Independent Auditor's Report

To the Members of CMS Info Systems Limited

REPORT ON THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Opinion

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

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

See Note 2(h) and 43 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
Revenue from operations for the year is ₹ 17,038.04 million (FY 22: ₹ 14,076.69 million). Refer Note 2 (h) of accounting policy and Note 19 and Note 43 in standalone financial statements. The Company's revenue is derived primarily from sale of products (ATMs, ATM sites and related products) which comprise of ₹ 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 ₹ 15,566.91 million (FY 22: ₹ 12,130.10 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. • 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 i.e., before the control of underlying goods and services have been transferred to the customer. • there is significant audit effort, due to volume of transactions, to ensure that unbilled revenue is recorded based on contractual terms and the services are rendered.	In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence: • Assessed the appropriateness of the Company's accounting policies in respect of revenue recognition by comparing with applicable accounting standards. • Evaluated the design and tested the implementation of internal financial controls and tested the operating effectiveness of internal controls for a randomly selected sample of transactions. • Evaluated the design, implementation and operating effectiveness of Company's general IT controls, and application controls over the Company's IT systems. We have also tested 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. • Examined journal entries 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 Company 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 43 to the standalone financial statements

Other Information

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

Our opinion on the standalone 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 standalone 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 standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance

Management's and Board of Directors' Responsibilities for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

   c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.

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

   e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors 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 Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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

a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 32 to the standalone financial statements.

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

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

d (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone 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 Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever 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 performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.

e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

As stated in Note 50 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company 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, the remuneration paid/ payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/ payable to any director is not in excess of the limit laid down under Section 197 of the Act, except in case of a whole-time director where requisite approvals are taken in the general meeting. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Glenn D'souza
Partner
Membership No.: 112554
ICAI UDIN:23112554BGWSAJ7726

Place: Mumbai
Date: 23 May, 2023

Annexure A

To the Independent Auditor's Report on the Standalone 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)

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

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

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

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

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

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

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

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

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

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other entity as below:

Particulars	Loans (All amounts in ₹ Mn)
Aggregate amount during the year	
Subsidiaries*	684.32
Others - Employees	7.80
Balance outstanding as at balance sheet date	
Subsidiaries*	200.52
Others - Employees	4.60

*As per the Companies Act, 2013

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

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of unsecured loans given to the company, the repayment of principal and payment of interest has been made as and when demanded. In case of interest free loans given to employees, the repayment has been regular. Further, the repayment of principal and payment has been stipulated which is specific term or repayment on demand and the repayments or receipts have been regular as per term/demand during the year

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment except for the following loans to its related parties as defined in Clause (76) of Section 2 of the Companies Act, 2013 ("the Act"):.

	All Parties (₹ in Mn)	Promoters (₹ in Mn)	Related Parties (₹ in Mn)
Aggregate of loans- Repayable on demand	692.12	-	684.32
Percentage of loans			98.87%

(iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") with respect of investments made and loans provided by the Company. The Company has not provided any guarantee, security and accordingly, compliance under Sections 185 and 186 of the Act in respect of providing guarantee, securities is not applicable to the Company.

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

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

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues have generally been regularly deposited with the appropriate authorities except in case of profession tax where there has been slight delay in few cases

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount demanded (₹ in Mn)	Amount paid under protest (₹ in Mn)	Period to which the amount relates	Forum where dispute is pending
Customs Act, 1962	Special additional duty	44.77	-	2015-16	Supreme Court
Customs Act, 1962	Customs Duty	45.13	4.17	2016-17, 2018-19 and 2019-20	Appellate Tribunal, Chennai
Customs Act, 1962	Special additional duty	2.75	-	2013-14	Appellate Tribunal, Chennai
Bihar Value Added Tax, 2005	Value Added Tax	25.73	10.29	2015-16	The Commissioner of Commercial Taxes, Patna
Gujarat Value Added Tax, 2003	Value Added Tax	40.12	2.50	2013-14	Commercial Tax Officer, Gujarat
Uttarakhand VAT Act, 2005	Value Added Tax	1.72	0.69	2014-15	Appellate Authority
MaharashtraVAT Act, 2002	Value Added Tax	0.60	0.06	2015-16	Deputy Commissioner of State Tax
MaharashtraVAT Act, 2002	Value Added Tax	0.11	0.006	2016-17	Joint Commissioner of Sales Tax
Orissa Value Added Tax, 2004	Value Added Tax	0.37	0.02	2010-11 to 2014-15	Joint Commissioner of Sales Tax, Bhubaneshwar Range
Orissa Value Added Tax, 2004	Value Added Tax	1.49	0.05	2015-16	Joint Commissioner of Sales Tax, Bhubaneshwar Range
Orissa Value Added Tax, 2004	Value Added Tax	0.12	0.004	2015-16	Joint Commissioner of Sales Tax, Bhubaneshwar Range
Punjab Value Added Tax, 2005	Value Added Tax	0.10		2015-16	Excise and Taxation Officer
The Central Excise Act, 1944	Excise Duty	42.45	3.18	2013-14 to 2017-18	Appellate Tribunal
The Central Excise Act, 1944	Excise Duty	26.58	1.99	2015-16	Appellate Tribunal
Central Sales Tax Act, 1956	Central Sales Tax	0.55	-	2013-14	Commercial Tax Officer, Gujarat
Central Sales Tax Act, 1956	Central Sales Tax	0.20	0.20	2015-16	Deputy Commissioner of State Tax
Central Sales Tax Act, 1956	Central Sales Tax	1.05	0.10	2016-17	Joint Commissioner of State Tax, Maharashtra

Name of the statute	Nature of the dues	Amount demanded (₹ in Mn)	Amount paid under protest (₹ in Mn)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	0.26	0.017	2010-11 to 2014-15	Joint Commissioner of Sales Tax, Bhubaneshwar Range
Central Sales Tax Act, 1956	Central Sales Tax	0.08		2015-16	Excise and Taxation Officer
Bihar Goods and Service Tax Act, 2017	Goods and Service Tax	0.82	0.058	2017-18	Office of the Appellate Authority, Patliputra, Central Bihar
Madhya Pradesh Goods and Service Tax Act, 2017	Goods and Service Tax	0.02	0.02	2019-20	Assistant Commissioner of State Tax
Finance Act, 1994	Service Tax	2.74		2017-18	Appellate Tribbunal, Mumbai
The Income Tax Act, 1961	Income Tax	50.47	41.92	AY 2017-18	CIT Appeals
The Income Tax Act, 1961	Income Tax	67.86	57.36	AY 2018-19	CIT Appeals

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

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

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

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

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures as defined under the Act.

(f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

(x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

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

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed of eleven instances of cash embezzlements done by employees of the Company wherein the total amount involved was ₹ 124.79 million. The Company has filed complaints with the police and has also filed insurance claims for the recovery of amounts involved. Out of the above, the Company has recovered ₹ 56.21 million and ₹ 17.89 million being doubtful of recovery has been written off during the year

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Also refer to the Other Information paragraph of our main audit report which explains that the other information comprising the information included in Annual Report is expected to be made available to us after the date of this auditor's report.

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

(b) In our opinion and according to the information and explanatons given to us, amount remaining unspent under sub-section (5) of section 135 of the Companies Act, pursuant to ongoing project, has been transferred to special account within thirty days from the end of the financial year in compliance with the provision of sub-section (6) of section 135 of the Act.

