Independent Auditor's Report

To the Members of CMS Info Systems Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of CMS Info Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated balance sheet as at 31 March 2023, and the Consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2023, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

See Note 2(i) and 42 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from operations for the year is ₹ 19,147.29 million (FY 22: ₹ 15,896.71 million). Refer Note 2 (i) of accounting policy and Note 18 and Note 42 in consolidated financial statements The Group's revenue is derived primarily from sale of products (ATMs, ATM sites and related products) which comprise of ₹ 1,471.12 million (FY 22: ₹ 1,946.60 million) and rendering of services i.e., ATM and cash management services, managed services, annual maintenance service, etc., which comprise of ₹ 17,676.17 million (FY 22: ₹ 13,950.12 million). We identified revenue recognition as a key audit matter since: • there is an element of inherent risk and presumed fraud risk around accuracy and existence of revenue recognized.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the Group's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. • Evaluated the design and testing the implementation of internal financial controls and testing the operating effectiveness of internal controls for a randomly selected sample of transactions. • Evaluated the design, implementation and operating effectiveness of Group's general IT controls, and application controls over the Group's IT systems. We have also tested the manual mitigating controls as appropriate • Performed substantive testing by comparing statistically selected samples of revenue transactions recorded during the year and verified/matched the parameters used in the computation with the relevant source documents.

The key audit matter	How the matter was addressed in our audit
• overstatement of revenue is considered as a significant audit risk as it is a key performance indicator. It could create an incentive for higher revenue to be recognized at period end i.e., before the control of underlying goods and services have been transferred to the customer • there is significant audit effort, due to volume of transactions, to ensure that unbilled revenue is recorded based on contractual terms and the services are rendered.	• Examined journal entries (using statistical sampling) posted to revenue to identify unusual or irregular items based on certain high-risk criteria. • Checked completeness and accuracy of the data used by the Group for revenue recognition by performing specific cut off procedures on revenue. On a sample basis, we evaluated the revenue being recognized in the correct accounting period. • For statistically selected sample of unbilled transactions, tested unbilled revenues with subsequent invoicing/other underlying documents to verify services rendered. • Evaluated adequacy of disclosures given in Note 42 to the consolidated financial statements.

Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Annual Reports, but does not include the financial statements and auditor's reports thereon. The Annual Reports are expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Management's and Board of Directors/Trustee's Responsibilities for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Management and Board of Directors and Trustees are responsible for assessing the ability of each company/trust to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors and Trustees either intends to liquidate the Company/Trust or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors and Trustees are responsible for overseeing the financial reporting process of each company/trust.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

Other Matter

a. We did not audit the financial statements of six (6) subsidiaries, whose financial statements reflect total assets (before consolidation adjustments) of ₹ 2,699.29 million as at 31 March 2023, total revenues (before consolidation adjustments) of ₹ 3,596.06 million and net cash outflows (before consolidation adjustments) amounting to ₹ 165.67 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these/subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of this matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

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

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

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

   b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

   e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group. Refer Note 31 to the consolidated financial statements.

b. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2023.

c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.

d (i) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 47 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiary companies to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiary companies ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management of the Holding Company and its subsidiary companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiary companies that, to the best of their knowledge and belief, as disclosed in the Note 47 to the consolidated financial statements, no funds have been received by the Holding Company or any of such subsidiary companies from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiary companies shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiary companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or the other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause

(i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The interim dividend declared and paid by the subsidiary company incorporated in India during the year and until the date of this audit report is in accordance with Section 123 of the Act.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or any of such subsidiary companies only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.

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

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

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

Glenn D'souza
Partner
Membership No.: 112554
ICAI UDIN: 23112554BGWSAI2833

Place: Mumbai
Date: 23 May 2023

Annexure A

To the Independent Auditor's Report on the Consolidated Financial Statements of CMS Info Systems Limited for the year ended 31 March 2023

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

(xxi) In our opinion and according to the information and explanations given to us, following companies incorporated in India and included in the consolidated financial statements, have certain remarks given by their respective auditors in their reports under the Companies (Auditor's Report) Order, 2020 (CARO):

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

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

Glenn D'souza
Partner
Membership No.: 112554
ICAI UDIN: 23112554BGWSAI2833

Place: Mumbai
Date: 23 May 2023

Annexure B

To the Independent Auditor's Report on the consolidated financial statements of CMS Info Systems Limited for the year ended 31 March 2023

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

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

Opinion

In conjunction with our audit of the consolidated financial statements of CMS Info Systems Limited (hereinafter referred to as "the Holding Company") as of and for the year ended 31 March 2023, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Act which are its subsidiary companies, as of that date.

In our opinion and based on the consideration of reports of the other auditors on internal financial controls with reference to financial statements of subsidiary companies, as were audited by the other auditors, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's and Board of Directors' Responsibilities for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to 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 judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 consolidated financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

Other Matter

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

Our opinion is not modified in respect of this matter.

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

Glenn D'souza
Partner

Place: Mumbai
Membership No.: 112554
Date: 23 May 2023
ICAI UDIN: 23112554BGWSAI2833

Consolidated Balance Sheet

as at March 31, 2023

(₹ in million)

	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	4,696.94	3,469.71
(b) Capital work-in-progress	27	203.13	435.83
(c) Right-of- use assets	5(a)	1,826.45	1,799.99
(d) Goodwill	5	2,060.77	2,060.77
(e) Other intangible assets	5	109.15	173.09
(f) Intangible assets under development	27	0.24	1.02
(g) Financial assets			
(i) Investments	6(a)	337.55	0.58
(ii) Other financial assets	7	318.80	330.74
(h) Deferred tax assets (net)	8	368.60	304.40
(i) Income tax assets (net)		196.28	226.10
(j) Other non-current assets	9	112.15	210.03
Total non-current assets		**10,230.06**	**9,012.27**
Current assets			
(a) Inventories	10	741.70	634.82
(b) Financial assets			
(i) Investments	6(b)	2,454.89	1,234.51
(ii) Trade receivables	11	5,260.03	4,993.21
(iii) Cash and cash equivalents	12	963.14	643.47
(iv) Bank balances other than (iii) above	12	599.38	774.30
(v) Other financial assets	7	29.62	276.49
(c) Other current assets	9	733.44	987.89
Total current assets		**10,782.20**	**9,544.70**
Total		**21,012.26**	**18,556.96**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	13(a)	1,544.00	1,531.53
(b) Other equity	13(b)	14,080.55	11,029.77
Total Equity attributable to Equity Share holders		**15,624.55**	**12,561.30**
Liabilities			
Non-current liabilities			
(a) Financial liabiltiies			
(i) Lease liabilities	15	1,528.03	1,467.61
(b) Provisions	17	211.12	201.04
(c) Other non current liabilities	16	6.14	9.25
Total Non-current liabilities		**1,745.29**	**1,677.90**
Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	15	505.33	460.67
(ii) Trade payables			
Dues of micro enterprises and small enterprises	14	51.74	79.81
Dues of creditors other than micro enterprises and small enterprises	14	2,200.40	2,378.99
(iii) Other Financial liabilities	15	597.35	1,066.03
(b) Other current liabilities	17	255.50	296.51
(c) Provisions	16	32.10	35.75
Total current liabilities		**3,642.42**	**4,317.76**
Total		**21,012.26**	**18,556.96**
Summary of significant accounting policies	2		
Summary of Significant accounting judgments, estimates and assumptions	3		
The accompanying notes form an integral part of the financial statements.	4-55		

As per our report of even date

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

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

Glenn D'Souza
Partner
Membership No.: 112554

Ashish Agrawal
Director
DIN No.: 00163344

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

Place: Mumbai
23 May 2023

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

(₹ in million)

	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from operations	18	19,147.30	15,896.71
Other income			
Finance income	19	69.60	34.85
Other	20	77.58	44.25
Total Income		**19,294.48**	**15,975.81**
Expenses			
Purchase of traded goods	21	1,132.07	1,360.86
Changes in inventories of finished goods (including stock in trade)	22	29.67	177.10
Employee benefits expense	23	2,648.89	2,315.45
Finance costs	24	196.15	143.90
Depreciation and amortization expenses	4,5 & 5(a)	1,318.18	918.43
Other expenses	25	9,959.35	8,045.62
Total Expenses		**15,284.31**	**12,961.36**
Profit before tax		**4,010.17**	**3,014.45**
Tax expense			
Current tax		1,111.74	838.42
Adjustment of tax relating to earlier years		(8.71)	(5.06)
Deferred tax credit		(65.22)	(59.29)
Total tax expense		**1,037.81**	**774.07**
Profit for the year attributable to equity shareholders		**2,972.36**	**2,240.38**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement gains on defined benefit plans		5.15	4.82
Income tax effect		(1.01)	(1.05)
Other comprehensive income for the year, net of tax		**4.14**	**3.77**
Total comprehensive Income for the year		**2,976.50**	**2,244.15**
Earning per equity share (nominal value of share ₹ 10)	26		
Basic		19.31	15.07
Diluted		18.67	14.33
Summary of significant accounting policies	2		
Summary of Significant accounting judgments, estimates and assumptions	3		
The accompanying notes form an integral part of the financial statements	4-55		

As per our report of even date

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

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

Glenn D'Souza
Partner
Membership No.: 112554

Ashish Agrawal
Director
DIN No.: 00163344

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

Place: Mumbai
23 May 2023

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Consolidated Statement of Cash flows

for the year ended March 31, 2023

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from operating activities		
Profit before tax	4,010.17	3,014.45
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation on Property,plant and equipment and Intangible asset	899.07	580.55
Depreciation on Right-of-use assets	419.11	337.88
Unrealised foreign exchange (gain)	(0.78)	(1.04)
Lease rent concession/Lease credit balance written back	(3.47)	(1.73)
Impairment allowance for bad and doubtful receivables and deposits	847.66	595.13
Bad debts written off	137.25	204.41
Debit balance written off	-	21.46
(Profit) on disposal of property, plant and equipment (net)	(11.31)	(5.38)
Sundry balances written back	(20.11)	(7.80)
Impairment for doubtful claims receivables	3.70	7.78
Insurance claims recievables written off	11.87	13.96
Finance income	(69.59)	(33.13)
Profit on sale of current investments	(29.52)	(20.58)
Net change in fair value of current investments measured at FVTPL	(12.42)	(4.12)
Employee stock option compensation cost	92.80	61.19
Finance costs	196.15	143.90
Operating profit before working capital changes	**6,470.58**	**4,906.93**
Movement in working capital:		
Decrease in trade payables and other liabilities	(824.02)	(421.03)
Increase in provisions	11.59	21.37
Decrease/(Increase) in inventories	(106.87)	265.45
(Increase) in trade receivables	(1,251.74)	(724.27)
(Increase)/Decrease in other assets and prepayments	853.07	(507.51)
Cash flow generated from operations	**5,152.61**	**3,540.94**
Direct taxes paid (net of refunds)	(1,084.98)	(975.82)
Net cash flow generated from operating activities (A)	**4,067.63**	**2,565.12**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	19.57	7.04
Purchase of property, plant and equipment,Intangible assets (including CWIP and capital advances)	(1,933.18)	(2,839.67)
Investment in mutual funds and Debenture	(11,578.43)	(8,304.68)
Proceeds from redemption of mutual funds and Debenture	10,399.99	8,217.41
Loan given to Others	-	(143.86)
Investment in deposits with banks	(1,071.42)	(844.53)
Proceeds from maturity of deposits with banks (including interest)	937.24	645.81
Net cash flow (used in) investing activities (B)	**(3,226.23)**	**(3,262.48)**

