

INDEPENDENT AUDITOR'S REPORT

To the Members of CMS Info Systems Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CMS Info Systems Limited (the "Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the "Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, 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, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone Ind AS financial statements.

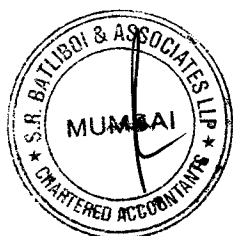


Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind 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 generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity 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 Annexure 1 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (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 with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report; and
 - (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 has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 30 to the standalone Ind AS financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and



S.R. BATLIBOI & ASSOCIATES LLP

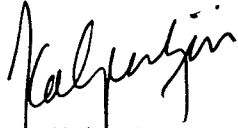
Chartered Accountants

Page 3 of 8
CMS Info Systems Limited

Auditor's Report - March 31, 2018

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

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



per Kalpesh Jain
Partner

Membership Number: 106406

Mumbai

June 07, 2018



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Page 4 of 8
CMS Info Systems Limited

Auditor's Report - March 31, 2018

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

Re: CMS Info Systems Limited (the "Company")

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i)(c) of the Order are not applicable to the Company.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) (a) The Company has granted a loan to a company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) The Company has granted loans that are repayable on demand including interest thereon, to a Company covered in the register maintained under Section 189 of the Act. We are informed that the repayments against the said loan has been regular when demanded during the year.
- (c) There are no amounts of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Act which are overdue for more than ninety days.
- (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 of the Act are applicable and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Act in respect of loans given, investments made and guarantees given have been complied with by the Company.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (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.



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

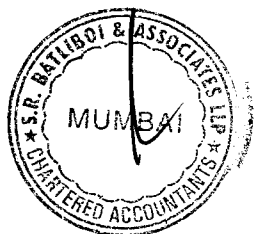
Page 5 of 8
CMS Info Systems Limited

Auditor's Report - March 31, 2018

- (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, duty of custom, value added tax, goods and services tax, cess and other statutory dues applicable to it. The provisions relating to duty of excise 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, sales tax, service tax, duty of custom, value added tax, goods and services tax, cess and other statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to duty of excise are not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs)	Period to which the amount relates	Forum where the dispute is pending
Rajasthan Value Added Tax Act, 2003	Value Added Tax	2,030,821	AY 2013-14, AY 2014-15	Deputy Commissioner of Value Added Tax, Rajasthan
Orissa Value Added Tax Act, 2004	Value Added Tax	368,094	AY 2013-14, AY 2014-15	Deputy Commissioner of Value Added Tax, Orrisa
Central Sales Tax Act, 1956	Central Sales Tax	498,469	AY 2013-14, AY 2014-15	Deputy Commissioner of Central Sales tax
West Bengal Value Added Tax Act, 2003	Value Added Tax	1,498,988	AY 2014-15	Senior Joint Commissioner of Commercial Taxes, West Bengal
Maharashtra Value Added Tax Act, 2002	Value Added Tax	7,525,606	AY 2013-14	Deputy Commissioner of Value Added Tax, Maharashtra

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a financial institution or bank. The Company did not have any outstanding debentures during the year.
- (ix) In our opinion and according to the information and explanation given by the management, the Company has utilised the monies raised by term loans for the purposes for which they were raised. 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.



S.R. BATLIBOI & ASSOCIATES LLP

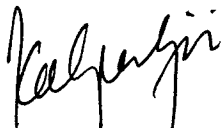
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Page 6 of 8
CMS Info Systems Limited

Auditor's Report - March 31, 2018

- (x) We have been informed by management of following frauds on the Company:
Six instances of cash embezzlements done by employees of the Company wherein the total amount involved was Rs 45,328,228. The Company has terminated the services of the concerned employees. Further, the Company has filed complaints with the Police and has also filed insurance claims for the recovery of amounts involved. Till date, the Company has recovered Rs 19,927,724 and Rs. 3,556,778 being doubtful of recovery has been written off during the year.
- (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.
- (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) of the Order 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 S.R. Batliboi & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 101049W / E300004



per Kalpesh Jain
Partner
Membership Number: 106406
Mumbai
June 07, 2018



S.R. BATLIBOI & ASSOCIATES LLP

Chartered Accountants

Page 7 of 8
CMS Info Systems Limited

Auditor's Report - March 31, 2018

Annexure 2 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our audit report of even date:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (the "Act")

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

Management's Responsibility for Internal Financial Controls

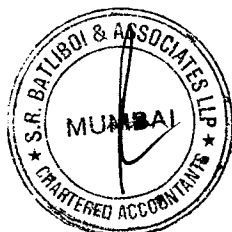
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone financial statements, 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 over financial reporting with reference to these standalone financial statements.



Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements

A company's internal financial control over financial reporting with reference to these standalone 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 control over financial reporting with reference to these standalone 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.

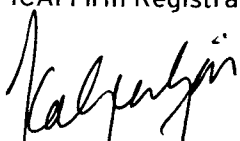
Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

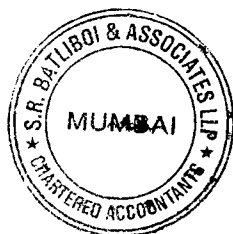
Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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


per Kalpesh Jain
Partner

Membership Number: 106406
Mumbai
June 07, 2018



CMS INFO SYSTEMS LIMITED
Balance Sheet as at March 31, 2018
(₹ in million)

	Notes	As at March 31, 2018	As at March 31, 2017
Assets			
Non-current assets			
Property, plant and equipment	4	556.85	568.68
Capital work-in-progress		2.81	14.59
Goodwill	5	1,041.08	1,041.08
Other Intangible assets	5	23.09	12.63
Financial assets			
Investments	6	1,245.56	1,237.65
Other financial assets	7	913.19	767.3 ⁴
Deferred tax assets (net)	8	275.62	233.14
Income tax assets (net)		33.11	51.77
Other non-current assets	9	50.35	66.37
		4,141.66	3,993.26
Current assets			
Inventories	10	236.47	108.48
Financial assets			
Investments	6	904.61	190.11
Trade receivables	11	1,137.70	1,233.19
Cash and cash equivalents	12	598.36	106.27
Other bank balances	12	50.86	44.33
Other financial assets	7	1,093.92	1,418.92
Other current assets	9	259.84	194.88
		4,281.76	3,296.18
Total		8,423.42	7,289.44
Equity and liabilities			
Equity			
Equity share capital	13(a)	1,480.00	1,480.00
Other equity	13(b)	5,225.01	4,265.27
Total equity attributable to equity holders		6,705.01	5,745.27
Non-current liabilities			
Financial liabilities			
Borrowings	14	-	6.90
Provisions	16	0.43	2.77
		0.43	9.67
Current liabilities			
Financial liabilities			
Borrowings	14	-	33.08
Trade payables		671.61	735.56
Others	15	969.75	658.11
Liabilities for current tax (net)		-	25.31
Provisions	16	32.42	52.92
Other liabilities	17	44.20	29.52
		1,717.98	1,534.5⁰
Total		8,423.42	7,289.44
Summary of significant accounting policies	2		

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

As per our report of even date.