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

Glenn D'souza
Partner
Membership No.: 112554
ICAI UDIN:23112554BGWSAJ7726

Place: Mumbai
Date: 23 May 2023

Annexure B

To the Independent Auditor's Report on the standalone 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 standalone 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

We have audited the internal financial controls with reference to financial statements of CMS Info Systems Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Glenn D'souza
Partner
Membership No.: 112554
ICAI UDIN:23112554BGWSAJ7726

Place: Mumbai
Date: 23 May 2023

Standalone 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	4,406.43	3,233.41
(b) Capital work-in-progress	28	198.30	423.18
(c) Right-of- use assets	5(a)	1,817.22	1,783.51
(d) Goodwill	5	1,227.03	1,227.03
(e) Other intangible assets	5	76.49	128.38
(f) Intangible assets under development	28	0.24	1.02
(g) Financial assets			
(i) Investments	6(a)	1,967.43	1,882.48
(ii) Other financial assets	8	287.89	280.27
(h) Deferred tax assets (net)	9	248.26	177.47
(i) Income tax assets (net)		181.43	220.33
(j) Other non-current assets	10	112.15	210.03
Total non-current assets		**10,522.87**	**9,567.11**
Current assets			
(a) Inventories	11	741.70	629.27
(b) Financial assets			
(i) Investments	6(b)	2,289.05	780.74
(ii) Trade receivables	12	4,505.32	4,269.95
(iii) Cash and cash equivalents	13	481.98	396.74
(iv) Bank balances other than (iii) above	13	565.57	559.30
(v) Loans	7	200.77	143.86
(vi) Other financial assets	8	11.32	259.09
(c) Other current assets	10	647.98	1,007.88
Total current assets		**9,443.69**	**8,046.83**
Total		**19,966.56**	**17,613.94**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	14(a)	1,544.00	1,531.53
(b) Other equity	14(b)	13,423.11	10,587.57
Total equity attributable to equity share holders		**14,967.11**	**12,119.10**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	16	1,519.43	1,458.24
(b) Provisions	17	31.87	24.79
(c) Other non-current liabilities	18	6.14	9.25
Total non-current liabilities		**1,557.44**	**1,492.28**
Current Liabilities			
(a) Financial liabilities			
(i) Lease liabilities	16	498.38	446.27
(ii) Trade payables			
Dues of micro enterprises and small enterprises	15	47.14	75.02
Dues to creditors other than micro enterprises and small enterprises	15	2,381.17	2,493.37
(iii) Other financial liabilities	16	326.15	773.76
(b) Other current liabilities	18	179.20	206.07
(c) Provisions	17	9.97	8.07
Total current liabilities		**3,442.01**	**4,002.56**
Total		**19,966.56**	**17,613.94**
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.	4 to 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

Standalone 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	19	17,038.04	14,076.69
Other income			
Finance income	20	57.34	27.05
Other	21	210.43	107.86
Total Income		**17,305.81**	**14,211.60**
Expenses			
Purchase of traded goods	22	1,132.07	1,360.86
Changes in inventories of finished goods (including stock in trade)	23	29.67	177.10
Employee benefits expense	24	909.59	729.82
Finance costs	25	190.95	140.75
Depreciation and amortisation expenses	4 &5	1,241.87	875.83
Other expenses	26	10,150.85	8,078.04
Total Expenses		**13,655.00**	**11,362.40**
Profit before tax		**3,650.81**	**2,849.20**
Tax expense			
Current tax		965.50	757.20
Tax adjustment of earlier year		1.26	-
Deferred tax (credit)		(70.02)	(42.68)
Total tax expense		**896.74**	**714.52**
Profit for the year attributable to equity shareholders		**2,754.07**	**2,134.68**
Other comprehensive income ('OCI')			
Items that will not be reclassified to profit or loss			
Remeasurement (losses)/gains on defined benefit plans		(3.05)	0.10
Income tax effect		0.77	(0.02)
Other comprehensive (loss)/income for the year, net of tax		**(2.28)**	**0.08**
Total comprehensive income for the year		**2,751.79**	**2,134.76**
Earnings per equity share (nominal value of share ₹ 10)	27		
Basic		17.90	14.35
Diluted		17.30	13.66
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.	4 to 55		

As per our report of even date

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

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Place: Mumbai
23 May 2023

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495

Standalone 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	3,650.81	2,849.20
Adjustments to reconcile profit before tax to net cash flow:		
Depreciation and amortisation on Property,plant and equipment and Intangible asset	829.99	551.14
Depreciation on Right-of-use assets	411.88	324.70
Unrealised foreign exchange gain	(0.78)	(1.52)
Bad debts written off	92.18	120.46
Debit balance written off	-	21.46
Impairment allowance for bad and doubtful receivables and deposits	726.55	488.41
(Profit)/Loss on disposal of property, plant and equipment (net)	(5.39)	(3.29)
Sundry credit balances written back	(19.75)	(7.36)
Impairment for doubtful claims receivables	3.70	7.78
Insurance claims receivables written off	11.87	13.96
Lease rent concessions	(3.47)	(1.73)
Finance income	(57.34)	(27.05)
Dividend received	(150.12)	(78.18)
Profit on sale of current investments	(20.71)	(11.97)
Net change in fair value of current investments measured at FVTPL	(10.99)	(0.48)
Employee stock option compensation cost	92.80	61.19
Finance costs	190.95	140.75
Operating profit before working capital changes	**5,742.18**	**4,447.47**
Movement in working capital:		
(Decrease) in trade payables and other liabilities	(391.93)	(388.71)
Increase/(Decrease) in provisions	5.94	(5.20)
(Increase)/Decrease in inventories	(112.43)	265.46
(Increase) in trade receivables	(1,054.10)	(636.85)
Decrease/(Increase) in other assets and prepayments	568.06	(590.81)
Cash flow generated from operations	**4,757.72**	**3,091.36**
Direct taxes paid (net of refunds)	(936.36)	(899.69)
Net cash flow from operating activities (A)	**3,821.36**	**2,191.67**
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	13.65	4.74
Purchase of property, plant and equipment, intangible assets (including CWIP and capital advances)	(1,818.79)	(2,773.27)
Investments in mutual funds and non convertible debentures	(10,842.48)	(7,202.63)
Proceeds from redemption of mutual funds	9,280.93	7,387.61
Loan given to subsidiary	(680.10)	(143.86)
Repayment of loan from subsidiary	642.29	-
Investment in deposits with banks	(573.66)	(603.64)
Proceeds from maturity of deposits with banks	601.36	408.64
Dividend received	150.12	78.18
Net cash flow (used in) investing activities (B)	**(3,226.68)**	**(2,844.23)**

Standalone 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		
Proceed from issue of equity shares	157.46	637.64
Dividend paid	(154.06)	(226.44)
Finance costs on lease liabilities	(182.44)	(140.75)
Payment of Principal portion of lease liabilities	(330.41)	(251.59)
Net cash flow from/(used in) financing activities (C)	**(509.45)**	**18.86**
Net (Decrease) in cash and cash equivalents (A+B+C)	**85.23**	**(633.70)**
Cash and cash equivalents at the beginning of the year	396.74	1,030.44
Cash and cash equivalents at the end of the year (refer note below)	**481.97**	**396.74**

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Components of cash and cash equivalents:		
Cash on hand	3.77	5.24
Cheques in hand	320.25	-
Balances with banks		
On current accounts	157.95	391.50
Cash and cash equivalents at the end of the year (refer note 13)	**481.97**	**396.74**

