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of Equity Shares and on their consolidation/splitting, except as provided in our Articles of Association. For details, see "*Main Provisions of the Articles of Association*" on page 563.

OFFER STRUCTURE

Initial public offering of up to [●] Equity Shares for cash at a price of ₹[●] per Equity Share (including a share premium of ₹[●] per Equity Share) aggregating to up to ₹10,000 million, comprising a Fresh Issue of up to [●] Equity Shares aggregating to up to ₹4,000 million by our Company and an Offer for Sale of up to [●] Equity Shares aggregating to up to ₹6,000 million by the Selling Shareholders. The Offer would constitute [●]% of the fully diluted post-Offer paid-up Equity Share capital of our Company.

Our Company and the Promoter Selling Shareholder may consider a Pre-IPO Placement. Our Company and the Promoter Selling Shareholder will complete the issuance and allotment of Equity Shares pursuant to the Pre-IPO Placement prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued pursuant to the Pre-IPO Placement will be reduced from the Fresh Issue, subject to compliance with Rule 19(2)(b) of the SCRR.

The Offer is being made through the Book Building Process.

Particulars	**QIBs**(1)	**Non-Institutional Investors**	**Retail Individual Investors**
Number of Equity Shares available for Allotment/allocation*(2)	[●] Equity Shares or Offer less allocation to Non-Institutional Investors and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Investors	Not less than [●] Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Investors
Percentage of Offer Size available for Allotment/allocation	50% of the Offer shall be available for allocation to QIBs. However, 5% of the QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. Unsubscribed portion in the Mutual Fund Portion will be added to the QIB Portion (other than the Anchor Investor Portion)	Not less than 15% of the Offer	Not less than 35% of the Offer
Basis of Allotment/allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) Up to [●] Equity Shares shall be available for allocation on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above Up to [●] Equity Shares may be allocated on a discretionary basis to Anchor Investors	Proportionate	Allotment to each RII 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 allocated proportionately. For details, see "*Offer Procedure – Part B – Section 7: Allotment Procedure and Basis of Allotment – Allotment to RIIs*" on page 553

Particulars	QIBs[1]	Non-Institutional Investors	Retail Individual Investors
Mode of Bidding	ASBA only[3]	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares in multiples of [●] Equity Shares not exceeding the size of 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
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	A minimum of [●] Equity Shares and in multiples of one Equity Share thereafter		
Trading Lot	One Equity Share		
Mode of Allotment	Compulsorily in dematerialized form		
Who can apply[4]	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, scheduled commercial banks, mutual funds, FPIs other than Category III FPIs, AIFs, FVCIs, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India and Systemically Important NBFCs	Resident Indian individuals, Eligible NRIs, HUFs (in the name of *karta*), companies, corporate bodies, societies and trusts, Category III FPIs	Resident Indian individuals, Eligible NRIs and HUFs (in the name of *karta*)
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidders that is specified in the ASBA Form at the time of submission of the ASBA Form[5]		

**Assuming full subscription in the Offer*

(1) Our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For details, see "Offer Procedure" on page 520.

(2) Subject to valid Bids being received at or above the Offer Price. The Offer is being made in accordance with Rule 19(2)(b) of the SCRR and under the SEBI ICDR Regulations.

(3) Anchor Investors are not permitted to use the ASBA process.

(4) In case of joint Bids, the Bid cum Application Form should contain only the name of the first Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such first Bidder would be required in the Bid cum Application Form and such first Bidder would be deemed to have signed on behalf of the joint holders.

(5) Full Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form. For details of terms of payment applicable to Anchor Investors, see "Offer Procedure – Part B – Section 7: Allotment Procedure

and Basisof Allotment" *on page 553.*

Under-subscription, if any, in any category except the QIB Portion, would be met with spill-over from the other categories at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange. Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, 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.

OFFER PROCEDURE

*All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (No. CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by the SEBI and updated circular (No. CIR/CFD/POLICYCELL/11/2015) dated November 10, 2015 and circular (No. SEBI/HO/CFD/DIL/CIR/P/2016/26) dated January 21, 2016, notified by the SEBI (the "**General Information Document**") included below under "**Part B – General Information Document**", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect the enactments and regulations to the extent applicable to a public issue. 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 Issue.*

Our Company, the Selling Shareholders and the BRLMs do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process in terms of Rule 19(2)(b) of the SCRR and in compliance with Regulation 26(1) of the SEBI ICDR Regulations wherein 50% of the Offer shall be allocated to QIBs on a proportionate basis, provided that our Company and the Promoter Selling Shareholder may, in consultation with the BRLMs, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from them at or above the Anchor Investor Allocation Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. 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 such that, subject to availability of Equity Shares, each Retail Individual Investor shall be Allotted not less than the minimum Bid Lot, and the remaining Equity Shares, if available, shall be Allotted to all Retail Individual Investors on a proportionate basis.

Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company and the Promoter Selling Shareholder in consultation with the BRLMs and the Designated Stock Exchange, subject to valid Bids being received at or above the Offer Price.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges. Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centres, and at the Registered Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorization to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected. Anchor Investors are not permitted to participate in the Offer through the ASBA process.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centres only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected. ASBA Bidders are also required to ensure that the ASBA Account specified has sufficient credit balance equivalent to the full Bid Amount as required to be blocked by the SCBS at the time of submitting the Bid.

For Anchor Investors, the Anchor Investor Application Form will be available at the offices of the BRLMs at least one day prior to the Anchor Investor Bidding Date.

The prescribed color of the Bid cum Application Form for the various categories is as disclosed below.

Category	Color of Bid cum Application*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FVCIs, FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	Blue
Anchor Investors**	[●]

* *Excluding electronic Bid cum Application Form*
***Physical Anchor Investor Application Forms shall be made available at the offices of the BRLMs.*

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has the ASBA bank account, details of which shall be provided by the Bidder in its ASBA Form, and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s).

Participation by our Promoters, the Promoter Group, the BRLMs, the Syndicate Members and Persons Related to the Promoters/Promoter Group/BRLMs

The BRLMs and the Syndicate Members shall not be allowed to subscribe to or purchase the Equity Shares in the Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the BRLMs and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription or purchase may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the BRLMs nor any persons related to the BRLMs (other than Mutual Funds sponsored by entities related to the BRLMs), our Promoters, members of our Promoter Group or any persons related to our Promoters or members of our Promoter Group can apply in the Offer under the Anchor Investor Portion.

Our Promoters and the members of our Promoter Group shall not participate in the Offer other than the sale of Equity Shares by Mr. Ravi B. Goyal in the Offer for Sale.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its NAV in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Anchor Investors

For details in relation to Bids by Anchor Investors, see "- *Part B – General Information Document for Investing in Public Issues*" on page 531.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("**NRE**") accounts, or Foreign Currency Non-Resident ("**FCNR**") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("**NRO**") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in color). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in color).

Bids by FPIs

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post- Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up equity share capital of 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. Pursuant to a Shareholders' resolution dated July 27, 2018, the aggregate limit of 24% has been increased up to 49% of the paid-up Equity Share capital of our Company.

In terms of the FEMA Regulations, 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 49% of the total paid-up Equity Share capital of our Company, respectively. FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPI 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, or unlisted debt securities or securitised debt instruments 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;

(ii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and

(iii) such offshore derivative instruments shall not be issued to or transferred to persons who are resident Indians or non-resident Indians or to entities that are beneficially owned by resident Indians or non-resident Indians.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to the conditions specified by the SEBI from time to time, including the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with Regulation 22(1) of the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the offshore derivative instruments are to be transferred to are pre-approved by the FPI.

Bids by SEBI-registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations and the SEBI FVCI Regulations, *inter-alia*, prescribe the investment restrictions on VCFs and FVCIs registered with the SEBI. Further, the SEBI AIF Regulations prescribe, *inter-alia*, the investment restrictions on AIFs.

Accordingly, the holding by any individual VCF registered with the SEBI in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the AIF Regulations.

There is no reservation for Eligible NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by Limited Liability Partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

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 this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law. The investment limit for banking companies in non-financial services companies is as per the Banking Regulation Act, 1949, as amended, and the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the circulars issued by the SEBI dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by Systemically Important NBFCs

In case of Bids made by Systemically Important NBFCs registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, (ii) the last audited financial statements on a standalone basis, (iii) a net worth certificate from the statutory auditors of the Systemically Important NBFC, and (iv) such other approval as may be required by the Systemically Important NBFCs are required to be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Systemically Important NBFCs participating in the Offer shall comply with all applicable regulations, directions, guidelines and circulars issued by the RBI from time to time.

Bids by Insurance Companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

The exposure norms for insurers are prescribed under the IRDAI Investment Regulations, based on investments in equity shares of the investee company, the entire group of the investee company and the industry sector in which the investee company operates. Insurance companies participating in the Offer are advised to refer to the IRDAI Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by the IRDAI from time to time.

Bids by Provident Funds/Pension Funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to reject any Bid without assigning any reason therefor, subject to applicable law.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs, Mutual Funds, Systemically Important NBFCs, 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 a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, reserve the right to accept or reject any Bid in whole or in part, in either case without assigning any reason therefor, subject to applicable law.

Our Company and the Promoter 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.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus, the Red Herring Prospectus and the Prospectus.

General Instructions

Do's:

A. 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

B. Ensure that you have Bid within the Price Band;

C. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;

D. All investors (other than Anchor Investors) should submit their Bids through ASBA process only;

E. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;

F. 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;

G. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the Designated Intermediaries;

H. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;

I. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

J. 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 the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;

K. Ensure that you request for and receive a stamped Acknowledgment Slip of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;

L. Ensure that you submit the revised Bids to the same Designated Intermediary through whom the original Bid was placed, and obtain a revised Acknowledgment Slip;

M. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the circular (No. MRD/DoP/Cir-20/2008) dated June 30, 2008 issued by the SEBI, 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 the SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) persons/entities exempt from holding a PAN under applicable law, all Bidders should mention their PAN allotted under the Income Tax Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the 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;

N. 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;

O. Ensure that the category and the investor status is indicated in the Bid cum Application Form;

P. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., the relevant documents are submitted;

Q. Ensure that Bids submitted by any person outside India is in compliance with applicable foreign and Indian laws;

R. Ensure that the depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database. Allotment will be in dematerialized form only;

S. Ensure that you have correctly signed the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid; and

T. Ensure that the Demographic Details are updated, true and correct in all respects.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Bids by Eligible NRIs and HUFs for a Bid Amount of less than ₹200,000 would be considered for allocation under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered for allocation under the Non-Institutional Portion.

Don'ts:

A. Do not Bid for lower than the minimum Bid size;

B. Do not Bid/revise the Bid Amount to less than the Floor Price or higher than the Cap Price;

C. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors);

D. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);

E. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;

F. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only; do not submit the Bid cum Application Forms to any non-SCSB bank or a branch which is not a Designated Branch or our Company;

G. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;

H. Do not submit the Bid for an amount more than funds available in your ASBA account;

I. 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;

J. Do not submit Bids to a Designated Intermediary unless the SCSB where the ASBA Account is maintained, as specified in the Bid cum Application Form, has named at least one branch in that location for the Designated Intermediary to deposit the Bid cum Application Forms;

K. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a color prescribed for another category of Bidder;

L. 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;

M. 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);

N. Do not fill up the Bid cum Application Form such that the number of 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;

O. Do not submit more than five Bid cum Application Forms per ASBA account.

P. Anchor Investors should not bid through the ASBA process; and

Q. Do not Bid on another Bid cum Application Form and the Anchor Investor Application Form, as the case may be, after you have submitted a Bid to any of the Designated Intermediaries.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section "*Part B – General Information Document for Investing in Public Issues – Offer Procedure in Book Built Issue– Rejection & Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 550, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without instruction to the SCSB to block the entire Bid Amount;

2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;

3. Bids submitted on a plain paper;

4. Bids by HUFs not mentioned correctly as given in the sub-section "*Category of Investors eligible to participate in an issue*" on page 533;

5. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;

6. Bids submitted without the signature of the First Bidder or sole Bidder;

7. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;

8. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are "suspended for credit" in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;

9. GIR number furnished instead of PAN;

10. Bids by Retail Individual Investors where the Bid Amount is for a value of more than ₹200,000;

11. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;

12. Bids accompanied by stock invest, money order, postal order or cash;

13. Bids uploaded by QIBs after 4.00 pm on the Bid/ Offer Closing Date for QIBs and by Non-Institutional Investors uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Payment into Escrow Account(s) for Anchor Investors

Our Company and the Promoter Selling Shareholder, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account(s) should be drawn in favor of:

(a) In case of resident Anchor Investors: "[●]"

(b) In case of Non-Resident Anchor Investors: "[●]"

Pre-Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] editions of the [●] edition of the English national daily newspaper, [●], the [●] edition of the Hindi national daily newspaper, [●] and the [●] edition of the Marathi daily newspaper, [●] (Marathi being the regional language of Maharashtra, where our Registered Office is located), each with wide circulation. In the pre-Offer advertisement, we shall state the Bid/Offer Opening Date and the Bid/Offer Closing Date. The advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI ICDR Regulations.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company, the Selling Shareholders and the Underwriters intend to enter into an Underwriting Agreement after the finalization of the Offer Price.