For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Kalpesh Jain
per Kalpesh Jain
Partner
Membership No.: 106406



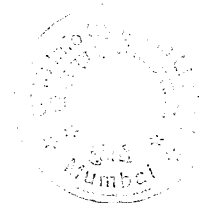
For and on behalf of the Board of Directors of
CMS Info Systems Limited

Ashish Agrawal *Rajiv Kaul*
Ashish Agrawal Director
DIN No.: 00163344 ,

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

Pankaj Khandelwal
Pankaj Khandelwal
Chief Financial Officer

Praveen Soni
Praveen Soni
Company Secretary



Place: Mumbai
Date: June 07, 2018

Place: Mumbai
Date: June 07, 2018

CMS INFO SYSTEMS LIMITED
Statement of profit and loss for the year ended March 31, 2018
(₹ in million)

	Notes	For the year ended March 31, 2018	For the year ended March 31, 2017
Income			
Revenue from operations	18	7,418.49	7,833.57
Finance income	19	92.20	56.11
Other income	20	59.36	13.57
Total income		7,570.05	7,903.25
Expenses			
Purchase of traded goods	21	512.60	667.79
(Increase) / Decrease in inventories	22	(106.29)	148.28
Employee benefit expenses	23	705.52	594.97
Depreciation and amortisation	4 & 5	208.22	213.95
Finance costs	24	8.10	45.50
Other expenses	25	5,085.30	5,079.67
Total Expenses		6,413.45	6,750.16
Profit before tax		1,156.60	1,153.09
Tax expense			
Current tax		438.00	480.00
Deferred tax credit		(43.06)	(72.31)
Total tax expense		394.94	407.69
Profit for the year attributable to equity shareholders		761.66	745.40
Other comprehensive income ('OCI')			
OCI not to be reclassified to Statement of Profit and Loss in subsequent periods			
Remeasurement gains / (losses) on defined benefit plans		1.71	1.63
Income tax effect		(0.58)	(0.57)
Other comprehensive income for the year, net of tax		1.13	1.06
Total comprehensive income for the year		762.79	746.46
Earning per equity share (nominal value of share ₹ 10)			
Basic	26	5.15	5.04
Diluted		5.07	5.04
Summary of significant accounting policies	2		

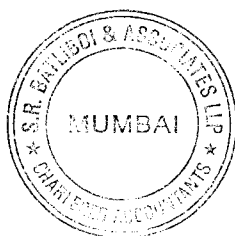
The accompanying notes form an integral part of the financial statements.

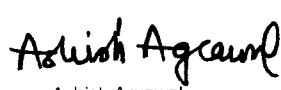
As per our report of even date.

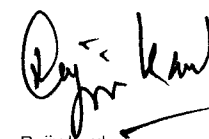
For S.R. Batliboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

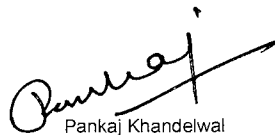
For and on behalf of the Board of Directors of CMS Info Systems Limited

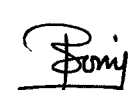

Kalpesh Jain
Partner
Membership No: 106406




Ashish Agrawal
Director
DIN No.: 00163344


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


Pankaj Khandelwal
Chief Financial Officer


Praveen Soni
Company Secretary



Place: Mumbai
Date: June 07, 2018

Place: Mumbai
Date: June 07, 2018

CMS INFO SYSTEMS LIMITED
Cash flow statement for the year ended March 31, 2018
(₹ in million)

	For the year ended March 31, 2018	For the year ended March 31, 2017
Cash flow from operating activities		
Profit before tax	1,156.60	1,153.09
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation	208.22	213.95
Unrealised foreign exchange gain	(0.38)	(1.20)
Impairment allowance for bad and doubtful receivables and unbilled revenue	114.81	164.75
(Profit) / loss on disposal of property, plant and equipment (net)	(2.58)	4.22
Sundry balances written back	(8.48)	(10.05)
Impairment for doubtful insurance claims	18.30	(2.49)
Bad debts written back	(29.60)	-
Finance income	(92.20)	(56.11)
Gain on fair value / sale of investments	(14.35)	(0.11)
Employee stock option compensation cost	192.24	133.61
Finance costs	8.10	45.50
Operating profit before working capital changes	1,305.46	1,645.16
Movement in working capital:		
(Decrease) / Increase in trade and other payables	281.93	(939.95)
(Decrease) in provisions	(23.43)	(13.44)
(Increase) / Decrease in inventories	(127.99)	133.70
Decrease in trade receivables	253.80	561.49
Decrease in other assets and prepayments	257.41	279.05
Cash flow generated from operations	1,947.19	1,666.01
Direct taxes paid (net of refunds)	(444.65)	(460.51)
Net cash flow from operating activities (A)	1,502.54	1,205.50
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2.87	0.07
Purchase of property, plant and equipment, intangible assets (including CWIP and capital advances)	(141.87)	(122.04)
Investments in mutual funds (net)	(710.00)	(190.00)
Gain on sale of investments	9.85	-
Advances given to subsidiary including interest received (net)	(70.77)	(329.84)
Purchase consideration paid on acquisition of business (refer Note 33)	-	(63.25)
Margin money deposits matured	12.50	27.87
Margin money deposits placed	(3.26)	(23.57)
Investment in fixed deposit	(11.88)	-
Interest received	2.92	47.04
Net cash flow used in investing activities (B)	(909.63)	(653.12)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	10.91
Repayment of long-term borrowings	(6.90)	(60.03)
Repayment of short-term borrowings (net)	(34.86)	(477.20)
Finance costs	(5.99)	(42.77)
Net cash flow used in financing activities (C)	(47.75)	(569.09)
Net increase in cash and cash equivalents (A+B+C)	545.16	(17.31)
Cash and cash equivalents at the beginning of the year	52.18	69.49
Cash and cash equivalents at the end of the year (refer note below)	597.34	52.18
Components of cash and cash equivalents:	As at March 31, 2018	As at March 31, 2017
Cash on hand	0.68	4.33
Cheque in hand	28.49	41.84
In deposits account with original maturity of less than three months	440.00	-
Balances with banks		
On current accounts	129.19	60.10
Cash and cash equivalents (refer note 12)	598.36	106.27
Less: Cash credit facilities (refer note 14)	-	(30.24)
Less: Book overdraft (refer note 15)	(1.02)	(23.85)
Cash and cash equivalents at the end of the year	597.34	52.18

Note: There are no changes in liabilities arising from financing activities, due to non-cash changes.

As per our report of even date.

For S.R. Battiboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

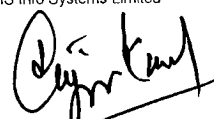

per Kalpesh Jain
Partner
Membership No.: 106406



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

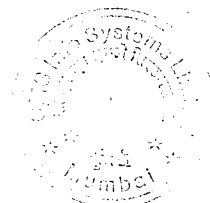
Ashish Agrawal
Director
DIN No.: 00163344


Pankaj Khandelwal
Chief Financial Officer



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


Praveen Soni
Company Secretary



Place: Mumbai
Date: June 07, 2018

Place: Mumbai
Date: June 07, 2018

CMS INFO SYSTEMS LIMITED
Statement of changes in equity for the year ended March 31, 2018
(₹ in million)

Particular	Equity share capital	Reserve and surplus				Total equity
		Securities premium	Share based payment reserve (refer note 39)	Capital redemption reserve	Retained earnings	
As at March 31, 2016	1,480.00	42.87	-	150.00	3,189.81	4,862.68
Profit for the year	-	-	-	-	745.40	745.40
Other comprehensive income	-	-	-	-	1.06	1.06
Total comprehensive income	-	-	136.13	-	746.46	746.46
Employee stock option compensation cost	-	-	136.13	-	-	136.13
As at March 31, 2017	1,480.00	42.87	136.13	150.00	3,936.27	5,745.27
Profit for the year	-	-	-	-	761.66	761.66
Other comprehensive income	-	-	-	-	1.13	1.13
Total comprehensive income	-	-	-	-	762.79	762.79
Employee stock option compensation cost	-	-	196.95	-	-	196.95
As at March 31, 2018	1,480.00	42.87	333.08	150.00	4,699.06	6,705.01

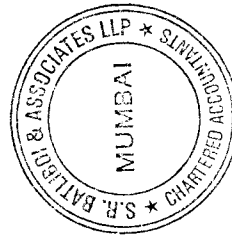
Summary of significant accounting policies (Refer Note 2)

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

As per our report of even date.