Consolidated Statement of Cash flows (Contd.)

for the year ended March 31, 2023

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Cash flow from financing activities		
Proceeds from issue of equity shares	157.46	637.64
Dividend paid	(154.06)	(226.44)
Finance costs	-	(0.08)
Finance costs on lease liability	(184.46)	(143.82)
Payment of principal portion of lease liabilities	(340.67)	(261.61)
Net cash flow generated/(used in) financing activities (C)	**(521.73)**	**5.69**
Net Decrease in cash and cash equivalents (A+B+C)	**319.67**	**(691.67)**
Cash and cash equivalents at the beginning of the year	**643.47**	**1,335.14**
Cash and cash equivalents at the end of the year (Refer note 12)	**963.14**	**643.47**

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents:		
Cash on hand	6.16	6.66
Cheque in hand	320.26	-
Balances with bank		
Balance with current accounts	236.72	636.81
In deposits account with original maturity of less than three months	400.00	-
Cash and cash equivalents at the end of the year (Refer note 12)	**963.14**	**643.47**

Note

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

As per our report of even date

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

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

Glenn D'Souza
Partner
Membership No.: 112554

Ashish Agrawal
Director
DIN No.: 00163344

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

Place: Mumbai
23 May 2023

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Consolidated Statement of Changes in Equity

for the year ended March 31, 2023

(₹ in million)

Particular	Equity share capital	Reserve and surplus				Total equity
		Securities premium	Share based payment reserve (refer note 39 & 40)	Capital redemption reserve	Retained earnings	
As at March 31, 2021	**1,480.00**	**42.87**	**406.43**	**150.50**	**7,764.96**	**9,844.76**
Profit for the year	-	-	-	-	2,240.38	2,240.38
Other comprehensive income	-	-	-	-	3.77	3.77
Total comprehensive income	**-**	**-**	**-**	**-**	**2,244.15**	**2,244.15**
Equity shares issued during the year on exercise of stock options	51.53	-	-	-	-	51.53
Transfer to securities premium on options exercised	-	136.30	(136.30)	-	-	-
Securities premium on shares issued during the year	-	586.11	-	-	-	586.11
Employee stock option compensation cost	-	-	61.19	-	-	61.19
Dividend paid	-	-	-	-	226.44	226.44
As at March 31, 2022	**1,531.53**	**765.28**	**331.32**	**150.50**	**9,782.67**	**12,561.29**
Profit for the year	-	-	-	-	2,972.36	2,972.36
Other comprehensive income	-	-	-	-	4.14	4.14
Impact of change in depreciation of HTPL	-	-	-	-	(9.45)	(9.45)
Equity shares issued during the year on exercise of stock options	12.47	-	-	-	-	12.47
Transfer to securities premium on options exercised	-	35.72	(35.72)	-	-	-
Securities premium on shares issued during the year	-	144.99	92.80	-	-	237.79
Employee stock option compensation cost	-	-	-	-	-	-
Dividend Paid	-	-	-	-	(154.06)	(154.06)
As at March 31, 2023	**1,544.00**	**945.99**	**388.40**	**150.50**	**12,595.66**	**15,624.54**

Summary of significant accounting policies (Refer Note 2)

Summary of Significant accounting judgments, estimates and assumptions (Refer note 3)

The accompanying notes form an integral part of the financial statements. (Refer note 4-55)

As per our report of even date

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

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

Glenn D'Souza
Partner
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DIN No.: 00163344

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Whole-time Director and Chief Executive Officer
DIN No.: 02581313

Place: Mumbai
23 May 2023

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Notes to Consolidated Financial Statements

for the year ended March 31,2023

1 CORPORATE INFORMATION:

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

The Company and its subsidiaries (together known as the 'Group') is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card trading and personalization services. The registered office of the Company is located at T-151, 5th Floor, Tower No.10, Sector 11, Railway station complex, CBD Belapur, Navi Mumbai 400614.

The consolidated financial statements ('CFS') were authorised for issue in accordance with a resolution of the directors on May 23, 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of Preparation

The Group's CFS have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards), Rules, 2015, as amended under the provision of the Companies Act, 2013 (the 'Act') and subsequent amendments thereof. The CFS have been prepared under the historical cost basis except for certain financial assets and liabilities that have been measured at fair value (refer accounting policy regarding financial instruments).

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Group classifies all other liabilities as non-current.

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

c) Basis of consolidation and consolidation procedures:

The CFS comprise the financial statements of the Company and its subsidiaries as at March 31, 2023.

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

Sr. No	Name of entities*	Percentage of ownership interest as at	
		31-03-23	31-03-22
1	Securitrans India Private Limited ('SIPL')	100	100
2	CMS Securitas Limited ('CSL')	100	100
3	CMS Marshall Limited ('CML')	100	100
4	Quality Logistics Services Private Limited	100	100
5	CMS Securitas Employees Welfare Trust ('CMS Trust')	100	100
6	Hemabh Technology Private Limited	100	100
7	CMS Info Foundation	100	0

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

Notes to Consolidated Financial Statements

for the year ended March 31,2023

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

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

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

All the companies in the Group follow uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31,2023

Consolidation procedures:

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

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

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

d) Property, plant and equipment

The cost of an item of property, plant and equipment shall be recognized as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

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

When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized 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 recognized in the Statement of Profit or Loss as incurred.

An item of property, plant and equipment and any significant part initially recognized is derecognized 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 derecognized.

The Group provides depreciation on property, plant and equipment using the straight line method at the rates computed based on the estimated useful

Notes to Consolidated Financial Statements
for the year ended March 31,2023

lives of the assets as estimated by the management which are in most cases equal to the corresponding rates prescribed in Schedule II to the Act. Certain assets are depreciated at lower rates.

The Group has used the following lives to provide depreciation:

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)	7*
Other vehicles	8
Office equipment	5
Computers servers and peripherals	3 to 6

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

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

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

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group and the cost of item can be measured reliably.

e) Intangible assets and goodwill

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

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

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

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

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

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific assets to which its relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in the statement of profit and loss as incurred.

f) Impairment of non-financial assets

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

Notes to Consolidated Financial Statements
for the year ended March 31,2023

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

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

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

g) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise,

Notes to Consolidated Financial Statements

for the year ended March 31,2023

lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

From April 01,2021, where the basis for determining future lease payments changed as required by Interest rate benchmark reform (see 2(t)), the Group remeasures the lease liability by discounting the revised lease payments using the revised discount rate that reflects the change to an alternative benchmark interest rate.

The Group presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities separately in the balance sheet within 'Financial Liabilities'.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense in profit or loss on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub- lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short- term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies Ind AS 115 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in Ind AS 109 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

h) Inventories

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

Notes to Consolidated Financial Statements

for the year ended March 31,2023

i) Revenue recognition

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

The Group recognizes revenue when it transfers control over good or service to a customer. The Group has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognized.

Sale of goods:

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

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

Sale of services:

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

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

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

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

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

Sale of ATM Sites:

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

Ind AS 115 requires an entity measure revenue at the transaction price excluding estimates of variable consideration that is allocated to that performance obligations.

j) Interest income

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

k) Foreign currencies

Transactions in foreign currencies are initially recorded by the respective entities of the Group at their respective functional currency spot

Notes to Consolidated Financial Statements

for the year ended March 31,2023

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 recognized as income or expenses in the period in which they arise.

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

l) Employee benefits

Short-term Employee Benefits

Short term employee benefits are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognized for the amount expected to be paid under short term cash bonus, if the group has present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Retirement Benefit

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

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

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

Remeasurement comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized 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.

Other Employee Benefits

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

Termination Benefits

Termination benefits are expensed at the earlier of when the group can no longer withdraw the offer of those benefits and when the group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

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

m) Income taxes

Income tax

Income tax expense comprises current and deferred tax. It is recognized in the statement of profit and loss except to the extent that it is related to a

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business combination, or item recognized directly in equity or in Other comprehensive income.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent liabilities, and Contingent Assets.

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 recognized outside profit or loss is recognized outside profit or loss (either in OCI or in equity). Current tax items are recognized 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 recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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

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

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

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

n) Earnings per share

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

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

o) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Expected future operating losses are not provided for.

Where the Group expects some or all of the expenditure required to settle a provision will be reimbursed by another party, the reimbursement is recognized when, and only when, it is virtually certain that reimbursement will be received if the

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for the year ended March 31,2023

entity settles the obligation. The reimbursement is treated as a separate asset.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

Warranties

A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

Site Restoration

In accordance with the Group's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognized when the land is contaminated.

Onerous Contract

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract, which is determined based on the incremental costs of fulfilling the obligation under the contract and an allocation of other costs directly related to fulfilling the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

p) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that arises from past events but is not recognized 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 recognized because it cannot be measured reliably.

Contingent Assets

Contingent asset is not recognized in consolidated financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognized. Provisions, contingent liabilities and contingent assets are reviewed at each Balance Sheet date.

q) Cash and cash equivalents

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

r) Share based payment

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

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

That cost is recognized, 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 recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

No expense is recognized for awards that do not ultimately vest because non-market performance

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and/or service conditions have not been met. When an award is cancelled by the Group or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Statement of Profit and Loss.

s) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

t) Financial instruments

Recognition and initial measurement

Trade receivables – Initial measurement

As per Ind AS 109, all financial assets are required to be initially measured at fair value plus or minus the transaction costs and financial assets classified as FVTPL are required to be measured at fair value.

