Independent Auditor's Report

To the Members of
CMS Info Systems Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

OPINION

We have audited the Standalone Financial Statements of CMS Info Systems Limited ("the Company"), which comprise the Standalone Balance Sheet as at 31 March 2022, and the Standalone Statement of Profit and Loss (including Other comprehensive income), Standalone Statement of Changes in Equity and Standalone Statement of Cash flows for the year then ended, and notes to the Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Standalone Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Standalone Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

Revenue Recognition

The key audit matter	How the matter was addressed in our audit
Revenue from operations for the year is Rs. 14,076.69 million (FY 21: Rs. 11,309.01 million). Refer Note 2 (h) of accounting policy and Note 19 and Note 43 in standalone financial statements. The Company's revenue is derived primarily from sale of products (ATMs, ATM sites and related products) which comprise of Rs. 1,946.60 million (FY 21: Rs. 2,305.85 million) and rendering of services i.e., ATM and cash management services, managed services, annual maintenance service, etc., which comprise of Rs. 12,130.10 million (FY 21: Rs. 9,003.16 million). We identified revenue recognition as a key audit matter since: • there is an element of inherent risk and presumed fraud risk around accuracy and existence of revenue recognised. • overstatement of revenue is considered as a significant audit risk as it is a key performance indicator. It could create an incentive for higher revenue to be recognised at period end i.e., before the control of underlying goods and services have been transferred to the customer • there is significant audit effort, due to volume of transactions, to ensure that unbilled revenue is recorded based on contractual terms and the services are rendered.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the Company's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. • Evaluating the design and testing the implementation of internal financial controls and testing the operating effectiveness of internal controls for a randomly selected sample of transactions. • Evaluating the design, implementation and operating effectiveness of Company's general IT controls, and application controls over the Company's IT systems. • Performing substantive testing by comparing statistically selected samples of revenue transactions recorded during the year and matching the parameters used in the computation with the relevant source documents. • Examining journal entries posted to revenue to identify unusual or irregular items based on certain high-risk criteria. • Checking completeness and accuracy of the data used by the Company for revenue recognition by performing specific cut off procedures on revenue. On a sample basis, we evaluated the revenue being recognised in the correct accounting period. • For statistically selected sample of unbilled transactions, tested unbilled revenues with subsequent invoicing/ other underlying documents to verify services rendered. • Evaluating adequacy of disclosures given in Note 43 to the standalone financial statements.

OTHER INFORMATION

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Standalone Financial Statements and our auditor's report thereon.

Our opinion on the Standalone Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Standalone Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Standalone Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the Standalone Financial Statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Standalone Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Standalone Financial Statements, including the disclosures, and whether the Standalone Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Standalone Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, we report that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Financial Statements comply with the Ind AS specified under Section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   (B) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its Standalone Financial Statements - Refer Note 32 to the Standalone Financial Statements.

   b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

   d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

      - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
      - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

      (ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

      - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
      - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

      (iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

   e) During the year, the Company has declared and paid interim dividend until the date of this audit report and is in accordance with section 123 of the Companies Act 2013. Further, as stated in note 50 to the standalone financial statements, the

Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

(C) With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act, except in case of a whole-time director where requisite approvals are taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Koosai Lehery
Partner
Membership No: 112399
UDIN: 22112399AIQOFQ6415

Mumbai
09 May 2022

Annexure A to the Independent Auditor's report - 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of two years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than the property where the Company is the lessee and the lease agreements are duly executed in favour of the lessee). According, the requirements under clause (3)(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit, subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions on the basis of security of current assets. In our opinion, the quarterly returns filed by the Company with such banks or financial institutions are in agreement with the books of accounts of the Company.

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided any guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties during the year. The Company has granted an unsecured loan to a company, in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships and any other parties.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loan as below:

(₹ in millions)

Particulars	Loans
Aggregate amount during the year ended 31 March 2022	
- Subsidiary (w.e.f 30 March 2022)*	143.86
- Others	-
Balance outstanding as at balance sheet date – 31 March 2022	
- Subsidiary (w.e.f 30 March 2022)*	143.86
- Others	-

* as per the Companies Act, 2013 ('the Act')

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of the unsecured loan are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no stipulated schedule of repayment of principal and payment of interest in the case of unsecured loan given by the Company. It is therefore not possible for us to comment whether any amount is overdue in respect of the said loan. The Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties. Further, the Company has not given any advances in the nature of loans to any party.

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has not granted any loans, made any investments or provided any guarantee or security during the year to the parties covered under Section 185 of the Act. The Company has complied with the provisions for Section 186 of the Act in respect to loans granted, making investment and providing guarantees and securities, as applicable.

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148 (1) of the Companies Act, 2013 for the products manufactured by it (and/or) services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.

(vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into Goods and Services Tax.

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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax, Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

Also refer note 32(c) to the standalone Ind AS financial statements.

(b) According to the information and explanations given to us, statutory dues relating to Goods and Services Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as per Enclosure I to this Report.

(viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company did not have any loans or borrowings from any lender during the year. Accordingly, clause 3(ix)(a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority. Accordingly, clause 3(ix)(b) of the Order is not applicable

(c) According to the information and explanations given to us by the management, while the Company has sanctioned term loan facility from banks, it has not obtained any term loans during the year. Accordingly, clause 3(ix)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company. Accordingly, clause 3(ix)(d) of the Order is not applicable.

(e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Act. The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries (as defined under the Act). The Company does not hold any investment in any associate or joint venture (as defined under the Act) during the year ended 31 March 2022.

(x) (a) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any money by way of its initial public offer or further public offer (including debt instruments) and has not obtained any term loans during the year. Accordingly, paragraph 3(ix)(a) of the Order is not applicable to the Company. Also, refer note 45 to the standalone financial statements

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed of eleven instances of cash embezzlements done by employees of the Company wherein the total amount involved was Rs. 159.59 million. The Company has filed complaints with the Police and has also filed insurance claims for the recovery of amounts involved. Out of the above, the Company has recovered Rs. 50.13 million and Rs. 31.30 million being doubtful of recovery has been written off during the year.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year

(xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

(xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable to the Company.

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) The Company is not part of any group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016 as amended). Accordingly, the requirements of clause 3(xvi)(d) are not applicable.

(xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) (a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clause 3(xx)(a) of the Order is not applicable.

(b) In respect of ongoing projects, the Company has not unspent amount which is required to be transferred to a Special Account within a period of 30 days from the end of the financial year in compliance with Section 135(6) of the Act. Accordingly, clause 3(xx)(b) of the Order is not applicable.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Koosai Lehery
Partner
Membership No: 112399
UDIN: 22112399AIQOFQ6415

Mumbai
09 May 2022

ENCLOSURE I TO ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT – 31 MARCH 2022

(₹ in millions)

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount under dispute	Amount paid under protest
Customs Act, 1962	Special additional duty	Supreme Court	2015-16	44.77	-
Customs Act, 1962	Customs Duty	Appellate Tribunal, Chennai	2016-17 to 2018-19 and 2019-20	45.13	4.17
Customs Act, 1962	Special additional duty	Appellate Tribunal, Chennai	2013-14	2.75	-
Bihar Value Added Tax, 2005	Value Added Tax	The Commissioner of Commercial Taxes, Patna, Bihar	2015-16	25.73	10.29
Gujarat Value Added Tax, 2003	Value Added Tax	Commercial Tax Officer, Gujarat	2013-14	40.66	2.50
Uttarakhand VAT Act, 2005	Value Added Tax	Appellate Authority	2014-15	1.72	0.69
Maharashtra VAT Act, 2002	Value Added Tax	Deputy Commissioner of State Tax	2015-16	0.60	0.06
Maharashtra VAT Act, 2002	Value Added Tax	Joint Commissioner of Sales Tax, Maharashtra	2016-17	0.11	0.006
Orissa Value Added Tax, 2004	Value Added Tax	Joint Commissioner of Sales Tax, Bhubaneshwar Range	2010-11 to 2014-15	0.37	0.02
Orissa Value Added Tax, 2004	Value Added Tax	Joint Commissioner of Sales Tax, Bhubaneshwar Range	2015-16	1.49	0.05
Orissa Value Added Tax, 2004	Value Added Tax	Joint Commissioner of Sales Tax, Bhubaneshwar Range	2015-16	0.12	0.004
The Central Excise Act, 1944	Excise Duty	Appellate Tribunal	2013-14 to 2017-18	42.45	3.18
The Central Excise Act, 1944	Excise Duty	Appellate Tribunal	2015-16	26.58	1.99
Central Sales Tax Act, 1956	Central Sales Tax	Commercial Tax Officer, Gujarat	2013-14	0.55	-
Central Sales Tax Act, 1956	Central Sales Tax	Deputy Commissioner of State Tax	2015-16	0.20	0.20
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of State Tax, Maharashtra	2016-17	1.05	0.10
Central Sales Tax Act, 1956	Central Sales Tax	Joint Commissioner of Sales Tax, Bhubaneshwar Range	2010-11 to 2014-15	0.26	0.017
Bihar Goods and Service Tax Act, 2017	Goods and Service Tax	Office of the Appellate Authority, Patliputra, Central Bihar	2017-18	0.82	0.058
Finance Act, 1994	Service Tax	Commissioner of CGST	2014-15	7.05	-
Finance Act, 1994	Service Tax	Appellate Tribunal, Mumbai	2017-18	2.74	-
The Income Tax Act, 1961	Income Tax	CIT Appeals	AY 2017-18	50.47	41.92
The Income Tax Act, 1961	Income Tax	CIT Appeals	AY 2018-19	**67.86**	**57.36**

Annexure B to the Independent Auditors' report on the Standalone Financial Statements of CMS Info Systems Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

We have audited the internal financial controls with reference to financial statements of CMS Info Systems Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Standalone Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Koosai Lehery
Partner
Membership No: 112399
UDIN: 22112399AIQOFQ6415

Mumbai
09 May 2022

Standalone Balance Sheet

as at March 31, 2022

(₹ in million)

	Note No.	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
(a) Property, plant and equipment	4	3,233.41	1,804.02
(b) Capital work-in-progress	28	423.18	226.81
(c) Right-of- use assets	5(a)	1,783.51	1,181.22
(d) Goodwill	5	1,227.03	1,227.03
(e) Other intangible assets	5	128.38	189.51
(f) Intangible assets under development	28	1.02	4.66
(g) Financial assets			
(i) Investments	6(a)	1,882.48	1,854.43
(ii) Other financial assets	8	280.27	162.79
(h) Deferred tax assets (net)	9	177.47	134.81
(i) Income tax assets (net)		220.33	77.84
(j) Other non-current assets	10	210.03	146.11
Total non-current assets		**9,567.11**	**7,009.22**
Current assets			
(a) Inventories	11	629.27	894.73
(b) Financial assets			
(i) Investments	6(b)	780.74	953.27
(ii) Trade receivables	12	4,269.95	4,241.97
(iii) Cash and cash equivalents	13	396.74	1,030.44
(iv) Bank balances other than (iii) above	13	559.30	395.56
(v) Loans	7	143.86	-
(vi) Other financial assets	8	259.09	27.56
(c) Other current assets	10	1,007.88	762.29
Total current assets		**8,046.83**	**8,305.82**
Total		**17,613.94**	**15,315.05**
Equity and Liabilities			
Equity			
(a) Equity share capital	14(a)	1,531.53	1,480.00
(b) Other equity	14(b)	10,587.57	8,031.95
Total equity attributable to equity share holders		**12,119.10**	**9,511.95**
Liabilities			
Non-current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	16	1,458.24	924.67
(b) Provisions	17	24.79	31.70
(c) Other non-current liabilities	18	9.25	-
Total non-current liabilities		**1,492.28**	**956.37**
Current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	16	446.27	305.56
(ii) Trade payables			
Dues of micro enterprises and small enterprises	15	75.02	38.46
Dues to creditors other than micro enterprises and small enterprises	15	2,493.37	3,123.30
(iii) Other financial liabilities	16	773.76	1,143.66
(b) Provisions	17	8.07	6.45
(c) Other current liabilities	18	206.07	229.30
Total current liabilities		**4,002.56**	**4,846.73**
Total		**17,613.94**	**15,315.05**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements. 4 to 57

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Place : Mumbai
09 May 2022

Standalone Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in million)

	Notes	For the year ended March 31, 2022	For the year ended March 31, 2021
Income			
Revenue from operations	19	14,076.69	11,309.01
Other income			
Finance income	20	27.05	60.03
Other	21	107.86	82.95
Total Income		**14,211.60**	**11,451.99**
Expenses			
Purchase of traded goods	22	1,360.86	2,069.54
Changes in inventories of finished goods (including stock in trade)	23	177.10	(273.06)
Employee benefits Expenses	24	729.82	750.36
Finance cost	25	140.75	76.60
Depreciation and amortisation expenses	4 &5	875.83	580.52
Other expenses	26	8,078.04	6,142.02
Total Expenses		**11,362.40**	**9,345.98**
Profit before tax		**2,849.20**	**2,106.01**
Tax expense			
Current tax		757.20	575.00
Tax adjustment of earlier year		-	12.24
Deferred tax (credit)/charge		(42.68)	2.00
Total tax expense		**714.52**	**589.24**
Profit for the year attributable to equity shareholders		**2,134.68**	**1,516.77**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) on defined benefit plans		0.10	(1.05)
Income tax effect		(0.02)	0.27
Other comprehensive income for the year, net of tax		**0.08**	**(0.78)**
Total comprehensive income for the year		**2,134.76**	**1,515.99**
Earnings per equity share (nominal value of share ₹ 10)	27		
Basic		14.35	10.25
Diluted		**13.66**	**9.98**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the financial statements. 4 to 57

As per our report of even date
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
CMS Info Systems Limited
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Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Place : Mumbai
09 May 2022

Standalone Statement of Cash flows
for the year ended March 31, 2022

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	2,849.20	2,106.01
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation on Property,plant and equipment and Intangible asset	551.14	372.43
Depreciation on Right-of-use assets	324.70	208.09
Unrealised foreign exchange gain	(1.52)	(3.32)
Bad debts written off	120.46	60.95
Debit balance written off	21.46	1.08
Impairment allowance for bad and doubtful receivables and deposits	488.41	146.00
(Profit)/Loss on disposal of property, plant and equipment (net)	(3.29)	0.10
Sundry credit balances written back	(7.36)	(40.46)
Impairment for doubtful claims receivables	7.78	-
Insurance claims receivables written off	13.96	0.79
Lease rent concessions	(1.73)	(20.07)
Finance income	(27.05)	(60.03)
Dividend Received	(78.18)	-
Profit on sale of current investments	(11.97)	(7.65)
Net change in fair value of current investments measured at FVTPL	(0.48)	(2.48)
Employee stock option compensation cost	61.19	19.42
Finance costs	140.75	76.59
Operating profit before working capital changes	**4,447.47**	**2,857.47**
Movement in working capital :		
(Decrease) / Increase in trade payables and other liabilities	(388.71)	266.98
(Decrease) / Increase in provisions	(5.20)	4.50
Decrease / (Increase) in inventories	265.46	(464.29)
(Increase) in trade receivables	(636.85)	(911.84)
(Increase) in other assets and prepayments	(590.81)	(189.04)
Cash flow generated from operations	**3,091.36**	**1,563.79**
Direct taxes paid (net of refunds)	(899.69)	(559.83)
Net cash flow from operating activities (A)	**2,191.67**	**1,003.96**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	4.74	47.79
Purchase of property, plant and equipment, intangible assets (including CWIP and capital advances)	(2,773.27)	(548.59)
Investments in mutual funds	(7,202.63)	(3,189.90)
Proceeds from redemption of mutual funds	7,387.61	2,800.13
Loan given to subsidiary	(143.86)	(768.44)
Repayment of loan from subsidiary	-	992.41
Investment in deposits with banks	(603.64)	(1,788.33)
Proceeds from maturity of deposits with banks	408.64	1,556.68
Dividend received	78.18	-
Net cash flow (used in) investing activities (B)	**(2,844.23)**	**(898.25)**

Standalone Statement of Cash flows
for the year ended March 31, 2022

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from financing activities		
Proceed from issue of equity shares	637.64	-
Dividend paid	(226.44)	(362.60)
Finance costs	-	(7.01)
Finance costs on lease liabilities	(140.75)	(69.58)
Payment of Principal portion of lease liabilities	(251.59)	(161.78)
Net cash flow from / (used in) financing activities (C)	**18.86**	**(600.97)**
Net (Decrease) in cash and cash equivalents (A+B+C)	**(633.71)**	**(495.26)**
Cash and cash equivalents at the beginning of the year	**1,030.44**	**1,525.70**
Cash and cash equivalents at the end of the year (refer note below)	**396.74**	**1,030.44**
Components of cash and cash equivalents:		
Cash on hand	5.24	3.70
In deposits account with original maturity of less than three months	-	397.86
Balances with banks		
On current accounts	391.50	628.88
Cash and cash equivalents at the end of the year (refer note 13)	**396.74**	**1,030.44**

The Standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7) as issued by the Institute of Chartered Accountants of India.

As per our report of even date
For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Koosai Lehery
Partner
Membership No.: 112399

Place : Mumbai
09 May 2022

For and on behalf of the Board of Directors of
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Standalone Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in million)

Particular	Equity share capital	Reserve and surplus: Securities premium	Share based payment reserve (refer note 39 & 40)	Capital redemption reserve	Retained earnings	Total equity
As at March 31, 2020	1,480.00	42.87	386.81	150.00	6,279.27	8,338.95
Profit for the year	-	-	-	-	1,516.77	1,516.77
Other comprehensive income	-	-	-	-	(0.78)	(0.78)
Total comprehensive income	-	-	-	-	1,515.99	1,515.99
Employee stock option compensation cost	-	-	19.61	-	-	19.61
Dividend Paid	-	-	-	-	362.60	362.60
As at March 31, 2021	**1,480.00**	**42.87**	**406.42**	**150.00**	**7,432.66**	**9,511.95**
Profit for the year	-	-	-	-	2,134.68	2,134.68
Other comprehensive income	-	-	-	-	0.08	0.08
Total comprehensive income	**-**	**-**	**-**	**-**	**2,134.76**	**2,134.76**
Equity shares issued during the year on exercise of stock options	51.53	-	-	-	-	51.53
Transfer on Securities premium on exercise of options	-	136.30	(136.30)	-	-	-
Securities premium on shares issued during the year	-	586.11	-	-	-	586.11
Employee stock option compensation cost	-	-	61.19	-	-	61.19
Dividend Paid	-	-	-	-	226.44	226.44
As at March 31, 2022	**1,531.53**	**765.28**	**331.31**	**150.00**	**9,340.98**	**12,119.09**

Summary of significant accounting policies (Refer Note 2)

The accompanying notes form an integral part of the financial statements. 4 to 57

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Place : Mumbai
09 May 2022

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

(₹ in million)

1. CORPORATE INFORMATION

CMS Info Systems Limited (the 'Company') is a Company domiciled in India and was incorporated under the provisions of the Companies Act, 1956. The Company became a subsidiary of Sion Investment Holdings Pte. Limited with effect from August 27, 2015 pursuant to acquisition of 100% shares from BLACKSTONE FP CAPITAL PARTNERS (MAURITIUS) V LTD, CMS Computers Limited, Mr. Ramesh Grover and others (together known as 'erstwhile shareholders').

The Company is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card trading and personalization services. The registered office of the Company is located at T-151, 5th Floor, Tower No.10, Sector 11, Railway station complex, CBD Belapur, Navi Mumbai 400614. The Company got listed on Bombay stock exchange (BSE) and National stock exchange (NSE) in India on December 31, 2021.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 09, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the IND AS (referred to as "Ind AS" as prescribed under section 133 of the Companies Act, 2013 read with the Companies (Indian Accounting Standard) Rules as amended from time to time. The standalone financial statements have been prepared on historical cost basis except for certain financial assets and liabilities that have been measured at fair value (refer accounting policy regarding financial instruments).

The financial statements are presented in Indian Rupees ('INR' or '₹') in million, which is also the Company's functional currency. The financial statements are prepared on a going concern basis.

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle or expected to be realised within twelve months after the reporting period
- Held primarily for the purpose of trading
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle and is due to be settled within twelve months after the reporting period
- Held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified period of twelve months as its operating cycle.

c) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. While deriving cost, refundable taxes and discounts are excluded. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress is stated at cost.

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

are recognised in the Standalone statement of Profit or Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Standalone statement of Profit and Loss when the asset is derecognised.

The Company provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful lives of the assets as estimated by the management which are in most cases equal to the corresponding rates prescribed in Schedule II to the Act. Certain assets are depreciated at lower rates.

The Company has estimated the following lives to provide depreciation and amortisation:

Category	Useful lives (in years)
Plant and machinery	7*
Electric installations	5*
Furniture, fixtures and fittings	7*
Vehicles (used for ATM and Cash Management business)	6*
Other vehicles	8
Office equipment	5
Computers, servers and peripherals	3 to 6

*The Company, based on technical assessment made by the management, depreciates certain items of plant and equipment and vehicles (used for ATM and Cash Management business) over the estimated useful lives which are different from the useful lives prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term, which does not exceed 7 years.

The residual values, useful lives and method of depreciation and amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

d) Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets recognised in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Intangible assets are amortised on straight line basis over the estimated useful life as follows:

Particulars	Useful Life
Computer software	3-6 years
Customer contracts (fair value of business combination)	5-6 years
Customer contracts (Purchased)	2-3 years
Non-compete fees	6 years (Non- compete period)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Standalone statement of Profit and Loss when the asset is derecognised. Goodwill is tested for impairment annually at the cash-generating unit level.

e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, wherever applicable, a long term growth rate is calculated and applied to projected future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

f) Leases

The Company adopted Ind AS 116, leases (which replaces earlier standard Ind AS 17) using modified retrospective approach for transitioning by recognising right of use asset and an equal amount of lease liability on 1 April, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019.