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

As per our report of even date

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

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

Standalone 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**	**406.42**	**150.00**	**7,432.66**	**9,511.95**
Profit for the year	-	-	-	-	2,134.68	2,134.68
Other comprehensive income	-	-	-	-	0.08	0.08
Total comprehensive income	**-**	**-**	**-**	**-**	**2,134.76**	**2,134.76**
Equity shares issued during the year on exercise of stock options	51.53	-	-	-	-	51.53
Transfer on Securities premium on exercise of options	-	136.30	(136.30)	-	-	-
Securities premium on shares issued during the year	-	586.11	-	-	-	586.11
Employee stock option compensation cost	-	-	61.19	-	-	61.19
Dividend Paid	-	-	-	-	226.44	226.44
As at March 31, 2022	**1,531.53**	**765.28**	**331.31**	**150.00**	**9,340.98**	**12,119.09**
Profit for the year	-	-	-	-	2,754.07	2,754.07
Other comprehensive (loss)	-	-	-	-	(2.28)	(2.28)
Total comprehensive income	**-**	**-**	**-**	**-**	**2,751.79**	**2,751.79**
Equity shares issued during the year on exercise of stock options	12.47	-	-	-	-	12.47
Transfer on Securities premium on exercise of options	-	35.72	(35.72)	-	-	-
Securities premium on shares issued during the year	-	144.99	-	-	-	144.99
Employee stock option compensation cost	-	-	92.80	-	-	92.80
Others	-	-	-	-	-	-
Dividend Paid	-	-	-	-	154.06	154.06
As at March 31, 2023	**1,544.00**	**945.99**	**388.39**	**150.00**	**11,938.71**	**14,967.08**

Summary of significant accounting policies (Refer Note 2)

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

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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 Standalone Financial Statements

for the year ended March 31,2023

1. CORPORATE INFORMATION

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

The Company classifies all other liabilities as non-current.

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

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

c) Property, plant and equipment

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is 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 standalone 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 standalone statement of profit and loss when the asset is derecognized.

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

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

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

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

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

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

d) Intangible assets and goodwill

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets 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 an intangible asset with a finite useful life are reviewed at least at the end of each reporting period and adjusted prospectively, if appropriate.

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

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

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

e) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when

Notes to Standalone Financial Statements

for the year ended March 31,2023

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

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

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

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously 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.

f) Leases

The Company adopted Ind AS 116, leases (which replaces earlier standard Ind AS 17) using modified retrospective approach for transitioning by recognising right of use asset and an equal amount of lease liability on April 01, 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at April 01, 2019.

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

The Company also applied the available practical expedients wherein it:

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

i) Right-of-use assets

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

ii) Lease liability

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

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

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

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

Company as a lessor

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

g) Inventories

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

h) Revenue recognition

Revenue is measured at 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 company recognises revenue when it transfers control over goods or services to a customer. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to inventory and credit risks. The specific recognition criteria described below must also be met before revenue is recognized.

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

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 company 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

Notes to Standalone Financial Statements

for the year ended March 31,2023

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 it's payment will be received after completion of specified activities, the company recognises contract asset for the same.

Sale of ATM sites:

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

i) Interest income:

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

j) Foreign currencies

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

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising on settlement or translation of monetary items are 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.

k) Retirement and other employee benefits

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

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the

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

standalone statement of Profit and Loss - Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements and net interest expense or income.

Remeasurements comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are 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 standalone statement of profit and loss in subsequent periods.

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

Remeasurements, 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.

l) Income taxes

Current income tax

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

Current income tax relating to items recognized outside profit or loss is recognized (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.

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 standalone 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.

m) Earnings per share

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

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders (after adjusting the cost recognized in the current year

Notes to Standalone Financial Statements

for the year ended March 31,2023

in relation to employee stock options schemes) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

n) Provisions

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

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

o) Contingent liabilities

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

p) Cash and cash equivalents

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

q) Share based payment

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

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

That cost is 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 Company's best estimate of the number of equity instruments that will ultimately vest. The Standalone Statement of Profit and Loss expense or credit for a period represents the movement in cumulative expense 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 and/or service conditions have not been met. When an award is cancelled by the Company or by the counterparty, any remaining element of the fair value of the award is expensed immediately through the Standalone Statement of Profit and Loss.

r) Fair value measurement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

s) Financial instruments

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

Financial assets

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

Initial recognition and measurement

On initial recognition, a financial asset is recognized at fair value. In case of Financial assets which are recognized at fair value through profit and loss (FVTPL), its transaction cost is recognized in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset. However, trade receivables without a significant financing component is initially measured at a transaction price.

Financial assets are subsequently classified and measured at:

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

(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.

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 Standalone Statement of Profit and Loss. This category generally applies to trade and other receivables.

Debt instrument at FVTPL

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

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

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

Equity investments

Investment in subsidiaries

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

Derecognition

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

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

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

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

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

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

Financial liabilities

Initial recognition and measurement

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss

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

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

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

Loans and borrowings

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

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are 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 Standalone Statement of Profit and Loss.

Offsetting of financial instruments

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

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the financial assets which are not fair valued through profit or loss and equity instruments recognized in OCI. Loss allowance for trade receivables and insurance claims is measured at an amount equal to lifetime ECL at each reporting date, right from its initial recognition. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured

Notes to Standalone Financial Statements

for the year ended March 31,2023

at lifetime ECL. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

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

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

t) Business combinations and goodwill

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

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Company re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be 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, if any. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Company's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

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

u) Rounding of amount:

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

v) Cash dividend distribution to equity holders of the parent

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

3. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS:

The preparation of the Company's financial statements requires management to make 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. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

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

Estimates

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

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

Notes to Standalone Financial Statements

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is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes. Refer note 29 for sensitivity analysis in relation to this estimate.

Property, plant and equipment

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

Impairment of goodwill and investment in subsidiaries

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

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

The impairment indicators, the estimation of expected future cash flows and the determination of the fair value require the Management to make significant 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 34.

Share-based payments

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

Claims receivable

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

The Company has 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 Company's historical experiences and recoverability of amount from Insurance companies and others.

Expected credit loss

The Company has large number of individual customers. Management assesses the level of allowance for doubtful debts after taking into account ageing analysis and any other factor

Other provisions

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

Recent pronouncement:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Amendment Rules 2023, as issued from time to time. On March 31, 2023, MCA amended the Companies (Ind AS) Rules 2015 by issuing the Companies (Ind AS) Amendments Rules 2023, applicable from April 1, 2023, as below:

Notes to Standalone Financial Statements

for the year ended March 31,2023

Ind AS 1- Presentation of Financial Statements

The amendments require 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 of 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, Change in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of 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 require 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 Standalone 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	**1,387.02**	**41.78**	**336.10**	**1,411.87**	**15.75**	**117.49**	**346.35**	**3,656.37**
Additions during the year	1,234.29	6.43	170.47	414.95	5.15	40.52	27.31	1,899.14
Deletions during the year	30.67	11.78	25.44	40.85	4.49	33.28	2.01	148.52
Gross block value as at March 31, 2022	**2,590.64**	**36.43**	**481.13**	**1,785.97**	**16.41**	**124.73**	**371.65**	**5,406.99**
Additions during the year	1,161.32	6.27	76.41	574.64	4.69	40.79	67.35	1,931.47
Deletions during the year	78.51	5.63	8.15	113.47	1.77	5.29	41.93	254.75
Gross block value as at March 31, 2023	**3,673.45**	**37.07**	**549.39**	**2,247.14**	**19.33**	**160.23**	**397.07**	**7,083.71**
Accumulated depreciation as at March 31, 2021	**312.95**	**32.10**	**104.16**	**1,025.98**	**10.50**	**63.98**	**302.68**	**1,852.36**
Depreciation for the year	262.12	4.28	51.46	107.17	2.12	14.46	26.70	468.32
Accumulated depreciation on disposals	29.99	11.78	25.20	40.49	4.49	33.12	2.01	147.07
Accumulated depreciation as at March 31, 2022	**545.08**	**24.60**	**130.42**	**1,092.66**	**8.13**	**45.32**	**327.37**	**2,173.60**
Depreciation for the year	466.10	5.10	71.38	152.68	2.98	19.54	32.39	750.17
Accumulated depreciation on disposals	75.38	5.32	6.37	113.45	1.58	2.47	41.92	246.49
Accumulated depreciation as at March 31,2023	**935.80**	**24.38**	**195.43**	**1,131.89**	**9.53**	**62.39**	**317.84**	**2,677.28**
Net block as at March 31, 2022	**2,045.56**	**11.83**	**350.71**	**693.31**	**8.28**	**79.41**	**44.28**	**3,233.41**
Net block as at March 31, 2023	**2,737.65**	**12.69**	**353.96**	**1,115.25**	**9.80**	**97.84**	**79.23**	**4,406.43**

Capital work in progress

Capital work-in-progress as at March 31, 2023 is ₹ 198.30 million (March 31, 2022 ₹ 423.18 million). Additions made to capital work-in-progress during the year amount to ₹ 197.08 million (March 31, 2022 ₹ 419.07 million).

