

## DIRECTORS REPORT

To,  
The Members  
CMS Info Systems Limited,

Your Directors have pleasure in presenting the **Fourteenth Annual Report** of the Company along with the Audited Statements of Accounts for the financial year ended March 31, 2021.

### GROWTH OF ATM INDUSTRY IN INDIA

During FY 21 currency in circulation grew from INR 24,473 billion to INR 28,585 billion, a healthy growth of 17%, and as of March 2021 reached 160% of pre-demonetization peak levels.

#### **ATM Industry in India:**

Indian ATM market continues to be under penetrated with only 22 ATMs per 100,000 people, compared with 50+ for most of the comparable countries. There is a significant opportunity for growth of ATM market in India, particularly in the semi-urban and rural regions of the country, where the ATM as well as bank branch network is sparse. Some of the factors which are expected to contribute to ATM growth in the country are:

- Low ATM Penetration
- Clean up of Balance Sheets and Recapitalization of Banks almost completed
- Completion of PSU Banks merger
- Government push towards financial inclusion and increasing reach in SURU areas

### **ROLE OF CMS IN CASH MANAGEMENT AND ATM SOLUTION**

#### **A. Cash Management Solutions**

CMS is India's largest ATM and retail cash management ("RCM") solutions Company and has been market leader for more than past 5 years. CMS (an ISO certified company) is not only the largest but is also one of the best managed cash management company in India, with best in class service levels and deepest penetration, reaching more than 12,000 pin codes and more than 90% districts in India.

CMS services under this segment are divided in following 3 sub sections.

CMS is the largest ATM cash management company in India, having pioneered the service in 1996 and established it as a critical connect between banks and its consumers, making cash available in ATMs 24x7. Approximately 63,000 ATMs, across the length and breadth of India are serviced through a branch network in 150+ cities. Some of the services offered by CMS under ATM Cash Management Solutions are

- ATM Replenishment
- Cash Evacuation and Deposition for BNA/Recyclers
- First Line Maintenance
- Day End Reporting, Reconciliation & Settlement

## ii. Retail Cash Management Solutions

CMS provides services like cash delivery and pickup, processing, vaulting and network cash management services to more than 40,000 retail outlets, which include leading hospitals chains, NBFCs, insurance firms, large format retail, utility firms, logistics and e-commerce companies. CMS' retail solutions are the most secure, efficient, and cost-effective way to keep the cash cycle efficient. Some of the solutions offered by CMS under Retail Cash Management Solutions are:

- Cash Pick up & Delivery from retail outlets
- Treasury solutions involving same day and next day settlement
- Smart Safe Solution providing real-time cash verification and currency counting

## iii Cash in Transit Solutions

CMS Provides cash in transit services (CIT services) like physical transfer of bank notes, coins and items of value from the currency chests of banks to its various branches or branch-to-branch. CIT services also include bulk inter-city and inter-branch transportation of currency.

CMS has the largest operational scale in the industry with a fleet of 3,900 vans for delivering cash management services.

## iv Emerging Business Lines

CMS has over last few years incubated various new business lines which are natural adjacencies to its cash management business. Some of the adjacencies housed under Emerging Business Lines are as follows

- Bullion Services: Customs clearance, vaulting services, local deliveries



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- Currency Chest: Currency sorting & processing, automation services
- On-demand pickup ('ODP'): Retail cash pick-up services for BFSI customers

## B. Managed Services

CMS offers end-to-end management of ATM network, from both an operational and a management perspective, through a single point of accountability. Our managed services include the following:

### Banking Automation Sales & AMC

- Product deployment, service and AMC support through the product life cycle
- Bank automation product (ATM, CR, Kiosk, TCR)

### BLA ATM Deployment & Managed Services

- Brown label ATM: End-to-end deployment and management of ATMs for banks on capex basis
- Pure MS (no capex): End to end ATM management for banks

### Software Solutions

- ATM Multi-vendor software solutions
- ATM security and software upgrade services
- Proprietary software solutions for risk management and transaction reconciliation

The Company during the year won large marquee deals like deployment of 3,000+ ATMs on total outsourced model for State Bank of India ("SBI"). These projects demonstrate the CMS' ability to win and successfully deploy large-scale mission-critical projects.