(b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below.

"***Any person who:***

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.***"

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. where such fraud (i) involves an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹2 million or with both.

Undertakings by Our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders;

- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;

- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;

- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed shall be taken within six Working Days of the Bid/Offer Closing Date;

- if Allotment is not made within the prescribed time period under applicable law, the entire Bid amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;

- the funds required for making refunds (to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- intimation of the credit of the securities/refund orders to Eligible NRIs shall be dispatched within specified time; and

- other than pursuant to the ESOP Schemes and the Pre-IPO Placement, no further issue of the Equity Shares shall be made till the Equity Shares issued through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, and so on.

Undertakings by the Selling Shareholders

Each Selling Shareholder undertakes the following:

- he is the legal and beneficial owners of the Equity Shares offered by him in the Offer for Sale;

- the Equity Shares offered by him in the Offer for Sale shall be free and clear of any encumbrances and shall be transferred to the successful Bidders within the time specified under applicable law;

- he has authorized the Company to take such necessary steps in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of Shares offered by him in the Offer for Sale;

- he shall not have any recourse to the proceeds of the Offer for Sale until final listing and trading approvals have been received from the Stock Exchanges; and

- he shall comply with all applicable laws, including the Companies Act, the SEBI ICDR Regulations, the FEMA and all applicable circulars, guidelines and regulations issued by the SEBI and the RBI, each in relation to the Equity Shares offered by him in the Offer for Sale to the extent that such compliance is the obligation of the Selling Shareholder.

Utilization of Offer Proceeds

Our Board certifies that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;

- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and

- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

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 issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**SEBI ICDR Regulations, 2009**").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue 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 Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("**RHP**")/Prospectus filed by the Issuer with the Registrar of Companies ("**RoC**"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. 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 Issue 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 see "*Glossary and Abbreviations*".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an offer for sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include offer for sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter alia* required to comply with the eligibility requirements in terms of Regulation 26/Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Offers – Fixed Price Offers and Book Built Offers

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process ("**Book Built Issue**") or undertake a Fixed Price Issue ("**Fixed Price Issue**"). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

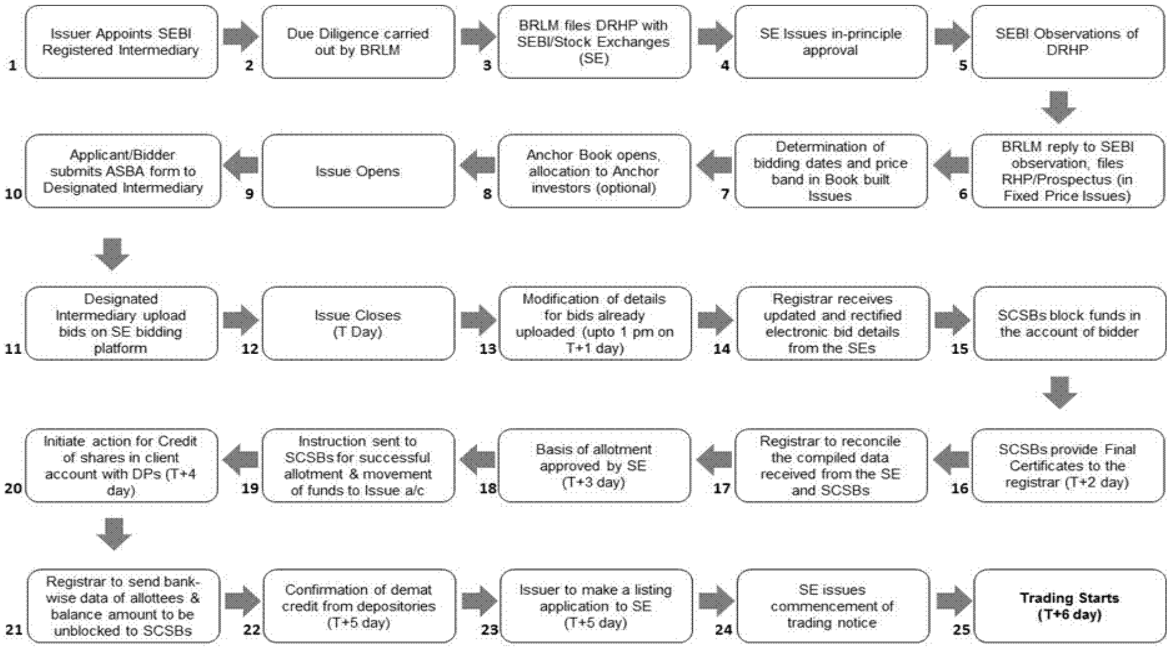
The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue 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/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Issue other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
  - i. Step 7: Determination of Issue Date and Price
  - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries.



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, FPIs and FVCIs may not be allowed to Bid/Apply in the Issue 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 disclosed below.

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- Scientific and/or industrial research organisations authorised in India to invest in the Equity Shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis, subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- 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;
- 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 Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders/Applicants should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) either bearing the stamp of the 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/Issue Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders/Applicants may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Designated Branches of the SCSBs and at the Registered 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, FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category, if any	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/Applicants and the Bid cum Application Form for non-resident Bidders/Applicants 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)			
		Bid Price	Retail Discount	Net Price	"Cut-off" (Please ✓ tick)
	8 | 7 | 6 | 5 | 4 | 3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. CATEGORY

☐ Retail Individual Bidder
☐ Non-Institutional Bidder
☐ QIB

6. INVESTOR STATUS

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - M F
☐ 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)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

LOGO

XYZ LIMITED
INITIAL PUBLIC ISSUE - R

Acknowledgement Slip for Broker/SCSB/ DP/RTA

Bid cum Application Form No.

DPID / CLID

PAN of Sole / First Bidder

Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch
ASBA Bank A/c No.		
Received from Mr./Ms.		
Telephone / Mobile	Email	

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Broker / SCSB / DP / RTA

Name of Sole / First Bidder

Acknowledgement Slip for Bidder

ASBA Bank A/c No.
Bank & Branch

Bid cum Application Form No.

TEAR HERE

Application Form – For Non – Residents

COMMON BID CUM APPLICATION FORM | XYZ LIMITED - INITIAL PUBLIC ISSUE - NR | FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIS OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS

Address : .... Contact Details: .... CIN No ....

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

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)_______

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

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

Date : ______________

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

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

TEAR HERE

4.1.1. **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields**: Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications**: In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders.

(d) **Impersonation**: Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

"*Any person who:*
(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 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the Company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount. In case the fraud (i) involves an amount which is less than ₹1 million or 1% of the turnover of the Company, whichever is lower, and (ii) does not involve public interest, then such fraud is punishable with imprisonment for a term extending up to five years or fine of an amount extending up to ₹2 million or with both.

(d) **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 CDP.

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 sole or first name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and

Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.

(e) Bids by Bidders/Applicants whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and Demographic Details are not provided by depositories.

4.1.3. **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form. The DP ID and Client ID provided in the Bid cum Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form is active.

(c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form, the Bidder/Applicant may be deemed to have authorised the Depositories to provide to the Registrar to the Issue, 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 unblocking of ASBA Account or for other correspondence(s) related to an Issue.

(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/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders/Applicants 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/Applicants may Bid at Floor Price or any price above the Floor Price (For further details Bidders/Applicants 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 Issue 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 BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.

(e) **Allotment:** The Allotment of specified securities to each 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/Applicants 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/Applicant may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder/Applicant does not exceed ₹ 200,000. Bids by Employees must be for such number of shares so as to ensure that the Bid Amount less Employee Discount (if applicable), payable by the Bidder does not exceed ₹ 500,000.

(b) In case the Bid Amount for any Bid under the Retail Portion or Employee Reservation Portion exceeds ₹ 200,000 and ₹ 500,000, respectively,) due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category (with it not being eligible for Discount, if any), then such Bid may be rejected if it is at the Cut-off Price.

(c) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(d) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Investors and QIBs are not allowed to Bid at Cut-off Price.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Investors who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 100 million. 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/Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder/Applicant including QIB Bidder/Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder/Applicant in the Bid cum Application Form may be treated as optional bids from the Bidder/Applicant and may not be cumulated. After determination of the Issue Price, the highest number of Equity Shares Bid for by a Bidder/Applicant at or above the Issue 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/Applicants may refer to (Section 5.6 (e)).

4.1.4.2 **Multiple Bids**

(a) Bidder/Applicant should submit only one Bid cum Application Form. Bidder/Applicant shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders/Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders/Applicants other than Mutual Funds, Bids bearing the same PAN may be treated as multiple Bids by a Bidder/Applicant and may be rejected.

ii. For Bids from Mutual Funds, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders/Applicants, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

i. Bids by Reserved Categories (if any) Bidding in their respective Reservation Portion (if any) as well as bids made by them in the Net Issue 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, 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/APPLICANTS**

(a) The categories of Bidders/Applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue 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, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, Bidders/Applicants may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue 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 Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid in the Issue 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/Applicant should ensure that their investor status is updated in the Depository records.

4.1.7. **FIELD NUMBER 7: PAYMENT DETAILS**

(a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the funds shall be blocked for 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/Applicant. In case of Bidders/Applicant 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) Bidders/Applicant who Bid at Cut-off Price shall deposit the Bid Amount based on the Cap Price.

(c) All Bidders/Applicants (except Anchor Investors) have to participate in the Issue only through the ASBA mechanism.

(d) Bid Amount cannot be paid in cash, cheques or demand drafts, 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, direct credit, NACH or NEFT.

(c) The Escrow Collection Bank(s) shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.7.2. **Payment instructions for ASBA Bidders/Applicants:**

(b) Bidders/Applicants may submit the ASBA 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.

(c) Bidders/Applicants must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.

(d) Bidders/Applicants 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;

(e) Bidders/Applicants shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(f) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(g) Bidders/Applicants 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 Brokers at the Broker Centres, the RTA at the Designated RTA Locations or CDP at the Designated CDP Locations.

(h) Bidders/Applicants bidding through a Designated Intermediary (other than an SCSB) should note that ASBA Forms submitted to them may not be accepted, if the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has not named at least one branch at that location for such Designated Intermediary to deposit ASBA Forms.

(i) Bidders/Applicants bidding directly through the SCSBs should ensure that the ASBA is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(j) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.

(k) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(l) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.

(m) Upon submission of a completed ASBA 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 ASBA Form in the ASBA Account maintained with the SCSBs.

(n) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(o) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.3. **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each

Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Issue Closing Date.

4.1.7.4. **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders/Applicants applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(c) The Bidders/Applicants entitled to the applicable Discount in the Issue may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than ₹0.2 million (₹ 0.5 million in case of Employees), 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 is required to sign the Bid cum 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, 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 ASBA 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 ASBA Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder and/or ASBA Account holder is liable to be rejected.

4.1.9. ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

(a) Bidders/Applicants should ensure that they receive the Acknowledgement Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.