Asset amounting to ₹ 421.97 million (March 31, 2022 ₹ 222.70 million) has been capitalised during the year. (refer note 28)

The Company 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 ₹ 46.32 million in the year ended March 31, 2023.

Notes to Standalone Financial Statements
as at March 31, 2023

5 INTANGIBLE ASSETS

(₹ in million)

Particulars	Computer software	Customer Contract	Non compete Fees	Total	Goodwill
Gross block value as at March 31, 2021	**125.69**	**286.84**	**18.00**	**430.53**	**1,227.03**
Additions during the year	21.72	-	-	21.72	-
Deletion during the year	-	-	-	-	-
Gross block value as at March 31, 2022	**147.41**	**286.84**	**18.00**	**452.25**	**1,227.03**
Additions during the year	27.93	-	-	27.93	-
Deletion during the year	0.32	-	-	0.32	-
Gross block value as at March 31, 2023	**175.02**	**286.84**	**18.00**	**479.86**	**1,227.03**
Accumulated amortisation as at March 31, 2021	**98.55**	**133.72**	**8.75**	**241.02**	**-**
Amortization during the year	20.12	59.73	3.00	82.85	-
Deletion during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2022	**118.67**	**193.45**	**11.75**	**323.87**	**-**
Amortization during the year	17.87	58.96	3.00	79.82	-
Deletion during the year	0.32	-	-	0.32	-
Accumulated amortisation as at March 31, 2023	**136.22**	**252.41**	**14.75**	**403.37**	**-**
Net block as at March 31, 2022	**28.74**	**93.39**	**6.25**	**128.38**	**1,227.03**
Net block as at March 31, 2023	**38.80**	**34.43**	**3.25**	**76.49**	**1,227.03**

Intangible assets under development

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 28)

5 (a) Right-to-use assets

(₹ in million)

Particulars	Leasehold Property	Total
Gross block value as at March 31, 2021	**1,532.73**	**1,532.73**
Additions during the year	978.83	978.83
Deletion during the year	210.29	210.29
Gross block value as at March 31, 2022	**2,301.27**	**2,301.27**
Additions during the year	525.70	525.70
Deletion during the year	133.49	133.49
Gross block value as at March 31, 2023	**2,693.48**	**2,693.48**
Accumulated depreciation as at March 31, 2021	**351.51**	**351.51**
Depreciation charge for the year	324.67	324.67
Deletion during the year	158.41	158.41
Accumulated depreciation as at March 31, 2022	**517.77**	**517.77**
Depreciation charge for the year	411.88	411.88
Deletion during the year	53.39	53.39
Accumulated depreciation as at March 31, 2023	**876.26**	**876.26**
Net block as at March 31, 2022	**1,783.50**	**1,783.50**
Net block as at March 31, 2023	**1,817.22**	**1,817.22**

Notes to Standalone 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 subsidiary companies (unquoted, fully paid up, valued at cost)		
	950,000 (March 31, 2022 - 950,000) equity shares of ₹10 each of CMS Securitas Limited	28.51	28.51
	132,500 (March 31, 2022 - 132,500) equity shares of ₹ 100 each of Securitrans India Private Limited	1,825.82	1,825.82
	10,000 (March 31, 2022 - 10,000) equity shares of ₹ 10 each of Quality Logistics Services Private Limited	0.10	0.10
	4,386,252 (March 31, 2022 - 4,386,252) equity shares of ₹ 10 each of Hemabh Technologies Private Limited	28.05	28.05
	Investment in Non-convertible debentures at amortised cost		
	HDB/0% Premium 2024_Series2021	54.21	-
	0% L&T Finance Limited	30.74	-
	(Redeemable debentures classified as at amortised cost have interest rates of 0% (31 March 2022: nil) and mature in one to two years.)		
		1,967.43	**1,882.48**
(b)	**Current investments in units of unquoted mutual fund (at fair value through profit and loss)**		
	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 Units)	200.34	-
	52,330 Units Kotak Money Market Fund (March 31, 2022: Nil Units)	200.34	-
	13,106,048 Units Bharat Bond FOF (March 31,2022: Nil Units)	160.16	-
	117,837 Units SBI Liquid fund (March 31, 2022: Nil Units)	415.18	-
	Investment in Non-convertible debentures at amortised cost		
	Axis Finance Limited PP- MLD Series 02/2020-21	34.97	-
	L&T Finance Series A 2020-21	20.37	-
	Tata Cleantech Capital NCD "A" 2020-21	59.29	-
	6.49% Tata Capital Ltd. NCD A Series 2021-22	98.79	-
		2,289.05	**780.74**
	(Redeemable debentures classified as at amortised cost have interest rates of 0% (March 31, 2022: nil) and mature in one year.)		
	Aggregate amount of investments	**4,256.48**	**2,663.22**

Notes to Standalone Financial Statements

as at March 31, 2023

7 LOANS

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Loans to subsidiary (refer note below)	200.77	143.86
	200.77	**143.86**

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

8 OTHER FINANCIAL ASSETS

(₹ in million)

	Non - Current		Current	
	As at March 31, 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	-	-	5.12	3.72
Margin money deposits [refer note (ii) below]	126.87	84.35	-	-
Advances to employees	-	-	6.20	8.86
Others [refer note (i) below]	-	-	-	246.51
Security deposits	112.34	123.97	-	-
	287.89	**280.27**	**11.32**	**259.09**
Unsecured, considered doubtful				
Sundry deposits	2.33	2.33	-	-
Claims receivable	42.34	55.87	-	-
	44.67	**58.20**	**-**	**-**
Less: Impairment allowance for doubtful assets	(44.67)	(58.20)	-	-
	287.89	**280.27**	**11.32**	**259.09**

Notes:

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

ii) Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 71.35 million (March 31, 2022: ₹ 71.13 million) are subject to first charge to secure the Bank guarantees/fixed deposits given by banks on behalf of the Company for pending court cases and deposits of ₹ 55.52 million (March 31, 2022 - ₹ 13.22 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

9 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	256.36	176.38
Impairment allowance for doubtful advances,claims receivable and deposits	11.24	14.65
Provision for employee benefits and bonus payable	17.95	22.12
Leases	50.48	30.28
	336.03	**243.43**
Deferred tax liabilities		
Depreciation	87.77	65.96
	87.77	**65.96**
Deferred tax assets (net)	**248.26**	**177.47**

Notes to Standalone Financial Statements

as at March 31, 2023

Deferred tax reconciliation

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Opening balance	177.47	134.81
Tax during the year recognized in Statement of Profit and Loss	70.02	42.68
Tax during the year recognized in other comprehensive income	0.77	(0.02)
Closing balance	248.26	177.47
Tax reconciliation		
Profit before tax	3,650.81	2,849.20
At statutory income tax rate of 25.168% (March 31, 2022: 25.168%)	918.84	717.09
Net effect of non deductible allowances and exemptions	(23.36)	(2.57)
Adjustment of tax relating to earlier years	1.26	-
At the effective income tax rate of 24.56% (March 31, 2022: 25.08%)	896.74	714.52
Income tax expense reported in the Statement of Profit and Loss	896.74	714.52

10 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	-	-	213.54	241.15
Capital advances	9.61	128.19	-	-
Receivable from Government Authorities	47.66	47.66	80.52	271.08
Prepaid expenses	54.88	34.18	110.13	184.28
Unbilled revenue (Contract assets) (Refer note 43)	-	-	243.79	311.37
	112.15	210.03	647.98	1,007.88

11 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	279.38
Stores and spares	491.99	349.89
	741.70	629.27

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.