## C. Financial Cards Management

CMS is in the business of providing cards personalization solutions to banks and other customers. Some of the services offered by CMS under the segment are as follows:

- End to end financial cards issuance and management for banks
- Card personalization done at Visa, MasterCard, and Rupay certified state-of-the-art facilities

## 1. FINANCIAL RESULTS :

**A. CMS Info Systems Limited (Standalone)**

(Rs. in million)

Particulars	(FY-2020-21)	(FY-2019-20)
Revenue from Operations	11,309.00	11,620.65
Other Income/ Finance Income	142.98	59.10
Profit before Depreciation, Finance Costs, Exceptional items and Tax Expense	2,763.11	2,362.07
Less: Depreciation/ Amortisation/ Impairment	580.52	481.79
Profit before Finance Costs, Exceptional items and Tax Expense	2,182.59	1,880.28
Less: Finance Costs	76.59	66.21
Profit before Exceptional items and Tax Expense	2,106.00	1,814.07
Add/(less): Exceptional items	0	0
Less: Tax Expense (Current & Deferred & adjustment of earlier year)	589.23	537.42
Profit for the year (1)	1,516.77	1,276.65
Comprehensive Income (2)	(0.78)	(1.18)
Total (1+2)	1,515.99	1,275.47
Balance of profit / loss for earlier years	6,279.29	5,324.98
Less: Transfer to Debenture Redemption Reserve	0	0
Less: Transfer to Reserves	0	0
Less: Dividend paid on Equity Shares (including dividend distribution tax)	362.60	321.16
Less: Dividend paid on Preference Shares	0	0
Balance carried forward	7,432.65	6,279.29

**2. AMENDMENT IN MEMORANDUM AND ARTICLES OF ASSOCIATION OF COMPANY:**

During the year under review, there was not change in Memorandum and Articles of Association of the Company.

**3. REVIEW OF OPERATIONS:**

The Income from operations registered by the company for the year 2020-21 is Rs. 11,309.00 million as compared to Rs. 11,620.65 million in previous year. The total Income has resulted in Profit after tax attributable to equity shareholders of Rs. 1,516.77 million for the year 2020-21 as compared to Rs. 1,276.65 million in previous year.

#### **4. DIVIDEND:**

Pursuant to the resolution by circulation passed on May 4, 2020, the Board of Directors of the Company has declared and paid an interim dividend of Rs. 1.70 per equity share (subject to deduction of taxes as applicable) of face value of Rs. 10 each (@ 1.70%) during the year. An amount of Rs. 2,51,60,000/- was paid as tax on dividend declared by the Board.

Further, pursuant to the resolution by circulation passed on November 2, 2020, the Board of Directors of the Company has declared and paid an interim dividend of Rs. 0.75 per equity share (subject to deduction of taxes as applicable) of face value of Rs. 10 each (@ 0.75%) during the year. An amount of Rs. 1,11,00,000/- was tax withhold on dividend declared by the Board.

Cumulatively, the Board of Directors has declared a total dividend of Rs. 2.45 per equity shares for the year under review.

The Board of Directors do not recommend any further Dividend, hence the interim dividend declared during the year be treated as final dividend.

#### **5. AMOUNT CARRIED TO RESERVES:**

The Company proposes to carry its total comprehensive income for the year of Rs. 7,432.65 million to its reserves.

#### **6. SHARE CAPITAL:**

The authorized share capital of the Company as on March 31, 2020 is ` 188,00,00,000 divided into 17,30,00,000 equity shares of ` 10/- each and 15,00,000 0.01% Optionally convertible cumulative redeemable preference shares of ` 100/- each.

The issued, subscribed and paid capital of the Company as on March 31, 2020 is ` 148,00,00,000/- divided in 14,80,00,000 equity shares of ` 10/- each.