For S.R. Battiboi & Associates LLP
ICAI Firm registration number: 101049W / E300004
Chartered Accountants

Kalpesh Jain
per Kalpesh Jain
Partner
Membership No.: 106406

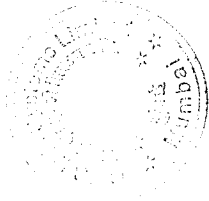


For and on behalf of the Board of Directors of CMS Info Systems Limited

Ashish Agarwal
Ashish Agarwal
Director
DIN No.: 00163344

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

Pankaj Khandeival
Pankaj Khandeival
Chief Financial Officer



Praveen Soni
Praveen Soni
Company Secretary

Place: Mumbai
Date: June 07, 2018

Place: Mumbai
Date: June 07, 2018

CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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 V Limited, Mauritius, 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 Silver Metropolis, 11th Floor, Jay coach compound, opp Western Express Highway, Goregaon (East), Mumbai 400063

The financial statements were authorised for issue in accordance with a resolution of the directors on June 07, 2018.

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, as amended 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 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.

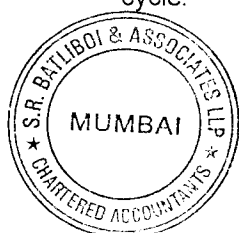
A liability is current when it is:

- 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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

c) Property, plant and equipment

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

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

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

The Company provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful lives of the assets as estimated by the management which are equal to the corresponding rates prescribed in Schedule II to the Act for all property, plant and equipment except for Vehicles (used for ATM and Cash Management business) and plant and machinery.

The Company has estimated the following lives to provide depreciation 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

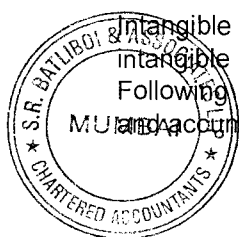
*The Company, based on technical assessment made by technical expert and the management's estimate of useful lives, depreciates certain items of plant and equipment and vehicles (used for ATM and Cash Management business) over the estimated useful lives which are different from the useful lives prescribed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

Leasehold improvements are depreciated on a straight line basis over the shorter of the estimated useful life of the asset or the lease term, 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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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 years
Customer Contracts (Purchased)	3 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

Goodwill

Goodwill represents the excess of purchase consideration paid over the book value of net assets of CMS Computers Limited taken over by the Company in accordance with the Scheme of Arrangement with the CMS Computers Limited. The Scheme was effective from April 01, 2008. Goodwill is tested for impairment annually at the cash-generating unit level.

e) Impairment of non- financial assets

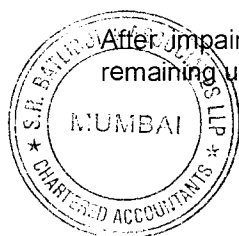
The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's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

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

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

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

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

f) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

In case the Company determines that an arrangement at inception contains lease, the lease for accounting is classified into operating or finance lease. The consideration of the arrangement is separated at the inception of the arrangement, or upon a reassessment of the arrangement, into those for the lease and those for other elements on the basis of their relative fair values. If separation of consideration or future payments is impracticable, in case of operating lease the Company treats all payments under the arrangement as lease payments for the purposes of complying with the disclosure requirement.

Where the Company is the lessee

Leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term unless the increase is linked with the increase in general inflation index.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rent is recognised as revenue in the period in which it is earned.

g) Inventories

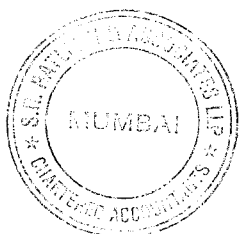
Inventories are valued at lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of trading goods, stores and spares is determined on a weighted average basis. Net realisable value is the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

h) Revenue recognition

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

Sales tax, Service tax, Value added tax (VAT) and Goods and Service tax (GST) 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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

Sale of goods:

Revenue from sale of goods is recognised when all the significant risks and rewards of ownership of the goods have been passed to the buyer usually on delivery of the goods. Sale consideration is recognized at fair value and is net of returns and allowance and any discounts as per Ind AS 18.

Sale of services:

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

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

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

Sale of ATM Sites:

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

Interest income:

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

i) Foreign currencies

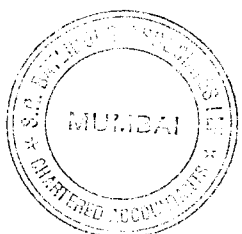
Transactions in foreign currencies are initially recorded by the Company at the functional currency spot rates, at the date the transaction first qualifies for recognition.

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

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

j) Retirement and other employee benefits

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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

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

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

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

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

k) Income taxes

Current income tax

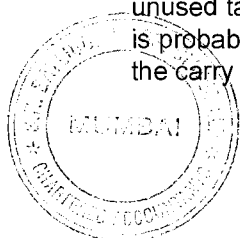
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income-tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting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

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

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all tax deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority

l) Earnings per share

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

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

m) Provisions

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold or service provided to the customer. Initial recognition is based on historical experience. The initial estimate of warranty-related costs is revised annually.

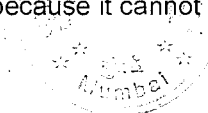
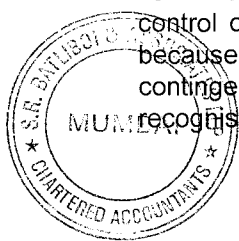
Others

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

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

n) Contingent liabilities

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

o) Cash and cash equivalents

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

p) Share based payment

Employees (including senior 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).

q) Equity settled transaction

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

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

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

r) Fair value measurement

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

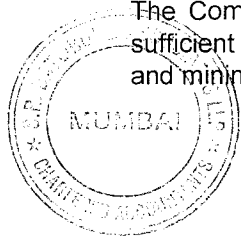
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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

- | | |
|----------|--|
| Level 1: | Quoted (unadjusted) market prices in active markets for identical assets or liabilities |
| Level 2: | Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable |
| Level 3: | Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

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

External valuers are involved for valuation of significant assets, such as 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

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Subsequent measurement

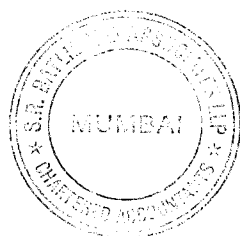
For purposes of subsequent measurement, financial assets are classified in four categories:

- Debt instruments at amortised cost
- Debt instruments at fair value through other comprehensive income (FVTOCI)
- Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Debt instruments at amortised cost

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

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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

Debt instrument at FVTPL

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

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

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

Equity investments

Investment in subsidiaries

Investment in subsidiaries is carried at cost in the 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 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.

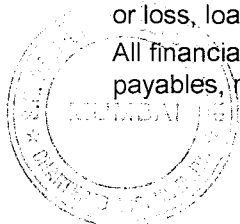
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

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

Financial guarantee contracts

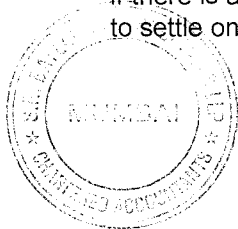
Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised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

Derecognition

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

Offsetting of financial instruments

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

Impairment of financial assets

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

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

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

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 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.

CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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.

t) 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

u) 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:

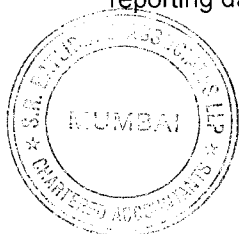
Operating lease commitments – Company as lessee

The Company has entered into commercial property leases for its offices and premises. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the commercial property and the fair value of the asset, that it does not retain all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

Estimates

Defined benefit plans (gratuity benefits)

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(Amount in ₹)

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 27 for sensitivity analysis in relation to this estimate.

Property, plant and equipment

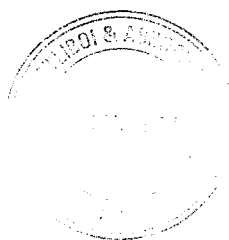
Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual 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

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 32.

