Basant Jain & Associates
CHARTERED ACCOUNTANTS
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INDEPENDENT AUDITOR'S REPORT

To The Members of CMS Marshall Limited.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CMS Marshall Limited.("theCompany"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statementfor the year thenended, and a summary of the significant accounting policiesand other explanatory information (hereinafter reffered to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for thematters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of thesestandaloneInd AS financial statements that give a true andfair view of the state of affairs(financial position), profit orloss (financial performance including other comprehensiveincome) and cash flows in accordance with the accounting principles generallyaccepted in India, including the Indian Accounting Standards(Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequateaccounting records in accordance with the provisions of theAct for safeguarding the assets of the Company and forpreventing and detecting frauds and other irregularities;selection and application of appropriate accounting policies;making judgments and estimates that are reasonable andprudent; and design, implementation and maintenance ofadequate internal financial controls, that were operatingeffectively for ensuring the accuracy and completeness ofthe accounting records, relevant to the preparation andpresentation of the standalone Ind AS financial statementsthat give a true and fair view and are free from materialmisstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, theaccounting and auditing standards and matters which arerequired to be included in the audit report under theprovisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financialstatements in accordance with the Standards on Auditingspecified under Section 143(10) of the Act. Those Standardsrequire that we comply with ethical requirements and planand perform the audit to obtain reasonable assurance aboutwhether the standalone Ind AS financial statements are freefrom material misstatement.

An audit involves performing procedures to obtain auditevidence about the amounts and the disclosures in thestandaloneInd AS financial statements. The proceduresselected depend on the auditor's judgment, including theassessment of the risks of material misstatement of thestandaloneInd AS financial statements, whether due tofraud or error. In making those risk assessments, the audit or considers internal financial control relevant to the Company'spreparation of the standalone Ind AS financial statementsthat give a true and fair view in order to design auditprocedures that are appropriate in the circumstances. Anaudit also includes evaluating the appropriateness of theaccounting policies used and the reasonableness of theaccounting estimates made by the Company's Directors, aswell as evaluating the overall presentation of the standaloneInd AS financial statements.

We believe that the audit evidence we have obtained issufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information andaccording to the explanations given to us, the aforesaidstandaloneInd AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

generally accepted in India including the Ind AS, of the stateof affairs (financial position) of the Company as at March 31, 2018, and its profit/loss (financial performance including other comprehensive income) and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 (the 'Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure1' a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. 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 purpose 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 Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid standaloneInd ASfinancial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and;

(e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report.

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

i. The Company does not have any pending litigations which would impact its financial position,

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

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

For Basant Jain & Associates
Chartered Accountants
ICAI Firm Registration Number: 120131W

Basant K. Jain
Proprietor
Membership Number: 043791
Mumbai
April 25, 2018

BASANT JAIN & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date

Re: CMS Marshall Limited (the 'Company')

(i) The Company does not have any fixed assets.

(ii) The Company does not have any inventory.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Act for the products / services of the Company.

(vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, value added tax, cess and other material statutory dues applicable to it. The provisions relating to excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, value added tax, cess and other material statutory dues were outstanding at the yearend for a period of more than six months from the date they became payable. The provisions relating to excise duty are not applicable to the Company

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty,value added tax and cess which have not been deposited on account of any dispute

(viii) The Company does not taken any loan from financial institution or Bank, hence reporting under clause (viiv) is not applicable to the Company, hence not commented upon.

(ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Accordingly to the information and explanation given by the management, we report that no fraud by the company or on, the company by its officers or employees has been noticed or reported during the year.

(xi) The Company has not paid any managerial remuneration during the year hence reporting under clause (viii) is not applicable to the Company hence not commented upon.