The Company applies a single recognition and measurement approach for all leases and hence the Company has not considered recognition exemptions for any of its leases. The Company recognizes lease liabilities to make lease payments and right of-use assets representing the right to use the underlying assets.

The Company also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

i) Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liability

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company does not apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease term and is included in revenue in the statement of profit or loss due to its operating nature.

g) Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of trading goods, stores and spares is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

h) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from sale of goods is recognised at point in time when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

The company provides and commits preventive maintenance services on its certain products at the time of sale for one or two years from the date the sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance services are provided based on the time elapsed.

Sale of services:

Revenue from ATM and cash management services, card personalization services and allied operations is recognised over time when the required services are rendered in accordance with the contracts / agreements entered into with the customer and is disclosed net off deductions for shortages, etc. charged by the customers as per the terms of the agreement.

Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract.

The contract liabilities primarily relate to the advance consideration received from customers for ATM and Cash management services and allied operations, for which revenue is recognised over time.

Revenue recognized, in excess of billing is classified as unbilled revenue; while billing in excess of revenue is classified as unearned revenue.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

When the entity has a right to consideration for goods/services provided to date, however the billing for such goods/services and it's payment will be received after completion of specified activities, the company recognises contract asset for the same.

Sale of ATM sites:

Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites as per the terms of agreement entered with the customers.

i) Interest income:

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

j) Foreign currencies

Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates, at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

k) Retirement and other employee benefits

Retirement benefit in the form of provident fund and employees state insurance is a defined contribution scheme. The Company has no obligation other than the contribution payable to the provident fund and ESIC. The Company recognises contribution payable to the provident fund and ESIC scheme as expenses, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Company makes contributions to a fund administered and managed by an insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Company, although insurance company administers the scheme.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Standalone statement of Profit and Loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurements comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Standalone Statement of Profit and Loss in subsequent periods.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

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Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Remeasurements, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

l) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items not recognised in the Standalone Statement of Profit and Loss is recognised either in OCI or in equity (where the item on which deferred tax is arising is recognised). Deferred tax on differences arising in business combination is recognised in Goodwill.

m) Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting the cost recognised in the current year in relation to employee stock options schemes) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Standalone Statement of Profit and Loss net of any reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

o) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

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Forming part of the Standalone Financial Statements for the year ended March 31, 2022

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding book overdrafts and cash credits as they are considered an integral part of the Company's cash management.

q) Share based payment

Employees (including senior management) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

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

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. When an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Statement of Profit and Loss.

r) Fair value measurement

The Company measures financial instruments, such as, investment in mutual funds unit at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level

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Forming part of the Standalone Financial Statements for the year ended March 31, 2022

input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as impairment testing of goodwill, non-current assets and fair value of employee stock options schemes. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

s) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are recognised when the Company becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

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 statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except during the period the Company changes its business model for managing financial assets

Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the Standalone Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Standalone Statement of Profit and Loss.

Equity investments

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an

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Forming part of the Standalone Financial Statements for the year ended March 31, 2022

obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Company has transferred substantially all the risks and rewards of the asset, or

(b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the Statement of Profit or Loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through Standalone Statement of profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the Standalone Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Standalone statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per

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impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Standalone Statement of Profit and Loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit or loss and equity instruments recognised in OCI. Loss allowance for trade receivables and insurance claims is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income / expense in the Standalone Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Standalone Statement of Profit and Loss.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

t) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Company elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises

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the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses, if any. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

Goodwill represents the excess of purchase consideration paid over the value of net assets of CMS Computers Limited taken over by the Company in accordance with the Scheme of Arrangement with the CMS Computers Limited and towards the business acquisition from Checkmate Services Private Limited. The Scheme was effective from April 01, 2008 and business from Checkmate was acquired with effect from April 30, 2018 respectively.

u) Rounding of amount:

Amount disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of schedule III, unless otherwise stated

v) Cash dividend distribution to equity holders of the parent

The Company recognises a liability to make cash distributions to equity holders of the parent when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant judgement:

Leases

The application of Ind AS 116 requires company to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

The company cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Company has adopted average borrowing rate as it's incremental borrowing rate (IBR).

Estimates

Defined benefit plans

The cost of the defined benefit plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation

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Forming part of the Standalone Financial Statements for the year ended March 31, 2022

involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes. Refer note 29 for sensitivity analysis in relation to this estimate.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets.

Impairment of goodwill and investment in subsidiaries

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value.

Investment in subsidiaries is tested for impairment when events occurs that indicates that the recoverable amount is less than its carrying value.

The impairment indicators, the estimation of expected future cash flows and the determination of the fair value require the Management to make significant judgements, estimates and assumptions concerning the identification and validation of impairment indicators, fair value of assets, Revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc. For the details as to carrying amount of Goodwill and impairment testing (including related sensitivity analysis), refer note 34.

Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 39.

Claims receivable

It represents the claims made the Company from Insurance companies and others on account of cash loss due to theft or loot etc. at the time of replenishment of cash in ATM's and cash deposits and pick-ups.

The Company has recognised the claims in books, when the amount thereof can be measured reliably and ultimate collection is reasonably certain. The claims receivable balances are reviewed annually by the management and necessary doubtful provision percentage is calculated on the basis of Company's historical experiences and recoverability of amount from Insurance companies and others.

Provision for doubtful trade receivables

The Company has large number of individual customers. Management assesses the level of allowance for doubtful debts after taking into account ageing analysis and any other factor specific to individual counterparty and a collective estimate based on historical experience adjusted for certain current factors.

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 balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

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Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Recent pronouncement:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules,2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts -Cost of Fulfilling a Contract

The amendments specify that the fulfiling a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in it's financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold Improvements	Computers, Servers and peripherals	Total
Gross block value as at March 31, 2020	**653.21**	**50.78**	**245.74**	**1,365.44**	**19.88**	**98.54**	**328.41**	**2,762.01**
Additions during the year	816.03	1.59	149.09	57.41	2.86	18.95	17.94	1,063.88
Deletions during the year	82.22	10.59	58.73	10.98	6.99	-	-	169.51
Gross block value as at March 31, 2021	**1,387.02**	**41.78**	**336.10**	**1,411.87**	**15.75**	**117.49**	**346.35**	**3,656.37**
Additions during the year	1,234.29	6.43	170.47	414.95	5.15	40.52	27.31	1,899.14
Deletions during the year	30.67	11.78	25.44	40.85	4.49	33.28	2.01	148.52
Gross block value as at March 31,2022	**2,590.64**	**36.43**	**481.13**	**1,785.97**	**16.41**	**124.73**	**371.65**	**5,406.99**
Accumulated depreciation as at March 31, 2020	**255.02**	**38.36**	**123.85**	**922.65**	**15.83**	**53.39**	**276.83**	**1,685.93**
Depreciation for the year	105.29	4.12	26.95	113.79	1.65	10.59	25.85	288.25
Accumulated depreciation on disposals	47.36	10.38	46.64	10.46	6.98	-	-	121.82
Accumulated depreciation as at March 31, 2021	**312.95**	**32.10**	**104.16**	**1,025.98**	**10.50**	**63.98**	**302.68**	**1,852.36**
Depreciation for the year	262.12	4.28	51.46	107.17	2.12	14.46	26.70	468.31
Accumulated depreciation on disposals	29.99	11.78	25.20	40.49	4.49	33.12	2.01	147.07
Accumulated depreciation as at March 31,2022	**545.08**	**24.60**	**130.42**	**1,092.66**	**8.13**	**45.33**	**327.37**	**2,173.60**
Net block as at March 31, 2021	**1,074.07**	**9.68**	**231.94**	**385.89**	**5.25**	**53.51**	**43.67**	**1,804.02**
Net block as at March 31, 2022	**2,045.56**	**11.83**	**350.71**	**693.31**	**8.28**	**79.40**	**44.28**	**3,233.41**

Capital work in progress

Capital work-in-progress as at March 31, 2022 is ₹ 423.18 millions (March 31, 2021 ₹ 226.81 millions). Additions made to capital work-in-progress during the year amount to ₹ 419.07 millions (March 31, 2021 ₹ 226.81 millions).

Asset amonting to ₹ 222.70 millions (March 31, 2021 ₹ 28.01 millions) has been capitalised during the year. (refer note 28)

5 INTANGIBLE ASSETS

(₹ in million)

Particulars	Computer software	Customer Contract	Non compete Fees	Total	Goodwill
Gross block value as at March 31, 2020	**108.27**	**213.71**	**18.00**	**339.98**	**1,227.03**
Additions during the year	17.42	73.13	-	90.55	-
Deletion during the year	-	-	-	-	-
Gross block value as at March 31, 2021	**125.69**	**286.84**	**18.00**	**430.53**	**1,227.03**
Additions during the year	21.72	-	-	21.72	-
Deletion during the year	-	-	-	-	-
Gross block value as at March 31, 2022	**147.41**	**286.84**	**18.00**	**452.25**	**1,227.03**
Accumulated amortisation as at March 31, 2020	**76.58**	**74.51**	**5.75**	**156.84**	**-**
Amortisation during the year	21.97	59.21	3.00	84.18	-

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

5 Intangible assets (Contd.)

(₹ in million)

Particulars	Computer software	Customer Contract	Non compete Fees	Total	Goodwill
Deletion during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2021	**98.55**	**133.72**	**8.75**	**241.02**	**-**
Amortisation during the year	20.12	59.73	3.00	82.85	-
Deletion during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2022	**118.67**	**193.45**	**11.75**	**323.87**	**-**
Net block as at March 31, 2021	**27.14**	**153.12**	**9.25**	**189.51**	**1,227.03**
Net block as at March 31, 2022	**28.74**	**93.39**	**6.25**	**128.38**	**1,227.03**

Intangible assets under development

Intangible assets under development as at March 31, 2022 is ₹ 1.02 millions (March 31, 2021 ₹ 4.66 millions). Additions made to Intangible assets under development during the year amount to ₹ 0.45 millions (March 31, 2021 ₹ 4.04 millions).

Asset amonting to ₹ 4.10 millions (March 31, 2021 ₹ 9.84 millions) has been capitalised during the year. (refer note 28)

5(a) Right to Use Assests

(₹ in million)

Particulars	Leasehold Property	Total
Gross block value as at March 31, 2020	**989.39**	**989.39**
Additions during the year	760.40	760.40
Deletion during the year	217.05	217.05
Gross block value as at March 31, 2021	**1,532.73**	**1,532.73**
Additions during the year	978.83	978.83
Deletion during the year	210.29	210.29
Gross block value as at March 31, 2022	**2,301.27**	**2,301.27**
Accumulated depreciation as at March 31, 2020	**194.67**	**194.67**
Depreciation charge for the year	208.09	208.09
Deletion during the year	51.25	51.25
Accumulated depreciation as at March 31, 2021	**351.51**	**351.51**
Depreciation charge for the year	324.67	324.67
Deletion during the year	158.41	158.41
Accumulated depreciation as at March 31, 2022	**517.77**	**517.77**
Net block as at March 31, 2021	**1,181.22**	**1,181.22**
Net block as at March 31, 2022	**1,783.51**	**1,783.51**

6 INVESTMENTS

(a) Non-current investments

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Investments in equity shares of subsidiary companies (unquoted, fully paid up, valued at cost)		
950,000 (March 31, 2021 - 950,000) equity shares of ₹10 each of CMS Securitas Limited	28.51	28.51
132,500 (March 31, 2021 - 132,500) equity shares of ₹ 100 each of Securitrans India Private Limited	1,825.82	1,825.82
10,000 (March 31, 2021 - 10,000) equity shares of ₹ 10 each of Quality Logistics Services Private Limited	0.10	0.10
4,386,252 (March 31, 2021 - Nil) equity shares of ₹ 10 each of Hemabh Technologies Private Limited	28.05	-
	1,882.48	**1,854.43**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

6 Investments (Contd.)

(b) Current investments in units of unquoted mutual fund (at fair value through profit and loss)

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
20,419 Units SBI Magnum Ultra Short duration fund (March 31, 2021: Nil Units)	100.00	-
6,108,095 Units Kotak Savings fund (March 31, 2021: Nil Units)	220.08	-
105,910 Units Kotak Overnight fund (March 31, 2021: Nil Units)	120.08	-
Nil Units ICICI Prudential Liquid Fund (March 31, 2021: 328,174 Units)	-	100.01
1,484,750 Units ICICI Prudential Overnight Fund (March 31, 2021: 1,806,813 Units)	170.16	200.52
7,127,375 Units ICICI Prudential Ultra short term Fund (March 31, 2021: 10,570,596 Units)	170.42	241.83
Nil Units SBI liquid fund (March 31, 2021: 77,823 Units)	-	250.72
Nil Units SBI Overnight fund (March 31, 2021: 47,793 Units)	-	160.19
	780.74	953.27
Aggregate amount of unquoted investments	**2,663.22**	**2,807.70**

7 LOANS

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Loans to subsidiary (refer note below)	143.86	-
	143.86	**-**

Note : Loans to subsidiary represents loan given to Hemabh Technology Private Limited (wholly owned subsidiary) for business needs which is repayable on demand.

8 OTHER FINANCIAL ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good				
Claims receivable	71.95	42.21	-	-
Accrued Interest	-	-	3.72	7.21
Margin money deposits [refer note (ii) below]	84.35	47.14	-	-
Advances to employees	-	-	8.86	20.35
Others [refer note (i) below]	-	-	246.51	-
Security deposits	123.97	73.44	-	-
	280.27	**162.79**	**259.09**	**27.56**
Unsecured, considered doubtful				
Sundry deposits	2.33	2.33	-	-
Claims receivable	55.87	72.20	-	-
	58.20	**74.53**	**-**	**-**
Less: Impairment allowance for doubtful assets	(58.20)	(74.53)	-	-
	280.27	**162.79**	**259.09**	**27.56**

Notes:

i) Represents IPO proceeds held in escrow account, to be utilised towards the settlement of IPO expenses.

iI) Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 71.13 million (March 31, 2021 : ₹ 39.20 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Company for pending court cases and deposits of ₹ 13.22 million (March 31, 2021 - ₹ 7.95 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

9 DEFERRED TAX ASSETS (NET)

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Impairment allowance for bad and doubtful receivables	176.38	110.87
Impairment allowance for doubtful advances,claims receivable and deposits	14.65	18.76
Provision for employee benefits and bonus payable	22.12	22.54
Leases	30.28	12.33
	243.44	**164.50**
Deferred tax liabilities		
Depreciation	65.96	29.69
	65.96	**29.69**
Deferred tax assets (net)	**177.47**	**134.81**

Deferred tax reconciliation

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Opening balance	**134.81**	**136.57**
Tax during the year recognised in Statement of Profit and Loss	42.68	(2.00)
Tax during the year recognised in other comprehensive income	(0.02)	0.27
Closing balance	**177.47**	**134.81**

Tax reconciliation

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Profit before tax	2,849.20	2,106.01
At statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	717.09	530.04
Effect of non-deductible items under tax laws	(2.57)	46.96
Adjustment of tax relating to earlier years	-	12.24
At the effective income tax rate of 25.08% (March 31, 2021: 27.46%)	**714.52**	**589.24**
Income tax expense reported in the Statement of Profit and Loss	714.52	589.24

10 OTHER ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good				
Advances recoverable in kind or for value to be received	-	-	241.15	128.28
Capital advances	128.19	75.59	-	-
Receivable from Government Authorities	47.66	47.66	271.08	134.50
Prepaid expenses	34.18	22.86	184.28	140.53
Unbilled Revenue (Contract assets) (Refer note 43)	-	-	311.37	358.98
	210.03	**146.11**	**1,007.88**	**762.29**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

11 INVENTORIES

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Valued at lower of cost and net realisable value		
Trading goods (refer note below)	279.38	456.48
Stores and spares	349.89	438.25
	629.27	**894.73**

Note:
Trading stock includes stock at ATM sites which are not installed as at March 31, 2022 amounting to ₹ 51.99 million (March 31, 2021 - ₹ 285.59 million).

12 TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Secured and considered good	-	-
Unsecured and considered good		
Billed (Refer note 38)	2,724.29	2,941.43
Unbilled revenue (Refer note 38)	1,545.66	1,300.54
Credit impaired	700.80	440.77
	4,970.75	**4,682.74**
Less : Loss allowance	(700.80)	(440.77)
	4,269.95	**4,241.97**

13 CASH AND BANK BALANCES

Cash and cash equivalents

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	391.50	628.88
In deposits account with original maturity of less than three months	-	397.86
Cash on hand	5.24	3.70
	396.74	**1,030.44**
Bank Balances other than above		
Funds held relating to cash management activity [refer note (i) below]	47.35	69.57
In deposits account with original maturity for less than 12 months but more than three month	460.02	236.20
Margin money deposits [refer note (ii) below]	51.93	89.79
	559.30	**395.56**

i) Funds held relating to cash management activity represents the net funds invested by the Company in one of the services of Cash management business. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customers.

ii) Margin money deposits with carrying amount of ₹ 32.54 million (March 31, 2021 : ₹ 66.25 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Company for pending court cases and deposits of ₹ 19.39 million (March 31, 2021 - ₹ 23.54 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

14(A) EQUITY SHARE CAPITAL

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
173,000,000 (March 31, 2021 - 173,000,000) equity shares of ₹ 10 each	1,730.00	1,730.00
1,500,000 (March 31, 2021 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ₹ 100 each	150.00	150.00
	1,880.00	**1,880.00**
Issued, subscribed and fully paid up shares:		
153,152,747 (March 31, 2021- 148,000,000) equity shares of ₹ 10 each	1,531.53	1,480.00

(i) Terms and rights attached to equity shares

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend which is approved by the Board of Directors.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding Company and other shareholders in the Company including details of shareholders holding more than 5% shares in the Company

(₹ in million)

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ₹ 10 each fully paid up				
Sion Investment Holdings Pte. Limited*	9,70,74,075	63.38%	14,80,00,000	100.00%
WF Asian Reconnaissance Fund Limited	88,43,973	5.77%	-	-
SBI Small Cap Fund	82,86,487	5.41%	-	-
Total	**11,42,04,535**	**74.56%**	**14,80,00,000**	**100.00%**

* Includes six individual shareholders (registered shareholders), holding one share each as Nominees of Sion Investment Holdings Pte. Limited.

(iii) Shares held by promoter at the end the year

Name of the Promoters	No of Shares	% of Total shares	Changed during the year
Sion Investment Holdings Pte. Limited	9,70,74,075	63.38%	36.62%
Total	9,70,74,075	63.38%	36.62%

Notes:

i) As per records of the Company, including its register of share holders / members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(ii) Shares reserved for issue under options

For details of options alloted under employee stock option schemes, refer note 39.

(iii) During the year 2021-22,the Board has paid ₹ 226.44 million interim dividends. The first dividend was declared on May 4, 2021 at the rate of ₹ 0.62 per equity share (6.2% of the face value of ₹ 10 each) and second dividend was declared on October 19, 2021 at the rate of ₹ 0.91 per equity share (9.1% of the face value of ₹10 each). The dividend distribution tax on the said dividends is ₹ Nil as the Company has withheld 10% TDS on the Gross dividend and remittance is done net of withholding taxes. The witholding taxes are duly deposited with the Government."

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

14(B) OTHER EQUITY

A) Summary of Other Equity balance

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
(i) Securities premium		
Opening balance	42.87	42.87
Add: Securities premium on shares (stock options) issued during the year	586.11	-
Add: Transfer to Securities premium on exercise of options	136.30	-
Closing balance	765.28	42.87
(ii) Share based payment reserve (refer note 39)		
Opening balance	406.42	386.81
Add : Employee stock option compensation cost during the year	61.19	19.61
Less: Transfer to Securities premium on exercise of options	(136.30)	-
Closing balance	331.31	406.42
(iii) Capital redemption reserve		
Opening balance	150.00	150.00
Closing balance	150.00	150.00
(iv) Retained earnings		
Opening balance	7,432.66	6,279.27
Add: Net profit after tax transferred from Statement of Profit and Loss	2,134.68	1,516.77
Less: Dividend Paid	226.44	362.60
Add : Other comprehensive income (net of tax)	0.08	(0.78)
Closing balance	9,340.98	7,432.66
Total	**10,587.57**	**8,031.95**

B) Nature and purpose of reserves

(i) Securities Premium : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium, on exercise of the option. During the current year the company has recognised securities premium of ₹ 136.30 million.

(ii) Share based payment reserves : The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserves.

(iii) Capital Redemption Reserve: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.

(iv) 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.