However, an exception to this principle is financial assets in the form of trade receivables, that would be initially measured at transaction price (as defined in Ind AS 115) unless that contain a significant financing component determined in accordance with Ind AS 115 (or when an entity applies the practical expedient).

Consistency should be maintained between the accounting policy for initial measurement of trade receivables and the accounting policy for measurement of corresponding revenue.

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement
Financial assets

On initial recognition, a financial asset is classified as measured at:

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

Financial assets are not reclassified subsequent to their recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets (see Note 36). On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets - Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level 16 because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets; how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated - e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

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- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets - Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Financial assets - Subsequent measurement and gains and losses

Financial assets at FVTPL: These assets are subsequently measured at fair value. Net gains and losses including any interest or dividend income, are recognized the statement of profit and loss.

Financial assets at amortised cost: These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in the statement of profit and loss.

Debt Investments at FVOCI: These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to the statement of profit and loss.

Financial liabilities - Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized

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in the statement of profit and loss. Any gain or loss on derecognition is also recognized in the statement of profit and loss.

Derecognition

Financial assets

The Group derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire; or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:

Substantially all of the risks and rewards of ownership of the financial asset are transferred; or the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognized on its balance sheet but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changed as a result of interest rate benchmark reform, the Group updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis - i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updated the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applied the policies on accounting for modifications to the additional changes.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Debt instruments at amortised cost

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

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

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

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

Debt instrument at FVTPL

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

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

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

Derecognition

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

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

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

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

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

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 recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized 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.

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Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized 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 recognized less cumulative amortisation.

Derecognition

A financial liability is derecognized 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 recognized in the statement of profit or loss.

Offsetting of financial instruments

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

u) Business combinations and goodwill

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

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

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

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

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

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

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

v) Rounding of amount:

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

w) Cash dividend distribution to equity holders of the parent

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

3 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Actual result may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

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 judgment:

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the following notes:

Leases

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

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

Estimates

Information about assumptions and estimates uncertainties at the reporting date that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is included in the following notes:

Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on

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expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes. Refer note 28 for sensitivity analysis in relation to this estimate.

Property, plant and equipment

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

The Group has amended the useful life of commercial vehicles in line with industry practice and based on guidelines issued by MHA-RBI, from 6 years to 7 years with effect from April 01, 2022 resulting in lower depreciation charge of ₹ 40.72 million in the quarter and nine month period ended December 31, 2022. Of this, the charge for the period from April 01, 2022 to June 30, 2022 and from July 01, 2022 to September 30, 2022 is ₹ 12.57 mn and ₹ 13.53 mn respectively.

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

Share-based payments

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

Claims receivable

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

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

Expected credit loss

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

Other Provisions

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore, vary from the amount included in other provisions.

Notes to Consolidated Financial Statements

for the year ended March 31,2023

Recent pronouncement:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rule 2015 by issuing the Companies (Indian Accounting Standards) Amendments Rules, 2023, Applicable from April 01, 2023, as below:

Ind AS 1- Presentation of Financial Statements:

The amendments requires companies to disclose their material accounting policies rather than their significant accounting policies, Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

Ind AS 12 – Income taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

Ind AS 8 – Accounting Policies, changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies requires items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to Consolidated Financial Statements

as at March 31 2023

4 PROPERTY, PLANT AND EQUIPMENT

(₹ in million)

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold improvements	Computers, servers and peripherals	Total
Gross block value as at March 31, 2021	**1,407.81**	**45.15**	**343.07**	**2,054.62**	**83.31**	**152.61**	**381.75**	**4,468.32**
Additions during the year	1,241.42	6.43	170.47	464.86	5.31	40.85	27.31	1,956.65
Acquistion through Business Combination (Refer note 43)	177.69	-	-	-	0.04	-	4.77	182.50
Deletions during the year	31.68	11.78	25.44	69.95	4.56	33.28	2.01	178.70
Gross block value as at March 31, 2022	**2,795.24**	**39.80**	**488.10**	**2,449.53**	**84.10**	**160.18**	**411.82**	**6,428.77**
Additions during the year	1,170.43	6.27	76.50	678.24	5.77	44.84	70.03	2,052.08
Deletions during the year	78.51	5.63	8.18	173.08	1.90	5.29	41.93	314.52
Gross block value as at March 31, 2023	**3,887.16**	**40.44**	**556.42**	**2,954.69**	**87.97**	**199.73**	**439.92**	**8,166.33**
Accumulated depreciation as at March 31, 2021	**332.48**	**35.47**	**109.89**	**1,609.62**	**69.35**	**76.83**	**337.68**	**2,571.32**
Depreciation for the year	262.91	4.28	51.83	128.76	7.14	15.72	27.05	497.69
Accumulated depreciation through Business Combination (Refer note 43)	64.11	-	-	-	-	-	2.90	67.00
Accumulated depreciation on disposals	30.91	11.78	25.20	69.38	4.56	33.12	2.01	176.96
Accumulated depreciation as at March 31, 2022	**628.59**	**27.97**	**136.52**	**1,669.00**	**71.93**	**59.43**	**365.62**	**2,959.05**
Impact of revaluation	9.14	-	-	-	0.00	-	0.25	9.39
Depreciation for the year	493.79	5.10	71.72	176.47	5.10	21.25	33.77	807.20
Accumulated depreciation on disposals	75.38	5.32	6.40	173.06	1.71	2.47	41.92	306.26
Accumulated depreciation as at March 31, 2023	**1,056.14**	**27.75**	**201.84**	**1,672.41**	**75.32**	**78.21**	**357.72**	**3,469.39**
Net block as at March 31, 2023	**2,831.02**	**12.69**	**354.58**	**1,282.28**	**12.65**	**121.52**	**82.20**	**4,696.94**
Net block as at March 31, 2022	**2,166.65**	**11.83**	**351.58**	**780.53**	**12.18**	**100.75**	**46.20**	**3,469.72**

Note:

1. Capital work in progress at March 31, 2023 is ₹ 203.13 million (March 31, 2022 is ₹ 435.83 million). Additions made to the capital work in progress during the year amount to ₹ 201.91 million (March 31, 2022 ₹ 431.73 million). Assets amounting to ₹ 434.61 million (March 31, 2022 ₹ 222.70 million) has been capitalised during the year. (Refer note 27)

2. The Group has amended the useful life of commercial vehicles in line with industry practice and based on guidelines issued by MHA-RBI, from 6 years to 7 years with effect from April 01, 2022 resulting in lower depreciation charge of ₹ 54.47 million in the year ended March 31, 2023.

Notes to Consolidated Financial Statements

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5 INTANGIBLE ASSETS

Particulars	Computer software	Non compete fees	Customer Contract	Total	Goodwill
Gross block value as at March 31, 2021	**136.13**	**168.10**	**294.71**	**598.94**	**2,033.63**
Additions during the year	21.72	-	-	21.72	27.14
Acquistion through Business Combination (Refer note 43)	0.32	-	47.78	48.10	
Gross block value as at March 31, 2022	**158.17**	**168.10**	**342.49**	**668.76**	**2,060.77**
Additions during the year	27.93	-	-	27.93	-
Deletions during the year	0.32	-	-	0.32	-
Gross block value as at March 31, 2023	**185.78**	**168.10**	**342.49**	**696.37**	**2,060.77**
Accumulated amortisation as at March 31, 2021	**108.96**	**159.20**	**141.24**	**409.40**	**-**
Amortization for the year	20.15	3.00	59.73	82.88	-
Amortization through Business Combination (Refer Note 43)	0.12	-	3.27	3.39	-
Accumulated amortisation as at March 31, 2022	**129.23**	**162.20**	**204.24**	**495.67**	**-**
Amortization for the year	17.97	3.00	70.90	91.87	-
Deletion during the year	0.32	-	-	0.32	-
Accumulated depreciation as at March 31, 2023	**146.88**	**165.20**	**275.14**	**587.22**	**-**
Net block as at March 31, 2023	**38.90**	**2.90**	**67.35**	**109.15**	**2,060.77**
Net block as at March 31, 2022	**28.94**	**5.90**	**138.25**	**173.09**	**2,060.77**

Intangible assets under development as at March 31, 2023 is ₹ 0.24 million (March 31, 2022 ₹ 1.02 million). Additions made to Intangible assets under development during the year amount to ₹ 0.24 million (March 31, 2022 ₹ 0.45 million). Asset amounting to ₹ 1.02 million (March 31, 2022 ₹ 4.10 million) has been capitalised during the year. (Refer note 27)

5 (a) Right-of-use assets

(₹ in million)

Particulars	Leasehold Property	Total
Gross block value as at March 31, 2021	**1,589.27**	**1,589.27**
Additions during the year	978.83	978.83
Deletion during the year	210.29	210.29
Gross block value as at March 31, 2022	**2,357.81**	**2,357.81**
Additions during the year	565.37	565.37
Deletion during the year	173.17	173.17
Gross block value as at March 31, 2023	**2,750.01**	**2,750.02**
Accumulated depreciation as at March 31, 2021	**378.49**	**378.49**
Depreciation charge for the year	337.88	337.88
Deletion during the year	158.54	158.54
Accumulated depreciation as at March 31,2022	**557.83**	**557.83**
Depreciation charge for the year	419.11	419.11
Deletion during the year	53.39	53.39
Accumulated depreciation as at March 31, 2023	**923.55**	**923.55**
Net block as at March 31, 2023	**1,826.46**	**1,826.46**
Net block as at March 31, 2022	**1,799.98**	**1,799.98**

Notes to Consolidated Financial Statements
as at March 31 2023

6 INVESTMENTS

(₹ in million)