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

(xii) In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details have been disclosed in the notes to the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of the Act.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For Basant Jain & Associates
Chartered Accountants
ICAI Firm Registration Number: 120131W

Basant K. Jain
Proprietor
Membership Number: 043791
Mumbai
April 25, 2018

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Annexure 2 referred to in paragraph 2 (f) under Report on Other Legal and Regulatory Requirements of our report of even date

We have audited the internal financial controls over financial reporting of CMS Marshall Limited (the 'Company') as of March 31, 2018 in conjunction with our audit of the standaloneInd AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 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 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. 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 over financial reporting was 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 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 internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting 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 control over financial reporting 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

BASANT JAIN & ASSOCIATES
MUMBAI
CHARTERED ACCOUNTANTS

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 over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Basant Jain & Associates
Chartered Accountants
ICAI Firm Registration Number: 120131W

Basant K. Jain
Proprietor
Membership Number: 043791
Mumbai
April 25, 2018

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

CMS MARSHALL LIMITED
Balance Sheet as at March 31, 2018
(Amounts in ₹)

Assets	Notes	As at 31 March,2018	As at 31 March, 2017
Non-current assets			
Income tax assets (net)		1,22,10,275	68,82,098
Current assets			
Trade receivables	9	5,05,73,830	5,88,22,795
Cash and bank balances	10	30,33,703	54,51,856
Other Financial Asset	11	2,91,05,513	6,26,858
		8,27,13,046	**6,49,01,510**
Total		**9,49,23,320**	**7,17,83,608**
Equity and liabiities			
Equity			
Equity Share capital	4	5,00,000	5,00,000
Other Equity			
Reserves and surplus	5	(10,19,171)	(48,66,160)
Total equity attributable to equity holders		**(5,19,171)**	**(43,66,160)**
Current liabilities			
Trade Payable		25,000	-
Other Financial Liablility	7	5,23,77,127	4,17,93,772
Other Current Liabilities	6	89,78,771	38,08,111
Provisions	8	3,40,61,593	3,05,47,885
		9,54,42,492	**7,61,49,768**
Total		**9,49,23,320**	**7,17,83,608**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report even date
For Basant Jain & Associates
Firm Registration no. 120131W
Chartered Accountants

Basant Jain
Proprietor
Membership No : 43791

Mumbai
April 25, 2018

For and behalf of the Board of Directors of
CMS Marshall Limited

Pankaj Khandelwal
Director

Rajiv Kaul
Director

CMS MARSHALL LIMITED
Statement of Profit and Loss for the year ended March 31, 2018
(Amounts in ₹)

	Notes	For the year ended 31st March, 2018	For the year ended 31st March, 2017
Income			
Revenue from operations	12	35,44,84,235	36,06,67,803
Other Income	15	-	4,95,919
		35,44,84,235	**36,11,63,722**
Expenses			
Employee benefits expense	14	35,07,06,651	35,63,89,727
Other expenses	15	1,80,018	6,10,139
		35,08,86,669	**35,69,99,866**
Profit before tax		**35,97,566**	41,63,856
Tax expense:			
Current tax		10,87,640	12,91,750
Tax adjustment pertaining to earlier years		-	15,56,172
Profit after Tax		**25,09,926**	**13,15,934**
Other comprehensive income ('OCI')			
OCI not to be reclassified to profit or loss in subsequent periods:			
Remeasurement gain / (losses) on defined benefit plans		13,37,063	(5,01,459)
Other comprehensive income/(Loss) for the year		**13,37,063**	**(5,01,459)**
Total comprehensive income/(Loss) for the year		**38,46,989**	**8,14,475**
Earning per equity share (Basic and diluted)	16	**50.20**	**26.32**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report even date
For Basant Jain & Associates
Firm Registration no. 120131W
Chartered Accountants

Basant Jain
Proprietor
Membership No : 43791

Mumbai
April 25, 2018

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

For and behalf of the Board of Directors of
CMS Marshall Limited

Pankaj Khandelwal
Director

Rajiv Kaul
Director

CMS Marshall Limited

Cashflow statement as at and for the year ended March 31, 2018

(Amount in ₹)

	For the year ended 31 March,2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	**35,97,566**	**41,63,856**
Adjustments to reconcile profit before tax to net cash flow:		
Interest income	-	(4,95,919)
Operating profit before working capital changes	**35,97,566**	**36,67,937**
Movements in working capital :		
(Increase)/Decrease in sundry debtors	82,48,966	(3,05,63,264)
Increase/(Decrease) in Other Financial Liabilities	1,05,83,355	5,65,437
(Increase)/Decrease in Other Financial Assets	(2,84,78,655)	4,12,17,004
Increase/(Decrease) in Trade Payable	25,000	-
Increase/(Decrease) in Current liabilities	51,70,660	(1,34,89,273)
Increase/(Decrease) in Provisions	35,13,708	59,54,557
Cash flow generated from operations	**26,60,601**	**73,52,398**
Direct taxes paid (Net)	(50,78,753)	(33,49,381)
Net cash flow generated from operating activities (A)	**(24,18,153)**	**40,03,017**
Cash flows from investing activities		
Interest received	-	4,95,919
Net cash flow from (used in) investing activities (B)	-	**4,95,919**
Net (decrease) / increase in cash and cash equivalents (A+B)	**(24,18,153)**	**44,98,936**
Cash and cash equivalents at the beginning of the year	**54,51,856**	**9,52,920**
Cash and cash equivalents at the end of the year	**30,33,704**	**54,51,856**