15 TRADE PAYABLES

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
1. Dues of micro enterprises and small enterprises (refer note 33(a))	75.02	38.46
2. Dues of creditors other than micro enterprises and small enterprises (refer note 33(b))	1,428.48	2,126.38
Accrued expenses	1,064.89	996.92
	2,568.39	**3,161.76**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

16 OTHER FINANCIAL LIABILITIES AND LEASE LIABILITIES

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Capital creditors	-	-	289.25	896.33
Payable to employees	-	-	207.35	214.95
Others	-	-	277.16	32.38
	-	**-**	**773.76**	**1,143.66**
Lease liabilites (refer note 30)	1,458.24	924.67	446.27	305.56
	1,458.24	**924.67**	**446.27**	**305.56**

17 PROVISIONS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits (refer note 29)				
For gratuity	5.56	10.12	0.79	0.68
For compensated absences	19.23	21.58	7.28	5.77
	24.79	**31.70**	**8.07**	**6.45**

18 OTHER LIABILITIES

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Statutory liabilities (including provident fund, tax deducted at source and others)	-	-	159.13	83.14
Unearned revenue (Contract liability) (Refer note 43)	9.25	-	46.94	146.16
	9.25	**-**	**206.07**	**229.30**

19 REVENUE FROM OPERATIONS (REFER NOTE 43)

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of ATM and ATM Sites	1,155.30	1,622.83
Sale of products	791.29	683.02
Sale of services	12,130.10	9,003.16
Revenue from operations	**14,076.69**	**11,309.01**
Details of products sold		
ATM Spares and related products	652.62	536.34
Cards	137.18	143.70
Others	1.48	2.98
	791.28	**683.02**
Details of services rendered		
ATM and Cash management services	10,332.02	7,231.82
AMC services	1,522.56	1,456.40
Card Personalisation	275.52	314.94
	12,130.10	**9,003.16**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

20 FINANCE INCOME

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
Bank deposits	19.77	48.73
Loan to subsidiary	-	4.29
Security deposits measured at amortised cost	2.36	3.81
Custom Refund	1.72	-
Financial guarantee income	3.20	3.20
	27.05	**60.03**

21 OTHER

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sundry credit balances written back	7.36	40.46
Dividend Received	78.18	-
Profit on sale of property, plant and equipment (net)	3.29	-
Foreign exchange gain (net)	4.85	12.29
Profit on sale of current investments	11.97	7.65
Net change in fair value of current investments measured at FVTPL	0.48	2.48
Lease rent concessions	1.73	20.07
	107.86	**82.95**

22 PURCHASE OF TRADED GOODS

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of traded goods	1,360.86	2,069.54
Details of purchases		
ATM and ATM Sites	737.32	1,534.26
ATM Spares and related products	518.33	416.84
Cards	105.21	118.44
	1,360.86	**2,069.54**

23 DECREASE / (INCREASE) IN INVENTORIES

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Traded goods	279.38	456.48
Inventories at the beginning of the year		
Traded goods	456.48	183.42
	177.10	**(273.06)**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

24 EMPLOYEE BENEFIT EXPENSE

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries and bonus	603.37	653.77
Contribution to provident and other funds (refer note 29)	27.78	36.34
Gratuity expense (refer note 29)	4.69	5.50
Share based payments to employees (refer note 39 and 40)	61.19	19.42
Staff welfare expenses	32.79	35.33
	729.82	**750.36**

25 FINANCE COSTS

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on bank overdraft	-	4.95
Interest others	-	2.06
Interest on lease liability	140.75	69.58
	140.75	**76.59**

26 OTHER EXPENSES

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Service and security charges	4,019.20	3,172.79
Conveyance and traveling expenses	629.75	465.24
Vehicle maintenance, hire and fuel cost	1,189.13	861.22
Consumption of stores and spares	263.87	224.04
Annual maintenance charges	340.34	225.87
Legal, professional and consultancy fees	185.23	157.84
Courier Freight and forwarding charges	133.41	137.12
Power and electricity charges	110.47	80.54
Insurance	142.50	169.45
Communication costs	51.46	33.79
Trade receivables written off	348.83	100.84
Less : Out of the provision of earlier years	(228.37)	(39.89)
Impairment allowance for bad and doubtful receivables and deposits	488.41	146.00
Cash disposal charges	139.22	156.01
Insurance Claims receivables written off	38.07	12.68
Less : Out of the provision of earlier years	(24.11)	(11.89)
Impairment allowance for doubtful insurance claims	7.78	-
Advances and other Debit balance written off	21.46	1.08
Cash lost in transit	65.65	75.09
Repairs and maintenance- Building	0.11	0.01
Repairs and maintenance- Plant and Machinery	0.10	0.35
Repairs and maintenance- Others	31.71	16.34
Loss on sale / write off of property, plant and equipment (net)	-	0.10
Payment to auditors :		
Audit fees	9.40	6.00
Reimbursement of expenses	0.03	0.18
In other matters	2.38	-
Expenditure on corporate social responsibility (refer note 35)	37.37	30.69
Miscellaneous expenses	74.64	120.54
	8,078.04	**6,142.02**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 27 : EARNINGS PER SHARE

The following reflects the profit and equity shares data used in the basic and diluted EPS computations:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Profit for the year attributable to equity shareholders (₹ in million)	2,134.68	1,516.77
Weighted average number of equity shares for Basic EPS	14,87,06,864	14,80,00,000
Weighted average number of equity shares on account of Employee stock option scheme for dilutive impact	76,20,024	39,14,481
Weighted average number of equity shares for diluted EPS	15,63,26,888	15,19,14,481
Earnings Per Share		
Basic (in ₹)	14.35	10.25
Diluted (in ₹)	13.66	9.98

NOTE 28 : CAPITAL WORK IN PROGRESS (INCLUDING INTANGIBLE ASSETS UNDER DEVELOPMENT)

The following reflects the Capital work in progress (including intangible assets under development) Movement during the years:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening CWIP as at	231.47	39.32
(+) Additions during the year	419.52	230.85
(-) Capitalised during the year	(226.79)	(38.70)
Closing CWIP as at	**424.20**	**231.47**

The following table represents CWIP ageing as at respective years:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	419.99	230.85
1-2 Years	4.21	0.63
Total	**424.20**	**231.47**

represents projects in progress. There are no projects which have been temporarily suspended.

NOTE 29 : EMPLOYEE BENEFITS

Defined contribution plan

During the year ended March 31, 2022 and March 31, 2021 the Company contributed the following amounts to defined contribution plans:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Provident fund and Employees Family Pension Scheme	27.55	33.68
Employees' State Insurance Corporation	0.23	2.66
Total	**27.78**	**36.34**

Defined benefit plan

As per The Payment of Gratuity Act, 1972, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service.The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the Company carries out a acturial valuation based on the latest employee data from the certified actury valuer. Any deficit in the assets arising as a result of such valuations is funded by the Company.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 29 : Employee benefits (Contd.)

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset.

The following tables summaries the components of benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity plan of the Company.

Statement of Profit and Loss- Net employee benefits expense (recognised in employee cost)

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Current service cost	4.39	4.88
Net interest cost	0.30	0.62
Expenses recognised in the Statement of Profit and Loss	**4.69**	**5.50**

Net employee benefits expense (recognised in Other comprehensive income)

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Actuarial losses / (gains)		
change in demographic assumptions	-	-
change in financial assumptions	(1.14)	0.61
experience variance (i.e. actual experience vs assumptions)	0.92	0.77
Return on plan assets, excluding amount recognized in net interest expense	0.13	(0.33)
Components of defined benefit cost recognised in other comprehensive income	**(0.09)**	**1.05**

Balance Sheet

Details of net benefit obligation and fair value of plan assets:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Present value of obligation	32.60	35.59
Fair value of plan asset	26.25	24.79
Net liability	**6.35**	**10.80**

Changes in present value of obligation

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Present value of obligation at the beginning	35.59	31.39
Current service cost	4.39	4.88
Interest expense	1.89	2.07
Re-measurement (gain) / loss arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(1.14)	0.61
- experience variance (i.e actual experience vs assumptions)	0.92	0.77
Benefits paid	(3.04)	(4.13)
Acquisition Adjustment	(6.01)	-
Present value of obligation at the end	**32.60**	**35.59**

Notes
Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 29 : Employee benefits (Contd.)
Changes in the fair value of plan asset are as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning	24.80	22.96
Investment income	1.59	1.51
Employer's contribution	-	-
Benefits Paid	-	-
Re-measurement gain / (loss) arising from		
Return on plan assets, excluding amount recognised in net interest expense	(0.14)	0.32
Fair value of plan assets as at the end	**26.25**	**24.80**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Investment with insurer	100%	100%

The Company expects to contribute ₹10.90 million (March 31, 2021 - ₹ Nil) to gratuity fund during the annual period beginning after balance sheet date.

The following is the maturity profile of the Company's defined benefit obligation

Particulars	March 31, 2022	March 31, 2021
Weighted average duration (based on discounted cashflows)	8 years	9 years

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Company's expected cash flows over the future period (on undiscounted basis)		
1 year	4.04	2.52
2 to 5 years	13.58	12.91
6 to 10 years	13.06	15.41
More than 10 years	30.14	38.78

The principal assumptions used in determining gratuity benefit obligations for the Company's plan are shown below:

Particulars	March 31, 2022	March 31, 2021
Discount rate	6.85%	6.40%
Salary Growth rate	5%	5%
Employee Attrition rate		
- Less than 5 years of service	Upto 5 Year of service-25%	Upto 5 Year of service-25%
- More than 5 years of service	Above 5 Year of service-5%	Above 5 Year of service-5%

The estimates of future salary increases, considered in actuarial valuation, takes in account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes
Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 29 : Employee benefits (Contd.)
A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2022 is as shown below:

(₹ in million)

Particulars	March 31, 2022		March 31, 2021	
	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption
Discount Rate (-/+1%)	2.62	(2.30)	3.31	(2.87)
(% change compared to base due to sensitivity)	8.00%	-7.10%	9.30%	-8.10%
Salary Growth Rate (-/+1%) (Amount in ₹ million)	(2.00)	2.23	(2.53)	2.83
(% change compared to base due to sensitivity)	-6.10%	6.80%	-7.10%	8.00%
Attrition Rate (-/+ 50% of attrition rates) (Amount in ₹ million)	0.10	(0.17)	0.38	-0.46
(% change compared to base due to sensitivity)	0.30%	-0.50%	1.10%	-1.30%
Mortality Rate (-/+10% of Mortality rates) (Amount in ₹ million)	(0.02)	0.02	(0.02)	0.02
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

Other long term employee benefits
In accordance with its leave policy, the Company has provided for leave encashment on the basis of an actuarial valuation carried out by an independent actuary at the end of the year.

Amount of ₹ 8.13 million (March 31, 2021: ₹ 8.22 million) for Compensated absences is recognised as an expense and included in "Employee benefits" in the Statement of Profit and Loss. Accumulated non-current liability amount to ₹ 19.23 million (March 31, 2021: ₹ 21.58 million) and accumulated current liability amount to ₹ 7.28 million (March 31, 2021: ₹ 5.77 million).

NOTE 30 : LEASES
Operating lease
A. In case of assets taken on lease

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Current Lease Liabilities	446.27	305.56
Non-current Lease Liabilities	1,458.23	924.67
Total	**1,904.50**	**1,230.23**

The following is the movement in lease liabilities during the year ended March 31, 2022 and March 31, 2021

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	1,230.23	817.49
Additions	978.83	760.40
Finance cost accrued during the year	140.75	69.58
Deletions	(52.96)	(165.80)
Lease rent concession	-	(20.07)
Payment of lease liability	(392.34)	(231.37)
Closing Balance	**1,904.50**	**1,230.23**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 30 : Leases (Contd.)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022. on an undiscounted basis and March 31, 2021

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Less than one year	446.27	305.56
One to five years	1,551.83	1,019.57
More than five years	413.27	294.61
Total	**2,411.37**	**1,619.74**

The following is the movement in Right-of-use assets (which only consists of properties) as at March 31, 2022 and March 31,2021

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	1,181.22	794.72
Additions during the year	978.83	760.40
Deletions during the year	(210.29)	(217.05)
Depreciation during the year	(166.26)	(156.85)
Closing Balance	**1,783.50**	**1,181.22**

The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The weighted average incremental borrowing rate applied to lease liabilities is 8.5%.

The outflow on account of lease liabilities for the year ended March 31, 2022 is 392.34 million.

Company as lessor: lease receivables

The Company has entered into lease arrangement for its ATM management service business. The lease at inception is classified as operating lease. These leases have terms ranging between five and seven years. Future minimum rentals receivable under non-cancellable operating leases are, as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Within one year	485.25	18.05
After one year but not more than five years	1,861.94	21.56
More than five years	694.44	-
Total	**3,041.63**	**39.61**

During the year, the Company has recognized ₹ 202.91 million (March 31, 2021 - ₹ 116.28 million) as income in relation to the above arrangements. These are reported under sale of services (refer note 19).

The following are the details of the fixed assets (consist of Plant and Machinery) given on operating lease:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Gross block value as at 01 April	2,554.70	1,322.70
Less: Accumulated Depreciation	(445.41)	(184.38)
Net block value as at	2,109.29	1,138.32
Depreciation for the year (including Adjustments of accumulated depreciation on deletion)	260.87	86.69

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 31 : RELATED PARTY DISCLOSURES

Related party disclosures as required by notified Ind-AS 24 - "Related Party Disclosures" are given below:

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entites under common control	Vault Co-Investment Vehicle L.P.
Holding Company	Sion Investment Holdings Pte. Limited
Subsidiary Companies and Trusts	CMS Securitas Limited
	Securitrans India Private Limited
	Quality Logistics Services Private Limited
	CMS Securitas Employees Welfare Trust
	CMS Marshall Limited (subsidiary of CMS Securitas Limited)
	Hemabh Technology Private Limited (w.e.f March 30, 2022)
2) Key management personnel	**Whole Time Director & Chief Executive Officer**
	Mr. Rajiv Kaul (Whole Time Director & Chief Executive Officer)
	Chief Financial Officer
	Mr. Pankaj Khandelwal (Chief Financial Officer)
	Non-Executive Independent Director
	Ms. Shyamala Gopinath (upto December 31, 2021)
	Mr. Tapan Ray (w.e.f. April 09,2021)
	Mrs Manju Agarwal (w.e.f. Jan 01,2022)
	Mrs Sayali Karanjkar (w.e.f. Jan 01,2022)
	Mr. Krishna Mohan Sahani (w.e.f. April 01,2020 and upto March 31,2021)
	Non- Executive Directors
	Mr. Ashish Agrawal
	Mr. Krzysztof Wieslaw Jamroz (w.e.f. August 10,2021)
	Ms. Shyamala Gopinath (w.e.f. Jan 01,2022)
	Mr. Jimmy Lachmandas Mahtani
	Company Secretary
	Mr. Praveen Soni

(b) Summary of transactions with the above related parties are as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Interest Income		
Securitrans India Private Limited	-	4.29
Guarantee Income		
Securitrans India Private Limited	3.20	3.20
Dividend Received		
Securitrans India Private Limited	78.18	-
Remuneration to KMP (short-term employee benefits)		
Mr. Rajiv Kaul	108.79	96.48
Mr. Pankaj Khandelwal	15.30	13.21
Remuneration to non - executive independent directors		
Mrs. Shyamala Gopinath	2.10	2.10
Mr. Krzysztof Wieslaw Jamroz	1.40	-
Mr. Tapan Ray	2.10	-
Mrs. Sayali Karanjkar	0.53	-
Mrs. Manju Agarwal	0.53	-
Mr. Krishna Mohan Sahni	-	2.10

Notes
Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 31 : Related Party Disclosures (Contd.)

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Employee stock option compensation cost		
Mr. Rajiv Kaul (refer note 40)	57.00	15.69
Mr. Pankaj Khandelwal	1.50	0.32
Sitting fees paid to Directors		
Mrs. Shyamala Gopinath	0.40	0.40
Mr. Tapan Ray	0.40	-
Mr. Krzysztof Wieslaw Jamroz	0.40	-
Mrs. Sayali Karanjkar	0.10	-
Mrs. Manju Agarwal	0.10	-
Mr. Krishna Mohan Sahni	-	0.40
Service charges		
CMS Marshall Limited	691.85	438.85
CMS Securitas Limited	266.62	274.17
Securitrans India Private Limited	107.68	124.74
Reimbursement of power and electricity and Maintenance		
CMS Securitas Limited	3.84	3.55
Reimbursement of Insurance Charges		
Securitrans India Private Limited	26.16	17.34
Reimbursement of Other Expenses		
Securitrans India Private Limited	406.60	366.07
Loans given during the year		
Securitrans India Private Limited	-	768.44
Hemabh Technology Private Limited	143.86	-
Loans received back during the year		
Securitrans India Private Limited	-	992.41
Security Deposit paid		
Hemabh Technology Private Limited	2.85	-
Investment in subsidiaries		
Investment in Hemabh Technology Private Limited	28.05	-

c) Summary of balance receivable from / (payable to) the above related parties are as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Remuneration payable to KMP		
Mr. Rajiv Kaul	(51.15)	(34.89)
Mr. Pankaj Khandelwal	(3.10)	(2.78)
Remuneration to non - executive independent directors		
Mr. Tapan Ray	(2.10)	-
Mr. Krzysztof Wieslaw Jamroz	(1.40)	-
Mrs. Sayali Karanjkar	(0.53)	-
Mrs. Manju Agarwal	(0.53)	-
Mrs. Shyamala Gopinath	(0.53)	(0.53)
Sitting fees Payable to Directors		
Mrs. Shyamala Gopinath	(0.10)	-
Mrs. Sayali Karanjkar	(0.10)	-
Mrs. Manju Agarwal	(0.10)	-
Mr. Krzysztof Wieslaw Jamroz	(0.10)	-
IPO expenses recoverable		
Sion Investment Holdings Pte. Limited	246.51	-

Notes
Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 31 : Related Party Disclosures (Contd.)

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Balances outstanding at the year end		
CMS Securitas Limited	(70.12)	(63.07)
CMS Marshall Limited	(120.44)	(83.97)
Hemabh Technology Private Limited	146.71	-
Securitrans India Private Limited	69.75	-

Notes:

(i) As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Company as a whole, the amount pertaining to KMP's is not ascertainable separately and, therefore not included above.

NOTE 32 :CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a) Contingent liabilities:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Claims against the Company not acknowledged as debt		
a) Disputed Customs matters*	92.65	87.91
b) Disputed VAT matters*	70.26	247.77
c) Disputed Excise matters*	69.03	69.03
d) Disputed CST matters *	2.05	6.56
e) Disputed GST matters *	0.82	0.82
f) Disputed Service tax matters *	9.78	7.05
g) Disputed Income tax matter	118.33	118.33
Guarantees given by the Company on behalf of the subsidiary**	800.00	800.00
	1,162.92	1,337.47

Notes:

*In relation to the matters of Custom duty, VAT, CST, Service Tax, GST, Income tax and excise matters listed above, the Company is contesting the demands from the respective Government Departments. The management believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

** The Company has given Corporate guarantees in favour of lenders of Securitrans India Private Limited, a subsidiary of the Company amounting to ₹ 600 million (March 31,2021: ₹ 600 million) in favour of the lenders and ₹ 200 million (March 31, 2021: ₹ 200 million) in favour of one of the customers of subsidiary for overnight vaulting facilities.

b) Capital commitments:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	980.54	548.27

c) There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. The Company believes, based on legal opinion, that the liability if any, in practice would be from the date of order. Based on such opinion and pending clarification from PF authorities, the Company has recorded the cost prospectively from March 2019.

d) In addition, there are certain civil claims against the Company. The Management is confident, that these will not have any material impact in the financial statements.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 33 : TRADE PAYABLES

a) Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The Company has ₹ 75.02 million (March 31, 2021 ₹ 38.46 million) dues outstanding to the micro and small enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The information regarding Micro and Small Enterprises 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.

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	75.02	38.46
a. Principal and interest amount remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. 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 interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

MSME Ageing Schedule

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
MSME Undisputed Dues		
Less than 1 year	65.77	30.13
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	**65.76**	**30.13**
MSME Disputed Dues		
Less than 1 year	-	-
1-2 Years	4.07	6.06
2-3 Years	3.59	1.64
More than 3 years	1.60	0.63
Total	**9.26**	**8.33**

b) Ageing of creditors other than micro enterprises and small enterprises

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Others - Undisputed		
Less than 1 year	2,320.03	3,037.98
1-2 Years	39.95	2.02
2-3 Years	64.73	18.36
More than 3 years	68.66	64.94
Total	**2,493.37**	**3,123.30**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 34 : IMPAIRMENT TEST OF GOODWILL

Impairment test of Goodwill

Goodwill acquired through business combinations have indefinite lives. Out of the total Goodwill of the Company, the material amount of goodwill is allocated to the following:

a) ₹ 1035.12 million (March 31, 2021: ₹ 1035.12 million), relates to the Cash Management division of the Company.

b) ₹ 185.94 million (March 31, 2021: ₹ 185.94 million), relates to the acquisition of door step banking business from Checkmate Services Private Limited; also a part of Cash management business.

The Company performed its annual impairment test for years ended March 31, 2022 and March 31,2021 respectively . The Company considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cash flows beyond 5 years using a growth rate of 4% for the year ended March 31, 2022 (March 31,2021: 4%). The pre-tax discount rate applied to the cash flow projections for impairment testing is 13.7% for March 31, 2022 (March 31,2021: 13.7%)

The said cash flow projections are based on the senior management past experience as well as expected trends for the future periods. The calculation of weighted average cost of capital (WACC) is based on the Company's estimated capital structure as relevant and attributable to the CGU. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks relating to the relevant CGUs, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2022. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the CGU's recoverable amount, there are no scenarios identified by the Management wherein the carrying value could exceed its recoverable amount.

NOTE 35 : EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilised throughout the year on activities which are specified in Schedule VII of the Act. Gross amount required to be spent by the Company during the year is ₹ 37.16 million (March 31,2021 ₹ 29.35 million).

(₹ in million)

Amounts spent during the year :-	March 31, 2022			March 31, 2021		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	37.37	-	37.37	30.69	-	30.69

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 36 : FOREIGN CURRENCY EXPOSURE

The Company does not use forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions in accordance with its forex policy. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Unhedge Foreign Currency exposure outstanding as at March 31, 2022 and March 31, 2021 is:

(₹ in million)

Cuurency Type	March 31, 2022		March 31, 2021	
	Amount in foreign currency	Amount in ₹ million	Amount in foreign curreny	Amount in ₹ milllion
USD	$13,68,067.28	105.50	$33,07,012.25	241.78
GBP	£ 2765.21	0.28	-	-

NOTE 37 : FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Company's financial assets and financial liabilities.