Notes to Standalone Financial Statements
as at March 31, 2023

12 TRADE RECEIVABLES

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
Unsecured and considered good		
Billed (Refer note 38)	2,443.93	2,724.29
Unbilled revenue (Refer note 38)	2,061.39	1,545.66
Trade receviable - Credit impaired	1,018.59	700.80
Total trade receivable	5,523.91	4,970.75
Less: Loss allowance	(1,018.59)	(700.80)
Net trade receivables	**4,505.32**	**4,269.95**

13 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	157.95	391.50
Cheques in hand	320.26	-
Cash on hand	3.77	5.24
	481.98	**396.74**
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 month	360.00	460.02
Margin money deposits [refer note (ii) below]	112.15	51.93
	565.57	**559.30**

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

ii) Margin money deposits with carrying amount of ₹ 34.25 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 Company for pending court cases and deposits of ₹ 77.90 million (March 31, 2022 - ₹ 19.39 million) are subject to first charge to secure the facilities for Vaulting and ATM operations.

14 (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

Notes to Standalone Financial Statements

as at March 31, 2023

(i) Terms and rights attached to equity shares

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

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

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

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%**

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

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

Notes:

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

(ii) Shares reserved for issue under options

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

(iii) During the 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 Company has withheld 10% TDS on the Gross dividend and remittance is done net of withholding taxes. The witholding taxes are duly deposited with the Government.

Notes to Standalone Financial Statements
as at March 31, 2023

14 (b) Other equity

(₹ in million)

		As at March 31, 2023	As at March 31, 2022
A)	**Summary of Other Equity balance**		
	(i) 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 to Securities premium on exercise of options	35.72	136.30
	Closing balance	945.99	765.28
	(ii) Share based payment reserve (refer note 39)		
	Opening balance	331.31	406.42
	Add: Employee stock option compensation cost during the year	92.80	61.19
	Less: Transfer to Securities premium on exercise of options	(35.72)	(136.30)
	Closing balance	388.39	331.31
	(iii) Capital redemption reserve		
	Opening balance	150.00	150.00
	Closing balance	150.00	150.00
	(iv) Retained earnings		
	Opening balance	9,340.98	7,432.66
	Add: Net profit after tax transferred from Statement of Profit and Loss	2,754.07	2,134.68
	Less: Dividend Paid	154.06	226.44
	Add: Other comprehensive income (net of tax)	(2.26)	0.08
	Closing balance	11,938.73	9,340.98
	Total	**13,423.11**	**10,587.57**

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).

(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 Company 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 Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

Notes to Standalone Financial Statements

as at March 31, 2023

15 TRADE PAYABLES

(₹ in million)

	As at March 31, 2023	As at March 31, 2022
1. Dues of micro enterprises and small enterprises (refer note 33(a))	47.14	75.02
2. Dues of creditors other than micro enterprises and small enterprises (refer note 33(b))	1,042.95	1,428.48
Accrued expenses	1,338.22	1,064.89
	2,428.31	**2,568.39**

16 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	-	-	85.62	289.25
Payable to employees	-	-	213.82	207.35
Others	-	-	26.71	277.16
	-	**-**	**326.15**	**773.76**
Lease liabilites (refer note 30)	1,519.43	1,458.24	498.38	446.27
	1,519.43	**1,458.24**	**498.38**	**446.27**

17 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 29)				
For gratuity	9.03	5.56	1.72	0.79
For compensated absences	22.84	19.23	8.25	7.28
	31.87	**24.79**	**9.97**	**8.07**

18 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)	-	-	144.19	159.13
Unearned revenue (Contract liability) (Refer note 43)	6.14	9.25	35.01	46.94
	6.14	**9.25**	**179.20**	**206.07**

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

19 REVENUE FROM OPERATIONS (REFER NOTE 43)

(₹ 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	15,563.27	12,130.10
Revenue from operations	**17,038.04**	**14,076.69**
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	13,751.79	10,332.02
AMC services	1,394.53	1,522.56
Card Personalisation	416.95	275.52
	15,563.27	**12,130.10**

20 FINANCE INCOME

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest income on		
Bank deposits	34.44	19.77
Debenture	0.59	-
Loan to subsidiary	15.90	-
Security deposits measured at amortised cost	3.21	2.36
Custom refund	-	1.72
Financial guarantee income	3.20	3.20
	57.34	**27.05**

21 OTHER

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Sundry credit balances written back	19.75	7.36
Dividend received	150.12	78.18
Profit on sale of property, plant and equipment (net)	5.39	3.29
Foreign exchange gain (net)	-	4.85
Profit on sale of current investments	20.71	11.97
Net change in fair value of current investments measured at FVTPL	10.99	0.48
Lease rent concessions	3.47	1.73
	210.43	**107.86**

Notes to Standalone Financial Statements

for the year ended March 31,2023

22 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**

23 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**

24 EMPLOYEE BENEFIT EXPENSE

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and bonus	723.51	603.37
Contribution to provident and other funds (refer note 29)	32.41	27.78
Gratuity expense (refer note 29)	6.30	4.69
Share based payments to employees (refer note 39 and 40)	92.80	61.19
Staff welfare expenses	54.57	32.79
	909.59	**729.82**

25 FINANCE COSTS

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest others	8.51	-
Interest on lease liability	182.44	140.75
	190.95	**140.75**

Notes to Standalone Financial Statements

for the year ended March 31,2023

26 OTHER EXPENSES

(₹ in million)

	For the year ended March 31, 2023	For the year ended March 31, 2022
Service and security charges	4,864.08	4,019.20
Conveyance and traveling expenses	805.10	629.75
Vehicle maintenance, hire and fuel cost	1,285.23	1,189.13
Consumption of stores and spares	448.64	263.87
Annual maintenance charges	436.95	340.34
Legal, professional and consultancy fees	254.97	185.23
Courier Freight and forwarding charges	187.65	133.41
Power and electricity charges	191.91	110.47
Insurance	186.77	142.50
Communication costs	118.85	51.46
Trade receivables written off	503.03	348.83
Less: Out of the provision of earlier years	(410.85)	(228.37)
Impairment allowance for bad and doubtful receivables and deposits	726.55	488.41
Cash disposal charges	211.93	139.22
Insurance claims receivables 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	41.39	65.65
Repairs and maintenance- Building	0.63	0.11
Repairs and maintenance- Plant and Machinery	0.19	0.10
Repairs and maintenance- Others	65.93	31.71
Payment to auditors:		
Audit fees	11.42	9.40
Reimbursement of expenses	0.96	0.03
In other matters	1.34	2.38
Foreign exchange loss (net)	12.69	-
Expenditure on corporate social responsibility (refer note 35)	46.23	37.37
Miscellaneous expenses	143.69	74.64
	10,150.85	**8,078.04**