Components of cash and cash equivalents:	**As at 31 March,2018**	**As at March 31, 2017**
Balance with banks	30,33,704	54,51,856
Cash and cash equivalents at the end of the year	**30,33,704**	**54,51,856**

As per our report even date
For Basant Jain & Associates
Firm Registration no. 120131W
Chartered Accountants

Basant Jain
Proprietor
Membership No : 43791

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Mumbai
April 25, 2018

For and behalf of the Board of Directors of
CMS Marshall Limited

Pankaj Khandelwal
Director

Rajiv Kaul
Director

CMS MARSHALL LTD
Statement of changes in equity for the year ended March 31, 2018
(Amounts in ₹)

5 : Statement of Changes in Equity

Particular	Equity share capital	Reserve and surplus	Total equity
As at April 1, 2017	5,00,000	(48,66,161)	**(43,66,161)**
Profit for the year	-	25,09,926	**25,09,926**
Other comprehensive income		13,37,063	**13,37,063**
As at March 31, 2018	**5,00,000**	**(10,19,171)**	**(5,19,171)**

Significant accounting policies **2**

The accompanying notes are an integral part of the financial statements

As per our report even date
For Basant Jain & Associates
Firm Registration no. 120131W
Chartered Accountants

Basant Jain
Proprietor
Membership No : 43791

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Mumbai
April 25, 2018

For and behalf of the Board of Directors of
CMS Marshall Limited

Pankaj Khandelwal
Director

Rajiv Kaul
Director

4 SHARE CAPITAL

	As at March 31, 2018	As at March 31, 2017
Authorised		
50,000 (March 31, 2017 - 50,000) equity shares of ₹ 10 each	5,00,000	5,00,000
Issued, Subscribed & Paid up		
50,000 Equity shares (March 31, 2017 - 50,000) of ₹ 10 each fully paid up	5,00,000	5,00,000
	5,00,000	5,00,000

6 OTHER CURRENT LIABILITIES

	As at March 31, 2018	As at March 31, 2017
Statutory liabilities	89,78,771	38,08,111
	89,78,771	38,08,111

7 OTHER FINANCIAL LIABILITIES

	As at March 31, 2018	As at March 31, 2017
Payable to employees	5,23,77,127	4,17,93,772
	5,23,77,127	4,17,93,772

8 PROVISIONS

	As at March 31, 2018	As at March 31, 2017
Provision for gratuity	2,00,75,730	1,84,35,020
Provision for compensated leave	1,39,85,863	1,21,12,865
	3,40,61,593	3,05,47,885

9 TRADE RECEIVABLES

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	5,05,73,830	5,88,22,795
	5,05,73,830	5,88,22,795

10 CASH AND BANK BALANCES

	As at March 31, 2018	As at March 31, 2017
Balances with banks	30,33,703	54,51,856
	30,33,703	54,51,856

11 OTHER FINANCIAL ASSETS

	As at March 31, 2018	As at March 31, 2017
Advance to employees	79,449	54,077
Unbilled revenue	2,90,26,064	5,72,781
	2,91,05,513	6,26,858

12 REVENUE FROM OPERATIONS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of services	42,07,30,806	41,86,55,205
Less: Reimbursement of Conveyance Expenses	(6,62,46,571)	(5,79,87,402)
	35,44,84,235	36,06,67,803

13 OTHER INCOME

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on income tax refund	-	4,95,919
	-	4,95,919

14 EMPLOYEE BENEFITS EXPENSE

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries and wages, bonus & allowances	30,97,86,226	30,87,43,287
Gratuity	37,98,631	64,01,940
Other post employment benefits	48,43,482	54,56,353
Contribution to Providend and other funds	3,22,78,312	3,57,88,147
	35,07,06,651	35,63,89,727