## **7. REGISTERED OFFICE OF COMPANY**

The Registered Office of the Company has been shifted from Silver Metropolis, Goregaon East, Mumbai - 400 063 to T-151, 5th Floor, Tower No.10, Sector-11, railway station complex, CBD Belapur, Navi Mumbai- 400 614 with effect from 27 July 2020.

## **8. EMPLOYEE STOCK OPTION PLAN (ESOP)**

Details are as per Annexure A.

## **9. STATUTORY AUDITORS:**

Pursuant to the provision of section 139 of the Companies Act, 2013 and the Rules made thereunder M/s. B S R & Co. LLP, Chartered Accountants were appointed as the statutory auditors of the Company from the conclusion of 11<sup>th</sup> AGM of the Company held on September 29, 2018 till the conclusion of the 16<sup>th</sup> AGM of the Company to be held for the financial year 2022-2023. The requirement for the annual ratification of auditor's appointment at the AGM has been omitted pursuant to the Companies (Amendment) Act, 2017 notified on May 7, 2018.

## **10. AUDITOR'S REPORT:**

The report of the Statutory Auditors on Financial Statements forms part of the Annual Report. The Director's have gone through the Statutory Auditor's Report for the year ending March 31, 2021 on the Annual Financial Statements of the Company and the remarks marked by the Auditor's in the Annexure thereof along with our explanations/remarks over the same are herein below:

### With reference to Auditors Comment on Point (x) of Annexure to Auditors Report

Boards Explanation: - The Company is providing cash-management services, which involve handling of cash that has been susceptible to risk of losses, embezzlement and robbery. However, the Company is taking appropriate steps for the instances reported to recover the amount lost due to embezzlement, due to which an amount of Rs. 23.66 million has already been recovered and the Company is further taking appropriate steps to ensure that safety and soundness of the cash management system is maintained.

## **11. SECRETARIAL AUDIT REPORT:**



In terms of the provision of the Section 204 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board had appointed M/s M Siroya and Company, Company Secretaries, as the Secretarial Auditor for conducting the Secretarial Audit of your Company for the financial year ended March 31, 2021.

The Company complies with all the applicable secretarial standards issued by the Institute of Company Secretaries of India. The report of the Secretarial Auditor carrying no qualification/ adverse remarks is annexed to this report as 'Annexure B'.

## **12. DIRECTORS' RESPONSIBILITY STATEMENTS:**

Pursuant to the requirement under section 134 (3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

- a) That in preparation of the accounts for the financial year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- b) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the year under review;
- c) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the company and for preventing and detecting frauds and other irregularities;
- d) That the directors have prepared the accounts for the financial year ended March 31, 2021 on a going concern basis.
- e) That the directors had devised proper systems to ensure compliance with provisions of all the applicable laws and that such systems are adequate and operating effectively.

## **13. EMBEZZLEMENTS REPORTED BY THE MANAGEMENT TO THE AUDITORS:**

The Management informed the Auditors of the following cash embezzlements on the Company:

Seven instances of cash embezzlements done by employees of the Company wherein the total amount involved was Rs. 74.84 million. Further, the Company has filed complaints with the Police and has also filed insurance claims for the recovery of amounts involved. Out of the above, the Company has recovered Rs. 23.66 million and Rs. 10.35 million being doubtful of recovery has been written off during the year.

**14. FIXED DEPOSIT:**

The Company has not accepted any fixed deposits from the public as covered under section 73 of the Companies Act, 2013 along with the relevant Deposit rules.

**15. PARTICULARS OF EMPLOYEES:**

Details are as per Annexure C.

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS/ OUTGO:**

Information pursuant to clause (m) of subsection (3) of section 134 of the Companies Act, 2013, read with rule 8 (3) of The Companies (Accounts) Rules, 2014 is not given as conservation of energy and technology absorption are not applicable to the Company.

Company had earnings and Expenditures in foreign currency and details are given hereunder:

**Foreign Exchange Earnings and Outgo:**

The requirement for disclosure of Foreign Exchange earnings and outgo has been amended and is not applicable by virtue of applicability of IND AS. Thus, the same has not been disclosed by the Statutory Auditors of the Company in their notes to financial statement.