(b) All communications in connection with Bids made in the Issue may be addressed to the Registrar to the Issue with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

(c) Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2. INSTRUCTIONS FOR FILING THE REVISION FORM

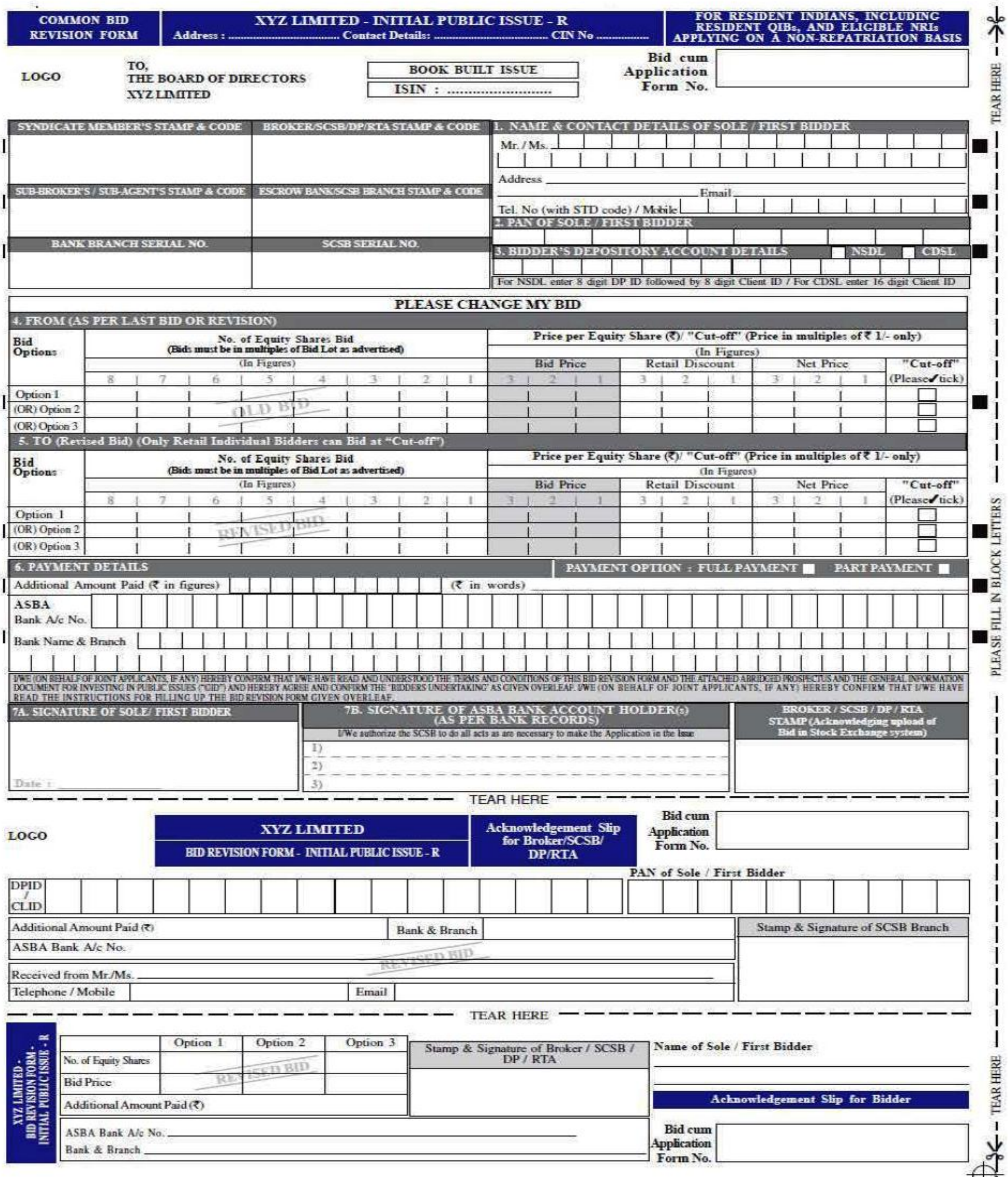
(a) During the Bid/Issue Period, any Bidder (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids or withdraw their Bids till the Bid/Issue 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 can make this revision any number of times during the Bid/Issue 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 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) 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	OLD BID				
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

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) 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	REVISED BID				
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

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

Date :

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue

1)
2)
3)

BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

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.

REVISED BID

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		REVISED BID	
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, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER

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 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 has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, the Bidder 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, Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000 in case of Bids by RIIs and Retail Individual Shareholders and does not exceed ₹ 500,000 in case of Bids by Employees. In case the Bid Amount exceeds ₹ 200,000 for RIIs and Retail Individual Shareholders or exceeds ₹500,000 for Employees due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (*i.e.*, original Bid Amount plus additional payment) exceeds ₹ 200,000 in case of RIIs and Retail Individual Shareholders and ₹ 500,000 in case of Employees, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the 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 and Bids by Employees under the Reservation Portion (if any), who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the Allotment is finalised.

4.2.3. **FIELD 6: PAYMENT DETAILS**

(a) All Bidders/Applicants are required to authorise blocking of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. 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) Bidder may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(c) In case the total amount (*i.e.*, original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000 (₹ 500,000 in case of Employees), the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of Allotment, such that additional amount is required blocked and the Bidder 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 after finalisation of Basis of Allotment.

4.2.4. **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders 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, PAN OF SOLE/FIRST BIDDER & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2. **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

(a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However, a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot**: The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000 and application by Employees must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 500,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue 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 Issue 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, Bids bearing the same PAN may be treated as multiple applications by a Bidder and may be rejected.

ii. For applications from Mutual Funds, 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 (if any) in their respective reservation portion (if any) as well as that made by them in the Net Issue 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, submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3. **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Issue are RIIs, individual applicants other than RIIs and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue 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 NUMBER 7: PAYMENT DETAILS**

(a) All Applicants (other than Anchor Investors) are required to make use ASBA for applying in the Issue.

(b) Application Amount cannot be paid in cash, cheque or demand draft, through money order or through postal order or through stock invest.

4.3.5.1. **Payment instructions for Applicants**

Applicants should refer to instructions contained in paragraph 4.1.7.2.

4.3.5.2. **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraph 4.1.7.2.1.

4.3.5.3. **Discount** (if applicable)

Applicants should refer to instructions contained in paragraph 4.1.7.2.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGMENT 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

4.4.1. **Bidders may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form	
Anchor Investors Application Form	1)	To the Book Running Lead Managers at the locations mentioned in the Anchor Investor Application Form
ASBA Form	(a)	To Members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Location

Mode of Application	Submission of Bid cum Application Form
	or the CDP at the Designated CDP Location (b) To the Designated Branches of the SCSBs

(a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.

(b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have 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 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 Issue Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

1.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager, to register their Bid.

(b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders 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.

1.2 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/Issue Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in the Red Herring Prospectus.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1:00 pm on the next Working Day following the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar to the Issue for further processing.

1.3 BUILD UP OF THE BOOK

Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Issue Period.

(a) 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/Issue Period.

1.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until Bid/Issue Closing Date. In case a RII wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account upon or after finalisation of Basis of Allotment. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

1.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:

    i. the Bids accepted by the Designated Intermediary,

    ii. the Bids uploaded by the Designated Intermediary, and

    iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.

(b) The BRLMs and their affiliate Syndicate 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/Applicants, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs 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, entities forming part of the Promoter Group, NIIs & RIIs can be rejected on technical grounds listed herein.

1.5.1 GROUNDS FOR TECHNICAL REJECTIONS

Bid cum Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, *inter alia*, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account supported by guardian as per Demographic Details provided by Depositories);

(b) Bids by OCBs;

(c) In case of partnership firms, Bid for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum Application Form;

(e) Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) PAN not mentioned in the Bid cum Application Form, except for Bids by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(i) Bids for lower number of Equity Shares than the minimum specified for that category of investors;

(j) Bids at a price less than the Floor Price and Bids at a price more than the Cap Price;

(k) Bids at Cut-off Price by NIIs and QIBs;

(l) The amounts mentioned in the Bid cum Application Form do not tally with the amount payable for the value of the Equity Shares Bid for;

(m) Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

(n) Submission of more than five ASBA Forms as through a single ASBA Account;

(o) Bids for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(p) Multiple Bids as defined in this GID and the RHP/Prospectus;

(q) Inadequate funds in the bank account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the bank account;

(r) Where no confirmation is received from SCSB for blocking of funds;

(s) Bids by Bidders/Applicants (other than Anchor Investors) not submitted through ASBA process;

(t) Bids submitted to Designated Intermediaries at locations other than the Bidding Centres or to the Escrow Collection Bank(s) (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(u) Bids not uploaded on the terminals of the Stock Exchanges;

(v) Bids 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; and

1.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue 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 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 BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.

(c) In case of under subscription in the Issue, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion (if any) to the 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/Applicants 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/Applicants can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per share, issue size of 3,000 equity shares and receipt of five bids from Bidders/Applicants, 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 (₹)	Cumulative quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, *i.e.*, ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, may finalise the issue price at or below such cut-off price, *i.e.*, at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding ("**Alternate Book Building Process**").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue 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/Applicant with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder/Applicant 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/Applicants 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/Applicant, decide whether a Bidder/Applicant be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder/Applicant be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. As the Issue 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.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual 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 Issue (excluding any offer for sale of specified securities). However, in case the Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue 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 Issue

Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue 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 Issue Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Issue 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 Issue 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 Issue 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 Issue 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 Issue Price will be at the discretion of the issuer in consultation with the Promoter Selling Shareholder and the BRLMs, subject to compliance with the following requirements:

   i. not more than 60% of the QIB Category will be allocated to Anchor Investors;

   ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

   iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:

      - a maximum number of two Anchor Investors for allocation up to ₹ 100 million;
      - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 100 million and up to ₹ 2,500 million subject to minimum Allotment of ₹ 50 million per such Anchor Investor; and
      - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation more than ₹ 2,500 million, and an additional 10 Anchor Investors for every additional ₹ 2,500 million or part thereof, subject to minimum Allotment of ₹ 50 million per such Anchor Investor.

(b) An Anchor Investor shall make an application of a value of at least ₹ 100 million in the Issue.

(c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(d) **In the event that the Issue Price is higher than the Anchor Investor Issue 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 Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(e) **In the event the Issue Price is lower than the Anchor Investor Issue 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 OVERSUBSCRIBED ISSUE

In the event of the Issue being oversubscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders/Applicants 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/Applicants in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the oversubscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders/Applicants may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder/Applicant in that category multiplied by the inverse of the oversubscription ratio;

(d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder/Applicant, the Allotment may be made as follows: the successful Bidders/Applicants out of the total Bidders/Applicants 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/Applicant 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/Applicant 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 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 to the lower whole number. Allotment to all Bidders/Applicants in such categories may be arrived at after such rounding; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders/Applicants 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/Applicants in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders/Applicants applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders/Applicants applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue. 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 Issue.

(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/Issue Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may initiate corporate action for credit to Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹0.5 million but which may extend to ₹5 million and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹0.3 million, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Issue Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Issue is in the nature of offer for sale only, then minimum subscription may not be applicable. In case of under-subscription in the issue involving a fresh issue and the offer for sale, the Equity Shares in the fresh issue will be issued prior to the sale of equity shares in the offer for sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders/Applicants, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 Working Days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid and also for any excess amount blocked on Bidding.

(b) **In case of Anchor Investors:** Within six Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders or transmit refund by way of electronic mode for all amounts payable to unsuccessful Anchor Investors and also any excess amount paid on bidding.

(c) In case of Anchor Investors, the Registrar to the Issue may obtain from the depositories, the Bidders'/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Issue, 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 Collection Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

(a) **NACH**—Payment of refund would be done through NACH for Bidders/Applicants having an account at any of the centres specified by the RBI where such facility has been made available. This would be subject to availability of complete bank account details including Magnetic Ink Character Recognition (MICR) code wherever applicable from the depository. The payment of refund through NACH is mandatory for Bidders/Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where the Bidder/Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS;

(b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("**IFSC**"), which can be linked to the MICR of that particular branch. The IFSC Code 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 Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **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;

(d) **RTGS**—Anchor Investors having a bank account at any of the centres notified by SEBI where **clearing houses are managed by the RBI, may have the option to receive refunds, if any,** through RTGS; and

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 Collection Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum, if the Allotment is not made and refund instructions have not been given to the clearing system in the disclosed manner. Instructions for unblocking of funds in the ASBA Account are not dispatched within the 15 days of the Bid/Issue Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Issue Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and the Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus

Term	Description
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount/ASBA	An application, whether physical or electronic, used by 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 Form	Application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the Bidder/Applicant
ASBA Bidder/Applicant	All Bidders/Applicants except Anchor Investors
Banker(s) to the Issue/Escrow Collection Bank(s)/Collecting Banker	Banks which are clearing members and registered with SEBI as Banker to the Issue with whom the 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	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/Issue Period by a prospective Bidder/Applicants pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicants upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Issue 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 Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Closing Date
Bid/Issue 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. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Issue Period
Bidder/Applicant	Any prospective investor who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Issue 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 2^{nd} and 4^{th} Saturday of a month and public holidays)
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of Equity Shares sent to Anchor Investors, who have been allocated Equity Shares, after the Anchor Investor Bid/Issue Period

Term	Description
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Issue 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 Bidders'/Applicants' 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 www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Designated CDP Locations	Such locations of the CDPs where Bidders/Applicants can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which our Board 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	Members of the Syndicate, sub-Syndicate/Agents, SCSBs, Registered Brokers, Brokers, the CDPs and RTAs, who are authorised to collect Bid cum Application Forms from the Bidders/Applicants, in relation to the Issue
Designated RTA Locations	Such locations of the RTAs where Bidders/Applicants can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the websites of the respective 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 Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT, direct credit or RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Issue, the Book Running Lead Manager(s), the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto

Term	Description
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
Issue	Public issue of Equity Shares of the Issuer including the offer for sale if applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders/Applicants other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Issue Price The Issue Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Locations	Bidding centres where the syndicate shall accept ASBA Forms from Bidders/Applicants
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
NEFT	National Electronic Fund Transfer
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
Net Issue	The Issue less reservation portion (if any)
Non-Institutional Investors or NIIs	All Bidders/Applicants, including 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 Issue 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
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 Issue 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/Issue 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	Date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Issue Price
Prospectus	Prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Issue Price, the size of the Issue and certain other information
Public Issue Account	Bank account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement

Term	Description
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue 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
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular number CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the Members of the Syndicate
Registrar to the Issue/RTO	The Registrar to the Issue 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 (if any)
Reservation Portion	The portion of the Issue reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009 (if any)
Retail Individual Investors/RIIs	Investors who applies or bids for a value of not more than ₹ 200,000
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue 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/Applicants in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self-Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Forms
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement among the Issuer, and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than the second and fourth Saturdays of each month, Sundays or public holidays, on which commercial banks in Mumbai are open for business; provided however, when referring to (a) announcement of Price Band; and (b) Bid/Issue Period, the term shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Issue Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

Pursuant to the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association are detailed below. Capitalised terms used in this section have the meaning given to them in the Articles of Association. Each provision below is numbered as per the corresponding article number in the Articles of Association and defined terms herein have the meaning given to them in the Articles of Association.