15 OTHER EXPENSES

		For the year ended March 31, 2018	For the year ended March 31, 2017
Conveyance Expenses	6,62,46,571		
Reimbursement of Conveyance Expenses	(6,62,46,571)	-	7,703
Professional Fees		87,250	18,000
Bank Charges		3,323	9,443
Other Expenses		89,445	5,49,993
		1,80,018	6,10,139

1. Corporate Information:

CMS Marshall Limited ('the Company') was incorporated on January 13, 2006 and is a wholly owned subsidiary of CMS Securitas Limited. The Company provides Manpower services like back office staff, custodian, drivers, cashier and other allied services.

2. Summary of significant accounting policies:

a) Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 under the provisions of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof. The financial statements have been prepared under the historical cost basis except for assets and liabilities acquired under business combinations, which are carried at the fair value as on date of business combination and certain financial assets and liabilities that have been measured at fair value.

The financial statements are presented in Indian Rupees, 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) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises purchase price and any attributable cost of bringing assets to its working conditions for its intended use.

d) Depreciation and amortization:

Depreciation is provided on written down value method at the rates which are based on the useful life as estimated by the management and are equal to the rates prescribed under Schedule XIV to the Act. Fixed assets individually costing up to ₹ 5,000 are fully depreciated in the year of acquisition. Depreciation on assets acquired or disposed off during the year is provided on a pro-rata basis from / upto the date of acquisition / disposal.

e) Impairment of assets

The carrying value of assets is reviewed for impairment at each balance sheet date, when events or changes in circumstances indicate that the carrying values may not be recoverable. In addition, the management assesses whether there is any indication that an asset may be impaired based on internal/external factors. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is greater of the assets net selling price and value in use. In assessing value in use estimated future cash flows are discounted to their present value at the weighted average cost of capital.

f) Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and revenue can be reliably measured regardless of a payment being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks.

Goods & Service tax is not received by the Company on its own account. Rather, it is tax collected on value added to the commodity / services by the seller on behalf of the government. Accordingly, it is excluded from revenue.

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

Sale of services:

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

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

g) Retirement and other employee benefits

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

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

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

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

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

h) Income taxes

Current income tax

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

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

i) Earning per share

Basic EPS are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. The weighted average number of equity share outstanding during the year are adjusted for events of bonus issue, bonus elements in a rights issue to existing shareholders, share splits, and reverse share split (consolidation of shares), if any.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of share outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

j) 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 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.

k) 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.

l) Cash and Cash equivalents

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

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts and cash credits as they are considered an integral part of the Company's cash management.

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.

Estimates

Defined benefit plans (gratuity benefits)

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

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

16. Earnings Per Share (EPS)

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

Particulars	March 31, 2018	March 31, 2017
Profit/ (Loss) for the year attributable to equity shareholders	2,509,926	1,315,934
Weighted average number of equity shares for Basic and dilutive calculating basic EPS (Face value of ₹ 10 each)	50000	50000
Basic and dilutive (in ₹)	50.20	26.32

17. Employee benefits

Defined contribution plan

During the year, ended March 31, 2018 the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2018	March 31, 2017
Provident Fund	20,399,168	23,597,044
Employees' State Insurance Corporation	11,879,144	12,191,103
Total	**32,278,312**	**35,788,147**

Defined benefit plan

As per the payment of Gratuity Act, 1972, the Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The scheme of the Company is funded with an insurance company in the form of a qualifying insurance policy.

Management aims to keep annual contribution relatively stable at such a level such that no plan deficits will arise.

The Company has purchased 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 a increase in liability without corresponding increase in the asset).

The following table summarizes the components of net benefit expense recognized in the Statement of Profit and Loss and the funded status and amounts recognized in the balance sheet for the gratuity plans of the Company.