Quantitative disclosures fair value measurement hierarchy as at March 31, 2022

(₹ in million)

Particulars	March 31, 2022				
	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in unquoted mutual fund units	780.26	780.74	780.74	-	-

Quantitative disclosures fair value measurement hierarchy as at March 31, 2021

(₹ in million)

Particulars	March 31, 2021				
	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in unquoted mutual fund units	950.78	953.27	953.27	-	-

The fair value for the investments is arrived at with reference to the Net asset value (NAV) of the mutual fund unit as disclosed by the Asset Management Company.

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further the difference between carrying amount and fair value of insurance receivables, deposit measured at amortised cost is not significantly different in each of the year presented.

Break up of financial assets carried at amortised cost

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Trade receivables	2,724.29	2,941.43
Unbilled revenue	1,545.66	1,300.54
Cash and cash equivalents	396.74	1,030.44
Other bank balances	559.30	395.56
Other financial assets	539.36	190.36
Total financial assets carried at amortised cost	**5,765.35**	**5,858.33**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 37 : Fair Value Hierarchy (Contd.)

Break up of financial liabilities carried at amortised cost

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Trade payables	2,568.39	3,161.76
Lease liabilities	1,904.51	1,230.23
Other financial liabilities	773.76	1,143.66
Total financial liabilities carried at amortised cost	**5,246.66**	**5,535.65**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTE 38 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company through it operations is exposed to credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the Company's established policy. To minimise the risk from the counter parties the Company enters into financial transaction with counter parties who are major names in the industry.

A significant risk in respect of receivables is related to the default risk and credit risk. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Companyed into homogenous Companys and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of receivables disclosed in Note 12 . The Company does not hold collateral as security.

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Trade receivables concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse.

The following table provides information about the exposure to credit risk from customers:

Gross Carrying Amount

Undisputed Trade recievables -considered good

(₹ in million)

	March 31, 2022	March 31, 2021
Not due	683.01	821.14
Less than 6 Months	1,733.37	1,627.28
6 months - 1 year	326.33	282.92
1-2 Years	87.30	276.64
2-3 Years	45.31	54.46
More than 3 years	-	11.17
Unbilled Revenue	1,545.66	1,300.54
Total	**4,420.98**	**4,374.16**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 38 : Financial risk management objectives and policies (Contd.)

Gross Carrying Amount

Undisputed Trade recievables -considered doubtful

(₹ in million)

	March 31, 2022	March 31, 2021
Less than 6 Months	-	-
6 months - 1 year	152.09	-
1-2 Years	169.30	199.53
2-3 Years	122.51	60.69
More than 3 years	13.40	9.51
Total	**457.30**	**269.73**

Gross Carrying Amount

Disputed Trade recievables -considered good

(₹ in million)

	March 31, 2022	March 31, 2021
Less than 6 Months	20.50	-
6 months - 1 year	31.26	-
1-2 Years	0.69	-
2-3 Years	0.02	-
More than 3 years	-	-
Total	**52.47**	**-**

Gross Carrying Amount

Disputed Trade recievables -considered Doubtful

(₹ in million)

	March 31, 2022	March 31, 2021
Less than 6 Months	-	-
6 months - 1 year	-	-
1-2 Years	-	26.00
2-3 Years	27.14	-
More than 3 years	12.86	12.86
Total	**40.00**	**38.86**

Movement in allowance of impairment in respect of trade receivables

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	440.77	334.66
Amounts written off (Net)	(228.37)	(39.89)
Net re-measurement of loss allowances	488.40	146.00
Closing Balance	**700.80**	**440.77**

Other receivables

Security deposits are interest free deposits given by the Company for properties taken on Lease. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. The gross carrying amount of Security deposit is ₹ 126.30 million as at March 31 2022, ₹ 75.77 million as at March 31 2021.

Other financial asset includes claims receivable, and other receivables (refer note 8). Provision is made where there is significant increase in credit risk of the asset.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 38 : Financial risk management objectives and policies (Contd.)

Movement in allowance of impairment in respect of other receivables (including insurance claims)

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	74.53	86.42
Amounts written off (Net)	(24.11)	(11.89)
Net re-measurement of loss allowances	7.78	-
Closing Balance	**58.20**	**74.53**

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.

Management monitors rolling forecasts of the Company's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Company has sufficient current assets comprising of Trade Receivables, Cash and Cash Equivalents, Investment in Mutual Funds, Other Bank Balances (other than restricted balances), Loans, Inventories and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, working capital , demand loan and bank loans. The Company has access to a sufficient variety of sources of funding. The table below provides details regarding the contractual maturities of significant financial liabilities as at respecitve year end.

(₹ in million)

Particulars	March 31, 2022				
	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	2,385.79	182.59	-	2,568.38
Lease liabilities	-	446.27	1,551.83	413.27	2,411.37
Other financial liabilities	-	773.76	-	-	773.76
Total	**-**	**3,605.82**	**1,734.42**	**413.27**	**5,753.51**

(₹ in million)

Particulars	March 31, 2021				
	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	3,068.11	93.65	-	3,161.76
Lease liabilities	-	305.56	1,019.57	294.61	1,619.74
Other financial liabilities	-	1,143.66	-	-	1,143.66
Total	**-**	**4,517.33**	**1,113.22**	**294.61**	**5,925.16**

Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. In order to

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 38 : Financial risk management objectives and policies (Contd.)

achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Company does not have any loans outstanding as at March 31, 2022. It has taken adequate credit facilities from various banks to maintain its liquidity.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31,2021

NOTE 39 : EMPLOYEE STOCK OPTIONS SCHEMES

The Company has granted stock options to its employees through its equity settled schemes referred to as Employee Stock Option Scheme 2016, CEO Stock Option Scheme 2016 and Management Scheme 2016. Following are details of the scheme:

(₹ in million)

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	46,04,444	98,66,667	25,19,366
Number of option granted under the scheme	43,21,907	98,66,667	25,19,366

Following is the vesting period for grants during the year:

(₹ in million)

Vesting Period	Employee Scheme Time Based	Performance Based	CEO Scheme Time Based	Management Scheme Time Based
12 months from date of grant	25%	0.00%	100%	100%
21 months from date of grant	8.33%	16.67%	-	-
33 months from date of grant	8.33%	16.67%	-	-
45 months from date of grant	8.34%	16.66%	-	-

For options granted under Employee scheme, 21st month vesting will be based on Company / business unit performance for the second financial year after the financial year in which the options have been granted and so on. The performance condition are assessed as non-market conditions.

The vested options can be exercised by the employees only upon happening of liquidity event. The vested options can be exercised within 1 year of the date such options are vested in case of employee scheme and Management scheme within 2 years from date of such options vested in case of CEO scheme. In any other liquidity event, the vested options can be exercised within such period as may be prescribed by the Board in this regard.

The following table summarises the movement in stock options granted during the year:

Particulars	March 31, 2022			March 31, 2021	
	Employee scheme	CEO Scheme	Management scheme	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	35,21,750	98,66,667	-	35,55,750	98,66,667
Granted during the year (no. of options)	12,00,400	-	25,19,366	-	-
Forfeited / cancelled during the year	(4,00,243)	-	-	(34,000)	-
Exercised during the year	(11,52,747)	(40,00,000)	-	-	-
Expired during the year	-	-	-	-	-
Outstanding at the end of the year	**31,69,160**	**58,66,667**	**25,19,366**	**35,21,750**	**98,66,667**
Weighted average exercise price of Option					
Outstanding at the beginning of the year	125	123	-	125	123
Granted during the year	165	-	165	-	-
Outstanding at the end of the year	140	123	165	125	123
Weighted average remaining contractual life (in years)	**0.67**	**-**	**0.45**	**0.04**	**-**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 39 : Employee Stock Options Schemes (Contd.)

The Company has used Black Scholes option pricing model. The following tables list the inputs to the models used for Employee plans, CEO plans and Management plans

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	0%	0%
Expected volatility (%)	25% - 32%	25% - 29%
Risk–free interest rate (%)	4%	6%
Expected life of share options (years)	3.7 years	3.7 years
Weighted average fair value per share on grant date (in ₹)	165	143

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. The company has allotted employee stock options to some of its employees through its Employee Stock Option Scheme. Over the year's 1,053,493 (year ended March 31, 2022; 400243) stock options has expired and lapsed on account of employees left the organization. During the current year, reversal on account of such expired options is recognized in the profit and loss account aggregating to ₹11.41 million. The Company has recognized ₹ 57.50 million, (March 31, 2021 – ₹ 4.78 million) as employee benefit expense in relation to all the active options outstanding as at March 31,2022.

NOTE 40 : AGREEMENT BETWEEN PROMOTER AND CEO

On September 26th, 2017, Vault Co-Investment Vehicle L.P. ("Vault L.P."), a limited liability partnership incorporated in the Cayman Islands and controlled by Barings Private Equity Asia GP VI Limited, the ultimate promoter of SION Investment Holdings Pte. Limited ("Sion"), the holding company, entered into an agreement with Chief Executive Officer of the Company (CEO) pursuant to which, the CEO was granted options under the stock option plan of Vault L.P. These options vested immediately to entitle base units in Vault L.P. to the extent of amount equivalent to 0.61% of the value of the Company for a consideration equivalent to such value of the Company as per the terms and conditions of the agreement. As per the plan, the base units are entitled for upward adjustment subject to fulfilment of certain market and service conditions.

Upon redemption of base or adjusted base units, CEO will receive from Vault L.P., an amount equivalent to value of the Company vis-vis such units at the time of sale of Sion's shareholding in the Company subject to certain conditions set out in the agreement.

Since the option granted to CEO is for the services rendered to the Company, the Option has been valued considering the various probable scenarios and using specific assumptions relating to expected volatility and risk free return. The total charge over the period of vesting estimated is ₹ 70.20 million. The proportionate charge recognized during the current period is ₹ 15.10 million (March 31, 2021: ₹ 15.69 million)

NOTE 41 : OPERATING SEGMENT

Since the segment information as required by Ind AS 108-Operating Segments is provided in consolidated financial statements, the same is not provided in the Company's separate financial statement.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 42 : LIST OF ENTITIES CONTROLLED BY THE COMPANY ARE:

Name of Company / trust	Country of incorporation	Percentage of ownership interest and voting rights as at	
		March 31, 2022	March 31, 2021
Securitrans India Private Limited ('SIPL')	India	100	100
CMS Securitas Limited ('CSL')	India	100	100
CMS Marshall Limited ('CML')	India	100	100
Quality Logistics Services Private Limited	India	100	100
CMS Securitas Employees Welfare Trust	India	100	100
Hemabh Technology Private Limited (w.e.f March 30, 2022)	India	100	0

The investments in the subsidiaries are accounted for at cost in the standalone financial statements.

NOTE 43 : IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of Product

The Company applies practical expedient in paragraph 121 of Ind AS 115 for all contract entered for sale of product and does not disclose information about remaining performance obligation that have original expected duration of one year or less.

Revenue for services

The Company applies practical expedient in paragraph 121 of Ind AS 115 for all contract entered for revenue from services, whereby it has right to receive consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. Hence the Company does not disclose information of remaining performance obligation of such contracts.

Disaggregation of revenue from contract with customers

Revenue from sale of goods is recognized at point in time when control of the products being sold is transferred to our customer and Revenue from services is recognized over time as and when services are rendered. Revenue from contracts with customers is disaggregated by primary business units as given in the note 19.

Reconciliation of revenue recognized with contracted price

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Revenue as per Contracted Price	14,179.64	11,536.23
Reduction (Rebate/discount)	(102.94)	(227.22)
Revenue recognized as per the statement of profit and loss	**14,076.70**	**11,309.01**

Movement of Deferred Contract Liability (unearned revenue)

The deferred contract liability relates to the consideration received/receivable from customers, for which services have not been provided and revenue is deferred for the year.

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	146.16	209.21
i) Additions during the year (net)	56.19	99.17
ii) Reversal during the year	(46.99)	-
iii) Income recognized during the year	(99.17)	(162.22)
Closing Balance	**56.19**	**146.16**

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 43 : Ind AS 115 Revenue from Contracts with Customers (Contd.)

Revenue expected to be recognised in the future from Deferred Contract Liability:

(₹ in million)

Time Band	March 31, 2022	March 31, 2021
within 1 years	46.94	146.16
1 - 2 Year	9.25	-
Total	**56.19**	**146.16**

There is no obligation for returns, refunds and other similar obligation as at March 31, 2022 and March 31, 2021

NOTE 44 : IMPACT OF CORONA VIRUS OUTBREAK

In the short term, Company has adequate resources to sustain the impact of Covid-19. We do not foresee any material adverse impact in the medium to long term on the business. Based on our current assessment, no significant impact on carrying value on goodwill, inventory, trade receivables, intangible assets, investments and other financial assets is expected. The actual impact of global pandemic could be different from estimated, as the COVID scenario evolves in India. The Company will continue to closely monitor any material changes to future economic conditions.

NOTE 45 : INITIAL PUBLIC OFFERING

During the year ended March 31, 2022, the Company has completed its Initial Public offer ("IPO"), comprising of an offer for sale of 5,09,25,925 equity shares of face value ₹ 10 each at an issue price of ₹ 216 per share by existing shareholders. Pursuant to the IPO, the equity shares of the Company were listed on National Stock Exchange of India (NSE) and BSE Limited (BSE) on December 31, 2021.

NOTE 46 : RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off.

NOTE 47 : REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTE 48 : UNDISCLOSED INCOME

a) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTE 49 : DISCLOSURE REQUIRED FOR QUARTERLY STATEMENT SUBMITTED WITH BANKS

For borrowings from banks or financial institutions on the basis of security of current assets, quarterly returns or quarterly statements of current assets filed by the Company with banks or financial institutions during the year ended March 31, 2022 and the year ended March 31, 2021 are in agreement with the books of accounts.

NOTE 50 : DIVIDEND

(a) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

(b) The Board of Directors at its meeting held on May 9, 2022 recommended a Final Dividend of ₹ 1 per Equity share of ₹ 10 each for FY 2021-22. This Final dividend is subject to the approval of the Members at the ensuing Annual General Meeting which will be held on or before September 30, 2022.

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

NOTE 51 : DISCLOSURE REQUIRED UNDER RULE 11(E) OF THE COMPANIES RULES, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 52 : LOANS OR ADVANCES TO SPECIFIED PERSONS

The disclosure related to loan given to related parties repayable on demand is as under :

(₹ in million)

Type of Borrower	Amount of loan on advances in the nature of loan outstanding	Percentage to the total loans and Advances in the nature of loans
Related Parties	143.86	100%

NOTE 53 : BUSINESS COMBINATION

During the year ended 31 March 2022, the Company has acquired 100% of the equity share capital of Hemabh Technology Private Limited for a consideration of ₹ 28.05 million. Assets taken over comprises of Property Plant and Equipment (₹ 115.49 million), Customer Contracts (₹ 44.70 million) and other assets (₹ 78.55 million) comprising ₹ 238.74 millions. Liabilities taken over comprises of borrowings (₹ 143.86 millions), trade payables (₹ 69.05 millions) and other liabilities (₹ 24.93 millions) amounting to ₹ 237.84 millions.

NOTE 54 :

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

NOTE 55 : RATIO ANALYSIS

(₹ in million)

Sr. No.	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
(a)	Current ratio (in times)					
	Current Ratio = Current Assets / Current Liabilities	8,046.83	4,002.56	2.01	1.71	17.31%
(b)	Return on Net Worth					
	Return on Net Worth = Profit after tax / Average Net Worth	2,134.68	10,815.52	20%	17%	16.14%
(c)	Inventory turnover (in times)					
	Inventory turnover = Income from operations / Average Inventory	14,076.69	762.00	18.47	17.07	8.23%
(d)	Trade Receoivable turnover ratio (in times)					
	trade Receivable turnover = Income from operations / Average Trade Receivable	14,076.69	4,255.96	3.31	3.49	-5.26%
(e)	Trade Payable turnover ratio (in times)					
	Trade Payable turnover = Credit Purchase / Average Trade Payable	1,360.86	906.65	1.50	1.84	-18.35%
(f)	Net Capital Turnover Ratio					
	Net Capital turnover = Income from operations / Average Working Capital Employed (Current Assets - Current Liabilities)	14,076.69	4,044.27	3.48	3.27	6.46%

Notes

Forming part of the Standalone Financial Statements for the year ended March 31, 2022

Note 55 : Ratio Analysis (Contd.)

(₹ in million)

Sr. No.	Particulars	Numerator	Denominator	March 31, 2022	March 31, 2021	% Variance
(g)	Net Profit margin (in %)					
	Net Profit margin = Profit after tax / Income from operations	2,134.68	14,076.69	15%	13%	13.07%
(h)	Return on Capital Employed					
	Return on Capital Employed = Earning before interest and taxes / Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	2,962.90	10,762.67	28%	26%	4.93%
(i)	Return on Investment					
	Return on Investment = Income generated from invested fund / Funds invested in treasury investments	32.22	857.70	4%	4%	-8.11%

NOTE 56 :

The Company has presented these standalone financial information (for all the periods presented there in) in accordance with the requirement of Schedule III - of the Companies Act , 2013 including amendments thereto, effective from April 01,2021.

NOTE 57 :

Previous year figures have been regrouped / reclassified, where necessary, to conform to this year classification.

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Place : Mumbai
09 May 2022

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Independent Auditor's Report

To the Members of
CMS Info Systems Limited

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the Consolidated Financial Statements of CMS Info Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31 March 2022, and the Consolidated Statement of Profit and Loss (including Other comprehensive income), Consolidated Statement of Changes in Equity and Consolidated statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including a Summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, as were audited by the other auditors, the aforesaid Consolidated Financial Statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated State of affairs of the Group, as at 31 March 2022, of its Consolidated profit and Other comprehensive income, Consolidated Changes in Equity and Consolidated cash flows for the year then ended.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the ethical requirements that are relevant to our audit of the Consolidated Financial Statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of reports of the other auditors referred to in paragraph (a) of the "Other Matters" section below, is sufficient and appropriate to provide a basis for our opinion on the Consolidated Financial Statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

DESCRIPTION OF KEY AUDIT MATTER

Revenue recognition

The key audit matter	How the matter was addressed in our audit
Revenue from operations for the year is Rs. 15,896.71 million (FY 21: Rs. 13,060.90 million). Refer Note 2 (i) of accounting policy and Note 18 and Note 42 in consolidated financial statements The Group's revenue is derived primarily from sale of products (ATMs, ATM sites and related products) which comprise of Rs. 1,946.60 million (FY 21: Rs. 2,305.85 million) and rendering of services i.e., ATM and cash management services, managed services, annual maintenance service, etc., which comprise of Rs. 13,950.12 million (FY 21: Rs. 10,755.05 million). We identified revenue recognition as a key audit matter since: • there is an element of inherent risk and presumed fraud risk around accuracy and existence of revenue recognised. • overstatement of revenue is considered as a significant audit risk as it is a key performance indicator. It could create an incentive for higher revenue to be recognised at period end i.e., before the control of underlying goods and services have been transferred to the customer • there is significant audit effort, due to volume of transactions, to ensure that unbilled revenue is recorded based on contractual terms and the services are rendered.	In view of the significance of the matter, the following audit procedures were applied in this area, among others, to obtain sufficient appropriate audit evidence: • Assessing the appropriateness of the Group's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. • Evaluating the design and testing the implementation of internal financial controls and testing the operating effectiveness of internal controls for a randomly selected sample of transactions. • Evaluating the design, implementation and operating effectiveness of Group's general IT controls, and application controls over the Group's IT systems. • Performing substantive testing by comparing statistically selected samples of revenue transactions recorded during the year and matching the parameters used in the computation with the relevant source documents. • Examining journal entries (using statistical sampling) posted to revenue to identify unusual or irregular items based on certain high-risk criteria. • Checking completeness and accuracy of the data used by the Group for revenue recognition by performing specific cut off procedures on revenue. On a sample basis, we evaluated the revenue being recognised in the correct accounting period. • For statistically selected sample of unbilled transactions, tested unbilled revenues with subsequent invoicing/ other underlying documents to verify services rendered. • Evaluating adequacy of disclosures given in Note 42 to the consolidated financial statements.

OTHER INFORMATION

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon.

Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these Consolidated Financial Statements in term of the requirements of the Act that give a true and fair view of the Consolidated State of affairs, Consolidated Profit/ Loss and Other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Cash Flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of each company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Consolidated Financial Statements by the Management and Board of Directors of the Holding Company, as aforesaid.