**17. SUBSIDIARY COMPANIES:**

The Company has four subsidiary companies - M/s. CMS Securitas Limited, M/s. CMS Marshall Limited, M/s. Securitrans India Private Limited and M/s. Quality Logistics





Services Private Limited, A statement in AOC-1 containing salient features of the financial statement of the subsidiary is attached herewith as **Annexure D**.

Financial highlights of Subsidiary Companies for the financial year 2020-21 (Rs. in millions):

Particulars	Securtrans India Private Limited	CMS Securitas Limited	CMS Marshall Limited	Quality Logistics Services Private Limited
Total Income	1,876.64	275.11	438.84	0
Total Expenditure	1,629.88	258.54	432.09	0
<b>Profit/(Loss) before Tax</b>	<b>246.76</b>	<b>16.57</b>	<b>6.75</b>	<b>0</b>
Provision for Taxation -				
(a) Current tax for the current year	74.56	1.90	3.00	0
(b) Deferred tax credit	21.77	2.13	0	0
(c) Tax adjustments pertaining to earlier years	(1.46)	0	1.11	0
<b>Profit for the year attributable to equity shareholders</b>	<b>151.88</b>	<b>12.54</b>	<b>2.62</b>	<b>0</b>
<b>Other Comprehensive Income</b>				
Re measurement gains / (losses) on defined benefit plans	(0.38)	(1.24)	1.02	0
Income tax effect				
<b>Total Comprehensive Income for the year</b>	<b>151.49</b>	<b>11.30</b>	<b>3.65</b>	<b>0</b>

## 18. BOARD OF DIRECTORS:

### Appointments

The Board through a resolution passed by circulation on March 25, 2020 appointed Mr. Krishna Mohan Sahni as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on June 8, 2020.

### Renewals and Re-appointments

During the year under review, the Board of Directors of the Company, on recommendation of the nomination and remuneration committee, has at its meeting held on October 14, 2020, subject to approval of Shareholders, renewed the term of



appointment of Mr. Rajiv Kaul ("Rajiv") as Chief Executive Officer, Whole Time Director (on non-rotational basis) and Vice-Chairman (Executive) of the Company, for a period commencing from October 16, 2020 to March 31, 2022 by executing restated and amended employment agreement dt. 14<sup>th</sup> October 2020, between Rajiv and Company. The said appointment together with the Employment Agreement were subsequently approved by the members of the Company at the extra-ordinary general meeting held on October 14, 2020.

In accordance with the provisions of section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Ashish Agrawal (DIN: 00163344), Director of the Company who retires by rotation and being eligible offers himself for reappointment.

As on March 31, 2020, there were no disqualification for any Director pursuant to Section 164 (2) of the Companies Act, 2013.

#### **Declaration by Independent Directors**

The Company has received necessary declaration from independent directors under section 149 (7) of the Companies Act, 2013, that they meet the criteria of Independence laid down in section 149 (6) of the Companies Act, 2013.

#### **A statement of Board for Integrity, Expertise, etc. of an Independent Directors**

The Board of Directors of Company are of the opinion that independent directors appointed during the year possess all qualities of integrity, expertise and experience (including the proficiency).

#### **Key Managerial Personnel**

In terms of the provisions of Section 203 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Rajiv Kaul, Chief Executive Officer, Executive Vice Chairman and Whole Time Director; Mr. Pankaj Khandelwal, Chief Financial Officer; and Mr. Praveen Soni, Company Secretary and Compliance Officer are the whole time Key Managerial Personnel of the Company. They continue to hold the respective offices.

#### **Cessation of Office**

During the year under review, w.e.f. March 31, 2021, Mr. Krishna Mohan Sahni ceased to be independent director of the Company pursuant to completion of his tenure. The Board places on record its sincere appreciation for the valuable guidance and contribution made by Mr. Krishna Mohan Sahni in deliberations of the Board during his tenure as Independent Directors (Non-Executive) on the Board of the Company.