		As at March 31, 2023	As at March 31, 2022
(a)	**Non-current investments**		
	Investments in equity shares of other companies (unquoted, fully paid up, at fair value through profit and loss)		
	7,500 (March 31, 2022: 7,500) Equity shares of ₹ 10 each, fully paid up, in Belapur Railway Station Complex Limited	0.08	0.08
	20,160 (March 31, 2022: 20,160) equity shares of ₹ 25 each of Apna Bank	0.50	0.50
	Investment in Non-convertible debentures at amortised cost		
	0% HDB Premium 2024_Series2021	54.21	-
	0% L&T Finance Limited	30.74	-
	5.86% Tata Capital Housing Finance Limited	49.08	-
	7.28% HDFC Ltd.- Bond	49.79	-
	5.75% Bajaj Finance Limited Bond	49.01	-
	0% HDB 2025 Series Debentures	104.14	-
		337.55	**0.58**
	Note: Redeemable debentures classified at amortised cost have interest rates of 0% to 7.28% (March 31, 2022: Nil) and have maturity in one year.		
(b)	**Current investments (unquoted) (at fair value through profit and loss)**		
	149190 Units of face value of ₹ 10 each in ICICI Prudential Short term Plan- Growth (March 31, 2022 - 74,594 Units)	8.11	7.62
	250,520 of face value of ₹ 10 each in HDFC Corporate Debt Opportunities Fund Growth (March 31, 2022 - 250,520 Units)	5.41	5.17
	148373 Units of face value of ₹ 10 each in Aditya Birla Sun Life Medium term Plan-Growth (March 31, 2022 - 166,260 Units)	5.08	4.76
	39,079 Units SBI Magnum Ultra Short duration fund (March 31, 2022: 20,419 Units)	201.59	100.00
	Nil Units Kotak Savings fund (March 31, 2022: 6,108,095 Units)	-	220.08
	Nil Units Kotak Overnight fund (March 31, 2022: 105,910 Units)	-	120.08
	782,751 Units ICICI Prudential Liquid Fund (March 31, 2022: Nil Units)	260.80	-
	82,762 Units ICICI Prudential Overnight Fund (March 31, 2022: 1,484,750 Units)	100.02	170.16
	3,168,999 Units ICICI Prudential Ultra short term Fund (March 31, 2022: 7,127,375 Units)	80.18	170.42
	100,479 Units Kotak liquid fund (March 31, 2022: Nil Units)	457.02	-
	633,609 Units Aditya Birla Sunlife Money Manager Fund (March 31, 2022: NIL)	200.34	-
	52,330 Units Kotak Money Market Fund (March 31, 2022: NIL)	200.34	-
	13,106,048 Units Bharat Bond FOF (March 31,2022: NIL)	160.16	-
	117,837 Units SBI Liquid fund (March 31, 2022: Nil Units)	415.18	-
	Nil Units ICICI Prudential ICICI Prudential Overnight Fund (March 31, 2022: 1,794,595 Units)	-	205.67
	Nil Units ICICI Prudential Ultra short term Fund (March 31, 2022: 9,642,668 Units)	-	230.56

Notes to Consolidated Financial Statements
as at March 31 2023

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Current investment in Non-convertible debentures at amortised cost		
0% Axis Finance Limited PP- MLD Series 02/2020-21	34.97	-
0% L&T Finance Series A 2020-21	20.37	-
0% Tata Cleantech Capital NCD "A" 2020-21	59.29	-
6.49% Tata Capital Ltd. NCD A Series 21-22	98.79	-
6.49% Tata Capital Limited Debentures	49.36	-
5.42% HDB 2024 Series Debentures	97.88	-
	2,454.89	**1,234.51**

Note:
Redeemable debentures classified at amortised cost have interest rates of 0% to 6.49% (March 31, 2022: Nil) and maturity in one year.

7 OTHER FINANCIAL ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good				
Claims receivable	48.68	71.95	-	-
Accrued interest	-	-	12.01	9.19
Balance in fixed deposit accounts with original maturity more than 12 months	-	0.04	-	-
Margin money deposits [refer note (i) below]	146.69	127.58	-	-
Advances to employees	-	-	17.61	20.79
Sundry deposits	123.43	131.17	-	-
Others [refer note (ii) below]	-	-	-	246.51
	318.80	**330.74**	**29.62**	**276.49**
Unsecured, considered doubtful				
Sundry deposits	2.33	2.33	-	-
Claims receivable	59.45	78.72	-	-
	61.78	81.05	-	-
Less: Impairment allowance for doubtful assets	(61.78)	(81.05)	-	-
	318.80	**330.74**	**29.62**	**276.49**

Notes:

(i) Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 91.06 million (March 31, 2022: ₹ 84.35 million) are subject to first charge to secure the Bank guarantees/fixed deposits given by banks on behalf of the Group for pending court cases and deposits of ₹ 55.63 million (March 31, 2022 - ₹ 43.23 million) are subject to first charge to secure the facillities for Vaulting and ATM operations.

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

Notes to Consolidated Financial Statements
as at March 31 2023

8 DEFERRED TAX ASSETS (NET)

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets		
Impairment allowance for bad and doubtful receivables	338.62	240.98
Impairment allowance for doubtful advances,claims receivable and deposits	11.24	14.65
Provision for employee benefits and bonus payable	55.89	72.69
Leases	48.89	28.43
Unabsorbed Losses	1.81	-
	456.45	**356.75**
Deferred tax liabilities		
Depreciation	87.85	52.35
	87.85	**52.35**
Deferred tax assets (Net)	**368.60**	**304.40**

Deferred tax reconciliation

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Opening balance	**304.40**	**247.83**
Tax during the year recognized in Statement of Profit and Loss	65.22	59.29
Tax during the year recognized in other comprehensive income	(1.01)	(1.05)
Deferred tax on account of Business combination (Refer note 43)	-	(1.70)
Closing balance	**368.60**	**304.40**
Tax reconciliation		
Profit before tax	4,010.17	3,014.45
At statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	1,009.27	758.68
Net effect of non-deductible allowances and exemptions	37.25	20.46
Adjustment of tax relating to earlier years	(8.71)	(5.06)
Tax expense (Effective rate 26.097% (March 31, 2022: 25.847%)	1,037.81	774.07
Income tax expense reported in the Statement of Profit and Loss	1,037.81	774.07

9 OTHER ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Unsecured, considered good				
Advances recoverable in kind or for value to be received	-	-	230.74	185.93
Capital advances	9.61	128.19	0.25	2.88
Receivable from Government Authorities	47.66	47.66	121.99	281.46
Prepaid expenses	54.88	34.18	136.68	206.25
Unbilled revenue (Contract assets)	-	-	243.79	311.37
	112.15	**210.03**	**733.45**	**987.89**

Notes to Consolidated Financial Statements
as at March 31 2023

10 INVENTORIES

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Valued at lower of cost and net realisable value		
Trading goods (refer note below)	249.71	284.93
Stores and spares	491.99	349.89
	741.70	**634.82**

Note:

Trading stock includes stock at ATM sites which are not installed as at March 31, 2023 amounting to ₹ 27.62 million (March 31, 2022 - ₹ 51.99 million).

During the year, the company recorded inventory write downs of ₹ 29.63 million (March 31, 2022 ₹ 7.52 million). These adjustments were included in consumption of stores and spares.

11 TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Trade receivable considered good- unsecured (Refer note 37)	2,923.87	3,210.72
Unbilled revenue (Refer note 37)	2,336.16	1,782.49
Trade receviable - Credit impaired	1,328.33	934.62
Total trade receivable	**6,588.36**	**5,927.83**
Less: Loss allowance	(1,328.33)	(934.62)
Net trade receivables	**5,260.03**	**4,993.21**

12 CASH AND BANK BALANCES

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Cash and cash equivalents		
Balances with banks		
On current accounts	236.72	636.81
In deposits account with original maturity of less than three months	400.00	-
Cheques in hand	320.26	-
Cash on hand	6.16	6.66
	963.14	**643.47**
Bank balances other than above		
Funds held relating to cash management activity [refer note (i) below]	93.42	47.35
In deposits account with original maturity for less than 12 months but more than three months	360.00	675.02
Margin money deposits [refer note (ii) below]	145.96	51.93
	599.38	**774.30**

Note:

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

Notes to Consolidated Financial Statements

as at March 31 2023

(ii) Margin money deposits with carrying amount of ₹ 37.36 million (March 31, 2022 ₹ 32.54 million) are subject to first charge to secure the Bank guarantees/fixed deposits given by banks on behalf of the Group for pending court cases and deposits of 108.60 million (March 31, 2022 - ₹ 19.39 million) are subject to first charge to secure the facillities for Vaulting and ATM operations.

13 (a) Equity Share Capital

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Authorised share capital		
173,000,000 (March 31, 2022 - 173,000,000) equity shares of ₹ 10 each	1,730.00	1,730.00
1,500,000 (March 31, 2022 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ₹ 100 each	150.00	150.00
	1,880.00	**1,880.00**
Issued, subscribed and fully paid up shares:		
154,400,078 (March 31, 2022- 153,152,747) equity shares of ₹ 10 each	1,544.00	1,531.53

(i) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	As at March 31, 2023		As at March 31, 2022	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ₹ 10 each fully paid up				
Sion Investment Holdings Pte. Limited*	93,011,975	60.24%	97,074,075	63.38%
WF Asian Reconnaissance Fund Limited	8,843,973	5.73%	8,843,973	5.77%
SBI Small Cap Fund	8,286,487	5.37%	8,286,487	5.41%
Total	**110,142,435**	**71.33%**	**114,204,535**	**74.57%**

* Includes Six individual shareholders (registered shareholders) holding one share each as nominees of Sion Investment Holdings Pte. Ltd.

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

Notes to Consolidated Financial Statements
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(iv) Shares held by promoter at the end the year

Promoter name	No. of Shares	As at March 31, 2023 % of Total shares	As at March 31, 2022 % of Total shares	Changed during the year
Sion Investment Holdings Pte. Limited *	93,011,975	60.24%	63.38%	-3.14%

(v) Shares reserved for issue under options

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

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

13 (b) Other equity

(₹ in million)

		As at March 31, 2023	As at March 31, 2022
A)	**Summary of Other Equity balance**		
	Securities premium		
	Opening balance	765.28	42.87
	Add: Securities premium on shares (stock options) issued during the year	144.99	586.11
	Add: Transfer on exersice of options	35.72	136.30
	Closing balance	**945.99**	**765.28**
	Share based payment reserve (refer note 39 and 40)		
	Opening balance	331.32	406.43
	Add: Employee stock option compensation cost during the year	92.80	61.19
	Less: Transfer on exersice of options	(35.72)	(136.30)
	Closing balance	**388.40**	**331.32**
	Capital redemption reserve		
	Opening balance	150.50	150.50
	Closing balance	**150.50**	**150.50**
	Retained earnings		
	Opening balance	9,782.67	7,764.96
	Add: Net profit after tax transferred from Statement of Profit and Loss	2,972.36	2,240.38
	Less: impact of change in depreciation of HTPL	(9.45)	-
	Less: Dividend Paid [Refer note 13(a)(vi)]	(154.06)	(226.44)
	Add: Other comprehensive income (net of tax)	4.14	3.77
	Closing balance	**12,595.66**	**9,782.67**
	Total	**14,080.55**	**11,029.77**

B) Nature and purpose of reserves

(i) Securities Premium: The amount received in excess of face value of the equity shares is recognized in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium, on exercise of the option. During the current year the company has recognized securities premium of ₹ 35.72 million (March 31, 2022 ₹ 136.30 million).