27 EARNINGS PER SHARE

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

Particulars	March 31, 2023	March 31, 2022
Profit for the year attributable to equity shareholders (₹ in million)	2,754.07	2,134.68
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 ₹)	17.90	14.35
Diluted (in ₹)	17.30	13.66

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

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

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Opening CWIP as at (Including intangible assets under development)	424.20	231.47
(+) Additions during the year	197.33	419.52
(-) Capitalised during the year	(422.99)	(226.79)
Closing CWIP as at (Including intangible assets under development)	198.54	424.20

The following table represents CWIP ageing as at respective years:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Less than 1 year	197.31	419.99
1-2 Years	1.23	4.21
Total	**198.54**	**424.20**

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

29 EMPLOYEE BENEFITS

Defined contribution plan

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Provident fund and Employees Family Pension Scheme	32.22	27.55
Employees' State Insurance Corporation	0.19	0.23
Total	**32.41**	**27.78**

Defined benefit plan

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

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

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

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

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	5.86	4.39
Net interest cost	0.44	0.30
Expenses recognized in the Statement of Profit and Loss	**6.30**	**4.69**

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	(0.14)	-
change in financial assumptions	0.80	(1.14)
experience variance (i.e. actual experience vs assumptions)	1.37	0.92
Return on plan assets, excluding amount recognized in net interest expense	1.02	0.13
Components of defined benefit cost recognized in other comprehensive income	**3.05**	**(0.09)**

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	37.78	32.60
Fair value of plan asset	27.03	26.25
Net liability	**10.75**	**6.35**

Changes in present value of obligation

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Present value of obligation at the beginning	32.60	35.59
Current service cost	5.86	4.39
Interest expense	2.23	1.89
Re-measurement (gain)/loss arising from		
- change in demographic assumptions	(0.14)	-
- change in financial assumptions	0.80	(1.14)
- experience variance (i.e actual experience vs assumptions)	1.37	0.92
Benefits paid	(4.25)	(3.04)
Acquisition Adjustment	-	(6.01)
Present value of obligation at the end	**38.48**	**32.60**

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

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	26.25	24.80
Investment income	1.80	1.59
Employer's contribution	-	-
Benefits Paid	-	-
Re-measurement gain/(loss) arising from		
Return on plan assets, excluding amount recognized in net interest expense	(1.02)	(0.14)
Fair value of plan assets as at the end	**27.03**	**26.25**

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 Company expects to contribute ₹ 5.00 million (March 31, 2022 - ₹ 10.90 million) to gratuity fund during the annual period beginning after balance sheet date.

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

Particulars	March 31, 2023	March 31, 2022
Weighted average duration (based on discounted cashflows)	8 years	8 years

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Company's expected cash flows over the future period (on undiscounted basis)		
1 year	6.00	4.04
2 to 5 years	14.43	13.58
6 to 10 years	14.59	13.06
More than 10 years	40.58	30.14

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

Particulars	March 31, 2023	March 31, 2022
Discount rate	7.45%	6.85%
Salary Growth rate	6%	5%
Employee Attrition rate		
- Less than 5 years of service	Upto 5 Year of service-26%	Upto 5 Year of service-25%
- More than 5 years of service	Above 5 Year of service-5%	Above 5 Year of service-5%

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

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

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

(₹ in million)

Particulars	March 31, 2023		March 31, 2022	
	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption
Discount Rate (-/+1%)	3.06	(2.68)	2.62	(2.30)
(% change compared to base due to sensitivity)	8.10%	-7.10%	8.00%	-7.10%
Salary Growth Rate (-/+1%) (Amount in ₹ million)	(2.39)	2.69	(2.00)	2.23
(% change compared to base due to sensitivity)	-6.30%	7.10%	-6.10%	6.80%
Attrition Rate (-/+ 50% of attrition rates) (Amount in ₹ million)	0.83	(0.72)	0.10	(0.17)
(% change compared to base due to sensitivity)	2.20%	-1.90%	0.30%	-0.50%
Mortality Rate (-/+10% of Mortality rates) (Amount in ₹ million)	(0.02)	0.02	(0.02)	0.02
(% change compared to base due to sensitivity)	0.00%	0.00%	0.00%	0.00%

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

Other long term employee benefits

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

Amount of ₹ 8.87 million (March 31, 2022: ₹ 8.13 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 ₹ 22.84 million (March 31, 2022: ₹ 19.23 million) and accumulated current liability amount to ₹ 8.25 million (March 31, 2022: ₹ 7.28 million).

30 LEASES

Operating lease

A. In case of assets taken on lease

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Current lease liabilities	498.38	446.27
Non-current lease liabilities	1,519.43	1,458.23
Total	**2,017.81**	**1,904.50**

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1,904.50	1,230.23
Additions	525.70	978.83
Finance cost accrued during the year	182.44	140.75
Deletions	(81.98)	(52.96)
Lease rent concession	-	-
Payment of lease liability	(512.85)	(392.34)
Closing Balance	**2,017.81**	**1,904.50**

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

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Less than one year	518.31	446.27
One to five years	1,721.13	1,551.83
More than five years	257.04	413.27
Total	**2,496.48**	**2,411.37**

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	1,783.50	1,181.22
Additions during the year	525.70	978.83
Deletions during the year	(133.49)	(210.29)
Depreciation during the year	(358.49)	(166.26)
Closing Balance	**1,817.22**	**1,783.50**

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

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

The outflow on account of lease liabilities for the year ended March 31, 2023 is 512.85 million.(March 31, 2022 is 392.34 million)

Company as lessor: lease receivables

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

(₹ in million)

Particulars	March 31, 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 Company 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 19).

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 01 April	1,569.85	737.23
Less: Accumulated Depreciation	(246.54)	(73.02)
Net block value as at	1,323.31	664.21
Depreciation for the year (including Adjustments of accumulated depreciation on deletion)	173.52	40.86

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

31 RELATED PARTY DISCLOSURES

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

a) Names of related parties and description of relationship:

Particulars	Name of the related party
1) Related party where controls exist	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entites under common control	Vault Co-Investment Vehicle L.P.
Holding Company	Sion Investment Holdings Pte. Limited
Subsidiary Companies and Trusts	CMS Securitas Limited
	Securitrans India Private Limited
	Quality Logistics Services Private Limited
	CMS Securitas Employees Welfare Trust
	CMS Marshall Limited (subsidiary of CMS Securitas Limited)
	Hemabh Technology Private Limited (w.e.f March 30, 2022)
2) Key management personnel	**Whole-time Director & Chief Executive Officer**
	Mr. Rajiv Kaul (Whole-time Director & Chief Executive Officer)
	Chief Financial Officer
	Mr. Pankaj Khandelwal (Chief Financial Officer)
	Non-Executive Independent Director
	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 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	March 31, 2023	March 31, 2022
Interest Income		
Securitrans India Private Limited	4.52	-
Hemabh Technology Private Limited	11.38	-
Guarantee Income		
Securitrans India Private Limited	3.20	3.20
Dividend Received		
Securitrans India Private Limited	150.12	78.18
Remuneration to KMP (short-term employee benefits)		
Mr. Rajiv Kaul	113.59	108.79
Mr. Pankaj Khandelwal	18.75	15.30