In preparing the Consolidated Financial Statements, the respective Management and Board of Directors of the companies included in the Group are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of each company.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Consolidated Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to Consolidated Financial Statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of Consolidated Financial Statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph (a) of the section titled "Other Matters" in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in sub-paragraph (a) of the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated Financial Statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

(a) We did not audit the financial statements of six (6) subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of Rs.20,130.14 million as at 31 March 2022, total revenues (before consolidation adjustments) of Rs.17,032.61 million and net cash outflows (before consolidation adjustments) amounting to Rs.442.92 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

Our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated statement of Cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements;

d) In our opinion, the aforesaid Consolidated Financial Statements comply with the Ind AS specified under Section 133 of the Act;

e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:

a) The Consolidated Financial Statements disclose the impact of pending litigations as at 31 March 2022 on the consolidated financial position of the Group. Refer Note 31 to the Consolidated Financial Statements.

b) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2022.

c) There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2022.

d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India; or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies, associate companies and joint venture companies and joint operation companies incorporated in India shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties; or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material misstatement.

e) The During the year the Holding Company has declared and paid interim dividend until the date of this audit report and is in accordance with section 123 of the Companies Act 2013. Further, as stated in note 51 to the Consolidated Financial Statements, the Board of Directors of the Holding Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid/ payable during the current year by the Holding Company and its subsidiary companies to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act except in case of a whole-time director of the Holding Company where requisite approvals are taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Koosai Lehery
Partner
Membership No: 112399
UDIN: 22112399AIQJB15742

Mumbai
09 May 2022

Annexure A to the Independent Auditor's report on the consolidated financial statements of CMS Info Systems Limited for the year ended 31 March 2022

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(xxi) According to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks included in their reports under Companies (Auditor's Report) Order, 2020 ("CARO"), which have been reproduced as per the requirements of the Guidance Note on CARO:

Sr. No.	Name of the entities	CIN	Holding Company/ Subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	CMS Info Systems Limited	L45200MH2008PLC180479	Holding Company	Clause (xi)
2	Securitrans India Private Limited	U74999DL1998PTC095012	Subsidiary Company	Clause (xi)

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Koosai Lehery
Partner
Membership No: 112399
UDIN: 22112399AIQJB15742

Mumbai
09 May 2022

Annexure B to the Independent Auditors' report on the Consolidated Financial Statements of CMS Info Systems Limited for the year ended 31 March 2022.

Report on the internal financial controls with reference to the aforesaid Consolidated Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

OPINION

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31 March 22, we have audited the internal financial controls with reference to Consolidated Financial Statements of CMS Info Systems Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls were operating effectively as at 31 March 22, based on the internal financial controls with reference to Consolidated Financial Statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to Consolidated Financial Statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as "the Act").

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls with reference to Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Consolidated Financial Statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated Financial Statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the relevant subsidiary companies, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to Consolidated Financial Statements.

MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

A company's internal financial controls with reference to Consolidated Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to Consolidated Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO CONSOLIDATED FINANCIAL STATEMENTS

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial controls with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OTHER MATTERS

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to Consolidated Financial Statements insofar as it relates to six (6) subsidiary companies, which are companies incorporated in India, is based on the corresponding report of the auditors of such companies incorporated in India.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.101248W/W-100022

Koosai Lehery
Partner
Membership No: 112399
UDIN: 22112399AIQJB15742

Mumbai
09 May 2022

Consolidated Balance Sheet

as at March 31, 2022

(₹ in million)

	Notes	As at March 31,2022	As at March 31, 2021
Assets			
Non-current assets			
(a) Property, plant and equipment	4	3,469.71	1,897.00
(b) Capital work-in-progress	27	435.83	226.81
(c) Right-of- use assets	5(a)	1,799.99	1,210.79
(d) Goodwill	5	2,060.77	2,033.63
(e) Other intangible assets	5	173.09	189.54
(f) Intangible assets under development	27	1.02	4.66
(g) Financial assets			
(i) Investments	6(a)	0.08	0.08
(ii) Other financial assets	7	330.74	259.06
(h) Deferred tax assets (net)	8	304.40	247.83
(i) Income tax assets (net)		226.10	99.34
(j) Other non-current assets	9	210.03	146.11
Total non-current assets		**9,011.76**	**6,314.85**
Current assets			
(a) Inventories	10	634.82	894.73
(b) Financial assets			
(i) Investments	6(b)	1,235.02	1,122.55
(ii) Trade receivables	11	4,993.21	5,007.19
(iii) Cash and cash equivalents	12	643.47	1,335.14
(iv) Bank balances other than (iii) above	12	774.30	610.34
(v) Other financial assets	7	276.49	40.89
(c) Other current assets	9	987.89	792.41
Total current assets		**9,545.20**	**9,803.25**
Total		**18,556.96**	**16,118.10**
Equity and Liabilities			
Equity			
(a) Equity share capital	13(a)	1,531.53	1,480.00
(b) Other equity	13(b)	11,029.77	8,364.76
Total Equity attributable to Equity Share holders		**12,561.30**	**9,844.76**
Liabilities			
Non-current liabilities			
(a) Financial liabiltiies			
(i) Lease liabilities	15	1,467.61	945.38
(b) Provisions	16	201.04	191.01
(c) Other non current liabilities	17	9.25	-
Total Non-current liabilities		**1,677.90**	**1,136.39**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	15	460.67	320.97
(ii) Trade Payables			
Dues of micro enterprises and small enterprises	14	79.81	45.27
Dues of creditors other than micro enterprises and small enterprises	14	2,378.99	3,016.28
(iii) Other Financial liabilities	15	1,066.03	1,410.45
(b) Provisions	16	35.75	29.22
(c) Other current liabilities	17	296.51	314.76
Total current liabilities		**4,317.76**	**5,136.95**
Total		**18,556.96**	**16,118.10**

Summary of significant accounting policies 2
Summary of Significant accounting judgments, estimates and assumptions 3
The accompanying notes form an integral part of the financial statements. 4-54

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Place : Mumbai
09 May 2022

Consolidated Statement of Profit and Loss

for the year ended March 31, 2022

(₹ in million)

	Notes	For the year ended March 31,2022	For the year ended March 31, 2021
Income			
Revenue from operations	18	15,896.71	13,060.90
Other income			
Finance income	19	34.85	59.19
Other	20	44.25	99.12
Total Income		**15,975.81**	**13,219.21**
Expenses			
Purchase of traded goods	21	1,360.86	2,069.54
Changes in inventories of finished goods (including stock in trade)	22	177.10	(273.06)
Employee benefits expenses	23	2,315.45	2,015.84
Finance costs	24	143.90	82.32
Depreciation and amortization expenses	4,5 & 5(a)	918.43	634.55
Other expenses	25	8,045.62	6,312.52
Total Expenses		**12,961.36**	**10,841.71**
Profit before tax		**3,014.45**	**2,377.50**
Tax expense			
Current tax		838.42	654.46
Adjustment of tax relating to earlier years		(5.06)	11.90
Deferred tax charge / (credit)		(59.29)	25.91
Total tax expense		**774.07**	**692.27**
Profit for the year attributable to equity shareholders		**2,240.38**	**1,685.23**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) on defined benefit plans		4.82	(2.20)
Income tax effect		(1.05)	0.81
Other comprehensive income for the year, net of tax		**3.77**	**(1.39)**
Total comprehensive Income for the year		**2,244.15**	**1,683.84**
Earning per equity share (nominal value of share ₹ 10)	26		
Basic		15.07	11.39
Diluted		14.33	11.09

Summary of significant accounting policies 2
Summary of Significant accounting judgments, estimates and assumptions 3
The accompanying notes form an integral part of the financial statements 4-54

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Place : Mumbai
09 May 2022

Consolidated Statement of Cash flows
for the year ended March 31, 2022

(₹ in million)

	For the year ended March 31,2022	For the year ended March 31, 2021
Cash flow from operating activities		
Profit before tax	3,014.45	2,377.50
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation on Property,plant and equipment and Intangible asset	580.55	412.97
Depreciation on Right-of-use assets	337.88	221.58
Unrealised foreign exchange (gain) / loss	(1.04)	(3.32)
Lease rent concession	(1.73)	(20.07)
Impairment allowance for bad and doubtful receivables and deposits	595.13	206.00
Bad debts written off	204.41	222.78
Debit balance written off	21.46	1.08
(Profit) on disposal of property, plant and equipment (net)	(5.38)	(1.40)
Sundry balances written back	(7.80)	(52.76)
Impairment for doubtful claims receivables	7.78	-
Insurance claims recievables written off	13.96	0.79
Finance income	(33.13)	(53.06)
Profit on sale of current investments	(20.58)	(7.65)
Net change in fair value of current investments measured at FVTPL	(4.12)	(3.91)
Employee stock option compensation cost	61.19	19.61
Finance costs	143.90	82.32
Operating profit before working capital changes	**4,906.93**	**3,402.46**
Movement in working capital :		
(Decrease) / Increase in trade payables and other liabilities	(421.03)	282.54
Increase in provisions	21.37	0.35
Decrease / (Increase) in inventories	265.45	(464.29)
(Increase) in trade receivables	(724.27)	(949.82)
(Increase) / Decrease in other assets and prepayments	(507.51)	152.34
Cash flow generated from operations	3,540.94	2,423.58
Direct taxes paid (net of refunds)	(975.82)	(569.16)
Net cash flow generated from operating activities (A)	**2,565.12**	**1,854.42**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	7.04	49.09
Purchase of property, plant and equipment,Intangible assets (including CWIP and capital advances)	(2,839.67)	(550.86)
Investment in mutual funds	(8,304.68)	(3,356.82)
Proceeds from redemption of mutual funds	8,217.41	2,812.05
Loan given to Others	(143.86)	-
Investment in deposits with banks	(844.53)	(2,521.90)
Proceeds from maturity of deposits with banks (including interest)	645.81	2,075.05
Net cash flow (used in) investing activities (B)	**(3,262.48)**	**(1,493.39)**
Cash flows from financing activities		
Proceeds from issue of equity shares	637.64	-
Dividend paid	(226.44)	(362.60)
Finance costs	(0.08)	(8.88)
Finance costs on lease liability	(143.82)	(73.44)
Payment of principal portion of lease liabilities	(261.61)	(172.25)

Consolidated Statement of Cash flows
for the year ended March 31, 2022

(₹ in million)

	For the year ended March 31,2022	For the year ended March 31, 2021
Net cash flow generated / (used in) financing activities (C)	**5.69**	**(617.19)**
Net Decrease in cash and cash equivalents (A+B+C)	**(691.67)**	**(256.16)**
Cash and cash equivalents at the beginning of the year	1,335.14	1,591.30
Cash and cash equivalents at the end of the year (Refer note 12)	**643.47**	**1,335.14**
Components of cash and cash equivalents:		
Cash on hand	6.66	6.94
Balances with bank		
Balance with current accounts	636.81	927.98
In deposits account with original maturity of less than three months	-	400.22
Cash and cash equivalents at the end of the year (Refer note 12)	**643.47**	**1,335.14**

Note

The Consolidated Statement of Cash flows has been prepared under the 'Indirect Method' as set out in the Indian Accounting Standard (Ind AS) -7 issued by the institute of Chartered Accoountants of India.

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Place : Mumbai
09 May 2022

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Consolidated Statement of Changes in Equity

for the year ended March 31, 2022

(₹ in million)

Particular	Equity share capital	Reserve and surplus				Total equity
		Securities premium	Share based payment reserve (refer note 39 & 40)	Capital redemption reserve	Retained earnings	
As at March 31, 2020	**1,480.00**	**42.87**	**386.82**	**150.50**	**6,443.72**	**8,503.91**
Profit for the year	-	-	-	-	1,685.23	1,685.23
Other comprehensive income	-	-	-	-	(1.39)	(1.39)
Total comprehensive income	**-**	**-**	**-**	**-**	**1,683.84**	**1,683.84**
Employee stock option compensation cost	-	-	19.61	-	-	19.61
Dividend Paid	-	-	-	-	362.60	362.60
As at March 31, 2021	1,480.00	42.87	406.43	150.50	7,764.96	9,844.76
Profit for the year	-	-	-	-	2,240.38	2,240.38
Other comprehensive income	-	-	-	-	3.77	3.77
Total comprehensive income	**-**	**-**	**-**	**-**	**2,244.15**	**2,244.16**
Equity shares issued during the year on exercise of stock options	51.53	-	-	-	-	51.53
Transfer to securities premium on options exercised	-	136.30	(136.30)	-	-	-
Securities premium on shares issued during the year	-	586.11	-	-	-	586.11
Employee stock option compensation cost	-	-	61.19	-	-	61.19
Dividend Paid	-	-	-	-	226.44	226.44
As at March 31,2022	**1,531.53**	**765.28**	**331.32**	**150.50**	**9,782.67**	**12,561.30**

Summary of significant accounting policies (Refer Note 2)
Summary of Significant accounting judgments, estimates and assumptions (Refer note 3)
The accompanying notes form an integral part of the financial statements. (Refer note 4-54)

As per our report of even date
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
CMS Info Systems Limited
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Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

1. CORPORATE INFORMATION:

CMS Info Systems Limited (the 'Company' or the 'Holding Company' or the 'Parent') is a Company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company became subsidiary of Sion Investment Holdings Pte. Limited (with effect from August 27, 2015), the ultimate Holding Company is Baring Private Equity Asia GP VI Limited pursuant to acquisition of 100% shares from BLACKSTONE FP CAPITAL PARTNERS (MAURITIUS) V LTD, CMS Computers Limited, Mr. Ramesh Grover and others (together known as 'erstwhile shareholders').

The Company and its subsidiaries (together known as the 'Group') is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card trading and personalization services. The registered office of the Company is located at T-151, 5th Floor, Tower No.10, Sector 11, Railway station complex, CBD Belapur, Navi Mumbai 400614. The holding company got listed on Bombay stock exchange (BSE) and National stock exchange (NSE) in India on 31st December 2021.

The consolidated financial statements ('CFS") were authorised for issue in accordance with a resolution of the directors on May 09, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation

The Group's CFS have been prepared in accordance with Indian Accounting Standards (referred to as "Ind AS" as prescribed under section 133 of the companies Act , 2013 read with Companies (Indian Accounting Standard) rules as amended from time to time. The CFS have been prepared under the historical cost basis except for certain financial assets and liabilities that have been measured at fair value (refer accounting policy regarding financial instruments).

The CFS are presented in Indian Rupees ('INR' or '₹') in million, which is also the Group's functional currency. The CFS are prepared on a going concern basis.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle or expected to be realised within twelve months after the reporting period
- Held primarily for the purpose of trading
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle and is due to be settled within twelve months after the reporting period
- Held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified period of twelve months as its operating cycle.

c) Basis of consolidation and consolidation procedures:

The CFS comprise the financial statements of the Company and its subsidiaries as at March 31, 2022.

The list of entities, controlled by the group, which are included in the CFS are as under:

Sr. No	Name of entities*	Percentage of ownership interest as at	
		March 31, 2022	March 31, 2021
1	Securitrans India Private Limited ('SIPL')	100	100
2	CMS Securitas Limited ('CSL')	100	100
3	CMS Marshall Limited ('CML')	100	100

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Sr. No	Name of entities*	Percentage of ownership interest as at	
		March 31, 2022	March 31, 2021
4	Quality Logistics Services Private Limited	100	100
5	Hemabh Technology Private Limited	100	-
6	CMS Securitas Employees Welfare Trust ('CMS Trust')	100	100

* All entities are incorporated and have place of business in India

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the CFS from the date the Group gains control until the date the Group ceases to control the subsidiary.

All the companies in the Group follow uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31, 2022

Consolidation procedures:

(i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the CFS at the acquisition date.

(ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill / capital reserve.

(iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the CFS. Ind AS12 applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

d) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises the purchase price and any cost attributable to bringing the asset to its working condition for its intended use. While deriving cost, refundable taxes and discounts are excluded. Borrowing cost relating to acquisition of tangible assets which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Capital work in progress is stated at cost.

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the Statement of Profit or Loss as incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

The Group provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful lives of the assets as estimated by the management which are in most cases equal to the corresponding rates prescribed in Schedule II to the Act. Certain assets are depreciated at lower rates.

The Group has used the following lives to provide depreciation:

(in years)

Category	Useful lives
Plant and machinery	7*
Electric installations	5*
Furniture, fixtures and fittings	7*
Vehicles (used for ATM and Cash Management business)	6*
Other vehicles	8
Office equipment	5
Computers servers and peripherals	3 to 6

*The Group, based on technical assessment made by the management, depreciates certain items of plant and equipment and vehicles (used for ATM and Cash Management business) over the estimated useful lives which are different from the useful lives prescribed in Schedule II to the Act. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term, which does not exceed 7 years.

The residual values, useful lives and method of depreciation and amortisation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

e) Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets recognised in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

Intangible assets are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method for intangible assets with finite useful lives are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

Intangible assets are amortised on straight line basis over the estimated useful life as follows:

Particulars	Useful Life
Computer software	3-6 years
Customer contracts (fair value of business combination)	5-6 years
Customer contracts (purchased)	2-3 years
Non-compete Fees	6 years (non-Compete period)

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised. Goodwill is tested for impairment annually at the cash-generating unit level.

f) Impairment of non- financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's CGU

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, wherever applicable, a long term growth rate is calculated and applied to projected future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Group extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognized impairment losses no longer exist or have decreased. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

g) Leases

The group adopted Ind AS 116, leases (which replaces earlier standard Ind AS 17) using the modified retrospective method of adoption with the date of initial application of April 1, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 1, 2019. The group applies a single recognition and measurement approach for all leases and hence the group has not considered recognition exemptions for any of its leases. The group recognizes lease liabilities to make lease payments and right of-use assets representing the right to use the underlying assets.

The group also applied the available practical expedients wherein it:

- Used a single discount rate to a portfolio of leases with reasonably similar characteristics
- Relied on its assessment of whether leases are onerous immediately before the date of initial application
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease

i) Right-of-use assets

The group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

ii) Lease liability

At the commencement date of the lease, the group recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

iii) Short-term leases and leases of low-value assets

The group does not apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and low-value assets recognition exemption.

Company as a lessor

Leases in which the group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

h) Inventories

Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of trading goods, stores and spares is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

i) Revenue recognition

Revenue is measured at fair value of the consideration received or receivable, after deduction of any trade discounts, volume rebates and any taxes or duties collected on behalf of the government such as goods and services tax, etc. Accumulated experience is used to estimate the provision for such discounts and rebates. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.

The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods:

Revenue from sale of goods is recognised at point in time when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.

The group provides and commits preventive maintenance services on its certain products at the time of sale for one or two years from the date the sale. These maintenance services are sold together with the sale of product. Contracts for such sales of product and preventive maintenance services comprise two performance obligations because the promises to transfer the product and to provide the preventive maintenance services are capable of being distinct. Accordingly, a portion of the transaction price is allocated to the preventive maintenance services and recognised as a contract liability. Revenue is recognised over the period in which the preventive maintenance services are provided based on the time elapsed.

Sale of services:

Revenue from ATM and cash management services, card personalization services and allied operations is recognised over time when the required services are rendered in accordance with the contracts / agreements entered into with the customer and is disclosed net off deductions for shortages, etc. charged by the customers as per the terms of the agreement.

Revenue from annual maintenance contracts is recognised, over the period of the maintenance contract.

Revenue recognized, in excess of billing is classified as unbilled revenue; while billing in excess of revenue is classified as unearned revenue.

Sale of ATM Sites:

Revenue from sale of ATM sites is recognised based on customer acceptance received on completion of the ATM sites as per the terms of agreement entered with the customers.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

j) Interest income:

For all debt instruments measured either at amortised cost, interest income is recorded using the effective interest rate ('EIR'). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

k) Foreign currencies

Transactions in foreign currencies are initially recorded by the respective entities of the Group at their respective functional currency spot rates, at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are recognised as income or expenses in the period in which they arise.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

l) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation other than the contribution payable to the provident fund. The Group recognises contribution payable to the provident fund scheme as expenses, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per projected unit credit method, carried out by an independent actuary at the end of the year. The Group makes contributions to a trust administered and managed by an insurance company to fund the gratuity liability. Under this scheme, the obligation to pay gratuity remains with the Group, although insurance company administers the scheme.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurement comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to the Statement of Profit and Loss in subsequent periods.

Accumulated leave, which is expected to be utilised within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year end. The Group presents the leave as a short-term provision in the balance sheet to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

Remeasurement, comprising of actuarial gains and losses, are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur.

m) Income taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

profit or loss (either in OCI or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities; and the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority.

Deferred tax relating to items not recognised in the Statement of Profit and Loss is recognised either in OCI or in equity (where the item on which deferred tax is arising is recognised). Deferred tax on differences arising in business combination is recognised in Goodwill.

n) Earnings per share

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting the cost recognised in the current year in relation to employee stock options schemes) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

o) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement, if any.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably.

q) Cash and cash equivalents

Cash and cash equivalent in the balance sheet and cash flow statement comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

cash equivalents consist of cash and short-term deposits, as defined above, net of overdrafts as they are considered an integral part of the Group's cash management.

r) Share based payment

Employees (including senior management) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

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

No expense is recognised for awards that do not ultimately vest because non-market performance and / or service conditions have not been met. When an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

s) Fair value measurement

The Group measures financial instruments, such as, investment in mutual funds unit at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as such as impairment testing of goodwill, non-current assets and fair value of employee stock options schemes. Involvement of external valuers is decided upon annually by the management. Selection criteria include market

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knowledge, reputation, independence and whether professional standards are maintained.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

t) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Financial assets are recognised when the Group becomes a party to the contractual provisions of the instrument.

Initial recognition and measurement

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 statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequent classified and measured at:

- Amortised cost
- Fair value through profit and loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their recognition, except during the period the group changes its business model for managing financial assets

Debt instruments at amortised cost

A debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Group of similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

    (a) the Group has transferred substantially all the risks and rewards of the asset, or

    (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards

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of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to Profit and Loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Impairment of financial assets

In accordance with Ind AS 109, the Group applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit or loss and equity instruments recognised in OCI. Loss allowance for trade receivables and insurance claim is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Impairment of financial assets

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the statement of profit and loss.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward looking estimates are analysed.

u) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

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Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained. Goodwill is tested for impairment annually as at March 31 and when circumstances indicate that the carrying value may be impaired.

v) Rounding of amount:

Amount disclosed in the financial statements and notes have been rounded off to the nearest million as per the requirement of schedule III, unless otherwise stated

w) Cash dividend distribution to equity holders of the parent

The Company recognizes a liability to make cash distributions to equity holders of the parent when the distribution is authorized and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorized when it is approved by the shareholders. A corresponding amount is recognized directly in equity.