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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

4 Property, plant and equipment

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, 2016	213.88	50.97	135.12	928.67	31.31	44.64	241.55	1,650.15
Additions during the year	21.69	1.93	8.59	52.05	1.31	6.31	16.32	108.20
Assets acquired on business combination (Refer Note 33)	52.22	-	16.77	-	-	-	0.08	69.07
Deletions during the year	28.20	0.37	3.39	8.00	0.53	1.27	1.77	43.53
Gross block value as at March 31, 2017	289.60	52.53	161.09	972.72	32.09	49.68	256.18	1,783.89
Additions during the year	106.04	4.47	36.47	14.75	0.70	2.96	17.55	182.94
Deletions during the year	-	-	-	18.18	-	-	-	18.18
Gross block value as at March 31, 2018	365.64	57.00	197.56	969.29	32.79	52.64	273.73	1,948.65
Accumulated depreciation as at March 31, 2016	112.46	43.68	100.78	513.43	27.47	27.77	220.61	1,046.20
Depreciation for the year	31.70	2.93	17.33	132.69	1.89	5.92	15.81	208.27
Accumulated depreciation on disposals	26.35	0.35	2.69	6.94	0.38	0.95	1.59	39.26
Accumulated depreciation as at March 31, 2017	117.81	46.26	115.42	639.18	28.98	32.73	234.83	1,215.21
Depreciation for the year	37.55	3.00	15.16	119.84	1.37	4.90	12.65	194.47
Accumulated depreciation on disposals	-	-	-	17.88	-	-	-	17.88
Accumulated depreciation as at March 31, 2018	155.36	49.26	130.58	741.14	30.35	37.63	247.48	1,391.80
Net block as at March 31, 2017	141.79	6.27	45.67	333.54	3.11	16.95	21.35	568.68
Net block as at March 31, 2018	210.28	7.74	66.98	228.15	2.44	15.01	26.25	556.95

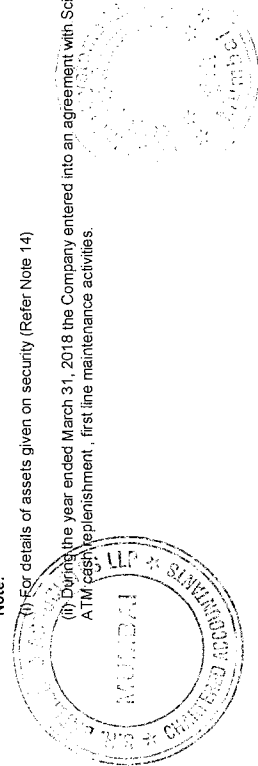
5 Intangible assets

Particulars	Computer software	Customer Contract	Total	Goodwill
Gross block value as at March 31, 2016	41.48	-	41.48	1,035.18
Asset acquired on business combination	4.94	6.63	11.57	5.90
Additions during the year (Refer Note 33)	-	-	-	-
Deletion during the year	-	-	-	-
Gross block value as at March 31, 2017	46.42	6.63	53.05	1,041.08
Additions during the year (Refer Note (i) below)	15.52	8.69	24.21	-
Deletion during the year	-	-	-	-
Gross block value as at March 31, 2018	61.94	15.32	77.26	1,041.08
Accumulated amortisation as at March 31, 2016	34.74	-	34.74	-
Amortisation for the year	5.13	0.55	5.68	-
Deletion during the year	-	-	-	-
Accumulated amortisation as at March 31, 2017	39.87	0.55	40.42	-
Amortisation for the year	8.44	5.31	13.75	-
Deletion during the year	-	-	-	-
Accumulated amortisation as at March 31, 2018	48.31	5.86	54.17	-
Net block as at March 31, 2017	6.56	6.08	12.63	1,041.08
Net block as at March 31, 2018	13.63	9.46	23.09	1,041.08

Note:

(i) For details of assets given on security (Refer Note 14)

(ii) During the year ended March 31, 2018 the Company entered into an agreement with Scientific Security Management Services Private Limited ('SSMS') to acquire business contracts of SSMS which includes business of ATM cash replenishment, first line maintenance activities.



6 INVESTMENTS

	As at March 31, 2018	As at March 31, 2017
(a) Non-current investments		
Investments in equity shares of subsidiary companies (unquoted, fully paid up, valued at cost)		
950,000 (March 31, 2017 - 950,000) equity shares of ₹ 10 each of CMS Securitas Limited	26.30	23.29
95,000 (March 31, 2017 - 95,000) equity shares of ₹ 100 each of Securitrans India Private Limited	1,219.16	1,214.26
10,000 (March 31, 2017 - 10,000) equity shares of ₹ 10 each of Quality Logistics Services Private Limited	0.10	0.10
	<u>1,245.56</u>	<u>1,237.65</u>
(b) Current investments in units of unquoted mutual fund (at fair value through profit and loss)		
	As at March 31, 2018	As at March 31, 2017
Nil Units (March 31, 2017: 1,899,841 Units) in ICICI Prudential Liquid Plan- Daily Dividend	-	190.11
2,385,127 Units (March 31, 2017: Nil Units) in ICICI Prudential Liquid Plan- Growth	613.30	-
581,870 Units (March 31, 2017: Nil Units) ABSL Savings Fund-Growth	200.13	-
967,286 Units (March 31, 2017: Nil Units) ABSL Banking and PSU Debt Fund Growth	50.70	-
174,510 Units (March 31, 2017: Nil Units) ABSL Floating rate Fund STP-Growth	40.48	-
	<u>904.61</u>	<u>190.11</u>
Aggregate amount of unquoted investments	2,150.17	1,427.76

7 OTHER FINANCIAL ASSETS

	Non - Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good				
Loans to subsidiary (refer note (i) below)	807.89	654.76	-	-
Insurance claims receivable	-	-	35.83	84.50
Accrued Interest	-	-	0.96	-
Unbilled revenue	-	-	1,042.46	1,171.85
Funds held relating to cash management activity [refer note (ii) below]	-	-	30.01	172.19
Balance in fixed deposit accounts with original maturity more than 12 months	11.88	-	-	-
Margin money deposits [refer note (iii) below]	5.14	20.90	-	-
Advances to employees	-	-	3.00	9.40
Sundry deposits	88.28	91.69	1.74	2.75
	<u>913.19</u>	<u>767.35</u>	<u>1,114.00</u>	<u>1,440.69</u>
Unsecured, considered doubtful				
Advances to employees	0.44	0.45	-	-
Sundry deposits	0.06	0.06	-	-
Insurance claims receivable	74.06	55.76	-	-
	<u>74.56</u>	<u>56.27</u>	<u>-</u>	<u>-</u>
Less: Impairment allowance for doubtful assets and unbilled revenue	(74.56)	(56.27)	(20.08)	(21.77)
	<u>913.19</u>	<u>767.35</u>	<u>1,093.92</u>	<u>1,418.92</u>

Notes:

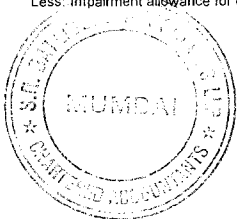
- i) Loans to subsidiary represent loan given to Securitrans India Private Limited, wholly owned subsidiary, for working capital requirements.
- ii) Funds held relating to cash management activity represents the net funds invested by the Company in one of the services of Cash management. These include Bank balances and Cash in Vaults as reduced by the amounts payable to customers.
- iii) Margin money deposits given as security
Margin money deposits with carrying amount of ₹ 5.12 million (March 31, 2017: ₹ 6.80 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 ₹ 0.02 million (March 31, 2017 - ₹ 14.10 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

8 DEFERRED TAX ASSETS (NET)

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets		
Impairment allowance for bad and doubtful receivables and unbilled revenue	70.90	116.02
Impairment allowance for doubtful advances	0.69	20.88
Provision for employee benefits	18.71	8.05
Employee stock option compensation cost	112.77	47.11
Difference between depreciation and amortisation as per books of accounts and tax	33.48	12.36
Others	39.07	28.92
Deferred tax assets (net)	<u>275.62</u>	<u>233.14</u>
Deferred tax reconciliation		
	As at March 31, 2018	As at March 31, 2017
Opening balance	233.14	163.68
Tax during the year recognised in Statement of Profit and Loss	43.06	72.31
Tax during the year recognised in other comprehensive income	(0.58)	(0.57)
Tax on on fair value of assets acquired on business combination recognised in goodwill	-	(2.28)
Closing balance	<u>275.62</u>	<u>233.14</u>
Tax reconciliation		
Particulars		
Profit before tax	1,156.60	1,153.09
At statutory income tax rate of 34.608% (March 31, 2017: 34.608%)	400.28	399.06
Effect of non-deductible items under tax laws	(5.33)	8.63
At the effective income tax rate of 34.15% (March 31, 2017: 35.36%)	<u>394.94</u>	<u>407.69</u>
Income tax expense reported in the Statement of Profit and Loss	394.94	407.69