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

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

(iv) Retained Earnings: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

14 TRADE PAYABLES

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Dues of micro enterprises and small enterprises (refer note 32a)	51.74	79.81
Dues of creditors other than micro enterprises and small enterprises (refer note 32b)	869.10	1,338.19
Accrued Expenses	1,331.30	1,040.80
	2,252.14	**2,458.80**

15 OTHER FINANCIAL LIABILITIES AND LEASE LIABILITIES

(₹ in million)

	Non - Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Capital creditors	-	-	87.57	295.44
Payable to employees	-	-	483.07	493.43
Others	-	-	26.71	277.16
	-	**-**	**597.35**	**1,066.03**
Lease liabilities (Refer note 29)	1,528.03	1,467.61	505.33	460.67
	1,528.03	**1,467.61**	**505.33**	**460.67**

16 PROVISIONS

(₹ in million)

	Non - Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits (refer note 28)				
For gratuity	154.63	148.47	15.79	18.14
For compensated absences	56.49	52.57	16.30	17.61
	211.12	**201.04**	**32.09**	**35.75**

17 OTHER LIABILITIES

(₹ in million)

	Non - Current		Current	
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Statutory liabilities (including provident fund, tax deducted at source and others)	-	-	220.49	249.57
Unearned revenue (contract liability) (Refer note 42)	6.14	9.25	35.01	46.94
	6.14	**9.25**	**255.50**	**296.51**

Notes to Consolidated Financial Statements
for the year ended March 31,2023

18 REVENUE FROM OPERATIONS (REFER NOTE 42)

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of ATM and ATM Sites	572.10	1,155.30
Sale of products	902.67	791.29
Sale of services (refer note 29)	17,672.53	13,950.12
Revenue from operations	**19,147.30**	**15,896.71**
Details of products sold		
ATM Spares and related Products	849.02	652.62
Cards	52.30	137.18
Others	1.35	1.49
	902.67	**791.29**
Details of services rendered		
ATM and Cash management services	15,861.04	12,152.04
AMC services	1,394.53	1,522.56
Card Personalisation	416.96	275.52
	17,672.53	**13,950.12**

19 FINANCE INCOME

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	54.33	30.77
Debenture	0.59	-
Security deposits measured at amortised cost	3.21	2.36
Others	11.47	-
Custom refund	-	1.72
	69.60	**34.85**

Notes to Consolidated Financial Statements
for the year ended March 31,2023

20 OTHER

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sundry credit balances written back	20.11	7.80
Profit on sale of property, plant and equipment (net)	11.31	5.38
Foreign exchange gain (net)	-	4.32
Profit on sale of current investments	29.52	20.58
Net change in fair value of current investments measured at FVTPL	12.42	4.12
Lease rent concession/Lease credit balance written back	3.47	1.73
Miscellaneous income	0.75	0.32
	77.58	**44.25**

21 PURCHASE OF TRADED GOODS

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Purchase of traded goods	1,132.07	1,360.86
Details of purchases		
ATM and ATM Sites	453.66	737.32
ATM Spares and related Products	628.17	518.33
Cards	50.24	105.21
	1,132.07	**1,360.86**

22 CHANGES IN INVENTORIES OF FINISHED GOODS (INCLUDING STOCK IN TRADE)

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Inventories at the end of the year		
Traded goods	249.71	279.38
Inventories at the beginning of the year		
Traded goods	279.38	456.48
	29.67	**177.10**

23 EMPLOYEE BENEFIT EXPENSE

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries, wages and bonus	2,276.02	2,033.38
Contribution to provident and other funds (refer note 28)	180.59	149.20
Gratuity expense (refer note 28)	40.57	36.53
Share based payments to employees (refer note 39 and 40)	92.80	61.19
Staff welfare expenses	58.91	35.15
	2,648.89	**2,315.45**

Notes to Consolidated Financial Statements

for the year ended March 31,2023

24 FINANCE COSTS

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest others	11.69	0.08
Interest on lease liability	184.46	143.82
	196.15	**143.90**

25 OTHER EXPENSES

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Service and security charges	3,815.65	3,207.18
Conveyance and traveling expenses	952.45	770.14
Vehicle maintenance, hire and fuel cost	1,584.29	1,508.78
Consumption of stores and spares	453.00	269.92
Annual maintenance charges	457.28	341.44
Legal, professional and consultancy fees	353.61	238.03
Courier, freight and forwarding charges	188.55	134.31
Power and electricity charges	195.05	112.81
Insurance	226.23	173.61
Communication costs	154.45	55.95
Trade receivables written off	593.29	451.28
Less: Out of the provision of earlier years	(456.04)	(246.87)
Impairment allowance for bad and doubtful receivables and deposits	847.66	595.13
Cash disposal charges	211.93	139.22
Insurance claims recievables written off	29.10	38.07
Less: Out of the provision of earlier years	(17.23)	(24.11)
Impairment allowance for doubtful insurance claims	3.70	7.78
Advances and other Debit balance written off	-	21.46
Cash lost in transit	41.85	66.68
Repairs and maintenance- Building	0.63	0.11
Repairs and maintenance- Plant and Machinery	0.19	0.10
Repairs and maintenance- Others	67.30	32.31
Payment to auditors		
Audit fees	12.03	9.97
Reimbursement of expenses	0.96	0.03
In other matters	1.34	2.38
Expenditure on corporate social responsibility (Refer Note 34)	50.94	40.74
Miscellaneous expenses	164.24	99.17
	9,959.35	**8,045.62**

Notes to Consolidated Financial Statements

for the year ended March 31,2023

26 EARNINGS PER SHARE

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Profit for the year attributable to equity shareholders (₹ in million)	2,972.36	2,240.38
Weighted average number of equity shares for Basic EPS	153,893,100	148,706,864
Weighted average number of equity shares on account of Employee stock option scheme for dilutive impact	5,330,382	7,620,024
Weighted average number of equity shares for diluted EPS	159,223,482	156,326,888
Earnings Per Share		
Basic (in ₹)	19.31	15.07
Diluted (in ₹)	18.67	14.33

27 CAPITAL WORK IN PROGRESS (INCLUDING INTANGIBLE ASSETS UNDER DEVELOPMENT)*

The following reflects the movement of Capital work in progress (including intangible assets under development) for ongoing projects during the years:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Opening CWIP as at (Including intangible assets under development)	436.85	231.47
(+) Additions during the year	202.15	432.18
(-) Capitalised during the year	(435.63)	(226.80)
Closing CWIP (Including intangible assets under development) as at	**203.37**	**436.85**

The following table represents CWIP (Including intangible assets under development) ageing as at:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Less than 1 year	202.14	432.64
1-2 Years	1.23	4.21
Total	**203.37**	**436.85**

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

28 EMPLOYEE BENEFITS

Defined contribution plan

During the year ended March 31, 2023 and year ended March 31, 2022 the Group contributed the following amounts to defined contribution plans:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Provident fund and Employees Family Pension Scheme	152.54	121.53
Employees' State Insurance Corporation	28.05	27.67
Total	**180.59**	**149.20**

Notes to Consolidated Financial Statements
for the year ended March 31,2023

As per "The Payment of Gratuity Act, 1972", the Group has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets gratuity on departure at 15 days' salary (last drawn salary) for each completed year of service. The Group (other than Securitrans India Private Limited, where the scheme is managed on an unfunded basis) has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Group. Any deficit in the assets arising as a result of such valuations is funded by the Group.

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

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

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Current service cost	29.17	26.50
Net interest cost	11.40	10.04
Expenses recognized in the Statement of Profit and Loss	**40.57**	**36.53**

Defined contribution plan

Net employee benefits expense (recognized in Other comprehensive income)

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Actuarial (losses)/gains		
- change in demographic assumptions	4.32	-
- change in financial assumptions	(8.82)	8.28
- experience variance (i.e. actual experience vs assumptions)	7.90	(3.48)
- Return on plan assets, excluding amount recognized in net interest expense	0.53	0.02
Components of defined benefit cost recognized in other comprehensive income	**3.93**	**4.82**

Balance Sheet

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Present value of obligation	226.46	215.59
Fair value of plan asset	56.04	48.98
Net liability	**170.42**	**166.61**

Notes to Consolidated Financial Statements
for the year ended March 31,2023

Changes in present value of obligation

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the beginning	215.58	202.80
Current service cost	27.02	25.36
Interest expense	14.76	12.97
Re-measurement (gain)/loss arising from		
- change in demographic assumptions	(4.32)	-
- change in financial assumptions	(8.82)	(8.28)
- experience variance (i.e actual experience vs assumptions)	7.90	3.48
Benefits paid	(25.64)	(20.74)
Present value of obligation at the end	**226.46**	**215.59**

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Fair value of plan assets at the beginning	48.98	46.01
Investment income	3.35	2.95
Employer's contribution	5.50	-
Benefits Paid	(1.25)	-
Re-measurement gain/(loss) arising from		
Return on plan assets, excluding amount recognized in net interest expense	(0.53)	0.02
Fair value of plan assets as at the end	**56.05**	**48.98**

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

Particulars	March 31, 2023	March 31, 2022
Investment with insurer	100%	100%

The Group expects to contribute ₹ 5 million (March 31, 2022 - ₹ Nil) to gratuity fund during the annual period beginning after balance sheet date.