SHARE CAPITAL

Authorised Capital

3.a The Authorised Share Capital of the Company shall be such amount as may be mentioned in Clause V of Memorandum the Company from time to time.

3.b The minimum paid up Share capital of the Company shall be Rs.5,00,000/- or such other higher sum as may be prescribed in the Act from time to time.

Increase in Capital by the Company

4. The Company in a General Meeting may, from time to time, by an Ordinary Resolution increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. Subject to the provisions of the Act, any shares of the original or increased capital shall be issued upon such terms and conditions and with such rights and privileges annexed thereto, as the General Meeting, resolving upon the creation thereof, shall direct, and if no direction be given, as the Directors shall determine and in particular, such shares may be issued with a preferential or qualified right to dividends, and in the distribution of the assets of the Company and with a right of voting at a General Meetings of the Company in conformity with Section 47 of the Companies Act, 2013. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of the Act. Any action taken or contemplated under this entire Article shall be subject to the other provisions of these Articles.

New Capital Same as Existing Capital

5. Except so far as otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of new shares shall be considered as part of the existing capital, and shall be subject to the provisions herein contained, with reference to the payment of calls and instalments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.

Preference Share Capital

6.a. Subject to the provisions of Section 55 of the Companies Act, 2013 and such other applicable provisions of the Act, the Company is hereby empowered to issue and allot preference shares (including compulsorily convertible preference shares).

Issue of Sweat Equity Shares

8(1) Subject to applicable Law, the Company may exercise the powers of issuing sweat equity shares conferred by Section 54 of the Companies Act, 2013 and the rules made there under of a class of shares already issued subject to the following conditions:

a. the issue of sweat equity shares is authorised by a Special Resolution passed by the Company in a General Meeting;
b. the resolution specifies the number of shares, their current market value, consideration if any, and the class or classes of directors or employees to whom such equity shares are to be issued.

8(2) The Company may also issue shares to employees including its Directors, under Employee Stock Option Scheme (ESOP) or any other scheme, if authorised by a Special Resolution of the Company in a General Meeting subject to the provisions of the Act and the rules and applicable guidelines made thereunder, by whatever name called.

8(3) The rights, limitations, restrictions and provisions as are for the time being applicable to Equity Shares shall be applicable to the sweat equity shares issued under Section 54 of the Companies Act, 2013 and the holders of such shares shall rank pari passu with other equity shareholders.

Buy-back of Shares

9.a. Subject to Section 68 and other applicable provisions of the Companies Act, 2013 the Company may purchase its own shares or other specified securities out of its free reserves or out of its securities premium account or out of the proceeds of an earlier issue other than fresh issue of shares or other specified securities made specifically for buy-back purposes by passing a Special Resolution in the General Meeting of the Company.

9.b. Notwithstanding anything contained in these Articles, the Board of Directors may, when and if thought fit, buy-back such of the Company's own shares or securities, subject to such limits, upon such terms and conditions and subject to such approvals, as may be permitted under Section 68 of the Companies Act, 2013 and the applicable guidelines and regulations that may be issued in this regard.

Provided that nothing in this clause shall be taken to prohibit:

(i) the provision by the Company, in accordance with any scheme for the time being in force, of money for the purchase of, or subscription for fully paid shares in the Company or its holding company, being a purchase or subscription by trustees of or for shares to be held by or for the benefit of employees of the Company, including any Director holding a salaried office or employment in the Company; or

(ii) the making by the Company of loans, within the limit laid down in sub- section (3) clause (c) of Section 67 of the Companies Act, 2013 to persons (other than Directors or Managers) bonafide in the employment of the Company, with a view to enabling those persons to purchase or subscribe for fully paid shares in the Company or its holding Company to be held by themselves by way of beneficial ownership.

9.c. No loan made to any person in pursuance of clause (b) of the foregoing proviso shall exceed in amount, his salary or wages at that time for a period of six months.

Reduction of Capital

10. The Company may from time to time by Special Resolution, subject to the provisions of Section 66 of the Companies Act, 2013 and other applicable provisions of the Act, reduce its share capital and any Capital Redemption Reserve Account or securities premium account in any manner for the time being authorised by law and in particular without prejudice to the generality of the foregoing power may by:

a. extinguishing or reducing the liability on any of its shares in respect of Share Capital not paid-up;

b. either with or without extinguishing or reducing liability on any of its shares, (i) cancel paid-up share capital which is lost or is unrepresented by available assets; or (ii) pay off any paid-up share capital which is in excess of the wants of the Company; and may, if and so far as is necessary, alter its Memorandum, by reducing the amount of its share capital and of its shares accordingly.

11. Any bonds, Debentures and debenture-stock or other Securities may subject to 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 condition that they or any part of them may be convertible into Equity Shares of any denomination and with any privileges and conditions as to

redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with the right to conversion into or allotment of Equity Shares shall be issued only with the consent of the Company in the General Meeting by a Special Resolution.

Consolidation, Division and Subdivision of Shares

12. Subject to the provisions of Section 61(1)(b)and (d) of the Companies Act, 2013, the Company in a General Meeting may, from time to time, sub-divide or consolidate all or any of the share capital into shares of larger amount than its existing share or sub-divide its shares, or any of them into shares of smaller amount than is fixed by the Memorandum; and the resolution whereby any share is sub-divided, may determine that, as between the holders of the share resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the others or other. Subject as aforesaid, the Company in a General Meeting may also cancel shares which have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled.

Modification of Class Rights

13.a. If at any time the share capital, by reason of the issue of Preference Shares or otherwise is divided into different classes of shares, all or any of the rights or privileges attached to any class of shares (unless otherwise provided by the terms of issue of the shares of the class) may, subject to the provisions of Section 48 of the Companies Act, 2013 and whether or not the Company is being wound-up, be varied, modified or dealt, with the consent in writing of the holders of not less than three-fourths of the issued shares of that class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of that class. The provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply to every such separate class of General Meeting.

13.b The rights conferred upon the holders of the Shares (including Preference Shares, if any) of any class issued with preferred or other rights or privileges shall, unless otherwise expressly provided by the terms of the issue of shares of that class, be deemed not to be modified, commuted, affected, abrogated, dealt with or varied by the creation or issue of further shares ranking pari passu therewith.

Shares at the disposal of the Directors

14. Subject to the provisions of Section 62 of the Companies Act, 2013 and other applicable provisions of the Act and these Articles, the shares in the Capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the applicable provisions of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the company in the General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.

Power to Issue Shares

15.a Where at any time, it is proposed to increase the subscribed capital of the Company by the issue of further shares, then such further shares shall be offered:

i. to persons who at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on those shares by sending a letter of offer subject to the below conditions;

a. the offer shall be made by a notice specifying the number of shares offered and limiting a time not less than fifteen days and not exceeding thirty days from the date of the offer within which the offer if not accepted, will be deemed to have been declined;

b. the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to them in favour of any other person and the notice referred to in sub clause (a) hereof shall contain a statement of this right;

c. After expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose off them in such manner which is not disadvantageous to the Shareholders and the Company.

ii. to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or

iii. to any persons (whether or not those persons include the persons referred to in clause (i) of sub-clause (a) hereof) either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Act;

15.b The notice referred to in sub-clause x. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least three days before the opening of the issue.

15.c Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company to convert such debentures or loans into shares in the Company;

PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term has been approved by a Special Resolution passed by the Company in a General Meeting before the issue of such debentures or loans.

15.d. The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Companies Act, 2013, the Rules and other applicable provisions of the Act.

Directors may allot shares as full paid- up

18. Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the Capital of the Company as payment or part payment for any property (including goodwill of any business) sold or transferred, goods or machinery supplied or for services rendered to the Company either in or about the formation or promotion of the Company or the conduct of its business and any shares which may be so allotted may be issued as fully paid-up or partly paid-up otherwise than in cash, and if so issued, shall be deemed to be fully paid-up or partly paid-up shares as aforesaid.

Registration of Shares

21. Shares may be registered in the name of any limited company or other corporate body but not in the name of a firm, an insolvent person or a person of unsound mind.

CERTIFICATES

Share Certificates

22.a. Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may determine in accordance with the relevant laws) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application for registration of transfer, transmission, subdivision, consolidation or renewal of any of its shares as the case may be. Every certificate is required to be issued by the Company in accordance with the Act and in the manner and form prescribed under the Companies (Share Capital and Debentures) Rules, 2014. Every certificate of shares shall be under the seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe or approve, provided that in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several joint holders shall be sufficient delivery to all such holder. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letter of acceptance or of renunciation or in cases of issue of bonus shares. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors duly authorized by the Board for the purpose or the committee of the Board, if so authorised by the Board, and the Company Secretary or any person authorized by the Board for the purpose. Provided that, the Company Secretary appointed under the provisions of the Act, shall also be deemed to be authorized for the purpose of the Act and Rules prescribed under the Act. The manner of issue of every share certificate or the duplicate thereof, the form of such certificate and the particulars of every share certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue;

22.b. Any two or more joint allottees of shares shall, for the purpose of this Article, be treated as a single member, and the certificate of any shares which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge not exceeding Rupees Two. The Company shall comply with the provisions of Section 46 of the Companies Act, 2013;

22.c A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

Issue of new certificates in place of those defaced, lost or destroyed

23**.** If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.50/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding the above the Directors shall comply with such rules or regulations or requirements of any stock exchange or the rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956, or any other Law.

The provisions of this Article shall *mutatis mutandis* apply to debentures of the Company.

The first named joint holder deemed sole holder

24.a. If any share stands in the names of two or more persons, the person first named in the Register shall as regard receipts of dividends or bonus or service of notices and all or any other matter connected with the Company except voting at meetings, and the transfer of the shares, be deemed sole holder thereof but the joint-holders of a share shall be severally as well as jointly liable for the payment of all calls and other payments due in respect of such share and for all incidentals thereof according to the Company's regulations.

Maximum number or joint holders

24.b. The Company shall not be bound to register more than three persons as the joint holders of any share.

Company not bound to recognise any interest in share other than that of registered holders

25. Except as ordered by a court of competent jurisdiction or as by Law required, the Company shall not be bound to recognise any equitable, contingent, future or partial interest in any share, or any right in respect of a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the holder thereof but the Board shall be at liberty at its sole discretion to register any share in the joint names of any two or more persons or the survivor or survivors of them.

UNDERWRITING AND BROKERAGE

Commission

27. Subject to the provisions of Section 40 of the Companies Act, 2013, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing, to subscribe (whether absolutely or conditionally) for any shares or debentures in the Company, or procuring, or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares or debentures in the Company. However, such commission shall not exceed the maximum rates laid down by the Act and the rules made in that regard. Such commission may be satisfied by payment of cash or by allotment of fully or partly paid shares or partly in one way and partly in the other.