9 OTHER ASSETS

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good				
Advances recoverable in kind or for value to be received	-	-	177.03	55.98
Capital advances	0.77	9.95	-	-
Receivable from Government Authorities	44.78	44.78	72.72	109.77
Prepaid expenses	4.80	11.64	10.09	29.13
	<u>50.35</u>	<u>66.37</u>	<u>259.84</u>	<u>194.88</u>
Unsecured, considered doubtful				
Advances recoverable in kind or for value to be received	1.98	3.48	-	-
	<u>1.98</u>	<u>3.48</u>	<u>-</u>	<u>-</u>
Less: Impairment allowance for doubtful advances	(1.98)	(3.48)	-	-
	<u>50.35</u>	<u>66.37</u>	<u>259.84</u>	<u>194.88</u>



10 INVENTORIES

	As at March 31, 2018	As at March 31, 2017
Valued at lower of cost and net realisable value		
Trading goods (refer note below)	168.10	61.81
Stores and spares	68.37	46.67
	236.47	108.48

Note:

Trading stock includes stock at ATM sites which are not installed as at March 31, 2018 amounting to ₹8.24 million (March 31, 2017 - ₹ 36.16 million).

11 TRADE RECEIVABLES

	As at March 31, 2018	As at March 31, 2017
Unsecured		
Considered good	1,322.47	1,546.67
Less : Impairment allowance for bad and doubtful receivables	(184.77)	(313.48)
	1,137.70	1,233.19

12 CASH AND BANK BALANCES

	As at March 31, 2018	As at March 31, 2017
Cash and cash equivalents		
Balances with banks		
On current accounts	129.19	60.10
In deposits account with original maturity of less than three months	440.00	-
Cheques in hand	28.49	41.84
Cash on hand	0.68	4.33
	598.36	106.27
Other bank balances		
Margin money deposits (refer note below)	50.86	44.33
	50.86	44.33

Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 25.54 million (March 31, 2017 : ₹ 18.10 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Company for pending court cases and deposits of ₹ 25.32 million (March 31, 2017 - ₹ 26.23 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

13(a) SHARE CAPITAL

	As at March 31, 2018	As at March 31, 2017
Authorised share capital		
173,000,000 (March 31, 2017 - 148,000,000) equity shares of ₹ 10 each	1,730.00	1,480.00
1,500,000 (March 31, 2017 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ₹ 100 each	150.00	150.00
	1,880.00	1,630.00
Issued, subscribed and fully paid up shares:		
148,000,000 (March 31, 2017- 148,000,000) equity shares of ₹ 10 each	1,480.00	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 ensuing 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

Name of the Shareholder	As at March 31, 2018		As at March 31, 2017	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ₹ 10 each fully paid up				
Sion Investment Holdings Pte. Limited (Holding company)	147,999,994	99.99%	147,999,994	99.99%
Total	147,999,994	99.99%	147,999,994	99.99%

Notes:

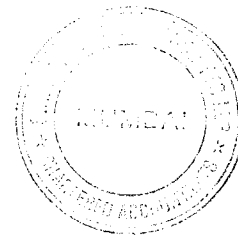
i) As per records of the Company, including its register of share holders / members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

(iii) Shares reserved for issue under options

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

13(b) Other equity

	As at March 31, 2018	As at March 31, 2017
Securities premium		
Opening balance	42.87	42.87
Add: Securities premium on shares issued during the year	-	-
Closing balance	42.87	42.87
Share based payment reserve (refer note 39)		
Opening balance	136.13	-
Add : Employee stock option compensation cost during the year	196.95	136.13
Closing balance	333.08	136.13
Capital redemption reserve		
Opening balance	150.00	150.00
Add: Transfer during the year	-	-
Closing balance	150.00	150.00
Retained earnings		
Opening balance	3,936.27	3,189.81
Add: Net profit after tax transferred from Statement of Profit and Loss	761.66	745.40
Other comprehensive income	1.13	1.06
Closing balance	4,699.06	3,936.27
Total	5,225.01	4,265.27



14 BORROWINGS

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
LONG-TERM BORROWINGS				
Term loans from banks				
Secured				
Vehicle loans [refer note (I) below]	-	6.90	-	32.02
	-	6.90	-	32.02
The above amount includes				
Amount disclosed under the head "Other financial liabilities" (refer note 15)	-	-	-	(32.02)
	-	6.90	-	-
SHORT-TERM BORROWINGS				
Secured				
Cash credit facilities with banks [refer note (II) below]			-	30.24
Vehicle loans [refer note (I) below]			-	2.84
			-	33.08

I) Vehicle loans: Repayable in 12 to 36 equated monthly instalments, secured by exclusive charge on vehicles procured from such loans. The loans carry interest @ 8.50% to 9.90% p.a. (March 31, 2017 - 8.99% to 10.67% p.a.).

II) Cash credit facilities with various banks are secured by hypothecation of current assets and second charge on movable fixed assets of the Company. These are repayable on demand and carry rate of interest @ 8.80% to 10.30% p.a. (March 31, 2017 - 8.80% to 12.00% p.a.).

15 OTHER FINANCIAL LIABILITIES

	Current	
	As at March 31, 2018	As at March 31, 2017
Current maturities of long term borrowing (refer note 14)	-	32.02
Capital creditors	51.13	6.80
Interest accrued but not due on borrowings	-	0.17
Payable to employees	114.45	102.97
Accrued expenses	803.15	480.80
Advance from customers	-	11.50
Book overdraft	1.02	23.85
	969.75	658.11

16 PROVISIONS

	Non-Current		Current	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits				
For gratuity (refer note 27)	-	-	9.97	8.31
For compensated absences	-	-	17.51	14.94
Other provisions				
Provision for warranty (refer note 37)	0.43	2.77	4.94	29.67
	0.43	2.77	32.42	52.92

17 OTHER LIABILITIES

	Current	
	As at March 31, 2018	As at March 31, 2017
Statutory liabilities	42.61	29.52
Unearned revenue	1.59	-
	44.20	29.52

CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹. in million)

18 REVENUE FROM OPERATIONS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sale of ATM and ATM Sites	360.40	899.72
Sale of products	294.58	260.26
Sale of services	6,763.51	6,673.59
Revenue from operations	7,418.49	7,833.57
Details of products sold		
ATM Spares	163.57	138.10
Cards	128.62	118.90
Others	2.39	3.26
	294.58	260.26
Details of services rendered		
ATM and Cash management services	5,967.24	6,029.34
AMC services	535.63	316.30
Card Personalisation	260.64	327.95
	6,763.51	6,673.59

19 FINANCE INCOME

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest income on		
Bank deposits	3.87	4.30
Loan to subsidiary	82.36	42.74
Security deposits measured at amortised cost using 'EIR' basis	2.77	5.87
Financial guarantee income	3.20	3.20
	92.20	56.11

20 OTHER INCOME

	For the year ended March 31, 2018	For the year ended March 31, 2017
Sundry credit balances written back	8.48	10.06
Profit on sale of property, plant and equipment (net)	2.58	-
Bad debts written back	29.60	-
Foreign exchange gain (net)	4.33	-
Gain on fair value / sale of current investments	14.35	0.11
Miscellaneous income	0.02	3.40
	59.36	13.57

21 PURCHASE OF TRADED GOODS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Purchase of traded goods	512.60	667.79
Details of purchases		
ATM	371.10	533.72
AC / UPS (used for ATM sites)	43.06	45.65
Others	98.44	88.42
	512.60	667.79