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Significant judgement:

Leases

The application of Ind AS 116 requires group to make judgements and estimates that affect the measurement of right-of-use assets and liabilities. The Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. In assessing whether the group is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the group to exercise the option to extend the lease, or not to exercise the option to terminate the lease.

Significant judgement:

The group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate (IBR) to measure lease liabilities. The Group has adopted average borrowing rate as it's incremental borrowing rate (IBR).

Estimates

Defined benefit plans

The cost of the defined benefit plans and the present value of the defined obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes. Refer note 28 for sensitivity analysis in relation to this estimate.

Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Group. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Group assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets.

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Impairment of Goodwill

Goodwill is tested for impairment at-least on an annual basis and when events that occur / changes in circumstances - indicate that the recoverable amount of the CGU is less than its carrying value.

The impairment indicators, the estimation of expected future cash flows and the determination of the fair value of CGU (including Goodwill) require the Management to make significant judgements, estimates and assumptions concerning the identification and validation of impairment indicators, fair value of assets, Revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc. For the details as to carrying amount of Goodwill and impairment testing (including related sensitivity analysis), refer note 33.

Share-based payments

The Group initially measures the cost of equity-settled transactions with employees using Black Scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 39.

Claims receivable

It represents the claims made the Group from Insurance companies and others on account of cash loss due to theft or loot etc. at the time of replenishment of cash in ATM's and cash deposits and pick-ups.

The Group has recognised the claims in books, when the amount thereof can be measured reliably and ultimate collection is reasonably certain. The claims receivable balances are reviewed annually by the management and necessary doubtful provision percentage is calculated on the basis of group's historical experiences and recoverability of amount from Insurance companies and others.

Provision for doubtful receivables

The Group has large number of individual customers. Management assesses the level of allowance for doubtful debts after taking into account ageing analysis and any other factor specific to individual counterparty and a collective estimate based on historical experience adjusted for certain current factors.

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 balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Recent pronouncement:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules,2022, applicable from April 1, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

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Ind AS 37 – Onerous Contracts -Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in it's financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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4 PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold Improvements	Computers, Servers and peripherals	Total
Gross block value as at March 31, 2020	**673.10**	**54.15**	**252.71**	**2,046.02**	**85.91**	**133.66**	**363.85**	**3,609.40**
Additions during the year	816.93	1.59	149.09	58.26	4.39	18.95	17.94	1,067.15
Deletions during the year	82.22	10.59	58.73	49.66	6.99	-	0.04	208.23
Gross block value as at March 31, 2021	**1,407.81**	**45.15**	**343.07**	**2,054.62**	**83.31**	**152.61**	**381.75**	**4,468.32**
Additions during the year	1,241.42	6.43	170.47	464.86	5.31	40.85	27.31	1,956.65
Acquistion through Business Combination (Refer note 43)	177.69	-	-	-	0.04	-	4.77	182.50
Deletions during the year	31.68	11.78	25.44	69.95	4.56	33.28	2.01	178.70
Gross block value as at March 31 , 2022	**2,795.24**	**39.80**	**488.10**	**2,449.53**	**84.10**	**160.18**	**411.82**	**6,428.77**
Accumulated depreciation as at March 31, 2020	**273.87**	**41.73**	**129.10**	**1,514.77**	**69.19**	**64.90**	**309.71**	**2,403.27**
Depreciation for the year	105.97	4.12	27.43	143.99	7.14	11.93	28.00	328.58
Accumulated depreciation on disposals	47.36	10.38	46.64	49.14	6.98	-	0.03	160.53
Accumulated depreciation as at March 31, 2021	**332.48**	**35.47**	**109.89**	**1,609.62**	**69.35**	**76.83**	**337.68**	**2,571.32**
Depreciation for the year	262.91	4.28	51.83	128.76	7.14	15.72	27.05	497.69
Accumulated depreciation through Business Combination (Refer note 43)	64.11	-	-	-	-	-	2.90	67.00
Accumulated depreciation on disposals	30.91	11.78	25.20	69.38	4.56	33.12	2.01	176.96
Accumulated depreciation as at March 31,2022	**628.59**	**27.97**	**136.52**	**1,669.00**	**71.93**	**59.43**	**365.62**	**2,959.05**
Net block as at March 31,2022	**2,166.65**	**11.83**	**351.58**	**780.53**	**12.18**	**100.75**	**46.20**	**3,469.71**
Net block as at March 31,2021	**1,075.33**	**9.68**	**233.18**	**445.00**	**13.96**	**75.78**	**44.07**	**1,897.00**

Capital work in progress at March 31,2022 is ₹ 435.83 million (March 31 2021 is ₹ 226.81 million). Additions made to the capital work in progress during the year amount to ₹ 431.73 million (March 31,2021 ₹ 226.81 million). Assets amounting to ₹ 222.70 million (March 31,2021 ₹ 28.01 million) has been capitalised during the year. (Refer note 27)

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5 INTANGIBLE ASSETS

(₹ in million)

Particulars	Computer software	Non compete fees	Customer Contract	Total	Goodwill
Gross block value as at March 31, 2020	**118.69**	**168.10**	**221.58**	**508.37**	**2,033.63**
Additions during the year	17.44	-	73.13	90.57	-
Gross block value as at March 31, 2021	**136.13**	**168.10**	**294.71**	**598.94**	**2,033.63**
Additions during the year	21.72	-	-	21.72	27.14
Acquistion through Business Combination (Refer note 43)	0.32	-	47.78	48.10	-
Gross block value as at March 31, 2022	**158.17**	**168.10**	**342.49**	**668.76**	**2,060.77**
Accumulated amortisation as at March 31, 2020	**86.78**	**156.20**	**82.03**	**325.01**	**-**
Amortisation for the year	22.18	3.00	59.21	84.39	-
Accumulated amortisation as at March 31, 2021	**108.96**	**159.20**	**141.24**	**409.40**	**-**
Amortisation for the year	20.15	3.00	59.73	82.88	-
Amortisation throught Business Combination (Refer Note 43)	0.12	-	3.27	3.40	-
Accumulated amortisation as at March 31, 2022	**129.23**	**162.20**	**204.24**	**495.67**	**-**
Net block as at March 31,2022	**28.94**	**5.90**	**138.25**	**173.09**	**2,060.77**
Net block as at March 31,2021	**27.17**	**8.90**	**153.47**	**189.54**	**2,033.63**

Intangible assets under development as at 31 March 2022 is ₹ 1.02 millions (31 March 2021 ₹ 4.66 millions). Additions made to Intangible assets under development during the year amount to ₹ 0.45 millions (31 March 2021 ₹ 4.04 millions). Asset amounting to ₹ 4.10 millions (31 March 2021 ₹ 9.84 millions) has been capitalised during the year. (Refer note 27).

5(a)Right-of- use assets

(₹ in million)

Particulars	Lease property	Total
Gross block value as at March 31, 2020	**1,047.02**	**1,047.02**
Additions during the year	760.40	760.40
Deletion during the year	218.14	218.14
Gross block value as at March 31, 2021	**1,589.28**	**1,589.28**
Additions during the year	978.83	978.83
Deletion during the year	210.29	210.29
Gross block value as at March 31, 2022	**2,357.82**	**2,357.82**
Accumulated depreciation as at March 31, 2020	**208.43**	**208.43**
Depreciation charge for the year	221.58	221.58
Deletion during the year	51.52	51.52
Accumulated depreciation as at March 31, 2021	**378.49**	**378.49**
Depreciation charge for the year	337.88	337.88
Deletion during the year	158.54	158.54
Accumulated depreciation as at March 31,2022	**557.83**	**557.83**
Net block as at March 31,2022	**1,799.99**	**1,799.99**
Net block as at March 31,2021	**1,210.79**	**1,210.79**

6 INVESTMENTS

(a) Non-current investments

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Investments in equity shares of other companies (unquoted, fully paid up, at fair value through profit and loss)		
7,500 (March 31, 2021 : 7,500) Equity shares of ₹ 10 each, fully paid up, in Belapur Railway Station Complex Limited	0.08	0.08
	0.08	**0.08**

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6 Investments (Contd.)

(b) Current investments in units of unquoted mutual fund (at fair value through profit and loss)

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
74,594 Units (March 31, 2021 - 99,728 Units) of face value of ₹ 10 each in ICICI Prudential Short term Plan- Growth	7.62	4.85
250,520 (March 31, 2021 - 250,520 Units) of face value of ₹ 10 each in HDFC Corporate Debt Opportunities Fund Growth	5.17	4.80
166,260 Units (March 31, 2021 - 166,260 Units) of face value of ₹ 10 each each in Aditya Birla Sun Life Medium term Plan-Growth	4.76	4.47
20,419 Units SBI Magnum Ultra Short duration fund (March 31, 2021: Nil Units)	100.00	-
6,108,095 Units Kotak Savings fund (March 31, 2021: Nil Units)	220.08	-
105,910 Units Kotak Overnight fund (March 31, 2021: Nil Units)	120.08	-
Nil Units ICICI Prudential Liquid Fund (March 31, 2021: 3,28,174 Units)	-	100.01
1,484,750 Units ICICI Prudential Overnight Fund (March 31, 2021: 1,806,813 Units)	170.16	200.52
7,127,375 Units ICICI Prudential Ultra short term Fund (March 31, 2021: 10,570,596 Units)	170.42	241.83
Nil Units SBI liquid fund (March 31, 2021: 77,823 Units)	-	250.72
Nil Units SBI Overnight fund (March 31, 2021 : 47,793 Units)	-	160.19
1,794,595 (March 31, 2021: 766,644 Units) in ICICI Prudential ICICI Prudential Overnight Fund	205.67	85.08
9,642,668 (March 31, 2021: 877,469 Units) in ICICI Prudential Ultra short term Fund	230.56	20.07
Nil (March 31, 2021: 164,108 Units) in ICICI Prudential Liquid Fund	-	50.01
20,160 equity shares (March 31,2021; Nil) of ₹25 each of Apna Bank	0.50	-
	1,235.02	**1,122.55**

7 OTHER FINANCIAL ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good				
Claims receivable	71.95	89.27	-	-
Accrued Interest	-	-	9.19	7.87
Balance in fixed deposit accounts with original maturity more than 12 months	0.04	0.04	-	-
Margin money deposits [refer note (i) below]	127.58	85.80	-	-
Advances to employees	-	-	20.79	33.02
Sundry deposits	131.17	83.94	-	-
Others [refer note (ii) below]	-	-	246.51	-
	330.74	**259.06**	**276.49**	**40.89**
Unsecured, considered doubtful				
Sundry deposits	2.33	2.33	-	-
Claims receivable	78.72	95.34	-	-
	81.05	**97.67**	**-**	**-**
Less: Impairment allowance for doubtful assets	(81.05)	(97.67)	-	-
	330.74	**259.06**	**276.49**	**40.89**

Notes:

(i) Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 84.35 million (March 31,2021 : ₹ 58.14 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Group for pending court cases and deposits of ₹ 43.23 million (March 31, 2021 - ₹ 27.66 million) are subject to first charge to secure the facillities for Vaulting and ATM operations.

(ii) Represents IPO proceeds held in escrow account, to be utilised towards the settlement of IPO expenses.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

8 DEFERRED TAX ASSETS (NET)

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Deferred tax assets		
Impairment allowance for bad and doubtful receivables	240.98	153.91
Impairment allowance for doubtful advances,claims receivable and deposits	14.65	18.76
Provision for employee benefits and bonus payable	72.69	83.32
Leases	28.43	13.10
	356.75	**269.09**
Deferred tax liabilities		
Depreciation	52.35	21.26
	52.35	**21.26**
Deferred tax assets (Net)	**304.40**	**247.83**

Deferred tax reconciliation

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Opening balance	**247.83**	**272.96**
Tax during the year recognised in Statement of Profit and Loss	59.29	(25.94)
Tax during the year recognised in other comprehensive income	(1.05)	0.81
Deferred tax on account of Business combination (Refer note 43)	(1.70)	-
Closing balance	**304.40**	**247.83**

Tax reconciliation

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Profit before tax	3,014.45	2,377.50
At statutory income tax rate of 25.168% (March 31, 2021: 25.168%)	758.68	598.37
Effect of non-deductible items under tax laws	20.46	82.00
Adjustment of tax relating to earlier years	(5.06)	11.90
Tax expense (Effective rate 25.679% (March 31, 2021: 29.118%))	**774.07**	**692.27**
Income tax expense reported in the Statement of Profit and Loss	774.07	692.27

9 OTHER ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good				
Advances recoverable in kind or for value to be received	-	-	185.93	142.40
Capital advances	128.19	75.59	2.88	0.45
Receivable from Government Authorities	47.66	47.66	281.46	135.52
Prepaid expenses	34.18	22.86	206.25	155.07
Unbilled Revenue (Contract assets)	-	-	311.37	358.97
	210.03	**146.11**	**987.89**	**792.41**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

10 INVENTORIES

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Valued at lower of cost and net realisable value		
Trading goods (refer note below)	284.93	456.48
Stores and spares	349.89	438.25
	634.82	**894.73**

Note:
Trading stock includes stock at ATM sites which are not installed as at March 31, 2022 amounting to ₹ 51.99 million (March 31, 2021 - ₹ 285.59 million).

11 TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Secured and considered good	-	-
Unsecured and considered good		
Billed (Refer note 37)	3,210.72	3,490.95
Unbilled Revenue (Refer note 37)	1,782.49	1,516.24
Credit impaired	934.62	586.36
	5,927.83	**5,593.55**
Less : Loss allowance	(934.62)	(586.36)
	4,993.21	**5,007.19**

12 CASH AND BANK BALANCES

Cash and cash equivalents

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
On current accounts	636.81	927.98
In deposits account with original maturity of less than three months	-	400.22
Cash on hand	6.66	6.94
	643.47	**1,335.14**
Bank balances other than above		
Funds held relating to cash management activity [refer note (i) below]	47.35	69.57
In deposits account with original maturity of less than 12 months but more than three month	675.02	450.98
Margin money deposits [refer note (ii) below]	51.93	89.79
	774.30	**610.34**

Note:

(i) Funds held relating to cash management activity represents the net funds invested by the Group in one of the services of Cash management business. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customers.

(ii) Margin money deposits with carrying amount of ₹ 32.54 million (March 31,2021 ₹ 66.25 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Group for pending court cases and deposits of 19.39 million (March 31, 2021 - ₹ 23.54 million) are subject to first charge to secure the facillities for Vaulting and ATM operations.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

13(A) SHARE CAPITAL

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
173,000,000 (March 31, 2021 - 173,000,000) equity shares of ₹ 10 each	1,730.00	1,730.00
1,500,000 (March 31, 2021 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ₹ 100 each	150.00	150.00
	1,880.00	**1,880.00**
Issued, subscribed and fully paid up shares:		
153,152,747 (March 31, 2021- 148,000,000) equity shares of ₹ 10 each	**1,531.53**	**1,480.00**

(i) Terms and rights attached to equity shares

The Group has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Group declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuring Annual General Meeting, except in case of interim dividend which is approved by the Board of Directors.

In the event of liquidation of the Group, the holders of the equity shares will be entitled to receive the remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(ii) Details of shares held by the holding Company and other shareholders in the Company including details of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ₹ 10 each fully paid up				
SION INVESTMENT HOLDINGS PTE. LIMITED *	9,70,74,075	63.38%	14,80,00,000	100%
WF ASIAN RECONNAISSANCE FUND LIMITED	88,43,973	5.77%	-	-
SBI SMALL CAP FUND	82,86,487	5.41%	-	-
Total	**11,42,04,535**	**74.57%**	**14,80,00,000**	**100.00%**

* Includes Six individual shareholders (registered shareholders) holding one share each as nominees of Sion Investment Holdings Pte. Ltd.

(iii) As per records of the Group, including its register of share holders / members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(iv) Shares held by promoter at the end the year

Name of the Promoters	No of Shares	% of Total shares	Changed during the year
SION INVESTMENT HOLDINGS PTE. LIMITED *	9,70,74,075	63.38%	36.62%

(v) Shares reserved for issue under options

For details of options alloted under employee stock option schemes, refer note 39

(vi) During the year 2021-22,the Board has paid ₹ 226.44 million interim dividends. The first dividend was declared on May 4, 2021 at the rate of ₹ 0.62 per equity share (6.2% of the face value of ₹ 10 each) and second dividend was declared on October 19, 2021 at the rate of ₹ 0.91 per equity share (9.1% of the face value of ₹10 each). The dividend distribution tax on the said dividends is ₹ Nil as the Group has withheld 10% TDS on the Gross dividend and remittance is done net of withholding taxes. The witholding taxes are duly deposited with the Government.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

13(B) OTHER EQUITY

A) Summary of Other Equity balance

(₹ in million)

	As at March 31, 2022	As at March 31, 2021
Securities premium		
Opening balance	42.87	42.87
Add: Securities premium on shares (stock options) issued during the year	586.11	-
Add: Transfer on exercise of options	136.30	-
Closing balance	**765.28**	**42.87**
Share based payment reserve (refer note 39 and 40)		
Opening balance	406.43	386.82
Add : Employee stock option compensation cost during the year	61.19	19.61
Less : Transfer on exercise of options	(136.30)	-
Closing balance	**331.32**	**406.43**
Capital redemption reserve		
Opening balance	150.50	150.50
Closing balance	150.50	150.50
Retained earnings		
Opening balance	7,764.96	6,443.72
Add: Net profit after tax transferred from Statement of Profit and Loss	2,240.38	1,685.23
Less: Dividend Paid [Refer note 13(a)(vi)]	(226.44)	(362.60)
Add: Other comprehensive income (net of tax)	3.77	(1.39)
Closing balance	**9,782.67**	**7,764.96**
Total	**11,029.77**	**8,364.76**

B) Nature and purpose of reserves

(i) Securities Premium : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium, on exercise of the option.

(ii) Share based payment reserves : The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserves.

(iii) Capital Redemption Reserve: The Group has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back

(iv) Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14 TRADE PAYABLES

(₹ in million)

	Current	
	As at March 31,2022	As at March 31, 2021
Dues of micro enterprises and small enterprises (refer note 32a)	79.81	45.27
Dues of creditors other than micro enterprises and small enterprises (refer note 32b)	1,338.19	2,010.52
Accrued Expenses	1,040.80	1,005.76
	2,458.80	**3,061.55**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

15 OTHER FINANCIAL LIABILITIES AND LEASE LIABILITIES

(₹ in million)

	Non current		Current	
	As at March 31,2022	As at March 31, 2021	As at March 31,2022	As at March 31, 2021
Capital creditors	-	-	295.44	896.33
Payable to employees	-	-	493.43	481.73
Others	-	-	277.16	32.38
	-	**-**	**1,066.03**	**1,410.45**
Lease liabilities (Refer note 29)	1,467.61	945.38	460.67	320.97
	1,467.61	**945.38**	**460.67**	**320.97**

16 PROVISIONS

(₹ in million)

	Non current		Current	
	As at March 31,2022	As at March 31, 2021	As at March 31,2022	As at March 31, 2021
Provision for employee benefits (refer note 28)				
For gratuity	148.47	140.82	18.14	15.98
For compensated absences	52.57	50.19	17.61	13.24
	201.04	**191.01**	**35.75**	**29.22**

17 OTHER LIABILITIES

(₹ in million)

	Non current		Current	
	As at March 31,2022	As at March 31, 2021	As at March 31,2022	As at March 31, 2021
Statutory liabilities (including provident fund, tax deducted at source and others)	-	-	249.57	168.62
Unearned revenue (contract liability) (Refer note 42)	9.25	-	46.94	146.14
	9.25	**-**	**296.51**	**314.76**

18 REVENUE FROM OPERATIONS (REFER NOTE 42)

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sale of ATM and ATM Sites	1,155.30	1,622.83
Sale of products	791.29	683.02
Sale of services (refer note 29)	13,950.12	10,755.05
Revenue from operations	**15,896.71**	**13,060.90**
Details of products sold		
ATM Spares and related Products	652.62	536.34
Cards	137.18	143.70
Others	1.49	2.98
	791.29	**683.02**
Details of services rendered		
ATM and Cash management services	12,152.04	8,961.26
AMC services	1,522.56	1,478.86
Card Personalisation	275.52	314.94
	13,950.12	**10,755.06**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

19 FINANCE INCOME

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest income on		
Bank deposits	30.77	53.06
Security deposits measured at amortised cost	2.36	3.81
Income Tax refund	1.72	2.32
	34.85	**59.19**

20 OTHER

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Sundry credit balances written back	7.80	52.76
Profit on sale of property, plant and equipment (net)	5.38	1.40
Foreign exchange gain (net)	4.32	12.29
Profit on sale of current investments	20.58	7.65
Net change in fair value of current investments measured at FVTPL	4.12	3.91
Lease rent concession	1.73	20.07
Miscellaneous income	0.32	1.04
	44.25	**99.12**

21 PURCHASE OF TRADED GOODS

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Purchase of traded goods	1,360.86	2,069.54
Details of purchases		
ATM and ATM Sites	737.32	1,534.26
ATM Spares and related Products	518.33	416.84
Cards	105.21	118.44
	1,360.86	**2,069.54**

22 CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK IN TRADE)

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Inventories at the end of the year		
Traded goods	279.38	456.48
Inventories at the beginning of the year		
Traded goods	456.48	183.42
	177.10	**(273.06)**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