Brokerage

28. The Company may pay on any issue of shares and debentures such brokerage as may be reasonable and lawful.

CALLS

Directors may make calls

29.1 The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board and not by a circular resolution, make such calls as it thinks fit, upon the Members in respect of all the moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the persons and at the time and places appointed by the Board;

29.2 A call may be revoked or postponed at the discretion of the Board; and

29.3 A call may be made payable by instalments.

Notice of Calls

30. Fifteen days' notice in writing of any call shall be given by the Company specifying the time and place of payment, and the person or persons to whom such call shall be paid.

Calls to date from Resolution

31. A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Directors on such subsequent date as may be fixed by Directors.

Calls on uniform basis

32. Whenever any calls for further share capital are made on shares, such calls shall be made on uniform basis on all shares falling under the same class. For the purposes of this Article shares of the same

nominal value of which different amounts have been paid up shall not be deemed to fall under the same class.

Directors may extend time

33. The Board may, from time to time, at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the members who on account of the residence at a distance or other cause, which the Board may deem fairly entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour.

Calls to carry interest

34. If any Member fails to pay any call due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board not exceeding 10% per annum but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.

Sums deemed to be calls

35. If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by instalments at fixed time (whether on account of the amount of the share or by way of premium) every such amount or instalment shall be payable as if it were a call duly made by the Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount or instalment accordingly.

Proof on trial of suit for money due on shares

36. On the trial or hearing of any action or suit brought by the Company against any Member or his representatives for the recovery of any money claimed to be due to the Company in respect of his shares, if shall be sufficient to prove that the name of the Member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered is alleged to have become due on the share in respect of which such money is sought to be recovered in the Minute Books; and that notice of such call was duly given to the Member or his representatives used in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made was duly convened or constituted nor any other matters whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Judgment, decree, partial payment not to proceed for forfeiture

37. Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member of the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce forfeiture of such shares as hereinafter provided.

Payments in anticipation of calls may carry interest

38.a. The Board may, if it thinks fit (subject to the provisions of the Act), agree to and receive from any Member willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the moneys so paid or satisfied in advance, or so much thereof, as from time to time, and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares on account of which such advances are made the Company may pay interest, at such rate as the Member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time any amount so advanced or may at any time repay the same upon giving to the Member three months' notice in writing: provided that moneys paid in advance of calls on shares may carry interest but shall not confer a right to dividend or to participate in profits.

38.b No Member paying any such sum in advance shall be entitled to voting rights in respect of the moneys so paid by him until the same would but for such payment become presently payable. The provisions of this Article shall *mutatis mutandis* apply to calls on Debentures issued by the Company.

LIEN

Company to have lien on shares

39. The Company shall have a first and paramount lien (a) on every shares/debentures (other than fully paid-up shares/ debentures), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share/debenture; and (b) on all shares/debentures (other than fully paid-up shares/debentures) that are registered in the name of each member, for all moneys, presently payable by him or his estate to the Company. Provided that the Board of Directors may at any time declare any share/debenture to be wholly or in part exempt from the provisions of this Article. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of transfer of shares/debentures shall operate as a waiver of the Company’s lien if any, on such shares/debentures. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company’s lien shall be restricted to money called or payable at a fixed time in respect of such shares/debentures and no equitable interest in any share shall be created except upon the footing and condition that this Article shall have full effect.

As to enforcing lien by sale

40. For the purpose of enforcing such lien the Directors may sell the shares subject thereto in such manner as they shall think fit, but no sale shall be made until such period as aforesaid shall have arrived and until notice in writing of the intention to sell shall have been served on such member or the person (if any) entitled by transmission to the shares and default shall have been made by him in payment, fulfilment of discharge of such debts, liabilities or engagements for seven days after such notice. To give effect to any such sale the Board may authorise some person to transfer the shares sold to the purchaser thereof and purchaser shall be registered as the holder of the shares comprised in any such transfer. Upon any such sale as the certificates in respect of the shares sold shall stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a new certificate or certificates in lieu thereof to the purchaser or purchasers concerned.

Application of proceeds of sale

41. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to 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 AND SURRENDER OF SHARES

If call or instalment not paid, notice may be given

42. If any Member fails to pay the whole or any part of any call or instalment or any moneys due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same, the Directors may, at any time thereafter, during such time as the call or instalment or any part thereof or other moneys as aforesaid remains unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such Member or on the person (if any) entitled to the shares by transmission, requiring him to pay such call or instalment of such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all reasonable expenses (legal or otherwise) that may have been accrued by the Company by reason of such non-payment. Provided that no such shares shall be forfeited if any moneys shall remain unpaid in respect of any call or instalment or any part thereof as aforesaid by reason of the delay occasioned in payment due to the necessity of complying with the provisions contained in the relevant exchange control laws or other applicable Laws of India, for the time being in force.

Terms of notice

43. The notice shall name a day (not being less than fourteen days from the date of notice) and a place or places on and at which such call or instalment and such interest thereon as the Directors shall determine from the day on which such call or instalment ought to have been paid and expenses as aforesaid are to be paid. The notice shall also state that, in the event of the non-payment at or before the time and at the place or places appointed, the shares in respect of which the call was made or instalment is payable will be liable to be forfeited.

On default of payment, shares to be forfeited

44. If the requirements of any such notice as aforesaid shall not be complied with, every or any share in respect of which such notice has been given, may at any time thereafter but before payment of all calls or instalments, interest and expenses, due in respect thereof, be forfeited by resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited share and not actually paid before the forfeiture.

Notice of forfeiture to a Member

45. When any shares have been forfeited, notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture, and an entry of the forfeiture, with the date thereof shall forthwith be made in the Register of Members.

Forfeited shares to be property of the Company and may be sold etc.

46. Any shares so forfeited, shall be deemed to be the property of the Company and may be sold, re-allotted, or otherwise disposed of, either to the original holder thereof or to any other person, upon such terms and in such manner as the Board in their absolute discretion shall think fit.

Members still liable to pay money owing at time of forfeiture and interest

47. Any Member whose shares have been forfeited shall notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company, on demand all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture, together with interest thereon from the time of the forfeiture until payment, at such rate as the Board may determine and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture, but shall not be under any obligation to do so.

Effect of forfeiture

48. The forfeiture shares shall involve extinction at the time of the forfeiture, of all interest in all claims and demand against the Company, in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.

Evidence of forfeiture

49. A declaration in writing that the declarant is a Director or Secretary of the Company and that shares in the Company have been duly forfeited in accordance with these articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the shares.

Title of purchaser and allottee of forfeited shares

50. The Company may receive the consideration, if any, given for the share on any sale, re-allotment or other disposition thereof and the person to whom such share is sold, re-allotted or disposed of may be registered as the holder of the share and he shall not be bound to see to the application of the consideration: if any, nor shall his title to the share be affected by any irregularly or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or other disposal of the shares.

Cancellation of share certificate in respect of forfeited shares

51. Upon any sale, re-allotment or other disposal under the provisions of the preceding Article, the certificate or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect, and the Directors shall be entitled to issue a duplicate certificate or certificates in respect of the said shares to the person or persons entitled thereto.

Forfeiture may be remitted

52. In the meantime and until any share so forfeited shall be sold, re- allotted, or otherwise dealt with as aforesaid, the forfeiture thereof may, at the discretion and by a resolution of the Directors, be remitted as a matter of grace and favour, and not as was owing thereon to the Company at the time of forfeiture being declared with interest for the same unto the time of the actual payment thereof if the Directors shall think fit to receive the same, or on any other terms which the Director may deem reasonable.

Surrender of shares

53. The Directors may, subject to the provisions of the Act, accept a surrender of any share from or by any Member desirous of surrendering on such terms the Directors may think fit.

TRANSFER AND TRANSMISSION OF SHARES

Execution of the instrument of shares

54.a The instrument of transfer of any share in or debenture of the Company shall be executed by or on behalf of both the transferor and transferee.

54.b. The transferor shall be deemed to remain a holder of the share or debenture until the name of the transferee is entered in the Register of Members or Register of Debenture holders in respect thereof.

Transfer Form

55. The instrument of transfer of any share or debenture shall be in writing and all the provisions of Section 56 of the Companies Act, 2013 and statutory modification thereof including other applicable provisions of the Act shall be duly complied with in respect of all transfers of shares or debenture and registration thereof. There shall be a common form of transfer in accordance with the Act and the rules.

Transfer not to be registered exception production of instrument of transfer

56. The Company shall not register a transfer in the Company unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee and specifying the name, address and occupation if any, of the transferee, has been delivered to the Company along with the certificate relating to the shares or if no such share certificate is in existence along with the letter of allotment of the shares: Provided that where, on an application in writing made to the Company by the transferee and bearing the stamp, required for an instrument of transfer, it is proved to the satisfaction of the Board of Directors that the instrument of transfer signed by or on behalf of the transferor and by or on behalf of the transferee has been lost, the Company may register the transfer on such terms as to indemnity as the Board may think fit, provided further that nothing in this Article shall prejudice any power of the Company to register as shareholder any person to whom the right to any shares in the Company has been transmitted by operation of law. Subject to the provisions of Sections 56, 58 and 59 of the Companies Act, 2013, 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 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal. Registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.

No fee on transfer

57. No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and letter of administration, Certificate of Death or Marriage, Power of Attorney or similar other document with the Company.

Closure of Register of Members

58. Subject to the provisions of Section 91 of the Companies Act, 2013, the registration of transfers may be suspended at such times and for such periods as the Board may, from time to time, determine.

Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year or any statutory modification thereof.

Custody of Transfer Deeds

59. The instrument of transfer shall after registration be retained by the Company and shall remain in its custody. All instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all the transfer deeds with the Company after such period as they may determine.

Application for transfer of partly paid shares

60. Where an application of transfer relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee and the transferee makes no objection to the transfer within two weeks from the receipt of the notice.

For this purpose the notice to the transferee shall be deemed to have been duly given if it is dispatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.

Recognition of legal representative

61.a On the death of a Member, the survivor or survivors, where the Member was a joint holder, and his legal representatives where he was a sole holder, shall be the only person recognised by the Company as having any title to his interest in the shares.

61.b. Before recognising any executor or administrator or legal representative, the Board may require him to obtain a Grant of Probate or Letters Administration or other legal representation as the case may be, from some competent court in India.

Provided nevertheless that in any case where the Board in its absolute discretion thinks fit, it shall be lawful for the Board to dispense with the production of Probate or letter of Administration or such other legal representation upon such terms as to indemnity or otherwise, as the Board in its absolute discretion, may consider adequate.

61.c Nothing in clause (a) above shall release the estate of the deceased joint holder from any liability in respect of any share which had been jointly held by him with other persons.

Registration of persons entitled to share otherwise than by transfer (transmission clause)

62. Subject to the provisions of the Act and these Articles, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy, insolvency of any member or by any lawful means other than by a transfer in accordance with these presents, may, with the consent of all of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of this title as the Director shall require either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Directors registered as Member in respect of such shares;

provided nevertheless that if such person shall elect to have his nominee registered he shall testify his election by executing in favour of his nominee an instrument of transfer in accordance so he shall not be freed from any liability in respect of such shares. This clause is hereinafter referred to as the 'Transmission Clause'.

Refusal to register nominee

63. Subject to the provisions of the Act and these Articles, the Directors shall have the same right to refuse register a person entitled by the transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.

Board may require evidence of transmission

64. Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any such transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.

Company not liable for disregard of a notice prohibiting registration of transfer

65. The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made, or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register or Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or require to regard or attend or give effect to any notice which may be given to them of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

Form of transfer outside India

66. In the case of any share registered in any register maintained outside India the instrument of transfer shall be in a form recognised by the law of the place where the register is maintained but subject thereto shall be as near to the form prescribed in Article 56 hereof as circumstances permit.

No transfer to insolvent etc.

67. No transfer shall be made to an insolvent or person of unsound mind.

NOMINATION

Nomination

68.(i) Notwithstanding anything contained in the Articles, every holder of shares or debentures of the Company may, at any time, nominate a person in whom his/her shares or debentures shall vest in the event of his/her death and the provisions of Section 72 of the Companies Act, 2013 shall apply in respect of such nomination.

68(ii) No person shall be recognised by the Company as a nominee unless an intimation of the appointment of the said person as nominee has been given to the Company during the lifetime of the holder(s) of the shares or debentures of the Company in the manner specified under Section 72 of the Companies Act, 2013.

68(iii) The Company shall not be in any way responsible for transferring the shares and/or debentures consequent upon such nomination.

68(iv) If the holder(s) of the shares or debentures survive(s) nominee, then the nomination made by the holder(s) shall be of no effect and shall automatically stand revoked.