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

Particulars	March 31, 2018	March 31, 2017
Current service cost	3,904,967	4,351,241
Net interest cost	1,363,224	1,155,500
Expenses recognised in the Statement of Profit and Loss	**5,268,191**	**5,506,741**

Net employee benefits expense (recognised in Other Comprehensive Income):

Particulars	March 31, 2018	March 31, 2017
Actuarial (gains) / losses		
- change in demographic assumptions	-	121,703
- change in financial assumptions	(398,483)	1,207,329
- experience variance (i.e. actual experience vs assumptions)	(952,254)	(835,826)
- Return on plan assets, excluding amount recognised in net interest expense	13,674	8,253
Components of defined benefit cost recognised in other comprehensive income	**(1,337,063)**	**501,459**

Balance Sheet

Details of provision and fair value of plan assets

Particulars	March 31, 2018	March 31, 2017
Present value of obligation	24,716,929	22,769,378
Fair value of plan asset	4,641,199	4,334,358
Net Liability	**20,075,730**	**18,435,020**

Changes in present value of obligation

Particulars	March 31, 2018	March 31, 2017
Present value of obligation at the beginning of the year	22,769,378	18,853,237
Current service cost	3,904,967	4,351,241
Interest expense	1,683,739	1,469,507
Re-measurement (gain) / loss arising from	0.00	0.00
-change in demographic assumptions	0.00	121,703
-change in financial assumptions	(398,483)	1,207,329
-experience variance (i.e actual experience vs assumptions)	(952,254)	(835,826)
Benefits paid	(2,290,418)	(2,397,813)
Present value of obligation at the end of the year	**24,716,929**	**22,769,378**
Changes in the fair value of plan asset are as follows:		
Particulars	**March 31, 2018**	**March 31, 2017**
Fair value of plan assets at the beginning	4,334,358	4,028,604
Investment income	320,515	314,007
Net interest expense	(13,674)	(8,253)
Fair value of plan assets as at the end	**4,641,199**	**4,334,358**

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

Particulars	March 31, 2018	March 31, 2017
Weighted average duration (based on discounted cash flows)	11 Years	12 years

CMS MARSHALL LIMITED

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

Particulars	March 31, 2018	March 31, 2017
Discount rate	7.55%	7.40%
Salary Growth rate	5.00%	5.00%
Employee attrition rate	Upto 5 years of service – 25% above 5 years of service – 5%	Upto 5 years of service – 25% above 5 years 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.

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2018 is as shown below:

	March 31, 2018		March 31, 2017	
Particulars	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**	**Increase in assumption**
Discount Rate (-/+1%)	2,860,796	(2,415,144)	2,794,419	(2,344,735)
(% change compared to base due to sensitivity)	11.90%	-9.80%	12.30%	-10.30%
Salary Growth Rate (-/+1%)	(2490769)	2,906,429	(2,414,842)	2,834,800
(% change compared to base due to sensitivity)	-10.10%	11.80%	-10.60%	12.50%
Attrition Rate (-/+ 50% of attrition rates)	(1,227,168)	682,467	(1,084,131)	579,282
(% change compared to base due to sensitivity)	-5.70%	2.80%	-4.80%	2.50%
Mortality Rate (-/+10% of Mortality rates)	(16,644)	16,579	(14,986)	14,928
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

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

Other long term employee benefits

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

18. Related party disclosure

(a) Names of related parties and related party of relationship:

Related parties where control exists	
Ultimate Holding Company	CMS Info Systems Limited
Holding Company	CMS Securitas Limited
Fellow Subsidiary	Securitrans India Pvt. Limited

(b) Details of transactions with related parties:

Particulars	Transactions Year End March 31, 2018 ₹	Transactions Year End March 31, 2017 ₹	Amount Year End March 31 , 2018 ₹	Amount Year End March 31, 2017 ₹
Sale of Services				
Securitrans India Pvt. Limited	53,14,202	6,863,067		
CMS Info Systems Limited	320,716,709	383,778,474		
Reimbursement of Expenses				
CMS Info Systems Limited	66,126,221	69,124,624		
CMS Securitas Limited	-	-		
Securitrans India Pvt. Limited		159,109		
Receivables				
CMS Securitas Limited			236,134	236,134
CMS Info Systems Limited			50,295,682	58,329,246
Securitrans India Pvt. Limited			42,014	257,416

As per our report of even date
For Basant Jain & Associates
Firm registration number: 120131W
Chartered Accountants

BASANT JAIN & ASSOCIATES MUMBAI CHARTERED ACCOUNTANTS

Basant jain
Proprietor
Membership No.: 43791

For and on behalf of the Board of Directors of
CMS Marshall Limited.

Pankaj Khandelwal
Director

Rajiv Kaul
Director

Mumbai
April 25, 2018