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

Particulars	March 31, 2023	March 31, 2022
Weighted average duration (based on discounted cashflows)	7 to 12 years	7 to 12 years

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Group's expected cash flows over the future period (on undiscounted basis)		
1 year	20.08	21.39
2 to 5 years	78.48	79.83
6 to 10 years	103.57	93.53
More than 10 years	302.95	234.44

Notes to Consolidated Financial Statements

for the year ended March 31,2023

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.45%	6.25% - 6.60%
Salary Growth rate	5% to 6%	5%
Employee Attrition rate		
- Less than 5 years of service	26%	25%
- More than 5 years of service	5%	5%

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

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

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2023 is as shown below:

(₹ in million)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Decrease	Increase	Decrease	Increase
Discount Rate (-/+1%)	21.26	(18.47)	19.38	(16.69)
(% change compared to base due to sensitivity)	9.42%	-8.18%	8.87%	-7.74%
Salary Growth Rate (-/+1%) (Amount in ₹ million)	(18.66)	21.11	(16.75)	18.88
(% change compared to base due to sensitivity)	-8.27%	9.35%	-7.77%	8.76%
Attrition Rate (-/+ 50% of attrition rates) (Amount in ₹ million)	(5.98)	3.91	(5.24)	2.78
(% change compared to base due to sensitivity)	-2.65%	1.73%	-2.43%	1.29%
Mortality Rate (-/+10% of Mortality rates) (Amount in ₹ million)	(0.11)	0.11	(0.08)	0.08
(% change compared to base due to sensitivity)	-0.05%	0.05%	-0.04%	0.04%

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

Other long term employee benefits

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

Amount of ₹ 11.58 million (March 31, 2022 ₹ 16.84 million) for Compensated absences is recognized as an expense and included in "Employee benefits" in the Statement of Profit and Loss. Accumulated non-current liability amount to ₹ 56.49 million (March 31, 2022 ₹ 52.57 million) and accumulated current liability amount to ₹ 16.30 million (March 31, 2022 ₹ 17.61 million).

Notes to Consolidated Financial Statements

for the year ended March 31,2023

29 LEASES

A. In case of assets taken on lease:

Operating lease:

The following is the break-up of current and non-current lease liabilities as at March 31, 2023 and March 31, 2022:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Current lease liabilities	505.33	460.67
Non-current lease liabilities	1,528.03	1,467.61
Total	**2,033.35**	**1,928.28**

The following is the movement in lease liabilities during the year ended March 31, 2023 and year ended March 31, 2022:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Balance as at 01 April	1,928.28	1,266.35
Additions	525.70	978.83
Finance cost accrued during the year	184.46	143.82
Deletions	(81.96)	(53.56)
Lease rent concession	-	(1.73)
Payment of lease liability	(523.10)	(405.43)
Balance as at 31 March	**2,033.37**	**1,928.28**

The table below provides details regarding the contractual maturities of lease liabilities as at March 31, 2023 and March 31, 2022 on an undiscounted basis:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Less than one year	525.26	456.52
One to five years	1,730.79	1,568.44
More than five years	257.17	413.40
Total	**2,513.22**	**2,438.36**

The following is the movement in Right-of-use assets (which only consists of properties) during the year ended March 31, 2023 and March 31, 2022

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Balance as of 01 April	1,799.99	1,210.79
Additions during the year	525.70	978.83
Deletions during the year	(133.49)	(210.29)
Depreciation during the year (including Adjustments of accumulated depreciation on deletions).	(365.71)	(179.34)
Balance as at 31 March	**1,826.50**	**1,799.99**

Notes to Consolidated Financial Statements

for the year ended March 31,2023

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

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

The outflow on account of lease liabilities for the year ended March 31, 2023 is ₹ 523.10 million and March 31, 2022 is ₹ 405.43 million.

Group as lessor: lease receivables

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Within one year	1,127.03	573.49
After one year but not more than five years	3,732.51	2,182.76
More than five years	298.83	642.03
Total	**5,158.37**	**3,398.28**

During the year, the Group has recognized ₹ 921.74 million (March 31, 2022 - ₹ 225.23 million) as income in relation to the above arrangements. These are reported under sale of services (refer note 18).

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Gross block value as at	1,569.85	737.23
Less: Accumulated Depreciation as at	(246.54)	(73.02)
Net block value as at	1,323.31	664.21
Depreciation for year	173.52	40.86

30 RELATED PARTY DISCLOSURES

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

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entites under common control	Vault Co-Investment Vehicle L.P.
Holding Company	Sion Investment Holdings Pte. Limited
Subsidiary Companies and Trusts	CMS Securitas Limited
	Securitrans India Private Limited
	Quality Logistics Services Private Limited
	CMS Securitas Employees Welfare Trust
	CMS Marshall Limited (subsidiary of CMS Securitas Limited)
	Hemabh Technology Private Limited (w.e.f March 30, 2022)

Notes to Consolidated Financial Statements

for the year ended March 31,2023

Particulars	Name of the related party
2) Key management personnel	Whole-time Director & Chief Executive Officer
	Mr. Rajiv Kaul (Whole-time Director and Chief Executive Officer)
	Chief Financial Officer
	Mr. Pankaj Khandelwal (Chief Financial Officer)
	Non-Executive Independent Director
	Mrs. Shyamala Gopinath (upto December 31, 2021)
	Mr. Tapan Ray (w.e.f. April 09,2021)
	Mrs Manju Agarwal (w.e.f. Jan 01,2022)
	Mrs Sayali Karanjkar (w.e.f. Jan 01,2022)
	Non- Executive Non Independent Directors
	Mr. Ashish Agrawal
	Mr. Krzysztof Wieslaw Jamroz (w.e.f. August 10,2021)
	Mrs. Shyamala Gopinath (w.e.f. Jan 01,2022)
	Mr. Jimmy Lachmandas Mahtani
	Company Secretary
	Mr. Praveen Soni

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

(₹ in million)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Remuneration to KMP (short-term employee benefits)		
Mr. Rajiv Kaul	113.59	108.79
Mr. Pankaj Khandelwal	18.75	15.30
Mrs. Shyamala Gopinath	2.10	2.10
Mr. Krzysztof Wieslaw Jamroz	2.10	1.40
Mr. Tapan Ray	2.10	2.10
Mrs. Sayali Karanjkar	2.10	0.53
Mrs. Manju Agarwal	2.10	0.53
Employee stock option compensation cost (refer note 39 & 40)		
Mr. Rajiv Kaul	33.43	57.00
Mr. Pankaj Khandelwal	2.17	1.50
Sitting fees paid to Directors		
Mrs. Shyamala Gopinath	0.40	0.40
Mr. Tapan Ray	0.40	0.40
Mr. Krzysztof Wieslaw Jamroz	0.20	0.40
Mrs. Sayali Karanjkar	0.40	0.10
Mrs. Manju Agarwal	0.40	0.10

Notes to Consolidated Financial Statements

for the year ended March 31,2023

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

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Remuneration payable to KMP		
Mr. Rajiv Kaul	(63.00)	(51.15)
Mr. Pankaj Khandelwal	(3.88)	(3.10)
Mr. Tapan Ray	(2.10)	(0.53)
Mr. Krzysztof Wieslaw Jamroz	(1.40)	(1.40)
Mrs. Sayali Karanjkar	(0.53)	(2.10)
Mrs. Manju Agarwal	(0.53)	(0.53)
Mrs. Shyamala Gopinath	(0.53)	(0.53)
Sitting fees Payable to Directors		
Mrs. Shyamala Gopinath	(0.20)	(0.10)
Mrs. Sayali Karanjkar	(0.20)	(0.10)
Mrs. Manju Agarwal	(0.20)	-
Mr. Krzysztof Wieslaw Jamroz	(0.20)	(0.10)
Mr. Tapan Ray	(0.10)	(0.10)
IPO expenses recoverable		
Sion Investment Holdings Pte. Limited	-	246.51

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

31 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a) Contingent liabilities:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Claims against the Group not acknowledged as debt		
a) Disputed Customs matters*	92.65	92.65
b) Disputed VAT matters*	70.36	70.26
c) Disputed Excise matters*	69.03	69.03
d) Disputed CST matters *	2.14	2.05
e) Disputed GST matters *	0.84	0.82
f) Disputed Service tax matters *	2.74	11.21
g) Employee litigation matters**	17.57	11.82
h) Customer litigation matters	21.00	-
i) Disputed Income tax matter	118.33	119.57
	394.65	**377.41**

Notes:

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

Notes to Consolidated Financial Statements

for the year ended March 31,2023

** These claims are filed by former employees of the Securitrans India Private Limited ("SIPL"), subsidiary of the Company and their representatives challenging the Company's compliance with various labour laws and for claiming damages in case of accidents suffered by them while performing duties for the Company. These matters are pending with various Labour Authorities and in relation to some of these cases, the Company is insured against the liability it may have to incur in relation to some of these matters. Based on the opinion from the respective lawyers and also the past trend in respect of such cases, the Company believes that it will receive favorable orders from Labour Authorities and hence there shall be no obligation requiring the Company to settle these claims by outflow of resources. Hence, the Company has not made any provision against such liability and has disclosed this as a contingent liability.

c) Capital commitments:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account and not provided for	-	980.54

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

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

32 TRADE PAYABLES

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

The Group has ₹ 51.74 million (March 31, 2022 ₹ 79.81 million) dues outstanding to the micro and small enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	51.74	79.81
a. Principal and interest amount remaining unpaid	-	-
b. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

Notes to Consolidated Financial Statements

for the year ended March 31,2023

MSME ageing schedule as at resepctive year end:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
MSME Undisputed Dues		
Less than 1 year	27.90	68.64
1-2 Years	14.95	4.49
2-3 Years	3.06	3.75
More than 3 years	-	-
Total	**45.90**	**76.88**

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
MSME Disputed Dues		
Less than 1 year	-	-
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	5.84	2.93
Total	**5.84**	**2.93**

b) Ageing of creditors other than micro enterprises and small enterprises as at resepctive year end:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Others - Undisputed		
Not due	-	-
Less than 1 year	2,067.94	2,188.94
1-2 Years	28.40	41.23
2-3 Years	22.35	66.19
More than 3 years	81.71	82.63
Total	**2,200.39**	**2,378.99**

33 IMPAIRMENT TEST OF GOODWILL

Impairment test of Goodwill

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

a) ₹ 694.25 million (March 31, 2022: ₹ 694.25 million), relates to the Cash Management division of the Holding Company.

b) ₹ 1,147.52 million (March 31, 2022: ₹ 1,147.52 million), relates to one of the subsidiary- “Securitrans India Private Limited”.

c) ₹ 185.94 million (March 31, 2022: ₹ 185.94 million), relates to the acquisition of door step banking business from Checkmate Services Private Limited; also a part of Cash management business.

d) ₹ 27.14 million (March 31, 2022: ₹ 27.14 million), relates to one of the subsidiary - "Hemabh Technology Private Limited".

Notes to Consolidated Financial Statements

for the year ended March 31,2023

The Group performed its annual impairment test for the year ended March 31, 2023 and March 31, 2022 respectively. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cash flows beyond 5 years using a growth rate of 5% for the year ended March 31, 2023 (March 31, 2022: 5%). The pre-tax discount rate applied to the cash flow projections for impairment testing is 13.4% for March 31, 2023 (March 31, 2022: 13.4%).