Transmission of Securities by Nominee

69. A nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either-

i. to be registered himself as holder of the share or debenture, as the case may be;

ii. or to make such transfer of the share or debenture, as the case may be, as the deceased shareholder or debenture holder, could have made;

iii. if the nominee elects to be registered as holder of the share or debenture, himself, as the case may be, he shall deliver or send to the Company, a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or debenture holder as the case may be;

iv. a nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share or debenture except that he shall not, before being registered as a member in respect of his share or debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or debenture, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the share or debenture, until the requirements of the notice have been complied with.

DEMATERIALISATION OF SHARES

Dematerialisation of Securities

70. For the purpose of this Article, unless the context otherwise requires:

A. *Definitions:*
In the following Article, Depositories Act, Beneficial Owner, Depository, Shareholder or member shall mean and include Depositories Act, Beneficial Owner, Depository, Shareholder or member as defined in Article 2.

B. *Dematerialisation of Securities:*

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialize its shares, debentures and other securities (both existing and future) held by it with the Depository and to offer its shares, debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any;

C. *Option for Investors:*

Every person subscribing to securities offered by the Company shall have the option to receive the security certificates or to hold securities with a Depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by law, in respect of any security in the manner provided by the Depositories Act and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required certificates of securities.

Where a person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of such information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security;

D. *Securities in Depositories to be in fungible form*

All securities held by a Depository shall be dematerialised and shall be in a fungible form. Nothing contained in Sections 88, 89 and 186 of the Companies Act, 2013 shall apply to a Depository in respect of the securities held by it on behalf of the beneficial owners;

E. *Rights of Depositories and Beneficial Owners*

i. Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner;

ii. Save as otherwise provided in (i) above, the Depository as a registered owner of the securities shall not have any voting rights or any other right in respect of the securities held by it;

iii. Every person holding securities of the Company and whose name is entered as a beneficial owner in the records of the Depository shall be deemed to be a member of the Company. The beneficial owner of the securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities held by a Depository.

F. *Service of Information*

Notwithstanding anything to the contrary contained in these Articles, where the securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies and discs.

G. *Transfer of Security*

If a beneficial owner seeks to opt out of a Depository in respect of any security, the beneficial owner shall inform the Depository accordingly. The Depository shall, on receipt of the intimation as above, make appropriate entries in its record and shall inform the Company accordingly.

The Company shall within thirty (30) days of the receipt of intimation from the Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the beneficial owner or the transferee as the case may be.

The Company shall keep a register of transfers and shall have recorded therein fairly and distinctly, particulars of every transfer or transmission of any share held in material form. Nothing contained in these Articles shall apply to transfer of securities held in a Depository.

H. *Section 45 of the Companies Act, 2013 not to apply :*

Notwithstanding anything to the contrary contained in the Articles, Section 45 of the Companies Act, 2013 shall not apply to the shares with a Depository;

I. *Register and Index of beneficial owners*

The Register and Index of Beneficial Owner, maintained by a Depository under Section 11 of the Depositories Act shall be deemed to be the Register and Index of Members and Security holders as the case may be for the purposes of these Articles.

J. *Intimation to Depository*

Notwithstanding anything contained in the Act or these Articles, where securities are dealt with in a Depository, the Company shall intimate the details of allotment of securities thereof to the Depository immediately on allotment of such securities.

K. *Stamp duty on securities held in dematerialised form*

No stamp duty would be payable on transfer of shares and securities held in dematerialised form in any medium as may be permitted by law including any form of electronic medium.

L. *Applicability of the Depositories Act*

In case of transfer of shares, debentures and other marketable securities, where the Company has not issued any certificate and where such shares, debentures or securities are being held in an electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

M. *Company to recognise the rights of registered Holders as also the beneficial Owners in the records of the Depository*:

Save as herein otherwise provided, the Company shall be entitled to treat the person whose name appears on the Register of Members as the holder of any share, as also the Beneficial Owner of the shares in records of the Depository as the absolute owner thereof as regards to receipt of dividend or bonus or service of notices and all or any other matters connected with the Company and accordingly, the Company shall not except as ordered by a Court of competent jurisdiction or as by law required be bound to recognise any benami trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other person whether or not it shall have express or implied notice thereof.

JOINT HOLDER

Joint holders

71. Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint Shareholders with benefits of survivorship subject to the following and other provisions contained in these Articles:

Joint and several liabilities for all payments in respect of shares

71.a the Joint holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share;

Title of survivors

71.b. on the death of any such joint holders the survivor or survivors shall be the only person recognised by the Company as having any title to the share but the Board may require such evidence of death as it may deem fit and nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability of shares held by them jointly with any other person the estate of the deceased joint holder shall continue to be liable in respect of any share which had been jointly held by him with other persons;

Receipts of one sufficient

71.c. only the person whose name stands first in the Register of Members may give effectual receipts of any dividends or other moneys payable in respect of share; and

Delivery of certificate and giving of notices to first named holders

71.d. only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any such document served on or sent to such person shall deemed to be service on all the holders.

BORROWING POWERS

Power to borrow

76. Subject to the provisions of the Act and these Articles, the Board may, from time to time at its discretion, by a resolution passed at a meeting of the Board receive deposits or loans from members either as an advance of call or otherwise and generally raise or borrow money by way of deposits, loans, overdrafts, cash credit or by issue of bonds, debentures or debenture-stock (perpetual or

otherwise) or in any other manner, or from any person, firm, company, co-operative society, any body corporate, bank, institution, whether incorporated in India or abroad, Government or any authority or any other body for the purpose of the Company and may secure the payment of any sums of money so received, raised or borrowed; provided that the total amount borrowed by the Company (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not without the consent of the Company in a General Meeting by passing Special Resolution exceed the aggregate of the paid up capital of the Company, its free reserves and securities premium that is to say reserves not set apart for any specified purpose.

Securing payment or repayment of moneys borrowed

77. The payment and/or repayment of moneys borrowed or raised as aforesaid or any moneys owing otherwise or debts due from the Company may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit, and in particular by mortgage, charter, lien or any other security upon all or any of the assets or property (both present and future) or the undertaking of the Company including its uncalled capital for the time being, or by a guarantee by any Director, Government or third party, and the bonds, debentures and debenture- stocks and other securities may be made assignable, free from equities between the Company and the person to whom the same may be issued and also by a similar mortgage, charge or lien to secure and guarantee, the performance by the Company or any other person or company of any obligation undertaken by the Company or any person or Company as the case may be.

Bonds, Debentures etc. to be under the control of the Directors

78. Any bonds, debentures, debenture-stock or other securities issued or to be issued by the Company shall be under the control of the Board who may issue them at a discount, premium or otherwise upon such terms and conditions, and in such manner and for such consideration as they shall consider to be for the benefit of the Company only with the consent of the Company in the General Meeting by a Special Resolution.

Mortgage of Uncalled Capital

79. If any uncalled capital of the Company is included in or charged by any mortgage or other security the Directors shall subject to the provisions of the Act and these Articles make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.

Indemnity may be given

80. Subject to the provisions of the Act and these Articles if the Directors or any of them or any other person shall incur or be about to incur any liability whether as principal or surely for the payment of any sum primarily due from the Company, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Company by way of indemnity to secure the Directors or person so becoming liable as aforesaid from any loss in respect of such liability.

MEETINGS OF MEMBERS

Annual General Meeting

81.a. The Company shall, in each year, hold, in addition to any other meetings, a General Meeting as its Annual General Meeting, and shall specify the meeting as such in the notice calling it, and not more than 15 months shall elapse between the date of one Annual General Meeting of the Company and that of the next and the Annual General Meeting shall be held within six months of the expiry of its financial year.

Provided that if the Registrar shall have, for any special reason, extended the time within which any Annual General Meeting shall be held, by a period not exceeding three months, then such Annual General Meeting may be held within such extended period.

81.b. Every Annual General Meeting shall be called at a time during business hours and on such day (not being a national holiday) as the Directors may from time to time determine and it shall be held either at the Registered Office of the Company or at some other place within the City, town or village in which the Registered office is situated.

Distinction between AGM & EGM

82. All the General Meetings of the Company other than Annual General Meetings shall be called Extra-ordinary General Meetings.

Directors may call EGM

83. The Directors may call an Extra-ordinary General Meeting whenever they think fit.

Length of notice of General Meeting

84.a A General Meeting of the Company, Annual or Extraordinary and by whomsoever called, may be called by giving not less than 21 days clear notice in writing or through electronic mode in the manner as prescribed under the provisions of Section 101 of the Companies Act, 2013;

84.b Subject to the Companies Act, 2013, a General Meeting may be called by giving shorter notice than that specified in aforesaid clause if consent is giving in writing or by electronic mode (a) in case of an annual general meeting, by not less than 95% of the Members entitled to vote at such meeting and (b) in the case of any other general meeting, by Members of the Company holding majority in number of members entitled to vote and who represent not less than 95% of the such part of the paid-up Share Capital of the Company as gives a right to vote at such general meeting. For the purposes of this Article, where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a general meeting and not on the others, those Members shall be taken into account in respect of the former resolution or resolutions and not in respect.

Meeting not to transact business not mentioned in Notice

85. No General Meeting, Annual or Extraordinary shall be competent to enter upon, discuss or transfer any business which has not been mentioned in the notice or notices upon which it was convened.

Quorum for General Meeting

86. No business shall be transacted at any General Meeting unless the quorum requisite shall be present at the commencement of the business. For all purposes the quorum at a General Meeting shall be five members personally present. A body corporate being a member shall be deemed to be personally present if it is represented in accordance with provisions of the Act.

Business confined to election of Chairman whilst chair is vacant

87.a. The Chairman (if any) of the Board of Directors shall be entitled to take the chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board of Directors, or if at any meeting he is not present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the chair, then the Members present shall elect another Director as Chairman, and if no Director be present or if all the Directors present decline to take the chair then the Members present shall elect one of the members to be the Chairman of the meeting.

87.b. No business, except the election of a Chairman, shall be discussed at any General Meeting whilst the Chair is vacant.

Chairman with consent may adjourn General Meeting

88. The Chairman with the consent of the Members may adjourn any General Meeting from time to time and from place to place, but no business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.

When a General Meeting is adjourned for thirty days or more, notice of the adjourned General meeting shall be given as in the case of original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or any business to be transacted at an adjourned meeting.

Chairman's casting vote

89. The Chairman shall have no casting vote in any meeting including a meeting of the Board or the Shareholders.

In what case poll taken without adjournment

90. Any poll duly demanded on the election of Chairman of the meeting or any question of adjournment shall be taken at the meeting forthwith.

Questions at General Meetings, how decided

91. Subject to the other provisions of these Articles, at any General Meeting a resolution including a Special Resolution put to the vote at the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of a show of hands) demanded

a. by the Chairman; or
b. by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution; or
c. by any member or members present in person or by proxy and holding shares in the company on which an aggregate sum of not less than Rupees five lakh rupees or such higher amount as may be amended from time to time under the provisions of the Act has been paid up.

A declaration by the Chairman that in pursuance of voting on a show of hands, a resolution has or as not been carried, either unanimously or by a particular majority, and any entry to that effect in the books containing the minutes of the proceedings of the meeting shall be conclusive evidence of the fact, without proof of the number or proportion of votes in favour or against such resolution.

Demand for poll not to prevent transaction of other business

92. The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

Members in arrears not to vote

93. No Member shall be entitled to vote either personally or by proxy at any General Meeting or Meeting of a class of shareholders either upon a show of hands or upon a poll or be reckoned in a quorum in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised, any right or lien.

Number of votes each member entitled

94. Subject to the provision of these Articles and without prejudice to any special privileges, or restrictions as to voting for the time being attached to any class of shares for the time being forming part of the capital of the Company, every Member, not disqualified by the last preceding Article shall be entitled to be present, and to speak and to vote at such meeting, and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every Member present in person or by proxy shall be in proportion to his share of the paid-up equity share capital of the Company, Provided, however, if any preference shareholder is present at any General Meeting of the Company, save as provided in Section 47 of the Companies Act, 2013, he shall have a right to vote only on resolution placed before the General Meeting which directly affect the rights attached to his preference shares.

Casting of votes by a member entitled to more than one vote

95. On a poll taken at a meeting of the Company a Member entitled to more than one vote or his proxy or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

Vote of member of unsound mind and of minor

96. If any Member is lunatic, minor, unsound mind or, idiot, the vote in respect of his/ her shares shall be cast by his/her legal guardian(s) may vote whether on a show of hands or on a poll vote by proxy, provided that such evidence of the authority of the person claiming to vote as shall be accepted by the Directors shall have been deposited at the office of the Company not less than forty eight hours before the time of holding a General Meeting.