23 EMPLOYEE BENEFIT EXPENSE

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Salaries, wages and bonus	2,033.38	1,779.35
Contribution to provident and other funds (refer note 28)	149.20	145.59
Gratuity expense (refer note 28)	36.53	32.96
Share based payments to employees (refer note 39 and 40)	61.19	19.61
Staff welfare expenses	35.15	38.33
	2,315.45	**2,015.84**

24 FINANCE COSTS

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Interest on bank overdraft	-	6.82
Interest others	0.08	2.06
Interest on lease liability	143.82	73.44
	143.90	**82.32**

25 OTHER EXPENSES

(₹ in million)

	For the year ended March 31, 2022	For the year ended March 31, 2021
Service and security charges	3,207.18	2,651.89
Conveyance and traveling expenses	770.14	567.67
Vehicle maintenance, hire and fuel cost	1,508.78	1,116.84
Consumption of stores and spares	269.92	231.62
Annual maintenance charges	341.44	233.59
Legal, professional and consultancy fees	238.03	183.92
Courier , freight and forwarding charges	134.31	138.61
Power and electricity charges	112.81	83.05
Insurance	173.61	205.07
Communication costs	55.95	38.77
Trade receivables written off	451.28	322.67
Less : Out of the provision of earlier years	(246.87)	(99.89)
Impairment allowance for bad and doubtful receivables and deposits	595.13	206.00
Cash disposal charges	139.22	156.01
Insurance Claims recievables written off	38.07	12.68
Less : Out of the provision of earlier years	(24.11)	(11.89)
Impairment allowance for doubtful insurance claims	7.78	-
Advances and other Debit balance written off	21.46	1.08
Less : Out of the provision of earlier years	-	-
Cash lost in transit	66.68	75.32
Repairs and maintenance- Building	0.11	0.10
Repairs and maintenance- Plant and Machinery	0.10	0.35
Repairs and maintenance- Others	32.31	18.42
Payment to auditors		
As auditors:		
Audit fees	9.97	6.57
Reimbursement of expenses	0.03	0.18
In other matters	2.38	-
Expenditure on corporate social responsibility (Refer Note 34)	40.74	33.40
Miscellaneous expenses	99.17	140.49
	8,045.62	**6,312.52**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 26 : EARNINGS PER SHARE

The following reflects the profit and equity shares data used in the basic and diluted EPS computations:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Profit for the year attributable to equity shareholders (₹ in million)	2,240.38	1,685.23
Weighted average number of equity shares for Basic EPS	14,87,06,864	14,80,00,000
Weighted average number of equity shares on account of Employee stock option scheme for dilutive impact	76,20,024	39,14,481
Weighted average number of equity shares for diluted EPS	15,63,26,888	15,19,14,481
Earnings Per Share		
Basic (in ₹)	15.07	11.39
Diluted (in ₹)	14.33	11.09

NOTE 27 : CAPITAL WORK IN PROGRESS (INCLUDING INTANGIBLE ASSETS UNDER DEVELOPMENT) *

The following reflects the movement of Capital work in progress (including intangible assets under development) for ongoing projects during the years:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening CWIP as at	231.47	39.32
(+) Additions during the year	432.18	230.85
(-) Capitalised during the year	(226.80)	(38.70)
Closing CWIP (Including intangible assets under development) as at	**436.85**	**231.47**

The following table represents CWIP (Including intangible assets under development) ageing as at :

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Less than 1 year	432.64	230.85
1-2 Years	4.21	0.63
Total	**436.85**	**231.48**

* Represents projects in progress. There are no projects which have been temporarily suspended.

NOTE 28 : EMPLOYEE BENEFITS

Defined contribution plan

During the year ended March 31, 2022 and year ended March 31, 2021 the Group contributed the following amounts to defined contribution plans:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Provident fund and Employees Family Pension Scheme	121.53	119.82
Employees' State Insurance Corporation	27.67	25.77
Total	**149.20**	**145.59**

Defined benefit plan

As per The Payment of Gratuity Act, 1972, the Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The Group (other than Securitrans India Private Limited, where the scheme is managed on an unfunded basis) has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuations is funded by the Group.

Notes

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Note 28 : Employee benefits (Contd.)

The Group has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance Company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Group is exposed to movement in interest rate in particular, the significant fall in interest rates, which should result in an increase in liability without corresponding increase in the asset.

The following tables summaries the components of benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity plan of the Group.

Statement of Profit and Loss- Net employee benefits expense (recognised in employee cost)

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Current service cost	26.50	23.15
Net interest cost	10.04	9.81
Expenses recognised in the Statement of Profit and Loss	**36.53**	**32.96**

Defined contribution plan

Net employee benefits expense (recognised in Other comprehensive income)

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Actuarial (losses) / gains		
- change in demographic assumptions	-	-
- change in financial assumptions	8.28	(0.61)
- experience variance (i.e. actual experience vs assumptions)	(3.48)	(2.84)
- Return on plan assets, excluding amount recognized in net interest expense	0.02	1.25
Components of defined benefit cost recognised in other comprehensive income	**4.82**	**(2.20)**

Balance Sheet

Details of net benefit obligation and fair value of plan assets:

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of obligation	215.59	202.80
Fair value of plan asset	48.98	46.01
Net liability	**166.61**	**156.79**

Changes in present value of obligation

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Present value of obligation at the beginning	202.80	201.03
Current service cost	25.36	23.15
Interest expense	12.97	12.97
Re-measurement (gain) / loss arising from		
- change in demographic assumptions	-	-
- change in financial assumptions	(8.28)	0.61
- experience variance (i.e actual experience vs assumptions)	3.48	2.84
Benefits paid	(20.74)	(37.79)
Present value of obligation at the end	**215.59**	**202.80**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 28 : Employee benefits (Contd.)

Changes in the fair value of plan asset are as follows:

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Fair value of plan assets at the beginning	46.01	42.04
Investment income	2.95	2.72
Employer's contribution	-	-
Benefits Paid	-	-
Re-measurement gain / (loss) arising from		
Return on plan assets, excluding amount recognised in net interest expense	0.02	1.25
Fair value of plan assets as at the end	**48.98**	**46.01**

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Investment with insurer	100%	100%

The Group expects to contribute Nil (March 31, 2021 - ₹ Nil) to gratuity fund during the annual period beginning after balance sheet date.

The following is the maturity profile of the Group's defined benefit obligation

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Weighted average duration (based on discounted cashflows)	7 to 12 years	7 to 12 years

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Group's expected cash flows over the future period (on undiscounted basis)		
1 year	21.39	17.82
2 to 5 years	79.83	71.06
6 to 10 years	93.53	85.16
More than 10 years	234.44	220.39

The principal assumptions used in determining gratuity benefit obligations for the Group's plan are shown below:

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Discount rate	6.25% to 6.60%	6.25% - 6.60%
Salary Growth rate	5%	5%
Employee Attrition rate		
- Less than 5 years of service	25%	25%
- More than 5 years of service	5%	5%

The estimates of future salary increases, considered in actuarial valuation, takes in account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 28 : Employee benefits (Contd.)

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2022 is as shown below:

(₹ in million)

Particulars	As at			
	March 31, 2022		March 31, 2021	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	19.38	(16.69)	18.86	(16.38)
(% change compared to base due to sensitivity)	8.87%	(-)7.74%	9.30%	(-)8.08%
Salary Growth Rate (-/+1%) (Amount in ₹ million)	(16.75)	18.88	(16.34)	13.45
(% change compared to base due to sensitivity)	(-)7.77%	8.76%	(-)8.06%	6.63%
Attrition Rate (-/+ 50% of attrition rates) (Amount in ₹ million)	(5.24)	2.78	(3.05)	1.22
(% change compared to base due to sensitivity)	(-)2.43%	1.29%	(-)1.50%	0.60%
Mortality Rate (-/+10% of Mortality rates) (Amount in ₹ million)	(0.08)	0.08	(0.06)	0.06
(% change compared to base due to sensitivity)	(-)0.04%	0.04%	(-)0.03%	0.03%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of reporting period.

Other long term employee benefits

In accordance with its leave policy, the Group has provided for leave encashment on the basis of an actuarial valuation carried out by an independent actuary at the end of the year.

Amount of ₹ 4.57 million (March 31, 2021: ₹ 15.49 million) for Compensated absences is recognised as an reversal and included in "Employee benefits" in the Statement of Profit and Loss. Accumulated non-current liability amount to ₹ 52.57 million (March 31, 2021: ₹ 50.19 million) and accumulated current liability amount to ₹ 17.61 million (March 31, 2021: ₹ 13.24 million).

NOTE 29 : LEASES

A. In case of assets taken on lease:

Operating lease:

The following is the break-up of current and non-current lease liabilities as at March 31, 2022 and March 31,2021

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Current Lease Liabilities	460.67	320.97
Non-current Lease Liabilities	1,467.61	945.38
Total	**1,928.28**	**1,266.35**

The following is the movement in lease liabilities during the year ended March 31, 2022 and year ended March 31,2021:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Balance as at 01 April	1,266.35	865.16
Additions	978.83	760.40
Finance cost accrued during the year	143.82	73.44
Deletions	(53.56)	(166.89)
Lease rent concession	(1.73)	(20.07)
Payment of lease liability	(405.43)	(245.69)
Balance as at 31 March	**1,928.28**	**1,266.35**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 29 : Leases (Contd.)

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2022 and March 31,2021on an undiscounted basis:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Less than one year	456.52	320.97
One to five years	1,568.44	1,044.24
More than five years	413.40	296.93
Total	**2,438.36**	**1,662.14**

The following is the movement in Right-of-use assets (which only consists of properties) during the year ended March 31, 2022 and March 31,2021

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Balance as of 01 April	1,210.79	838.59
Additions during the year	978.83	760.40
Deletions during the year	(210.29)	(218.14)
Depreciation during the year (including Adjustments of accumulated depreciation on deletions).	(179.34)	(170.06)
Balance as at 31 March	**1,799.99**	**1,210.79**

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

The weighted average incremental borrowing rate applied to lease liabilities is 8.5%.

The outflow on account of lease liabilities for the year ended March 31, 2022 is ₹ 405.43 million and March 31, 2021 is ₹ 245.69 million.

Group as lessor: lease receivables

The Group has entered into lease arrangement for its ATM management service business. The lease at inception is classified as operating lease. These leases have terms ranging between five and seven years. Future minimum rentals receivable under non-cancellable operating leases are, as follows:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Within one year	485.25	86.84
After one year but not more than five years	1,861.94	296.74
More than five years	694.44	-
Total	**3,041.63**	**383.58**

During the year, the Group has recognized ₹ 202.91 million (March 31, 2021 - ₹ 116.28 million) as income in relation to the above arrangements. These are reported under sale of services (refer note 18).

The following are the details of the fixed assets (consist of Plant and Machinery) given on operating lease:

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Gross block value as at	2,554.70	1,322.70
Less: Accumulated Depreciation as at	(445.41)	(184.38)
Net block value as at	2,109.29	1,138.32
Depreciation for year	260.87	86.69

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 30 : RELATED PARTY DISCLOSURES

Related party disclosures as required by notified Ind-AS 24 - "Related Party Disclosures" are given below:

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entites under common control	Vault Co-Investment Vehicle L.P.
Holding Company	Sion Investment Holdings Pte. Limited
Subsidiary Companies and Trusts	CMS Securitas Limited
	Securitrans India Private Limited
	Quality Logistics Services Private Limited
	CMS Securitas Employees Welfare Trust
	CMS Marshall Limited (subsidiary of CMS Securitas Limited)
	Hemabh Technology Private Limited (w.e.f March 30, 2022)
2) Key management personnel	**Whole Time Director & Chief Executive Officer**
	Mr. Rajiv Kaul (Whole Time Director & Chief Executive Officer)
	Chief Financial Officer
	Mr. Pankaj Khandelwal (Chief Financial Officer)
	Non-Executive Independent Director
	Ms. Shyamala Gopinath (upto December 31, 2021)
	Mr. Tapan Ray (w.e.f. April 09,2021)
	Mrs Manju Agarwal (w.e.f. Jan 01,2022)
	Mrs Sayali Karanjkar (w.e.f. Jan 01,2022)
	Mr. Krishna Mohan Sahani (w.e.f. April 01,2020 and upto March 31,2021)
	Non- Executive Non Independent Directors
	Mr. Ashish Agrawal
	Mr. Krzysztof Wieslaw Jamroz (w.e.f. August 10,2021)
	Ms. Shyamala Gopinath (w.e.f. Jan 01,2022)
	Mr. Jimmy Lachmandas Mahtani
	Company Secretary
	Mr. Praveen Soni

b) Summary of transactions with the above related parties are as follows:

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Remuneration to KMP (short-term employee benefits)		
Mr. Rajiv Kaul	108.79	96.48
Mr. Pankaj Khandelwal	15.30	13.21
Mrs. Shyamala Gopinath	2.10	2.10
Mr. Krzysztof Wieslaw Jamroz	1.40	-
Mr. Tapan Ray	2.10	-
Mrs. Sayali Karanjkar	0.53	-
Mrs. Manju Agarwal	0.53	-
Mr. Krishna Mohan Sahni	-	2.10
Employee stock option compensation cost (refer note 39 & 40)		
Mr. Rajiv Kaul	57.00	15.69
Mr. Pankaj Khandelwal	1.50	0.32

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 30 : Related Party Disclosures (Contd.)

(₹ in million)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
Sitting fees paid to Directors		
Mrs. Shyamala Gopinath	0.40	0.40
Mr. Krzysztof Wieslaw Jamroz	0.40	-
Mr. Tapan Ray	0.40	-
Mrs. Sayali Karanjkar	0.10	-
Mrs. Manju Agarwal	0.10	-
Mr. Krishna Mohan Sahni	-	0.40

c) Summary of balance receivable from / (payable to) the above related parties are as follows:

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Remuneration payable to KMP		
Mr. Rajiv Kaul	(51.15)	(34.89)
Mr. Pankaj Khandelwal	(3.10)	(2.78)
Mrs. Shyamala Gopinath	(0.53)	(0.53)
Mr. Krzysztof Wieslaw Jamroz	(1.40)	-
Mr. Tapan Ray	(2.10)	-
Mrs. Sayali Karanjkar	(0.53)	-
Mrs. Manju Agarwal	(0.53)	-
Sitting fees Payable to Directors		
Mrs. Shyamala Gopinath	(0.10)	-
Mr. Krzysztof Wieslaw Jamroz	(0.10)	-
Mr. Tapan Ray	-	-
Mrs. Sayali Karanjkar	(0.10)	-
Mrs. Manju Agarwal	(0.10)	-
IPO expenses recoverable		
Sion Investment Holdings Pte. Limited	246.51	-

(i) As the future liability for gratuity and compensated absences is provided on an actuarial basis for the Group as a whole, the amount pertaining to KMP's is not ascertainable separately and, therefore not included above.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 31 : CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a) Contingent liabilities:

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Claims against the Group not acknowledged as debt		
a) Disputed Customs matters*	92.65	87.91
b) Disputed VAT matters*	70.26	247.77
c) Disputed Excise matters*	69.03	69.03
d) Disputed CST matters *	2.05	6.56
e) Disputed GST matters *	0.82	0.82
f) Disputed Service tax matters *	11.21	7.05
g) Employee litigation matters	11.82	13.25
i) Disputed Income tax matter	119.57	118.33
	377.41	**550.72**

Notes:

*In relation to the matters of GST, Service tax, Customs duty, VAT, CST, Income tax, Excise matters and Employee litigation matters as listed above, the Group is contesting the demands from the respective Government Departments. The management believes that its position will likely be upheld in the appellate process. No expense has been accrued in the financial statements for these demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Group's financial position and results of operations.

b) During the year 2016-17, one of the customers withheld the amount due to Securitrans India Private Limited ("SIPL"), subsidiary of the Company for providing cash replenishment services on account of an alleged instance of misappropriation by two employees of SIPL. Since the parties failed to resolve the dispute amicably, SIPL served a notice of pending dues to the customer on January 17, 2017. SIPL and the customer have appointed their respective arbitrators and the matter is currently pending before arbitration Tribunal and the management is confident of recovering the entire amount. Considering the litigation involved, the Company has provided for doubtful receivables based on the best judgment assessment of the case. The management believes that the provision made in the books is sufficient to cover the liability for loss, if any, which would be confirmed only after the final result of the litigation. Since the matter is under litigation, the disclosures required as per the provisions of Ind AS 37 relating to the provisions made are not given as it is expected to prejudice seriously the position of the Company with regards to the litigation.

c) Capital commitments:

(₹ in million)

Particulars	As at	
	March 31, 2022	March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for	980.54	548.27

d) There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. The Group believes, based on legal opinion, that the liability if any, in practice would be from the date of order. Based on such opinion and pending clarification from PF authorities, the Group has recorded the cost prospectively from March 2019.

e) In addition, there are certain civil claims against the Group. The Management is confident, that these will not have any material impact in the financial statement.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 32 : TRADE PAYABLES

a) Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

The Group has ₹ 79.81 million (March 31, 2021 ₹ 45.27 million) dues outstanding to the micro and small enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The information regarding Micro and Small Enterprises 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.

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	79.81	45.27
a. Principal and interest amount remaining unpaid	-	-
b. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. 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 interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

MSME ageing schedule as at resepctive year end :

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
MSME Undisputed Dues		
Less than 1 year	68.64	31.64
1-2 Years	4.49	2.13
2-3 Years	3.75	-
More than 3 years	-	-
Total	**76.88**	**33.77**
MSME Disputed Dues		
Less than 1 year	-	-
1-2 Years	-	7.04
2-3 Years	-	3.68
More than 3 years	2.93	0.78
Total	**2.93**	**11.50**

b) Ageing of creditors other than micro enterprises and small enterprises as at resepctive year end :

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Others - Undisputed		
Less than 1 year	2,188.94	2,948.88
1-2 Years	41.23	4.27
2-3 Years	66.19	21.90
More than 3 years	82.63	41.23
Total	**2,378.99**	**3,016.28**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 33 : IMPAIRMENT TEST OF GOODWILL

Impairment test of Goodwill

Goodwill acquired through business combinations have indefinite lives. Out of the total Goodwill of the Group, the material amount of goodwill is allocated to the following:

a) ₹ 694.25 million (March 31, 2021: ₹ 694.25 million), relates to the Cash Management division of the Holding Company.

b) ₹ 1,147.52 million (March 31, 2021: ₹ 1,147.52 million), relates to one of the subsidiary- “Securitrans India Private Limited”.

c) ₹ 185.94 million (March 31, 2021: ₹ 185.94 million), relates to the acquisition of door step banking business from Checkmate Services Private Limited; also a part of Cash management business.

d) ₹ 27.14 million (March 31, 2021: ₹ Nil), relates to one of the subsidiary - "Hemabh Technology Private Limited".

The Group performed its annual impairment test for year ended March 31, 2022 and March 31,2021 respectively . The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use (‘VIU’) calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cash flows beyond 5 years using a growth rate of 4% for the year ended March 31, 2022 (March 31,2021: 4%). The pre-tax discount rate applied to the cash flow projections for impairment testing is 13.7% for March 31, 2022 (March 31,2021: 13.7%)

The said cash flow projections are based on the senior management past experience as well as expected trends for the future periods. The calculation of weighted average cost of capital (WACC) is based on the group’s estimated capital structure as relevant and attributable to the CGU. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks relating to the relevant CGUs, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

The key assumptions used in the determination of VIU are the revenue annual growth rates and the EBITDA growth rate.

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2022. Further, on the analysis of the said calculation’s sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the CGU’s recoverable amount, there are no scenarios identified by the Management wherein the carrying value could exceed its recoverable amount.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 34 : EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Act, a CSR committee has been formed by the Group. The funds are utilised throughout the year on activities which are specified in Schedule VII of the Act. Gross amount required to be spent by the group during the year is ₹ 40.91 million (March 31,2021 ₹ 31.69 million).

(₹ in million)

Amounts spent during the year :-	March 31, 2022			March 31, 2021		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-	-	-	-
(ii) On purpose other than (i) above	40.74	-	40.74	33.40	-	33.40

In previous year ended March 31,2021 , company has made CSR spends agreegating to ₹ 1.71 million which relates to current financial year.

NOTE 35 : FOREIGN CURRENCY EXPOSURE

The Company does not use forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions in accordance with its forex policy. The Company does not use foreign exchange forward contracts for trading or speculation purposes.

Unhedge Foreign Currency exposure outstanding as at March 31, 2022 and March 31, 2021 is:

Particulars	March 31,2022		March 31,2021	
	Amount in foreign currency	Amount in ₹ million	Amount in foreign currency	Amount in ₹ million
Cuurency Type:		`		`
USD	$ 1,368,067.28	105.50	$ 3,307,012.25	241.78
GBP	£ 2765.21	0.28	-	-

NOTE 36: FAIR VALUE HIERARCHY

The following table provides the fair value measurement hierarchy of the Group’s financial assets and financial liabilities.
Quantitative disclosures fair value measurement hierarchy as at March 31,2022

(₹ in million)

Particulars	March 31, 2022				
	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in unquoted mutual fund units	1,226.79	1,234.52	1,234.52	-	-
Investment in unquoted equity shares	0.58	0.58	-	-	0.58

(₹ in million)

Particulars	March 31, 2021				
	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Assets measured at fair value					
FVTPL financial investments					
Investment in unquoted mutual fund units	1,116.70	1,122.55	1,122.55	-	-
Investment in unquoted equity shares	0.08	0.08	-	-	0.08

The fair value for the investments is arrived at with reference to the Net asset value (NAV) of the mutual fund unit as disclosed by the Asset Management Company.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 36: Fair Value Hierarchy (Contd.)

The management assessed that cash and cash equivalents, trade receivables, trade payables, and other current financial assets and financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. Further the difference between carrying amount and fair value of insurance receivables, deposit measured at amortised cost is not significantly different in each of the year presented.