22 (INCREASE) / DECREASE IN INVENTORIES

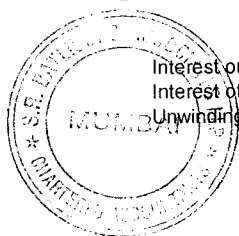
	For the year ended March 31, 2018	For the year ended March 31, 2017
Inventories at the end of the year		
Traded goods	168.10	61.81
Inventories at the beginning of the year		
Traded goods	61.81	210.09
	(106.29)	148.28

23 EMPLOYEE BENEFIT EXPENSE

	For the year ended March 31, 2018	For the year ended March 31, 2017
Salaries, wages and bonus	442.16	397.77
Contribution to provident and other funds (refer note 27)	23.23	21.51
Gratuity expense	6.28	4.10
Share based payments to employees (refer note 39)	192.24	133.61
Staff welfare expenses	41.61	37.98
	705.52	594.97

24 FINANCE COSTS

	For the year ended March 31, 2018	For the year ended March 31, 2017
Interest on borrowings	5.81	40.84
Interest others	-	1.37
Unwinding of discount on warranty (refer note 37)	2.29	3.29
	8.10	45.50



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

25 OTHER EXPENSES

	For the year ended March 31, 2018	For the year ended March 31, 2017
Service and security charges	2,691.50	2,638.30
Conveyance and traveling expenses	584.40	640.52
Vehicle maintenance, hire and fuel cost	747.60	727.01
Consumption of stores and spares	222.10	272.47
Lease rentals (refer note 28)	176.87	137.59
Legal, professional and consultancy fees	79.50	61.91
Freight and forwarding charges	44.65	41.03
Power and electricity charges	47.56	46.95
Insurance	78.82	76.94
Communication costs	40.25	47.40
Trade receivables written off	245.21	114.98
Less : Out of the provision of earlier years	(245.21)	(114.98)
Impairment allowance for bad and doubtful receivables and unbilled revenue	114.81	164.75
Cash disposal charges	49.86	49.39
Impairment allowance for doubtful insurance claims	18.30	-
Cash lost in transit	0.58	5.70
Repairs and maintenance- Building	0.73	0.08
- Plant and Machinery	0.81	0.28
- Others	8.51	18.65
Loss on sale / write off of property, plant and equipment (net)	-	4.22
Payment to auditors (Refer Note (I) below)		
As auditors:		
Audit fees	8.50	8.80
Reimbursement of expenses	0.14	0.10
Miscellaneous expenses	169.81	137.58
	5,085.30	5,079.67

Note:

(I) Payment to auditors doesn't include fees towards DRHP related services in relation to the planned initial public offer of the Company amounting to ₹18.41 million (inclusive of goods and services tax). The amount is recoverable from the selling shareholders and classified as Advances recoverable in kind or for value to be received under Note 9.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

26. 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 for the year attributable to equity shareholders	761.67	745.40
Weighted average number of equity shares for Basic EPS	148,000,000	148,000,000
Weighted average number of equity shares on account of Employees' stock option scheme for dilutive impact	2,184,158	-
Weighted average number of equity shares for calculating diluted EPS	150,184,188	148,000,000
Earnings Per Share		
Basic (in ₹)	5.15	5.04
Diluted (in ₹)	5.07	5.04

27. Employee benefits

Defined contribution plan

During the year ended March 31, 2018 and March 31, 2017 the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2018	March 31, 2017
Provident Fund and Employees family pension scheme	19.53	18.95
Employees' State Insurance Corporation	3.70	2.56
Total	23.23	21.51

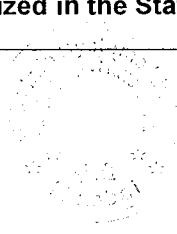
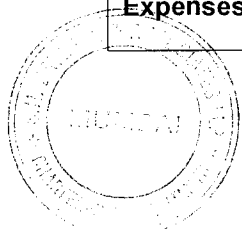
Defined benefit plan

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 Company has purchased 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 Company. Any deficit in the assets arising as a result of such valuations is funded by the Company. 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 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	2.80	3.47
Past service cost	2.85	-
Net interest cost	0.63	0.63
Expenses recognized in the Statement of Profit and Loss	6.28	4.10



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

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

Particulars	March 31, 2018	March 31, 2017
Actuarial (gains) / losses		
- change in demographic assumptions	-	(2.53)
- change in financial assumptions	(0.09)	0.84
- experience variance (i.e. actual experience vs assumptions)	(1.71)	0.73
- Return on plan assets, excluding amount recognized in net interest expense	0.09	(0.67)
Components of defined benefit cost recognized in other comprehensive income	(1.71)	(1.63)

Balance Sheet

Details of provision and fair value of plan assets

Particulars	March 31, 2018	March 31, 2017
Present value of obligation	24.83	22.20
Fair value of plan asset	14.86	13.89
Net liability	(9.97)	(8.31)

Changes in present value of obligation

Particulars	March 31, 2018	March 31, 2017
Present value of obligation at the beginning of the year	22.20	20.55
Current service cost	2.81	3.47
Interest expense	1.68	1.57
Re-measurement (gain) / loss arising from		
-change in demographic assumptions	-	(2.53)
-change in financial assumptions	(0.09)	0.84
-experience variance (i.e. actual experience vs assumptions)	(1.71)	0.73
Past service cost	2.85	-
Benefits paid	(2.91)	(2.43)
Present value of obligation at the end of the year	24.83	22.20

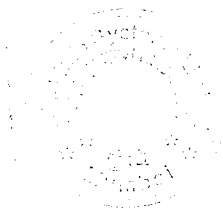
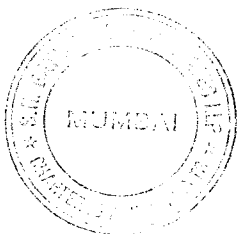
Changes in the fair value of plan asset are as follows:

Particulars	March 31, 2018	March 31, 2017
Fair value of plan assets at the beginning	13.89	12.28
Investment income	1.06	0.94
Return on plan assets excluding amount recognized in net interest expenses	(0.09)	0.67
Fair value of plan assets as at the end	14.86	13.89

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

	March 31, 2018	March 31, 2017
Investment with insurer through trust	100%	100%

The Company expects to contribute ₹ Nil (March 31, 2017 - ₹ 5 million) to gratuity fund during the annual period beginning after balance sheet date.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

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)	8 years	8 years

Expected cash flows over the next (valued on undiscounted basis)	₹ in Million's
1 year	3.89
2 to 5 years	9.13
6 to 10 years	12.36
More than 10 years	26.29

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	7.65%	6.90%
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%

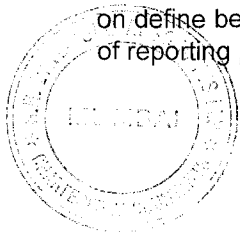
The estimates of future salary increases, considered in actuarial valuation, takes in account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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:

Particulars	March 31, 2018		March 31, 2017	
	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption
Discount Rate (-/+1%)	2.00	(1.75)	1.98	(1.72)
(% change compared to base due to sensitivity)	8.10%	-7.10%	6.80%	-5.90%
Salary Growth Rate (-/+1%)	(1.64)	1.73	(1.47)	1.58
(% change compared to base due to sensitivity)	-6.60%	7.00%	-5.82%	6.57%
Attrition Rate (-/+ 50% of attrition rates)	(0.41)	0.19	(0.27)	0.08
(% change compared to base due to sensitivity)	-1.64%	0.80%	-2.69%	1.14%
Mortality Rate (-/+10% of Mortality rates)	(0.02)	0.02	(0.01)	0.01
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.03%	0.03%

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

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.

28. Operating lease

Company as lessee:

The Company has office premises under operating lease agreements, which expire at various dates through financial year ended March 31, 2029. These agreements are generally renewable by mutual consent. Some of the lease agreements have a price escalation clause. There are no restrictions imposed in these lease agreements.