Postal Ballot

97. Notwithstanding anything contained in the provisions of the Act, and the rules made there under, the Company may, and in the case of resolutions relating to such business as may be prescribed by such authorities from time to time, declare to be conducted only by postal ballot, shall, get any such business/ resolutions passed by means of postal ballot, instead of transacting the business in the General Meeting of the Company.

Provided that any item of business required to be transacted by means of postal ballot may be transacted at a General Meeting by the Company which is required to provide the facility to the Members to vote by electronic means in accordance with Section 108 of the Act.

Votes of joint members

98. If there are joint holders of any shares, any one of such persons may vote at any General Meeting or appoint another person (whether a Member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the General Meeting and if more than one of the said persons remain present than the person whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased Member in whose name share stands shall for the purpose of these Articles be deemed joints holders thereof.

Votes may be given by proxy or by representative

99. Votes may be given either personally or by attorney or by proxy or in case of a company, by a representative duly Authorised as mentioned in Article 100.

Representation of a body corporate

100. A body corporate (whether a company within the meaning of the Act or not) may, if it is member or creditor of the Company (including being a holder of debentures) authorise such person by resolution of its Board of Directors, as it thinks fit, in accordance with the provisions of Section 113 of the Companies Act, 2013 to act as its representative at any General Meeting of the members or creditors of the Company or debentures holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and powers (including the right to vote by proxy) on behalf of the body corporate as if it were an individual member, creditor or holder of debentures of the Company.

Votes in respect of shares of deceased or insolvent members

102. Any person entitled under Article 62 (transmission clause) to transfer any share may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be at which he proposes to vote provided he shall satisfy the Directors of his

right to transfer such shares and give such indemnify (if any) as the Directors may require or the directors shall have previously admitted his right to vote at such meeting in respect thereof.

No votes by proxy on show of hands

103. No Member personally present shall be entitled to vote on a show of hands unless such member is present by attorney or is a corporation present by proxy or a company resent by a representative duly Authorised under the provisions of the Act in which case such attorney, proxy or representative may vote on a show of hands as if he were a Member of the Company. In the case of a company the production at the meeting of a copy of such resolution duly signed by a Director or Secretary of such company and certified by him as being a true copy of the resolution shall be accepted by the Company as sufficient evidence of the authority of the appointment.

Appointment of a proxy

104. Any member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote on a poll, instead of himself PROVIDED ALWAYS THAT a proxy so appointed shall not have any right whatsoever to speak at the General Meeting. Every notice convening a General Meeting of the Company shall state that a member entitled to attend and vote is entitled to one or more proxies.

Form of proxy

105. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstances will admit, be in any one of the forms set out in sub-section 6 of Section 105 the Companies Act, 2013 and rules made thereunder, or if the appointer is a body corporate be under its seal or be signed by any officer or attorney duly authorised by it.

Validity of votes given by proxy notwithstanding death of a member

106. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the Member, or revocation of the proxy or of any power of attorney which such proxy signed, or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the General Meeting.

Inspection of proxies

107. Every Member entitled to vote at a General Meeting of the Company according to the provisions of these Articles on any resolution to be moved thereof shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the General Meeting, to inspect proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention to inspect is given to the Company.

Time for objections to votes

108. No objection shall be made to the validity of any vote, except at any General Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such General Meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.

Chairman of the Meeting to be the judge of validity of any vote

109. The Chairman of any General Meeting shall be the sole judge of the validity of every vote tendered at such General Meeting. The Chairman present at the time of taking a poll shall be the sole judge of the validity of every vote tendered at such poll.

Resolutions requiring special notice

110.1 Where by any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not earlier than three months but at least fourteen days before the date of the General Meeting at which it is to moved exclusive of the day on which the notice is served or deemed to be served and the day of the General Meeting.

110.2 The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its Members notice of the resolution in the same manner as it gives notice of the General Meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the General Meeting.

110.3 The following resolutions shall require special notice:

a. Resolution under Section 140 of the Companies Act, 2013 at an Annual General Meeting for appointing a person as Auditor other than a retiring Auditor or providing expressly that a retiring Auditor shall not be re-appointed.
b. resolution under Section 169 (2) of the Companies Act, 2013 removing a Director before the expiry of his period of office.
c. resolution under Section 169 (5) of the Companies Act, 2013 appointing a Director in place of the Directors so removed.

DIRECTORS

Number of Directors

111. Until otherwise determined by a General Meeting of the Company and subject to the applicable provisions of the Act and other applicable Law, the number of Directors (including Debenture and Alternate Directors) shall not be less than three and not more than fifteen.

Provided that the Company may appoint more than fifteen directors after, passing a Special Resolution.

The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable Law. The Board shall have an optimum combination of executive and Independent Directors and such number of woman Directors, as may be prescribed by Law from time to time.

First Directors

The First Directors of the Company are :
1. Mr. Ravi Badrinarain Goyal
2. Mr. Badrinarain Kunjbihari Goyal
3. Mr. Kunjbihari Sriniwas Goyal

Qualification shares

112. A Director of the Company shall not be bound to hold any Qualification Shares in the Company.

Nominee Directors

113(a) Subject to the provisions of the Act and notwithstanding anything to the contrary contained in these Articles, any Financing Company or Body Corporate or Bank or Insurance Corporation (hereinafter referred to as “the Financial Institution”) shall have a right to appoint, remove, reappoint, substitute from time to time, its nominee as a Director (hereinafter referred to as the “Nominee Director”) on the Board of the Company, so long as any moneys remain owing to them or any of them, by the Company, out of any financial assistance granted by them or any of them to the Company by way of loan and/or by holding debentures and/or share in the Company and/or a result of underwriting or direct subscription and/or any liability of the Company arising out of the guarantee furnished by the Financial Institution on behalf of the Company remains outstanding.

113(b) The Nominee Director/s so appointed shall not be required to hold any qualification shares in the Company nor shall be liable to retire by rotation. The Board of Directors of the Company shall have no power to remove from office the Nominee Director/s so appointed. Subject to the aforesaid Article 113(a) the said Nominee Director/s shall be entitled to the same rights and privileges including receiving of notices, copies of the minutes, sitting fees, etc. as any other Director of the Company is entitled.

113(c) If the Nominee Director/s is an officer of any of the Financial Institution, the sitting fees in relation to such nominee Directors shall accrue to such Financial Institution and the same accordingly be paid by the Company to them. The Financial Institution shall be entitled to depute observer to attend the meetings of the Board or any other Committee constituted by the Board.

113(d) The Nominee Director/s shall, notwithstanding anything to the Contrary contained in these Articles, be at liberty to disclose any information obtained by him/them to the Financial Institution appointing him/them as such Director/s.

Debenture Directors or mortgage, Directors

114. Any trust deed for securing the debentures or debenture-stock (or a deed or mortgage of any assets of the Company) may if so arranged, provide for the appointment from time to time by the trustees thereof or by the holders of the debentures or debenture-stock (or in the case of a deed of mortgage by the person or persons having such power) of some person to be a Director of the Company and may empower such trustees or holders of debentures or debenture- stocks (or such person or persons) from time to time, remove any Director so appointed. The Director appointed under this Article is herein referred to as the "Debenture Director" (or a "Mortgage Director") and the term "Debenture Director" (or "Mortgage Director") means the Director for the time being in office under this Article. This Debenture Director (or the Mortgage Director) shall not be liable to retire by rotation, or be removed by the Company. The trust deed (or the mortgage deed) may contain such ancillary provisions as may be arranged between the Company and the trustees (or mortgage) and all such provisions shall (subject to the provisions of the Act) have effect notwithstanding any of the other provisions herein contained.

Professional Directors

115. Any advocate or Chartered Accountant or any professional who may for the time being be a Director of the Company :

a. shall be entitled to charge the Company, professional remuneration for all work done by him for or on behalf of the Company at the rate agreed upon and on such terms and conditions as may be agreed upon:

b. shall be entitled to vote on all resolutions on all matters in any way he thinks fit irrespective of the fact that he has advised upon or been concerned with any matters relating to the said resolution prior to the passing thereof or is likely to advice upon or may have to deal with matters relating to any resolution after the same has been passed;

c. shall not be liable or responsible for the day to day or routine management and running of the Company and its affairs including setting aside, appropriations or payment of any statutory dues by or on behalf of the Company; and shall be indemnified by the Company in respect of and fines or penalties that may be imposed upon him as a Director of the Company as a result of any act or omission of the Company and/or any of its Officers in failing to comply with an requirements of the law whether with regard to any payments to be made or otherwise howsoever, and also against all costs, charges and expenses that may be incurred by him in any proceeding against or relating to the said Professional Director in his capacity as a Director.

Appointment of Alternate Director

116. Subject to applicable Law, the Board may appoint an Alternate Director to act for a Director (hereinafter called "The Original Director") during his absence for a period of not less than three months from India. An Alternate Director appointed under this Article shall not hold office for period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to India. If the term of Office of the Original

Director is determined before he so returns to India, any provision in the Act or in these Articles for the automatic re-appointment of retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.

Additional Director

117. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint any other person to be an Additional Director. Any such Additional Director shall hold office only up to the date of the next Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for appointment by the Company as a Director at that meeting subject to the provisions of the Act.

Directors power to fill casual vacancies

118. Subject to the provisions of the Act, the Board shall have power at any time and from time to time to appoint a Director who shall hold office only up to the date up to which the Director in whose place he is appointed would have held office if it had not been vacated by him.

Sitting Fees

119.a Until otherwise determined by the Company in a General Meeting, each Director other than the Managing/ Whole-time Director (unless otherwise specifically provided for) shall be entitled to sitting fees not exceeding a sum prescribed in the Act (as may be amended from time to time) for attending meetings of the Board or Committees thereof.

Remuneration of Directors

119.b. The remuneration of a Director for his service shall be such sum as may be determined by the Nomination and Remuneration Committee but not exceeding such sum as may be prescribed by the Act or Central Government or as otherwise provided by applicable Law. The Directors subject to the sanction of the Central Government (if any required) may be paid such further remuneration as the Company in a General Meeting shall, from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine, and in default of such determination shall be divided amongst the Directors equally.

119.c Subject to the provisions of the Act, a Director who is neither in the whole- time employment of the Company nor a Managing Director, may be paid remuneration either;

(i) by way of monthly, quarterly or annual payment with the approval of the Central Government; or
(ii) by way of commission if the Company by a Special Resolution authorises such payment; and
(iii) in case of independent directors it shall be paid in the manner as provided in Section 149 and Sub section 5 of Section 197 of the Companies Act, 2013.

Special remuneration to Directors

121 If any Director, being willing, shall be called upon to perform extra services or to make any special exertions in going or residing out of the city of his normal residence or otherwise for any of the purposes of the Company, the Company shall subject as aforesaid, remunerate such Director either by a fixed sum or by a percentage of profits or otherwise as may be determined by the Directors and such remuneration may be either in addition to or in substitution for his remuneration above provided.

Directors may contract with the Company

123. Subject to the provisions of the Act and observance and fulfillment thereof and subject to restrictions imposed by Articles, no Director shall be disqualified by his office of a Director in the Company from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or

arrangement by reason only of such Director holding that office, or of the fiduciary relationship thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by the Act.

Directors may be Directors of Companies promoted by the Company

124. A Director of the Company may become a director of any Company promoted by the Company, or in which he may be interested as a vendor or member and subject to the provisions of the Act and these Articles no such Director shall be accountable for any benefits received as a director or member of such company.

Loans to Directors

125. The Company shall observe the restrictions imposed on the Company in regard to grant of loans to Directors and other persons as provided in Section 185 of the Companies Act, 2013 and other applicable provisions, if any, of the Act.

Holding of place of profit

126. A Director may hold a place of profit or office to the extent and as permissible under the Act.

The Company may increase or reduce the number of Directors

127. Subject to the provisions of the Act and these Articles, the Company may by passing Special Resolution in a General Meeting from time to time increase the number of Directors not exceeding the maximum limit permissible by the Act.

ROTATION OF DIRECTORS

Rotation and retirement of Directors

137.a. At the first Annual General Meeting of the Company and at every subsequent Annual General Meeting, one-third of such of the Directors for the time being as are liable to retire by rotation, or if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office;

137.b The Directors to retire by rotation at every annual general meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

137.c At the Annual General Meeting at which a Director retires as aforesaid, the Company may fill up the vacancy appointing the retiring Director or some other person thereto.

137.d If the place of the retiring Director is not so filled up and the Annual General Meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a public holiday, at the same time and place, and if at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:

1. at the General Meeting or at the previous meeting a resolution for the re-appointment of such Director has been put to the meeting and lost;
2. The retiring Director has, by a notice in writing addressed to the Company or its Board of Directors expressed his unwillingness to be so re-appointed
3. He is not qualified or is disqualified for appointment
4. A resolution, whether special or ordinary, is required for his appointment or re-appointment, in virtue of any provisions of the Companies Act
5. Section 162 of the Companies Act, 2013 is applicable to the case.