Break up of financial assets carried at amortised cost

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Trade receivables	3,210.72	3,490.94
Unbilled Revenue	1,782.49	1,516.24
Cash and cash equivalents	643.47	1,335.14
Other bank balances	774.30	610.34
Other financial assets	607.23	299.95
Total financial assets carried at amortised cost	**7,018.21**	**7,252.62**

Break up of financial liabilities carried at amortised cost

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Trade payables	2,458.80	3,061.55
Other financial liabilities	1,066.03	1,410.45
Total financial liabilities carried at amortised cost	**3,524.83**	**4,471.99**

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

NOTE 37 : FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group through it operations is exposed to credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The senior management reviews and agrees policies for managing each of these risks, which are summarised below.

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

Customer credit risk is managed by the Group's established policy. To minimise the risk from the counter parties the Group enters into financial transaction with counter parties who are major names in the industry.

A significant risk in respect of receivables is related to the default risk and credit risk. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are Grouped into homogenous Groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of receivables disclosed in Note 11 . The Group does not hold collateral as security.

Credit risk is the risk of financial loss to the Group if a customer or counter-party fails to meet its contractual obligations. Trade receivables concentration of credit risk with respect to trade receivables are limited, due to the Group's customer base being large and diverse.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 37 : Financial risk management objectives and policies (Contd.)

The following table provides information about the ageing of gross carrying amount of trade recievables as at respective year end

Undisputed Trade recievables -considered good

(₹ in million)

Gross Carrying Amount	As at March 31, 2022	As at March 31, 2021
Not due	693.01	875.89
Less than 6 Months	2,012.10	1,725.64
6 months - 1 year	411.00	399.51
1-2 Years	144.69	362.03
2-3 Years	73.88	90.08
More than 3 years	21.35	76.03
Unbilled revenue	1,782.49	1,516.24
Total	**5,138.52**	**5,045.43**

Undisputed Trade recievables -considered Doubtful

(₹ in million)

Gross Carrying Amount	As at March 31, 2022	As at March 31, 2021
Less than 6 Months	-	-
6 months - 1 year	-	-
1-2 Years	321.39	199.53
2-3 Years	122.51	60.69
More than 3 years	13.40	9.51
Total	**457.30**	**269.73**

Disputed Trade recievables -considered Good

(₹ in million)

Gross Carrying Amount	As at March 31, 2022	As at March 31, 2021
Less than 6 Months	20.50	-
6 months - 1 year	31.26	-
1-2 Years	0.69	-
2-3 Years	0.02	-
More than 3 years	159.54	159.54
Total	**212.01**	**159.54**

Disputed Trade recievables -considered Doubtful

(₹ in million)

Gross Carrying Amount	As at March 31, 2022	As at March 31, 2021
Less than 6 Months	-	-
6 months - 1 year	-	-
1-2 Years	-	26.00
2-3 Years	27.14	-
More than 3 years	92.86	92.86
Total	**120.00**	**118.86**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 37 : Financial risk management objectives and policies (Contd.)

Movement in allowance of impairment in respect of trade receivables

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at April 01	586.36	480.24
Amounts written off (Net)	(246.87)	(99.89)
Net re-measurement of loss allowances	595.13	206.00
Balance as at March 31	**934.62**	**586.36**

Security deposits are interest free deposits given by the group for properties taken on Lease. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. The gross carrying amount of Security deposit is ₹ 131.17 million as at March 31, 2022 and ₹ 83.94 million as at March 31, 2021.

Other financial asset includes claims receivable and other receivables (refer note 7). Provision is made where there is significant increase in credit risk of the asset.

Movement in allowance of impairment in respect of other receivables (including insurance claims)

(₹ in million)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance as at April 01	97.67	109.56
Amounts written off (Net of reversals)	(24.40)	(11.89)
Net re-measurement of loss allowances	7.78	-
Balance as at March 31	81.05	97.67

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.

Management monitors rolling forecasts of the Group's liquidity position on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents.

The Group has sufficient current assets comprising of Trade Receivables, Cash & Cash Equivalents, Investment in Mutual Funds, Other Bank Balances (other than restricted balances), Loans, Inventories and Other Current Financial Assets to manage the liquidity risk, if any in relation to current financial liabilities.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, working capital , demand loan and bank loans. The Group has access to a sufficient variety of sources of funding. The table below provides details regarding the contractual maturities of significant financial liabilities as at respecitve year end.

(₹ in million)

Particulars	March 31, 2022 On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	2,257.57	201.23	-	2,458.80
Lease Liabilities	-	460.67	1,568.44	413.40	2,442.51
Other financial liabilities	-	1,066.03	-	-	1,066.03
Total	**-**	**3,784.27**	**1,769.67**	**413.40**	**5,967.34**

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 37 : Financial risk management objectives and policies (Contd.)

(₹ in million)

Particulars	March 31, 2021 On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	2,980.52	81.03	-	3,061.55
Lease Liabilities	-	320.97	1,019.57	294.61	1,635.15
Other financial liabilities	-	1,410.45	-	-	1,410.45
Total	**-**	**4,711.94**	**1,100.60**	**294.61**	**6,107.15**

Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximize the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Group does not have any loans outstanding as at March 31,2022 and March 31,2021 . It has taken adequate credit facilities from various banks to maintain its liquidity.

38. SEGMENT INFORMATION

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products sold and services rendered. The operating businesses are organized and managed separately according to the nature of the products sold and services rendered, with each segment representing a strategic business unit that offers different products and services. For management purposes, the Group is organized into business units based on the nature of services rendered and products sold into the following reportable segments.

a) Cash management services include ATM services; Cash delivery and pick-up, Network cash management services (together known as "Retail cash management services") and other related services.

b) Managed services division includes income from sale of ATM and ATM sites and related products and maintenance services.

c) Card division includes revenue from trading in card and card personalization services.

No operating segments have been aggregated to form the above reportable operating segments. The Board of Directors of the Group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Finance income and finance costs, and fair value gains and losses on financial asset are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on Group basis. Capital Expenditure consists of addition of property, plant and equipment and intangible assets.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

38. Segment information (Contd.)

(₹ in million)

Sr no	Particulars	Year ended March 31,2022	Year ended March 31,2021
I	**Segment Revenue**		
	Cash Management services	11,108.07	9,094.19
	Managed Services	4,896.29	3,641.01
	Cards	412.70	458.64
	Less: Inter-segment Sales	520.35	132.94
	Total Segment Revenue	**15,896.71**	**13,060.90**
II	**Segment Results**		
	Cash Management services	2,654.38	2,039.81
	Managed Services	810.38	547.27
	Cards	31.93	37.91
	Total Segment Results	**3,496.69**	**2,624.99**
	Less: Unallocated corporate expenses	417.44	323.48
	Profit from continuing operations before other Income, Finance costs/ Income and tax	**3,079.25**	**2,301.51**
	Add: Finance income	34.85	59.19
	Add: Other income	44.25	99.12
	Less: Finance costs	143.90	82.32
	Profit before tax	**3,014.45**	**2,377.50**
	Less: tax expenses	774.07	692.27
	Profit after tax attributable to equity shareholders	**2,240.38**	**1,685.23**
III	**Segment Assets**		
	Cash Management services	7,561.86	6,463.46
	Managed Services	6,836.03	5,701.42
	Cards	203.60	247.82
	Unallocated corporate assets	3,955.47	3,705.40
	Total Segment Assets	**18,556.96**	**16,118.10**
IV	**Segment Liabilities**		
	Cash Management services	2,157.81	1,844.58
	Managed Services	3,116.01	4,027.67
	Cards	44.89	92.50
	Unallocated corporate Liabilities	676.95	308.60
	Total Segment Liabilities	**5,995.66**	**6,273.35**

Information about major customers

a) Revenue for the Period ended March 31, 2022 includes revenue from one customer of the Group relating to Cash management services and Managed service segments amounting to ₹ 2,419.90 million representing 15% and another customer amounting to ₹ 3367.96 million representing 21% of the Group's total revenue.

b) Revenue for the year ended March 31, 2021 includes revenue from one customer of the Group relating to Cash management services and Managed service segments amounting to ₹ 2,024.42 million representing 15% and another customer amounting to ₹ 2183.38 million representing 17% of the Group's total revenue.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 39 : EMPLOYEE STOCK OPTIONS SCHEMES

The Holding company has granted stock options to its employees through its equity settled schemes referred to as Employee Stock Option Scheme 2016, CEO Stock Option Scheme 2016 and Management Scheme 2016. Following are details of the scheme:

(₹ in million)

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	46,04,444	98,66,667	25,19,366
Number of option granted under the scheme	43,21,907	98,66,667	25,19,366

Following is the vesting period for grants during the year:

Vesting Period	Employee Scheme		CEO Scheme	Management Scheme
	Time Based	Performance Based	Time Based	Time Based
12 months from date of grant	25%	0.00%	100%	100%
21 months from date of grant	8.33%	16.67%	-	-
33 months from date of grant	8.33%	16.67%	-	-
45 months from date of grant	8.34%	16.66%	-	-

For options granted under Employee scheme, 21st month vesting will be based on Group / business unit performance for the second financial year after the financial year in which the options have been granted and so on. The performance condition are assessed as non-market conditions.

The vested options can be exercised by the employees only upon happening of liquidity event. The vested options can be exercised within 1 year of the date such options are vested in case of employee scheme and management scheme and within 2 years from date of such options vested in case of CEO scheme. In any other liquidity event, the vested options can be exercised within such period as may be prescribed by the Board in this regard.

The following table summarises the movement in stock options granted during the year:

(₹ in million)

Particulars	March 31, 2022			March 31, 2021	
	Employee scheme	CEO Scheme	Management scheme	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	35,21,750	98,66,667	-	35,55,750	98,66,667
Granted during the year	12,00,400	-	25,19,366	-	-
Forfeited / cancelled during the year	(4,00,243)	-	-	(34,000)	-
Exercised during the year	(11,52,747)	(40,00,000)	-	-	-
Expired during the year	-	-	-	-	-
Outstanding at the end of the year	**31,69,160**	**58,66,667**	**25,19,366**	**35,21,750**	**98,66,667**
Weighted average exercise price of Option					
Outstanding at the beginning of the year	125	123	-	125	123
Granted during the year	165	-	165	-	-
Outstanding at the end of the year	140	123	165	125	123
Weighted average remaining contractual life (in years)	0.67	-	0.45	0.04	-

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 39 : Employee Stock Options Schemes (Contd.)

The Group has used Black Scholes option pricing model. The following tables list the inputs to the models used for Employee plan , CEO plan and management plan.

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Dividend yield (%)	0%	0%
Expected volatility (%)	25% - 32%	25% - 29%
Risk-free interest rate (%)	4%	6%
Expected life of share options (years)	3.7 years	3.7 years
Weighted average fair value per share on grant date (in ₹)	165	143

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. The holding company has allotted employee stock options to some of its employees through its Employee Stock Option Scheme. Over the year's 1,053,493 (year ended March 31,2022: 400,243) stock options has expired and lapsed on account of employees left the organization. Accordingly reversal on account of same for the year ended March 31,2022 is recognized in the profit and loss account aggregating to ₹ 11.41 million. The group has recognized ₹ 57.50 million, (March 31, 2021 – ₹ 4.97 million) as employee benefit expense in relation to all the active options outstanding as at respective year ends.

NOTE 40 : AGREEMENT BETWEEN PROMOTER AND CEO

On September 26th, 2017, Vault Co-Investment Vehicle L.P. ("Vault L.P."), a limited liability partnership incorporated in the Cayman Islands and controlled by Barings Private Equity Asia GP VI Limited, the ultimate promoter of SION Investment Holdings Pte. Limited ("Sion"), the holding company, entered into an agreement with Chief Executive Officer of the Company (CEO) pursuant to which, the CEO was granted options under the stock option plan of Vault L.P. These options vested immediately to entitle base units in Vault L.P. to the extent of amount equivalent to 0.61% of the value of the Company for a consideration equivalent to such value of the Company as per the terms and conditions of the agreement. As per the plan, the base units are entitled for upward adjustment subject to fulfilment of certain market and service conditions.

Upon redemption of base or adjusted base units, CEO will receive from Vault L.P., an amount equivalent to value of the Company vis-vis such units at the time of sale of Sion's shareholding in the Company subject to certain conditions set out in the agreement.

Since the option granted to CEO is for the services rendered to the Company, the Option has been valued considering the various probable scenarios and using specific assumptions relating to expected volatility and risk free return. The total charge over the period of vesting estimated is ₹ 70.20 million. The proportionate charge recognized during the current period is ₹ 15.10 million (March 31, 2021: ₹ 15.69 million)

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 41 : ADDITIONAL INFORMATION TO BE DISCLOSED AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ALL ENTERPRISES CONSOLIDATED:

(₹ in million)

Particulars	March 31,2022							
	Net assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
Parent	As a %	Amount	As a %	Amount	As a %	Amount	As a %	Amount
CMS Info Systems Limited	89%	12,119.10	92%	2,134.70	2%	0.07	92%	2,134.77
Subsidiaries								-
Securitrans India Private Limited	10%	1,422.17	8%	177.30	32%	1.22	8%	178.52
CMS Securitas Limited	0%	34.44	0%	2.92	48%	1.83	0%	4.75
CMS Marshall Limited	0%	6.65	0%	2.70	17%	0.65	0%	3.35
Quality Logistics Services Private Limited	0%	0.10	0%	-	0%	-	0%	-
Hemabh Technology Private Limited	0%	0.91	0%	-	0%	-	0%	-
CMS Securitas Employees Welfare Trust	0%	17.66	0%	0.98	-	-	0%	0.98

(₹ in million)

Particulars	March 31,2021							
	Net assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
Parent	As a %	Amount	As a %	Amount	As a %	Amount	As a %	Amount
CMS Info Systems Limited	87%	9,511.95	90%	1,516.77	57%	(0.78)	90%	1,515.99
Subsidiaries								
Securitrans India Private Limited	12%	1,321.82	9%	151.85	28%	(0.38)	9%	151.47
CMS Securitas Limited	0%	29.60	1%	12.54	90%	(1.24)	1%	11.30
CMS Marshall Limited	0%	3.30	0%	2.63	-74%	1.02	0%	3.65
Quality Logistics Services Private Limited	0%	0.10	0%	-	0%	-	0%	-
CMS Securitas Employees Welfare Trust	0%	16.68	0%	1.40	0%	-	0%	1.40

NOTE 42 : IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of Product

The Group applies practical expedient in paragraph 121 of Ind AS 115 for all contract entered for sale of product and does not disclose information about remaining performance obligation that have original expected duration of one year or less.

Revenue for services

The Group applies practical expedient in paragraph 121 of Ind AS 115 for all contract entered for revenue from services, whereby it has right to receive consideration from a customer in an amount that corresponds directly with the value to the customer of the entity's performance completed to date. Hence the Group does not disclose information of remaining performance obligation of such contracts.

Disaggregation of revenue from contract with customers

Revenue from sale of goods is recognized at point in time when control of the products being sold is transferred to our customer and Revenue from services is recognized over time as and when services are rendered. Revenue from contracts with customers is disaggregated by primary business units as given in the note 18

Notes
Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

Note 42 : Ind AS 115 Revenue from Contracts with Customers (Contd.)

Reconciliation of revenue recognized with contracted price

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Revenue as per Contracted Price	16,028.78	13,363.22
Reduction (Rebate/discount)	(132.07)	(302.32)
Revenue recognized as per the statement of profit and loss	**15,896.71**	**13,060.90**

Movement of Deferred Contract Liability (unearned revenue)

The deferred contract liability relates to the consideration received/receivable from customers, for which services have not been provided and revenue is deferred for the year.

(₹ in million)

Particulars	March 31, 2022	March 31, 2021
Opening Balance	146.16	209.21
i) Additions during the year (net)	56.19	99.17
ii) Reversal during the year	(46.99)	-
iii) Income Recongised during the year	(99.17)	(162.22)
Closing Balance	**56.19**	**146.16**

Revenue expected to be recognised in the future from Deferred Contract Liability:

(₹ in million)

Time Band	March 31, 2022	March 31, 2021
within 1 years	-	146.16
1 - 2 Year	56.19	-
Total	**56.19**	**146.16**

There is no obligation for returns, refunds and other similar obligation as at March 31, 2022 and March 31, 2021

NOTE 43 : BUSINESS COMBINATION

During the year ended 31 March 2022, the Company has acquired 100% of the equity share capital of Hemabh Technology Private Limited for a consideration of ₹ 28.05 million. Assets taken over comprises of Property Plant and Equipment (₹ 115.49 million), Customer Contracts (₹ 44.70 million) and other assets (₹ 78.55 million) comprising ₹ 238.74 millions. Liabilities taken over comprises of borrowings (₹ 143.86 millions), trade payables (₹ 69.05 millions) and other liabilities (₹ 24.93 millions) amounting to ₹ 237.84 millions. On a provisional basis, no additional intangible assets have currently been identified and the purchase consideration, over assets taken over amounting to ₹ 27.14 million, has been recognised as goodwill. The Goodwill represents expected synergies and assembled workplace. Adjustments, if any, to the provisional amounts will be recognized in the coming reporting period as if the accounting for the business combination had been completed at the acquisition date.

NOTE 44 : IMPACT OF CORONA VIRUS OUTBREAK

In the short term, Group has adequate resources to sustain the impact of Covid-19. We do not foresee any material adverse impact in the medium to long term on the business. Based on our current assessment, no significant impact on carrying value on goodwill, inventory, trade receivables, intangible assets, investments and other financial assets is expected. The actual impact of global pandemic could be different from estimated, as the COVID scenario evolves in India. The group will continue to closely monitor any material changes to future economic conditions.

Notes
Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 45 : PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED / RECLASSIFIED, WHERE NECESSARY, TO CONFORM TO THIS YEAR CLASSIFICATION

NOTE 46 : DISCLOSURE REQUIRED FOR QUARTERLY STATEMENT SUBMITTED WITH BANKS

For borrowings from banks or financial institutions on the basis of security of current assets, quarterly returns or quarterly statements of current assets filed by the Group with banks or financial institutions for the year ended March 31, 2022 and the year ended March 31, 2021 are in agreement with books of accounts.

NOTE 47 : DISCLOSURE REQUIRED UNDER RULE 11(E) OF THE COMPANIES RULES, 2014

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Group to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”) with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Group (Ultimate Beneficiaries). The Group has not received any fund from any party(s) (Funding Party) with the understanding that the Group shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Group (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

NOTE 48 : INITIAL PUBLIC OFFERING

During the year ended March 31, 2022, the holding company has completed its Initial Public offer (“IPO”), comprising of an offer for sale of 50,925,925 equity shares of face value ₹ 10 each at an issue price of ₹ 216 per share by existing shareholders. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India (NSE) and BSE Limited (BSE) on December 31, 2021.

NOTE 49 : RELATIONSHIP WITH STRUCK OFF COMPANIES

The Company does not have any transactions with companies struck off.

NOTE 50 : REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

NOTE 51 : UNDISCLOSED INCOME

a) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

b) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

NOTE 52 : DIVIDEND

(a) The interim dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with section 123 of the Companies Act 2013.

(b) The Board of Directors at its meeting held on May 9, 2022 recommended a Final Dividend of ₹ 1 per Equity share of ₹ 10 each for FY 2021-22. This Final dividend is subject to the approval of the Members at the ensuing Annual General Meeting which will be held on or before September 30, 2022.

Notes

Forming part of the Consolidated Financial Statements for the year ended March 31, 2022

NOTE 53:

The Group has presented these consolidated financial statement in accordance with the requirement of Schedule III - of the Companies Act , 2013 including amendments thereto , effective from April 01,2021.

NOTE 54:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

As per our report of even date
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
CMS Info Systems Limited
CIN: L45200MH2008PLC180479

Koosai Lehery
Partner
Membership No.: 112399

Ashish Agrawal
Director
DIN No.: 00163344

Rajiv Kaul
Whole Time Director and Chief Executive Officer
DIN No.: 02581313

Place : Mumbai
09 May 2022

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

CMS Connecting Commerce

Registered Off: T-151, Tower No. 10, Railway Station Complex,
5th Floor, Sector-11, CBD Belapur, Navi Mumbai – 400 614
Tel: +91-22- 4889 7400 **Email:** investors@cms.com
CIN: L45200MH2008PLC180479 **Website:** www.cms.com

NOTICE OF 15TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 15th (FIFTEENTH) ANNUAL GENERAL MEETING OF THE MEMBERS OF CMS INFO SYSTEMS LIMITED ("THE COMPANY") WILL BE HELD ON WEDNESDAY, SEPTEMBER 21, 2022 AT 3.00 P.M. IST THROUGH VIDEO CONFERENCING ("VC") / OTHER AUDIO VISUAL MEANS ("OAVM") TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider and adopt the:

   a) Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2022 together with the reports of the Board of Directors and Auditors thereon; and

   b) Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2022 together with the report of the Auditors thereon.

2. To declare Final Dividend on equity shares for the financial year ended March 31, 2022.

3. To appoint a Director in place of Mr. Jimmy Lachmandas Mahtani (DIN: 00996110), who retires by rotation and, being eligible, offers himself for re-appointment.

By order of the Board of Directors
For **CMS Info Systems Limited**

Sd/-
CS Praveen Soni
Company Secretary & Compliance Officer
Membership No.: FCS 6495

Place: Mumbai
Date: 9th May, 2022

Registered Office:
T-151, 5th Floor, Sector 11, Tower No. 10, Railway Station Complex,
CBD Belapur, Navi Mumbai- 400 614 Maharashtra