Lease payments under operating lease recognized for the year are ₹ 176.87 million (March 31, 2017 - ₹ 137.59 million)

The future minimum lease payments under non-cancellable operating leases:

Particulars	March 31, 2018	March 31, 2017
Within one year	101.20	108.26
After one year but not more than five years	269.03	338.36
More than five years	55.93	74.51
Total	426.16	521.13

Company as lessor: Operating lease receivables

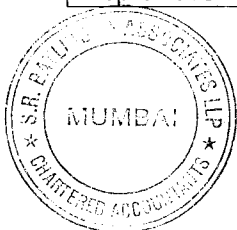
The Company has entered into lease arrangement for its ATM management service business. The lease at inception is classified as operating lease. These leases have terms ranging between five and seven years. Future minimum rentals receivable under non-cancellable operating leases are, as follows:

Particulars	March 31, 2018	March 31, 2017
Within one year	52.96	51.61
After one year but not more than five years	172.22	204.36
More than five years	-	21.63
Total	225.18	277.60

During the current year, the Company has recognized ₹ 139.03 million (March 31, 2017 - ₹ 30.16) as income in relation to the above arrangements. The above lease rentals are fixed monthly fees; additionally, there is transactions linked fees billable to the customer. The separation of consideration or future payments for lease and other elements is impracticable accordingly all fixed payments under the arrangement are treated as lease payments for the purposes of complying with the disclosure requirement.

The following are the details of the fixed assets given on operating lease:

Particulars	March 31, 2018	March 31, 2017
Gross block value as at March 31, 2018	205.59	91.28
Less: Accumulated Depreciation as at March 31, 2018	(28.92)	(22.35)
Net block value as at March 31, 2018	176.67	68.93
Depreciation for the year	22.43	5.94



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
 (₹ in million)

29. Related party disclosures

(a) Names of related parties and related party relationship

Related parties where control exists	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entities 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 Marshall Limited (subsidiary of CMS Securitas Limited) CMS Securitas Employees Welfare Trust

Other Related parties	
Key Management Personnel (KMP)	<p>Whole Time Director & Chief Executive Officer - Mr. Rajiv Kaul</p> <p>Chief Financial Officer - Mr. Pankaj Khandelwal</p> <p>Non-Executive Independent Director - Mr. Gopal Krishna Pillai - Mr. Krzysztof Wieslaw Jamroz - Mrs. Shyamala Gopinath (w.e.f. November 13, 2017)</p>

(b) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. These transactions are approved by the Audit Committee of the Board of Directors. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties during the year ended March 31, 2018 and March 31, 2017. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.



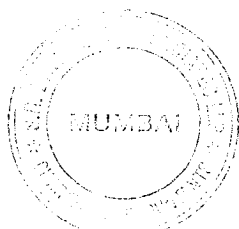
CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

29 (c) Details of transactions with related parties:

	Transactions For the year ended		Receivable / (Payable) As at	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Interest Income				
Securitrans India Private Limited	82.36	42.74	74.13	38.46
Remuneration to KMP (short-term employee benefits)				
Mr. Rajiv Kaul	47.69	42.74	(17.00)	(25.80)
Mr. Pankaj Khandelwal	9.73	9.86	(2.05)	(2.05)
Mr. Gopal Krishna Pillai	1.10	1.10	(0.53)	(0.75)
Mrs. Shyamala Gopinath	0.80	-	(0.80)	-
Mr. Krzysztof Wieslaw Jamroz	1.10	1.10	(0.53)	(0.47)
Employee stock option compensation cost				
Mr. Rajiv Kaul	147.26	111.13	-	-
Mr. Pankaj Khandelwal	6.30	3.38	-	-
IPO Expenses recoverable				
Sion Investment Holdings Pte. Limited	81.08	-	-	-
Sitting fees paid to Directors				
Mr. Gopal Krishna Pillai	0.40	0.40	-	-
Mrs. Shyamala Gopinath	0.10	-	-	-
Mr. Krzysztof Wieslaw Jamroz	0.40	0.40	-	-
Service and security charges				
CMS Marshall Limited	349.69	383.64	-	-
CMS Securitas Limited	256.98	275.62	-	-
Securitrans India Private Limited	31.74	2.00	-	-
Reimbursement of conveyance and traveling expenses				
CMS Marshall Limited	66.18	70.04	-	-
CMS Securitas Limited	-	1.68	-	-
Reimbursement of power and electricity				
CMS Securitas Limited	4.53	4.50	-	-
Lease rentals				
CMS Securitas Limited	1.08	0.88	-	-
Loans given during the year				
Securitrans India Private Limited	911.33	439.00	733.80	616.29
Loans received back during the year				
Securitrans India Private Limited	832.33	147.62	-	-
Balances outstanding at the year end				
CMS Securitas Limited	-	-	(42.83)	(112.83)
CMS Marshall Limited	-	-	(50.30)	(58.57)
Sion Investment Holdings Pte. Limited	-	-	81.08	-
Securitrans India Private Limited	-	-	22.18	5.34

Notes:

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

30. Contingent liabilities and Capital commitments

a) Contingent Liabilities:

Particulars	March 31, 2018	March 31, 2017
Claims against the Company not acknowledged as debt		
a) Disputed Customs matters*	42.78	42.78
b) Disputed VAT matters*	9.71	-
Guarantees given by the Company on behalf of the subsidiary**	1,000.00	1,000.00
Total	1,052.49	1,042.78

Notes:

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

** The Company has given corporate guarantees in favour of lenders of Securitrans India Private Limited, a subsidiary of the Company amounting to ₹ 800 million in favour of the lenders and ₹ 200 million in favour of one of the customers for overnight vaulting facilities.

b) The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2018 is ₹ 2.91 million (March 31, 2017: ₹ 10.70 million).

31. Details of dues to Micro and Small Enterprises as per Micro, Small and Medium Enterprises Development Act, 2006

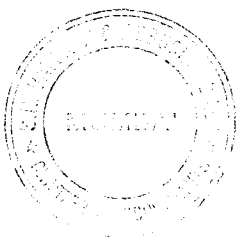
The Company does not have any dues outstanding to the micro and small enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

32. Impairment testing of Goodwill

Goodwill acquired through business combinations has indefinite life. Out of the total Goodwill of the Company, ₹ 1,035.18 million (March 31, 2017: ₹ 1,035.18 million,), relates to the Cash Management division of the Company.

The Company performed its annual impairment test for years ended March 31, 2018, and March 31, 2017. The Company considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cash flows beyond 5 years using a growth rate of 4.5% p.a. for the year ended on March 31, 2018 and March 31, 2017. The pre-tax discount rate applied to the cash flow projections for impairment testing is 13.7% for March 31, 2018 (March 31,2017: 13.7%).



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

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

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

Based on the above assumptions and analysis, no impairment was identified for any of the CGUs as at March 31, 2018. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the CGU's recoverable amount, there are no scenarios identified by the Management wherein the CGU's carrying value could exceed its recoverable amount.

33. Business combinations

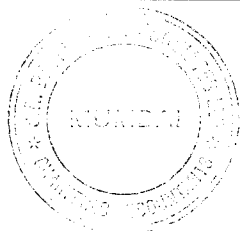
On October 31, 2016 the Company acquired the ATM management service business of Clover Transaction Systems Private Limited, a Company based in Mumbai for ₹ 65.50 million. The fair values of the identifiable assets and liabilities on the date of acquisition were as follows:

Assets acquired and liabilities assumed	₹ in million
Assets	
Property, plant and equipment	69.07
Customer Contract (Intangible assets)	6.63
Trade receivables	11.72
Other financial assets	0.67
Other assets	4.61
Total assets acquired	92.70
Liabilities	
Trade payables	2.25
Other financial liabilities	17.67
Other liabilities	10.89
Deferred tax liability	2.29
Total Liabilities assumed	33.10
Net assets assumed	59.60
Total purchase consideration	65.50
Goodwill on acquisition	5.90

34. 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. The areas of CSR activities and contributions made thereto are as follows:

Particulars		March 31, 2018	March 31, 2017
(a)	Gross amount required to be spent by the Company during the year	19.37	17.78
(b)	Amounts spent during the year	-	-



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
 (₹ in million)

35. 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, 2018:

	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in unquoted mutual fund units	900.00	904.61	-	904.61	-

Quantitative disclosures fair value measurement hierarchy as at March 31, 2017:

	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in unquoted mutual fund units	190.00	190.11	-	190.11	-

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

The management assessed that cash and cash equivalents, trade receivables, trade payables, short-term borrowings, bank overdrafts and other 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 loans to subsidiary, deposit measured at amortised cost is not significantly different in each of the year presented.