Directors to retire annually how determined

138. At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office.

Company to fill up vacancy

139. Subject to the applicable provisions of the Act and these Articles, the Company, at the Annual General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by selecting the retiring Director or some other person thereto.

Notice of Candidature for Office of Director

140.1 Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the Office of Director at any General Meeting if he or any member intending to propose him, has at least fourteen (14) clear days before the General Meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for that office or the intention of such member to propose him as a candidate for that office as the case may be. The Company shall duly comply with the provisions of Section 160 of the Companies Act, 2013 for informing its members of the candidature of the Director concerned.

140.2 Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 160 of the Companies Act, 2013, signifying his candidature for the office of a Director) proposed as candidate for the office of a Director shall sign and file with the Company, his consent in writing to act as a Director, if appointed.

Individual resolutions for Directors appointments

141. At a General Meeting of the Company, a motion shall not be made for the appointment of two or more persons as Directors of the Company by a single resolution unless a resolution that it shall be so made has first been agreed to by the meeting without any vote being given against it. A resolution moved in contravention of this Article shall be void whether or not objection was taken at the time to its being so moved: Provided that where a resolution so moved is passed and no provision for the automatic re-appointment of retiring Directors by virtue of these Articles or the Act in default of another appointment shall apply.

General Powers of the Board

143.a Subject to the provisions of the Companies Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do: Provided that the Board shall not exercise any power or do any act or thing which is directed or required whether by the Act or the rules thereunder or by the Memorandum and Articles of Association of the Company or otherwise, to be exercised or done by the Company in a General Meeting: Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act, or in the Memorandum & Articles of Association of the Company, or in any Rules or regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting;

143.b No regulations made by the Company in a General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

Powers of Directors

144. The business of the Company shall be managed by the Board who may exercise all such powers of the Company and do all such acts and things as may be necessary, unless otherwise restricted by the Act, or by any other Law or by the Memorandum or by the Articles required to be exercised by the Company in a General Meeting. However no regulation made by the Company in a General Meeting

shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.

DIVIDENDS

Dividends

145.a Subject to the rights of persons, if any, entitled to shares with special rights as to dividend, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof 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;

145.b. No amount paid or credited as paid on a share in advance of call shall be treated for the purposes of this clause as paid on the share;

145.c. All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but if any share is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.

Declaration of dividends

146. The Company in a General Meeting may declare a dividend to be paid to the members according to their rights and interests in the profits, and may fix the time for payment.

Restriction on amount of dividend

147. No larger dividend shall be declared than is recommended by the Directors but the Company in a General Meeting may declare a smaller dividend

What is to be deemed net profits

148. The declaration of the Directors as to the amount of the net profits of the Company shall be conclusive

Interim dividend

149. Subject to the provisions of Section 123 (3) of the Companies Act, 2013, the Directors may from time to time pay to the members such interim dividends as in their judgment the position of the Company justifies.

Debts may be deducted

150. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which lien exists.

Retention in certain cases

151. The Directors may retain the dividends payable upon shares in respect of which any person is under the Transmission Clause entitled to become a member, or which any person under that clause is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

Unpaid or Unclaimed Dividend

154. If the Company has declared a Dividend but which has not been paid or claimed within 30 (thirty) days from the date of declaration, the Company shall 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 AGS Transact Technologies Limited”;

154.a 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 Companies Act, 2013, viz. “Investors Education and Protection Fund”;

154.b. No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

CHIEF EXECUTIVE OFFICER, MANAGER ETC.

155. Subject to the provisions of the Act and the Rules, a chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board for such term, at such remuneration and upon such conditions as it may think fit; and any chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.

MANAGING AND WHOLE-TIME DIRECTORS

156.a Subject to the provisions of the Companies Act, the Directors may from time to time appoint one or more of their body to be the Managing Director and/or Whole time Director of the Company, in accordance with the provisions of the Act and the Rules;

156.b A Managing Director and/or Whole time Director so appointed shall exercise the powers and authorities conferred upon him by an agreement entered into between him and the Company and/or by a Resolution of the Board and be subject to the obligations and restrictions imposed upon him thereby or by the Act.

CAPITALIZATION OF RESERVES

159.1 The Company in a General Meeting may, upon the recommendation of the Board, resolve:

a. that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the Profit and Loss account, or otherwise available for distribution; and

b. that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.

159.2 The sums aforesaid shall not be paid in cash but shall be applied subject to the provisions contained in clause (3) either in or towards:

i paying up any amounts for the time being unpaid on any shares held by such members respectively;

ii paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or

iii partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

159.3 A Securities Premium Account, Share Premium Account and Capital Redemption Reserve Account may, for the purposes of this regulation, only be applied in the paying up of unissued shares to be issued to members of the Company and fully paid bonus shares.

INDEMNITY

Indemnity

177. Subject to the provisions of the Companies Act, every Director, Manager, Managing Director, Auditor, Secretary and other officer or servants of the Company shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company to pay all cost, losses and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the discharge of his duties, and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company, and have priority as between the members over all other claims.

Individual responsibility of Directors

178. Subject to the provisions of the Companies Act, no Director, auditor or other officer of the Company shall be liable for the acts, receipts, neglects or defaults or any other Director or Officer, or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by any error of judgement, omission, default or oversight on his part or for any other loss, damage or misfortune whatever, which shall happen in relation to the execution of the duties of his office or in relation thereto unless the same happen through his own dishonesty.

WINDING UP

Distribution of Assets

179. If the Company is to be wound up and the assets available for distribution among the Members as such are insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid-up, or which ought to have been paid-up, at the commencement of the winding up, on the shares held by them respectively. And if in winding up, the assets available for distribution among the Members are more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid-up or which ought to have been paid on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.

Distribution in specie or kind

180.a If the Company shall be wound up, the liquidator, may with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the members in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.

180.b. For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members.

180.c The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

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 contracts 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 are 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 the Registered Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer agreement dated August 20, 2018 entered into among our Company, the Selling Shareholders and the BRLMs.

2. Registrar agreement dated August 20, 2018 entered into among our Company, the Selling Shareholders and the Registrar to the Offer.

3. Cash escrow agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs, the Syndicate Members, the Bankers to the Offer and the Registrar to the Offer.

4. Share escrow agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Share Escrow Agent.

5. Syndicate agreement dated [●] entered into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members.

6. Monitoring agency agreement dated [●] entered into between our Company and [●].

7. Underwriting agreement dated [●] entered into among our Company, the Selling Shareholders and the Underwriters.

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company.

2. Certificate of incorporation dated December 11, 2002.

3. Fresh certificate of incorporation consequent upon change in name dated June 3, 2010.

4. Fresh certificate of incorporation dated July 20, 2010 issued by the RoC at the time of conversion from a private limited company into a public limited company.

5. Certificate of authorization dated June 30, 2014 to set up, own and operate payment systems for white label ATMs issued to our Company by the RBI.

6. Certificate of authorization dated May 30, 2014 to set up and operate payment system for semi-closed prepaid payment instrument services in India issued to ITSL by the RBI.

7. Resolution of the Board dated June 7, 2018 in relation to the Offer and other related matters.

8. Resolution of the Shareholders dated June 7, 2018 in relation to the Offer and other related matters.

9. Resolution of the IPO Committee dated August 20, 2018 approving the Draft Red Herring Prospectus.

10. Consent letter of each Selling Shareholder authorising the Offer for Sale as set out in "*The Offer*" on page 77.

11. Copies of the annual reports of our Company for the Financial Years ended March 31, 2018, 2017, 2016, 2015 and 2014.

12. The examination reports of our Statutory Auditors, each dated August 16, 2018, on the Restated Financial Information included in this Draft Red Herring Prospectus.

13. The Statement of Tax Benefits dated August 20, 2018 from the Statutory Auditor.

14. Consent of the Selling Shareholders, our Directors, the BRLMs, the Legal Advisors to our Company as to Indian law, the Legal Advisors to the Underwriters as to Indian law, the International Legal Advisors to the Underwriters, the Registrar to the Offer, the Banker to our Company, our Company Secretary and Compliance Officer, the Syndicate Members and the Bankers to the Offer in their respective capacities.

15. Consent of B S R & Co. LLP, Chartered Accountants, to include its name as required under Section 26 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 Auditor on the restated consolidated and unconsolidated financial information, each dated August 16, 2018, and statement of tax benefits dated August 20, 2018.

16. Statement showing allotment of Equity Shares pursuant to exercise of options under the ESOP Schemes, aggregated on a quarterly basis.

17. Consent from Ken Research Private Limited in relation to their report dated June 2018 and titled "*India ATM Market Outlook to 2023 – By ATM Supply, Managed Services (ATM Repair, Maintenance and Other Services, Transaction Processing, Cash Reconciliation Statement, Content and Electronic General Management) & Cash Management (ATM Replenishment, CIT, CPD)*", together with such report.

18. Consent from Ken Research Private Limited in relation to their report dated July 2018 and titled "*India Payment Services Market Outlook to 2023 – by Online Payments, M – Pos, IMPS, AePS, USSD – Bhim Transactions, UPI, M – Wallet, POS Terminal, Payment Gateways, CUG Cards, Payment Security Segment*", together with such report.

19. Share purchase agreement dated November 25, 2013 among GTSL, Novus SGP and Mr. Balasubramanian Narayan Iyer.

20. Share purchase agreement dated March 23, 2018, as amended by the amendment agreement dated March 29, 2018, among TPG, Oriole, our Company, Mr. Ravi B. Goyal and Vineha Enterprises Private Limited.

21. Employment Agreement dated August 1, 2018, between our Company and Mr. Ravi B. Goyal, and the resolution of the Board dated July 27, 2018 and the resolutions of the Shareholders dated July 27, 2018, in relation to re-appointment of Mr. Ravi B. Goyal as the Managing Director of our Company.

22. Tripartite Agreement dated October 19, 2010 among our Company, NSDL and the Registrar to the Offer.

23. Tripartite Agreement dated October 25, 2010 among our Company, CDSL and the Registrar to the Offer.

24. Due Diligence Certificate dated August 20, 2018 addressed to the SEBI from the BRLMs.

25. Observation letter number [●] dated [●] addressed to the BRLMs from the SEBI.

26. In-principle listing approvals dated [●] and [●] issued by the BSE and the NSE, respectively.

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 our Shareholders, subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the rules, regulations and guidelines issued by the Government and the rules, regulations and guidelines issued by the SEBI, established under Section 3 of the SEBI Act, 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 SCRA, the SCRR, the SEBI Act or the rules or regulations made thereunder or the guidelines issued, as the case may be. We further certify that all the disclosures in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Ravi B. Goyal (*Chairman and Managing Director)*	**Mr. Badrinarain K. Goyal** (*Non –Independent, Non- Executive Director)*
Mrs. Anupama R. Goyal (*Non –Independent, Non- Executive Director)*	**Mr. Sudip Bandyopadhyay** (*Independent, Non- Executive Director)*
Mr. Jagdish Capoor (*Independent, Non- Executive Director)*	**Mr. Sivanandhan Dhanushkodi** (*Independent, Non- Executive Director)*
Mr. Vijay Chugh (*Independent, Non- Executive Director)*	**Mr. Rahul Narain Bhagat** (*Independent, Non- Executive Director)*

SIGNED BY THE CHIEF FINANCIAL OFFICER

Mr. Saurabh Lal *(Chief Financial Officer)*

Date: August 20, 2018
Place: Mumbai

DECLARATION

I, Ravi B. Goyal, hereby certify and confirm that all statements and undertakings made or confirmed by me or about or in relation to me and the Equity Shares offered by me in the Offer for Sale in this Draft Red Herring Prospectus are true and correct.

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Mr. Ravi B. Goyal

Date: August 20, 2018
Place: Mumbai

DECLARATION

Each of the Other Selling Shareholders, severally and not jointly, confirms that all statements and undertakings made or confirmed by such Selling Shareholder or about or in relation to them, as a Selling Shareholder, and the Equity Shares offered by such Selling Shareholder in the Offer for Sale in this Draft Red Herring Prospectus are true and correct. We assume no responsibility for any other statements made by the Company or any other person(s) in this Draft Red Herring Prospectus.

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Name: **Sneha Kadam** (on behalf of the Other Selling Shareholders as a power of attorney holder)
Designation: Power of Attorney Holder
Date: August 20, 2018
Place: Mumbai