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

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

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2023. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions/parameters on which the Management has based determination of the CGU's recoverable amount, there are no scenarios identified by the Management wherein the carrying value could exceed its recoverable amount.

34 EXPENDITURE ON CORPORATE SOCIAL RESPONSIBILITY

As per section 135 of the Act, a CSR committee has been formed by the Group. The funds are utilised throughout the year on activities which are specified in Schedule VII of the Act. Gross amount required to be spent by the group during the year is ₹ 52.48 million (March 31, 2022 ₹ 40.91 million).

(₹ in million)

Balance as at April 1, 2022		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2023	
With the Company	In Separate CSR Unspent Account		From the Company's Bank Account	From Separate CSR Unspent Account	With the Company	In Separate CSR Unspent Account
(1.64)	-	52.48	40.58	10.25	-	10.25

(₹ in million)

Balance as at April 1, 2021		Amount required to be spent during the year	Amount spent during the year		Balance as at March 31, 2022	
With the Company	In Separate CSR Unspent Account		From the Company's Bank Account	From Separate CSR Unspent Account	With the Company	In Separate CSR Unspent Account
(1.82)	-	40.91	40.74	-	(1.64)	-

Notes to Consolidated Financial Statements
for the year ended March 31,2023

35 FOREIGN CURRENCY EXPOSURE
The Group does not use forward exchange contracts to hedge its foreign exchange exposure relating to the underlying transactions in accordance with its forex policy. The group does not use foreign exchange forward contracts for trading or speculation purposes.

Unhedge Foreign Currency exposure outstanding as at March 31, 2023 and March 31, 2022 is:

Particulars	March 31, 2023		March 31, 2022	
	Amount in foreign currency	Amount in ₹ million	Amount in foreign currency	Amount in ₹ million
Currency Type:				
USD	$ 707,470.38	58.10	$ 1,368,067.28	105.50
GBP	£ 0.00	-	£ 2765.21	0.28

36 FAIR VALUE HIERARCHY
The following table provides the fair value measurement hierarchy of the Group's financial assets and financial liabilities.

Quantitative disclosures fair value measurement hierarchy as at March 31,2023

(₹ in million)

Particulars	March 31, 2023				
	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments	-	-	-	-	-
Investment in unquoted mutual fund units	2,077.26	2,094.22	-	2,094.22	-
Investment in unquoted equity shares	0.58	0.58	-	-	0.58

(₹ in million)

Particulars	March 31, 2022				
	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments	-	-	-	-	-
Investment in unquoted mutual fund units	1,226.79	1,234.52	1,234.52	-	-
Investment in unquoted equity shares	0.58	0.58	-	-	0.58

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

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

Notes to Consolidated Financial Statements
for the year ended March 31,2023

Break up of financial assets carried at amortised cost

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Trade receivables	2,923.87	3,210.72
Unbilled Revenue	2,336.16	1,782.49
Investment at amortised cost	697.63	-
Cash and cash equivalents	963.14	643.47
Other bank balances	599.38	774.30
Other financial assets	348.43	607.25
Total financial assets carried at amortised cost	**7,868.60**	**7,018.23**

Break up of financial liabilities carried at amortised cost

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Trade payables	2,252.14	2,458.80
Lease liabilities	2,033.36	1,928.29
Other financial liabilities	597.35	1,066.03
Total financial liabilities carried at amortised cost	**4,882.86**	**5,453.11**

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

37 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit risk

Credit risk is the risk of financial loss to the company if a customers failes to meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

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

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

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

Notes to Consolidated Financial Statements
for the year ended March 31,2023

The following table provides information about the ageing of gross carrying amount of trade recievables as at March 31, 2023:

(₹ in million)

Particulars	Unbilled Revenue	Not due	Less than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	2,336.16	1,497.54	1,500.69	529.50	99.71	61.25	78.41	6,103.26
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	0.50	0.55	-	-	-	1.05
(iii) Undisputed Trade Receivables -credit impaired	-	-	18.34	148.93	12.68	0.21	11.13	191.29
(iv) Disputed Trade Receivables - considered good	-	-	-	-	10.25	15.65	29.77	55.67
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	10.25	15.65	211.17	237.07
Total	**2,336.16**	**1,497.54**	**1,519.54**	**678.98**	**132.89**	**92.76**	**330.48**	**6,588.34**
Less: Loss allowance								(1,328.33)
Total Trade Receivables								**5,260.01**

The following table provides information about the ageing of gross carrying amount of trade recievables as at March 31, 2022:

(₹ in million)

Particulars	Unbilled Revenue	Not due	Less than 6 Months	6 months - 1 year	1-2 Years	2-3 Years	More than 3 years	Total
(i) Undisputed Trade receivables -considered good	1,782.49	683.01	2,022.11	411.00	144.69	73.88	21.35	5,138.53
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables -credit impaired	-	-	-	152.09	169.30	122.51	13.40	457.30
(iv) Disputed Trade Receivables - considered good	-	-	20.50	31.26	0.69	0.02	159.54	212.01
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	27.14	92.86	120.00
Total	**1,782.49**	**683.01**	**2,042.61**	**594.35**	**314.68**	**223.55**	**287.16**	**5,927.84**
Less: Loss Allowance								(934.62)
Total Trade Receivable								**4,993.22**

Notes to Consolidated Financial Statements

for the year ended March 31,2023

Movement in allowance of impairment in respect of trade receivables and contract assets during the year was as below:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at April 01	934.62	586.36
Amounts written off (Net)	(456.04)	(246.87)
Net re-measurement of loss allowances	847.66	595.13
Balance as at March 31	**1,326.24**	**934.62**

Security deposits are interest free deposits given by the group for properties taken on Lease. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. The gross carrying amount of Security deposit is ₹ 125.76 million as at March 31, 2023 and ₹ 133.50 million as at March 31, 2022.

Other financial asset includes claims receivable and other receivables (refer note 7). Provision is made where there is significant increase in credit risk of the asset.

Movement in allowance of impairment in respect of other receivables (including insurance claims) during the year was as below:

(₹ in million)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance as at April 01	81.05	97.67
Amounts written off (Net of reversals)	(17.23)	(24.40)
Provision write back	(5.74)	-
Net re-measurement of loss allowances	3.70	7.78
Balance as at March 31	**61.78**	**81.05**

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

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

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

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

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(₹ in million)

Particulars	March 31, 2023				
	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	2,095.84	156.30	-	2,252.14
Lease Liabilities	-	505.33	1,730.79	257.17	2,493.29
Other financial liabilities	-	597.35	-	-	597.35
Total	**-**	**3,198.52**	**1,887.09**	**257.17**	**5,342.78**

(₹ in million)

Particulars	March 31, 2022				
	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	2,257.57	201.23	-	2,458.80
Lease Liabilities	-	460.67	1,568.44	413.40	2,442.51
Other financial liabilities	-	1,066.03	-	-	1,066.03
Total	**-**	**3,784.27**	**1,769.67**	**413.40**	**5,967.34**

Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Group does not have any loans outstanding as at March 31, 2023 and March 31, 2022. It has taken adequate credit facilities from various banks to maintain its liquidity.

38 SEGMENT INFORMATION

The segment reporting format is determined to be business segments as the Group's risks and rates of return are affected predominantly by differences in the products sold and services rendered. The operating businesses are organized and managed separately according to the nature of the products sold and services rendered, with each segment representing a strategic business unit that offers different products and services. For management purposes, the Group is organized into business units based on the nature of services rendered and products sold into the following reportable segments.

a) Cash management services include ATM services; Cash delivery and pick-up, Network cash management services (together known as "Retail cash management services") and other related services.

b) Managed services division includes income from sale of ATM and ATM sites and related products and maintenance services.

c) Card division includes revenue from trading in card and card personalization services.

No operating segments have been aggregated to form the above reportable operating segments. The Board of Directors of the Group monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. However, the Group's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Finance income and finance costs, and fair value gains and losses on financial asset are not allocated to individual segments as the underlying instruments

Notes to Consolidated Financial Statements
for the year ended March 31,2023

are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on Group basis. Capital Expenditure consists of addition of property, plant and equipment and intangible assets.

(₹ in million)

Sr no	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
I	**Segment Revenue**		
	Cash Management services	13,262.80	11,108.07
	Managed Services	6,111.27	4,896.29
	Cards	469.24	412.70
	Less: Inter-segment Sales	696.03	520.35
	Total Segment Revenue	**19,147.29**	**15,896.71**
II	**Segment Results**		
	Cash Management services	3,363.14	2,654.38
	Managed Services	1,211.12	810.38
	Cards	32.36	31.93
	Total Segment Results	**4,606.61**	**3,496.69**
	Less: Unallocated corporate expenses	547.55	417.44
	Profit from continuing operations before other Income, Finance costs/Income and tax	**4,059.06**	**3,079.25**
	Add: Finance income	69.60	34.85
	Add: Other income	77.58	44.25
	Less: Finance costs	196.15	143.90
	Profit before tax	**4,010.09**	**3,014.45**
	Less: tax expenses	1,037.81	774.07
	Profit after tax attributable to equity shareholders	**2,972.28**	**2,240.38**
III	**Segment Assets**		
	Cash Management services	8,294.32	7,561.86
	Managed Services	7,118.33	6,836.03
	Cards	261.28	203.60
	Unallocated corporate assets	5,338.28	3,955.47
	Total Segment Assets	**21,012.22**	**18,556.96**
IV	**Segment Liabilities**		
	Cash Management services	2,433.14	2,157.81
	Managed Services	2,494.69	3,116.01
	Cards	53.87	44.89
	Unallocated corporate Liabilities	405.99	676.95
	Total Segment Liabilities	**5,387.69**	**5,995.66**

Information about major customers

a) Revenue for the peiod ended March 31, 2023 includes revenue from two customer of the Group relating to Cash management services and Managed service segments amounting to ₹ 4,293.69 million representing 22% and another customer amounting to ₹ 2477.32 million representing 13% of the Group's total revenue.

b) Revenue for the year ended March 31, 2022 includes revenue from two customer of the Group relating to Cash management services and Managed service segments amounting to ₹ 2,419.9 million representing 15% and another customer amounting to ₹ 3367.96 million representing 21% of the Group's total revenue.