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Remuneration to non - executive independent directors		
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		
Mr. Rajiv Kaul (refer note 40)	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
Service charges		
CMS Marshall Limited	866.26	691.85
CMS Securitas Limited	268.18	266.62
Securitrans India Private Limited	220.90	107.68
Hemabh Technology Private Limited	127.69	-
Sale of Services		
Hemabh Technology Private Limited	3.77	-
Reimbursement of power and electricity and Maintenance		
CMS Securitas Limited	4.49	3.84
Reimbursement of Insurance Charges		
Securitrans India Private Limited	25.56	26.16
Reimbursement of Other Expenses		
Securitrans India Private Limited	505.14	406.60
Quality Logistics Services Private Limited	3.51	-
Hemabh Technology Private Limited	3.91	-
Advance given during the year		
Quality Logistics Services Private Limited	0.97	-
Loans given during the year		
Securitrans India Private Limited	661.54	-
Hemabh Technology Private Limited	29.94	143.86
Loans received back during the year		
Securitrans India Private Limited	562.50	-
Hemabh Technology Private Limited	79.79	-
Security Deposit paid		
Hemabh Technology Private Limited	-	2.85
Investment in subsidiaries		
Investment in Hemabh Technology Private Limited	-	28.05

Notes to Standalone 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	March 31, 2023	March 31, 2022
Remuneration payable to KMP		
Mr. Rajiv Kaul	(63.00)	(51.15)
Mr. Pankaj Khandelwal	(3.88)	(3.10)
Remuneration to non - executive independent directors		
Mr. Tapan Ray	(2.10)	(2.10)
Mr. Krzysztof Wieslaw Jamroz	(1.40)	(1.40)
Mrs. Sayali Karanjkar	(0.53)	(0.53)
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)	(0.10)
Mr. Krzysztof Wieslaw Jamroz	(0.20)	(0.10)
Mr. Tapan Ray	(0.10)	-
IPO expenses recoverable		
Sion Investment Holdings Pte. Limited	-	246.51
Balance outstanding payable at the year end		
CMS Securitas Limited	(75.59)	(70.12)
CMS Marshall Limited	(156.59)	(120.44)
Balance outstanding receivable at the year end		
Quality Logistics Services Private Limited	5.12	-
Securitrans India Private Limited	17.10	69.75
Loan outstanding receivable at the year end		
Hemabh Technology Private Limited	93.98	146.71
Securitrans India Private Limited	106.79	-

Notes:

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

32 CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

a) Contingent liabilities:

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Claims against the Company 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	9.78
g) Disputed Income tax matter	118.33	118.33
Guarantees given by the Company on behalf of the subsidiary**	800.00	800.00
	1,156.09	**1,162.92**

Notes:

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

** The Company has given Corporate guarantees in favour of lenders of Securitrans India Private Limited, a subsidiary of the Company amounting to ₹ 600 million (March 31,2022: ₹ 600 million) in favour of the lenders and ₹ 200 million (March 31, 2022: ₹ 200 million) in favour of one of the customers of subsidiary for overnight vaulting facilities.

b) Capital commitments:

(₹ in million)

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

33 TRADE PAYABLES

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

The Company has ₹ 47.14 million (March 31, 2022 ₹ 75.02 million) dues outstanding to the micro and small enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	47.14	75.02
a. Principal and interest amount remaining unpaid	-	-
b. Interest paid by the Company in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

MSME Ageing Schedule

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
MSME Undisputed Dues		
Less than 1 year	25.81	65.77
1-2 Years	-	-
2-3 Years	-	-
More than 3 years	-	-
Total	**25.81**	**65.76**

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
MSME Disputed Dues		
Less than 1 year	-	-
1-2 Years	14.88	4.07
2-3 Years	2.71	3.59
More than 3 years	3.74	1.60
Total	**21.33**	**9.26**

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

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Others - Undisputed		
Less than 1 year	2,288.42	2,320.03
1-2 Years	15.19	39.95
2-3 Years	20.89	64.73
More than 3 years	56.67	68.66
Total	**2,381.17**	**2,493.37**

34 IMPAIRMENT TEST OF GOODWILL

Impairment test of Goodwill

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

a) ₹ 1035.12 million (March 31, 2022: ₹ 1035.12 million), relates to the Cash Management division of the Company.

b) ₹ 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.

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

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five years and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cash flows beyond 5 years using a growth rate of 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 Company's estimated capital structure as relevant and attributable to the CGU. The WACC is also adjusted for specific risks, market risks and premium, and other inherent risks associated with similar type of investments to arrive at an approximation of the WACC of a comparable market participant. The said WACC being pre-tax discount rates reflecting specific risks relating to the relevant CGUs, are then applied to the above mentioned projections of the estimated future cash flows to arrive at the discounted cash flows.

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

Based on the above assumptions and analysis, no impairment was identified as at March 31, 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.

Notes to Standalone Financial Statements

for the year ended March 31,2023

35 DETAILS OF ONGOING CSR PROJECTS UNDER SECTION 135(6) OF THE ACT

(₹ 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	-	47.77	37.41	8.71	-	8.71

(₹ 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
(1.44)	-	37.16	37.36	-	(1.64)	-

36 FOREIGN CURRENCY EXPOSURE

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

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

Currency Type	March 31, 2023		March 31, 2022	
	Amount in foreign curreny	Amount in ₹ Mn	Amount in foreign curreny	Amount in ₹ milllion
USD	$707,470.38	58.10	$1,368,067.28	105.50
GBP	£ 0.00	-	£ 2,765.21	0.28

37 FAIR VALUE HIERARCHY

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

Quantitative disclosures fair value measurement hierarchy as at March 31, 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	2,064.63	2,075.62	-	2,075.62	-

(₹ in million)

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

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

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

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

Break up of financial assets carried at amortised cost

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Trade receivables	2,443.93	2,724.29
Unbilled revenue	2,061.39	1,545.66
Cash and cash equivalents	481.98	396.74
Other bank balances	565.57	559.30
Other financial assets	299.21	539.36
Loans	200.77	143.86
Investment at amortised cost	298.37	-
Total financial assets carried at amortised cost	**6,351.22**	**5,909.21**

Break up of financial liabilities carried at amortised cost

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Trade payables	2,428.30	2,568.39
Lease liabilities	2,017.81	1,904.51
Other financial liabilities	326.15	773.76
Total financial liabilities carried at amortised cost	**4,772.26**	**5,246.66**

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

38 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit risk

Credit risk is the risk of financial loss to the company if a customer fails to meet its obligations under a financial instrument or customer contract. The carrying amount of financial assets and contract assets represents the minimum credit exposure. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

Trade receivables

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

A significant risk in respect of receivables is related to the default risk and credit risk. An impairment analysis

Notes to Standalone Financial Statements

for the year ended March 31,2023

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 companies and assessed for impairment collectively. The calculation is based on historical data. The maximum exposure to credit risk at the reporting date is the carrying value of receivables disclosed in Note 12. The Company does not hold collateral as security.

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

The following table provides information about the exposure to credit risk from customers 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	March 31, 2023
(i) Undisputed Trade receivables -considered good	2,061.39	1,497.54	1,105.58	376.14	99.24	60.98	77.60	5,278.49
(ii) Undisputed Trade Receivables -which have significant increase in credit risk	-	-	-	-	-	-	-	-
(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	1.17	27.07
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	10.25	15.65	1.17	27.07
Total	**2,061.39**	**1,497.54**	**1,123.93**	**525.08**	**132.42**	**92.48**	**91.07**	**5,523.91**
Less: Loss allowance								(1,018.59)
Total Trade Receivables								**4,505.32**

The following table provides information about the exposure to credit risk from customers 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	March 31, 2022
(i) Undisputed Trade receivables -considered good	1,545.66	683.01	1,733.37	326.33	87.30	45.31	-	4,420.98
(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	-	52.47
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	27.14	12.86	40.00
Total	**1,545.66**	**683.01**	**1,753.87**	**509.68**	**257.29**	**194.98**	**26.26**	**4,970.75**
Less: Loss allowance								(700.80)
Total Trade Receivable								**4,269.95**

Notes to Standalone 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	March 31, 2023	March 31, 2022
Opening Balance	700.80	440.77
Amounts written off (Net)	(410.85)	(228.37)
Provision write back	2.09	-
Net re-measurement of loss allowances	726.55	488.40
Closing Balance	**1,018.59**	**700.80**

Other receivables

Security deposits are interest free deposits given by the Company for properties taken on Lease. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. The gross carrying amount of Security deposit is ₹ 114.67 million as at March 31 2023, ₹ 126.30 million as at 31st March 2022.