Break up of financial assets carried at amortised cost

Particulars	March 31, 2018	March 31, 2017
Trade receivables	1,137.70	1,233.19
Cash and cash equivalents	598.36	106.27
Other bank balances	50.86	44.33
Other financial assets	2,007.11	2,186.27
Total financial assets carried at amortised cost	3,794.03	3,570.06

Break up of financial liabilities carried at amortised cost

Particulars	March 31, 2018	March 31, 2017
Borrowings	-	72.00
Trade payables	671.61	735.56
Other financial liabilities	969.75	626.09
Total financial liabilities carried at amortised cost	1,641.36	1,433.65

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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

36. Financial risk management objectives and policies

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

Market risk – Interest rates

No interest rate hedging instruments were entered in the current year or the previous year. In respect of the cash credit facilities and working capital demand loan taken these facilities are taken for a short term and hence potential interest rate fluctuation would have an insignificant effect.

Credit risk

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

Trade receivables

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

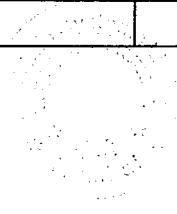
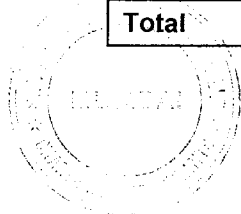
A significant risk in respect of receivables is related to the default risk and credit risk. An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of receivables disclosed in Note 11. The Company does not hold collateral as security.

Credit risk is the risk of financial loss to the Company if a customer or counter-party fails to meet its contractual obligations. Trade receivables concentration of credit risk with respect to trade receivables are limited, due to the Company's customer base being large and diverse. The Company's historical experience of collecting receivables is that credit risk is low. Hence, trade receivables are considered to be a single class of financial assets.

Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, working capital demand loan and bank loans. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2018:

Particulars	On demand	Within 12 months	1 to 5 years	Total
Borrowings	-	-	-	-
Trade payables	-	671.61	-	671.61
Other financial liabilities	-	969.75	-	969.75
Total	-	1,641.36	-	1,641.36



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2017:

Particulars	On demand	Within 12 months	1 to 5 years	Total
Borrowings	30.24	34.86	6.90	72.00
Trade payables	-	735.56	-	735.56
Other financial liabilities	-	626.09	-	626.09
Total	30.24	1,396.51	6.90	1,433.65

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 maximise 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's policy is to keep the gearing ratio between 0% and 15%. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Company does not have any loans outstanding as at March 31, 2018. 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, 2018 and March 31, 2017

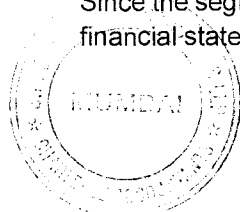
37. Provision for warranty

A provision of ₹ 5.37 million as at March 31, 2018 (March 31, 2017: ₹ 32.44 million) is carried against expected warranty claims on sale of ATM sites and related products as at March 31, 2018. The provision is recognized based on historical experience and expected costs that will be incurred on providing repairs and maintenance services during the warranty period. Assumptions used to calculate the provision for warranty is based on current sales levels and current information available based on the warranty period for the ATM sites and related products sold. The table below gives information about movement in warranty provision during the year ended March 31, 2018 and March 31, 2017.

Particulars	March 31, 2018	March 31, 2017
At the beginning of the year	32.44	45.50
Arising during the year	3.05	7.26
Utilised during the year	(32.41)	(23.61)
Unwinding of finance cost	2.29	3.29
At the end of the year	5.37	32.44

38. 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.



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

39. Employee Stock Option 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:

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	4,604,444	9,866,667	1,973,333
Number of option granted under the scheme	4,050,000	9,866,667	-

The vesting period of the grants is as follows:

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

*For options granted in 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 condition.

The vested options can be exercised by the employees only upon happening of liquidity event. In case of listing, being a liquidity event, the vested options can be exercised within 1 year of the date such options are vested in case of employee 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:

Particulars	March 31, 2018		March 31, 2017	
	Employee scheme	CEO Scheme	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	3,700,000	9,866,667	-	-
Granted during the period	350,000	-	3,700,000	9,866,667
Forfeited / cancelled during the period	-	-	-	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the year	4,050,000	9,866,667	3,700,000	9,866,667
Weighted average exercise price of options (in ₹) :				
Outstanding at the beginning of the year	123	123	-	-
Granted during the year	143	-	123	123
Outstanding at the end of the year	125	123	123	123
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	1.32	-	1.84	0.58
Weighted average fair value of options granted during the period / year (in ₹)	31.96	-	29.80	25.38



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

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

Particulars	Assumptions	
	March 31, 2018	March 31, 2017
Dividend yield (%)	0%	0%
Expected volatility (%)	25% - 29%	25%
Risk-free interest rate (%)	6%	7%
Expected life of share options (years)	3.7 years	2 -3.7 years
Weighted average fair value per share (in ₹)	143	123

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. Based on above, the Company has recognized cost of ₹ 184.24 million in relation to this scheme in the current year (March 31, 2017: 133.61 million).

40. Agreement between Promoters 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.

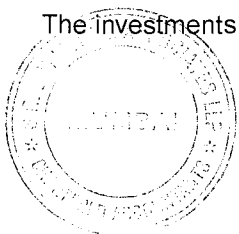
Upon redemption of base or adjusted base units, CEO will receive from Vault L.P., an amount equivalent to value of the Company vis-vis such units at the time of sale of Sion's shareholding in the Company subject to certain conditions set out in the agreement.

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 Rs. 70.20 million. The proportionate charge recognized during the current year is Rs. 8 million.

41. List of entities controlled by the Company are:

Sr. No	Name of Company / trust	Country of incorporation	Percentage of ownership interest and voting rights as at	
			March 31, 2018	March 31, 2017
1	Securitrans India Private Limited ('SIPL')	India	100	100
2	CMS Securitas Limited ('CSL')	India	100	100
3	CMS Marshall Limited ('CML')	India	100	100
4	Quality Logistics Service Private Limited	India	100	100
5	CMS Securitas Employees Welfare Trust	India	100	100

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



CMS INFO SYSTEMS LIMITED
Notes to financial statements as at and for the year ended March 31, 2018
(₹ in million)

42. Standards issued but not yet effective

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after April 01, 2018. Based on the preliminary assessments performed, the company does not anticipate a material impact on the financial statements.

As per our report of even date

For S.R. Batliboi & Associates LLP
ICAI Firm Registration No.: 101049W / E00004
Chartered Accountants

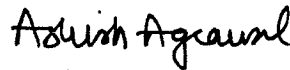


per Kalpesh Jain
Partner
Membership No. 106406

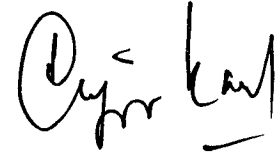


Place: Mumbai
Date: June 07, 2018

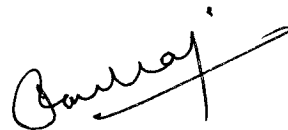
For and behalf of Board of Directors of CMS Info
Systems Limited



Ashish Agrawal
Director
DIN No.: 00163344



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



Pankaj Khandelwal
Chief Financial Officer



Praveen Soni
Company Secretary

Place: Mumbai
Date: June 07, 2018