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39 EMPLOYEE STOCK OPTIONS SCHEMES

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

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	4,604,444	9,866,667	2,519,366
Number of option granted under the scheme	4,603,507	9,866,667	2,519,366

Following is the vesting period for grants during the year:

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

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

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

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

Particulars	March 31, 2023			March 31, 2022		
	Employee scheme	CEO Scheme	Management scheme	Employee scheme	CEO Scheme	Management scheme
Outstanding at the beginning of the year	3,169,160	5,866,667	2,519,366	3,521,750	9,866,667	-
Granted during the year	355,000	-	-	1,200,400	-	2,519,366
Forfeited/cancelled during the year	(73,400)	-	-	(400,243)	-	-
Exercised during the year	(1,247,331)	-	-	(1,152,747)	(4,000,000)	-
Expired during the year	-	-	-	-	-	
Outstanding at the end of the year	2,203,429	5,866,667	2,519,366	3,169,160	5,866,667	2,519,366
Weighted average exersice price of Option						
Outstanding at the beginning of the year (in ₹)	140	123	165	125	123	-
Granted during the year (in ₹)	250	-	-	165	-	165
Outstanding at the end of the year (in ₹)	166	123	165	140	123	165
Weighted average remaining contractual life (in years)	0.80	-	0.45	0.67	-	0.45

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The Group has used Black Scholes option pricing model. The following tables list the inputs to the models used for Employee plan, CEO plan and management plan.

Particulars	March 31, 2023	March 31, 2022
Dividend yield (%)	0%	0%
Expected volatility (%)	25% - 32%	25% - 32%
Risk-free interest rate (%)	4%	4%
Expected life of share options (years)	3.7 years	3.7 years
Weighted average fair value per share on grant date (in ₹)	250	165

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 holding company has allotted employee stock options to some of its employees through its Employee Stock Option Scheme. Over the year's 1,126,893 (March 31, 2022: 1,053,493) stock options has expired and lapsed on account of employees left the organization. Accordingly reversal on account of same for the year ended March 31, 2023 is recognized in the profit and loss account aggregating to ₹ 1.85 million. The group has recognized ₹ 92.80 million, (March 31, 2022 – ₹ 57.50 million) as employee benefit expense in relation to all the active options outstanding as at respective year ends.

The CEO ESOP 2016, Employee ESOP 2016 and Management ESOP 2016 scheme has been modified, in which exercise period is extended by 1 (One) year as approved by the shareholders on December 28, 2022. This has resulted in an additional ESOP cost of ₹ 35.25 million for the year ended March 31, 2023.

40 AGREEMENT BETWEEN PROMOTER AND CEO

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

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

Since the option granted to CEO is for the services rendered to the Company, the Option has been valued considering the various probable scenarios and using specific assumptions relating to expected volatility and risk free return. The total charge over the period of vesting estimated is ₹ 70.20 million. The proportionate charge recognized during the current period is ₹ Nil (March 31, 2022: ₹ 15.10 million).

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41 ADDITIONAL INFORMATION TO BE DISCLOSED AS REQUIRED UNDER SCHEDULE III TO THE COMPANIES ACT, 2013, OF ALL ENTERPRISES CONSOLIDATED:

(₹ in million)

Particulars	March 31, 2023							
	Net assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
Parent	As a %	Amount	As a %	Amount	As a %	Amount	As a %	Amount
CMS Info Systems Limited	90%	14,967.11	88%	2,754.09	-55%	(2.28)	88%	2,751.80
Subsidiaries								
Securitrans India Private Limited	9%	1,570.50	9%	295.11	81%	3.34	10%	298.45
CMS Securitas Limited	0%	39.96	0%	3.58	47%	1.94	0%	5.52
CMS Marshall Limited	0%	17.01	0%	9.21	28%	1.15	0%	10.36
Quality Logistics Services Private Limited	0%	(5.29)	0%	(5.39)	0%	-	0%	(5.39)
Hemabh Technology Private Limited	0%	56.15	2%	64.69	0%	-	2%	64.69
CMS Securitas Employees Welfare Trust	0%	18.81	0%	1.16	-	-	0%	1.16

(₹ in million)

Particulars	March 31, 2022							
	Net assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
Parent	As a %	Amount	As a %	Amount	As a %	Amount	As a %	Amount
CMS Info Systems Limited	89%	12,119.10	92%	2,134.70	2%	0.07	92%	2,134.77
Subsidiaries								
Securitrans India Private Limited	10%	1,422.17	8%	177.30	32%	1.22	8%	178.52
CMS Securitas Limited	0%	34.44	0%	2.92	48%	1.83	0%	4.75
CMS Marshall Limited	0%	6.65	0%	2.70	17%	0.65	0%	3.35
Quality Logistics Services Private Limited	0%	0.10	0%	-	0%	-	0%	-
Hemabh Technology Private Limited	0%	0.91	0%	-	0%	-	0%	-
CMS Securitas Employees Welfare Trust	0%	17.66	0%	0.98	-	-	0%	0.98

42 IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of Product

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

Revenue for services

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

Notes to Consolidated Financial Statements
for the year ended March 31,2023

Disaggregation of revenue from contract with customers

Revenue from sale of goods is recognized at point in time when control of the products being sold is transferred to our customer and Revenue from services is recognized over time as and when services are rendered. Revenue from contracts with customers is disaggregated by primary business units as given in the note 18

Reconciliation of revenue recognized with contracted price

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Revenue as per Contracted Price	19,271.73	16,028.78
Reduction (Rebate/discount)	(124.43)	(132.07)
Revenue recognized as per the statement of profit and loss	**19,147.30**	**15,896.71**

Movement of Deferred Contract Liability (unearned revenue)

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	56.19	146.16
i) Additions during the year (net)	41.15	56.19
ii) Reversal during the year	-	(46.99)
iii) Income Recongised during the year	(56.19)	(99.17)
Closing Balance	**41.15**	**56.19**

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

(₹ in million)

Time Band	March 31, 2023	March 31, 2022
within 1 year	35.01	46.94
1-2 years	6.14	9.25
Total	**41.15**	**56.19**

There is no obligation for returns, refunds and other similar obligation as at March 31, 2023 and March 31, 2022

43 BUSINESS COMBINATION

During the previous year ended 31 March 2022, the Company has acquired 100% of the equity share capital of Hemabh Technology Private Limited for a consideration of ₹ 28.05 million. Assets taken over comprises of Property Plant and Equipment (₹ 115.49 million), Customer Contracts (₹ 44.70 million) and other assets (₹ 78.55 million) comprising ₹ 238.74 million. Liabilities taken over comprises of borrowings (₹ 143.86 million), trade payables (₹ 69.05 million) and other liabilities (₹ 24.93 million) amounting to ₹ 237.84 million. No additional intangible assets have currently been identified and the purchase consideration, over assets taken over amounting to ₹ 27.14 million, has been recognized as goodwill. The Goodwill represents expected synergies and assembled workplace.

Notes to Consolidated Financial Statements

for the year ended March 31,2023

44 PREVIOUS YEAR FIGURES HAVE BEEN REGROUPED/RECLASSIFIED, WHERE NECESSARY, TO CONFORM TO THIS YEAR CLASSIFICATION

(₹ in million)

Particulars	Note No.	Amount as per Previous year financials	Adjustments	Revised amount for previous year
Current assets				
(b) Financial assets				
(i) Investments	6(b)	1,235.02	(0.50)	1,234.52
Non-current assets				
(g) Financial assets				
(i) Investments	6(a)	0.08	0.50	0.58

45 DISCLOSURE REQUIRED FOR QUARTERLY STATEMENT SUBMITTED WITH BANKS

For borrowings from banks or financial institutions on the basis of security of current assets, quarterly returns or quarterly statements of current assets filed by the Group with banks or financial institutions for the year ended March 31, 2023 and the year ended March 31, 2022 are in agreement with books of accounts.

46 DISCLOSURE REQUIRED UNDER RULE 11(E) OF THE COMPANIES RULES, 2014

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

47 INITIAL PUBLIC OFFERING

During the year ended March 31, 2022, the holding company has completed its Initial Public offer ("IPO"), comprising of an offer for sale of 50,925,925 equity shares of face value ₹ 10 each at an issue price of ₹ 216 per share by existing shareholders. Pursuant to the IPO, the equity shares of the Holding Company were listed on National Stock Exchange of India (NSE) and BSE Limited (BSE) on December 31, 2021.

48 RELATIONSHIP WITH STRUCK OFF COMPANIES

The Group have below mentioned transactions with struck off companies:

(₹ in million)

Sr. No.	Nature of Struck off Company	Nature of transactions	Transactions during the year	Balance outstanding as at March 31, 2023	Relationship with the Struck off Company
1	Cybernet Infotech Pvt. Ltd.	Payable	0.02	(0.00)	Vendor
2	Bennett Coleman And Co Ltd.	Payable	0.01	-	Vendor
3	Aditya Motor Pvt. Ltd	Payable	0.06	0.01	Vendor
4	Bhatia And Company	Payable	0.01	(0.00)	Vendor
5	Herbalife International India Private Limited	Receivable	4.41	1.20	Customer

49 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

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

50 UNDISCLOSED INCOME

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

Notes to Consolidated Financial Statements

for the year ended March 31,2023

survey or any other relevant provisions of the Income Tax Act, 1961

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

51 DIVIDEND

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

(b) The Board of Directors at its meeting held on May 23, 2023 recommended a Final Dividend of ₹ 4.75 per Equity share of ₹ 10 each for FY 2022-23. This Final dividend is subject to the approval of the Members at the ensuing Annual General Meeting which will be held on or before September 30, 2023.

52 The Group has presented these consolidated financial statement in accordance with the requirement of Schedule III - of the Companies Act, 2013 including amendments thereto, effective from April 01,2021.

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

54 No transactions to report against the following disclosure requirements as notified by MCA pursuant to amended Schedule III:

a) Crypto Currency or Virtual Currency

b) Benami Property held under Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder

c) Registration of charges or satisfaction with Registrar of Companies

d) Relating to borrowed funds:

   i. Wilful defaulter

   ii. Utilisation of borrowed funds & share premium

   iii. Borrowings obtained on the basis of security of current assets

   iv. Discrepancy in utilisation of borrowings

   v. Current maturity of long term borrowings

e) Merger/amalgamation/reconstruction, etc.

f) Group has complied with the number of layers prescribed into.

55 SUBSEQUENT EVENT

There are no significant subsequent events that would require adjustments or disclosures in the financial statements as on the balance sheet date.

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

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

Glenn D'Souza
Partner
Membership No.: 112554

Ashish Agrawal
Director
DIN No.: 00163344

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

Place: Mumbai
23 May 2023

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495