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

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

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Opening Balance	58.20	74.53
Amounts written off (Net)	(17.23)	(24.11)
Net re-measurement of loss allowances	3.70	7.78
Closing Balance	**44.67**	**58.20**

Liquidity risk

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

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

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

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

Notes to Standalone Financial Statements

for the year ended March 31,2023

(₹ in million)

Particulars	March 31, 2023				
	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade and other payables	-	2,314.23	114.09	-	2,428.32
Lease liabilities		498.38	1,721.13	257.04	2,476.55
Other financial liabilities	-	326.15	-	-	326.15
Total	**-**	**3,138.76**	**1,835.23**	**257.04**	**5,231.02**

(₹ in million)

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

Capital management

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

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

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31,2022.

39 EMPLOYEE STOCK OPTIONS SCHEMES

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

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

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

Following is the vesting period for ESOP granted during the year:

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

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

The vested options can be exercised by the employees only upon happening of liquidity event. The vested options can be exercised within 2 year of the date such options are vested. 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 (no. of options)	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

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

Particulars	March 31, 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

Notes to Standalone Financial Statements

for the year ended March 31,2023

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. The company has allotted employee stock options to some of its employees through its Employee Stock Option Scheme. Over the year's 1,126,893 (year ended March 31, 2022; 1,053,493) stock options has expired and lapsed on account of employees left the organization. During the current year, reversal on account of such expired options is recognized in the profit and loss account aggregating to ₹ 1.85 million. The Company 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 March 31,2023.

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 year is ₹ Nil (March 31, 2022: ₹ 15.10 million)

41 OPERATING SEGMENT

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

42 LIST OF ENTITIES CONTROLLED BY THE COMPANY ARE

Name of Company/trust	Country of incorporation	Percentage of ownership interest and voting rights as at	
		March 31, 2023	March 31, 2022
Securitrans India Private Limited ('SIPL')	India	100	100
CMS Securitas Limited ('CSL')	India	100	100
CMS Marshall Limited ('CML')	India	100	100
Quality Logistics Services Private Limited	India	100	100
CMS Securitas Employees Welfare Trust	India	100	100
Hemabh Technology Private Limited (w.e.f March 30, 2022)	India	100	100

Notes to Standalone Financial Statements

for the year ended March 31,2023

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

43 IND AS 115 REVENUE FROM CONTRACTS WITH CUSTOMERS

Sale of Product

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

Revenue for services

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

Disaggregation of revenue from contract with customers

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

Reconciliation of revenue recognized with contracted price

(₹ in million)

Particulars	March 31, 2023	March 31, 2022
Revenue as per Contracted Price	17,137.45	14,179.64
Reduction (Rebate/discount)	(99.41)	(102.94)
Revenue recognized as per the statement of profit and loss	**17,038.04**	**14,076.70**

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)
ii) Income recognized 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**

Notes to Standalone Financial Statements

for the year ended March 31,2023

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

Revenue for the period ended March 31, 2023 includes revenue from two customers of the Company amounting to ₹ 6,317.50 million.

44 INITIAL PUBLIC OFFERING

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

45 REGISTRATION OF CHARGES OR SATISFACTION WITH REGISTRAR OF COMPANIES

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

46 UNDISCLOSED INCOME

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

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

47 DISCLOSURE REQUIRED FOR QUARTERLY STATEMENT SUBMITTED WITH BANKS

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

48 DIVIDEND

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

(b) The Board of Directors at its meeting held on May 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.

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

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

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

50 DISCLOSURE PURSUANT TO SECTION 186 OF THE COMPANIES ACT, 2013

Sr. No.	Nature of Transaction (loans given/investment made/ guarantee given/security provided)	Purpose for which the loan/guarantee/security is proposed to be utilised by the recipient	March 31, 2023		March 31, 2022	
			Maximum balance during the year	Balance outstanding	Maximum balance during the year	Balance outstanding
	Loans and Advances:					
1	Securitrans India Private Limited	utilised for working capital	123.89	123.89	69.75	69.75
2	Hemabh Technology Private Limited	utilised for working capital	149.83	93.98	146.71	146.71
3	Quality Logistics Service Private Limited	utilised for working capital	5.12	5.12	-	-

51 STRUCK OFF COMPANIES

Relationship with Struck off Companies

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	-	Vendor
2	Bennett Coleman And Co. Ltd.	Payable	0.01	-	Vendor
3	Aditya Motor Pvt. Ltd.	Payable	0.06	-	Vendor
4	Bhatia And Company	Payable	0.01	-	Vendor
5	Herbalife International India Private Limited	Receivable	4.41	1.20	Customer

52 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 Standalone Financial Statements
for the year ended March 31,2023

53 RATIO ANALYSIS

Sr. No.	Particulars	Numerator	Denominator	March 31, 2023	March 31, 2022	% Variance	Reason for variance (more than 25%)
(a)	Current ratio (in times)						
	Current Ratio = Current Assets/Current Liabilities	9,443.69	3,442.01	2.74	2.01	36.47%	Increase in current investment
(b)	Return on Equity						
	Return on Equity = Profit after tax/Average Net Worth	2,754.07	13,543.10	20%	20%	3.03%	-
(c)	Inventory turnover (in times)						
	Inventory turnover = Income from operations/Average Inventory	17,038.04	685.48	24.86	18.47	34.55%	On account of faster deployment of machines
(d)	Trade Receivable turnover ratio (in times)						
	Trade Receivable turnover = Income from operations/ Average Trade Receivable	17,038.04	4,387.64	3.88	3.31	17.40%	-
(e)	Trade Payable turnover ratio (in times)						
	Trade Payable turnover = Credit Purchase/Average Trade Payable	1,132.07	342.50	3.31	1.50	120.21%	Project related purchases with longer credit period got due and paid this year
(f)	Net Capital Turnover Ratio						
	Net Capital turnover = Income from operations/ Average Working Capital Employed (Current Assets - Current Liabilities)	17,038.04	6,001.68	2.84	3.48	-18.44%	-
(g)	Net Profit margin (in %)						
	Net Profit margin = Profit after tax/Income from operations	2,754.07	17,038.04	16%	15%	6.59%	-
(h)	Return on Capital Employed						
	Return on Capital Employed = Earning before interest and taxes/Capital Employed (Tangible Net Worth + Total Debt + Deferred Tax Liability)	3,784.42	11,846.13	32%	33%	-3.19%	-
(i)	Return on Investment						Investment on higher yield generating instruments
	Return on Investment = Income generated from invested fund/Funds invested in treasury investments	66.14	1,302.07	5%	4%	35.21%	

Notes to Standalone Financial Statements

for the year ended March 31,2023

54 SUBSEQUENT EVENT

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

55 ADDITIONAL DISCLOSURE REQUIRED BY SCHEDULE III (AMENDMENTS DATED 24TH MARCH 2021) TO THE COMPANIES ACT, 2013

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.

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

Glenn D'Souza
Partner
Membership No.: 112554

Place: Mumbai
23 May 2023

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

Ashish Agrawal
Director
DIN No.: 00163344

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

Pankaj Khandelwal
Chief Financial Officer
DIN No.: 05298431

Praveen Soni
Company Secretary
Membership No: FCS 6495