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**BOARD MEETINGS**

**Number of meetings of the Board**

Total four (4) Board Meetings were held during the financial year 2020-21.

Pursuant to General Circular no. 11/2020, dated 24<sup>th</sup> March, 2020 issued by the Ministry of Corporate Affairs, Government of India (Special Measure under the Companies Act, 2013 and Limited Liability Partnership Act, 2008 in view of COVID-19 Outbreak), as a one-time relaxation for the gap between two consecutive meetings, first Board meeting for first two quarters of f.y. 2020-21 was held on dt. 26<sup>th</sup> August, 2020. Other dates of board meetings are 14-10-2020, 10-12-2020 and 24-03-2021.

**Attendance details of the Directors of the Company:**

Name of Directors	Board Meeting	Audit Committee Meeting	NRC Committee Meeting	CSR Committee Meeting	Independent Directors Meeting
	Total no. of meetings held : 04	Total no. of meetings held: 02	Total no. of meetings held: 02	Total no. of meetings held: 03	Total no. of meetings held: 01
	No. of meetings attended	No. of meetings attended	No. of meetings attended	No. of meetings attended	No. of meetings attended
Mr. Rajiv Kaul	04	02	02	03	N.A.
Mr. Jimmy Lachmandas Mahtani	04	N.A.	02	03	N.A.
Mr. Ashish Agrawal	04	02	02	N.A.	N.A.
Ms. Shyamala Gopinath	04	02	02	03	01
Mr. Krishna Mohan Sahni	04	02	02	03	01

**Meeting of Independent Director**

Schedule IV of the Companies Act, 2013 and the Rules thereunder mandate that the independent directors of the Company hold at least one meeting in a year, without the attendance of non-independent directors and members of the management. At such meetings independent directors discuss, among other matters, the performance of the Company and risks faced by it, the flow of information to the Board, competition,



strategy, leadership strengths and weakness, compliance, Board movements and performance of the executive members of the Board including the Chairman.

A meeting of the independent directors of the Company was held during the financial year 2020-21 on December 10, 2020.

#### 19. AUDIT COMMITTEE:

Audit Committee was duly constituted in accordance with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014 with following members at the beginning of the year:

Name	Category	Position
Mr. Gopal Krishna Pillai	Non-Executive Independent Director	Chairman
Mr. Krzysztof Wieslaw Jamroz	Non-Executive Independent Director	Member
Mr. Ashish Agrawal	Non-Executive Director	Member

Mr. Rajiv Kaul is permanent invitee to all the meeting of committee.

However, on December 31, 2019 due to completion of the tenure of Mr. Gopal Krishna Pillai and Mr. Krzysztof Wieslaw Jamroz as independent directors of the Company, as of March 31, 2020 the audit committee was consisting of only one member i.e., Mr. Ashish Agrawal (non-executive director).

The Board through a resolution passed by circulation on March 25, 2020 appointed Mr. Krishna Mohan Sahni as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on June 8, 2020.

Further, the Board by circular resolution passed on July 16, 2020, reconstituted the audit committee consisting of below members:

Name	Category	Position
Mr. Krishna Mohan Sahni	Non-Executive Independent Director	Chairman
Ms. Shyamala Gopinath	Non-Executive Independent Director	Member
Mr. Ashish Agrawal	Non-Executive Director	Member

Mr. Rajiv Kaul is permanent invitee to all the meeting of committee.

The role, functions and powers of the Audit Committee are in line with the requirements of applicable laws and regulations. The Company Secretary acts as the Secretary to the committee.

During the year under review, there was no instance wherein the Board had not accepted any recommendation of the Audit Committee.

Total two (2) meetings of the Audit Committee were held during the financial year 2020-21. The dates of the meetings are 26-08-2020 and 10-12-2020.

## 20. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee was constituted in compliance with the provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, with following members at the beginning of the year:

Name	Category	Position
Mr. Gopal Krishna Pillai	Non-Executive Independent Director	Chairman
Mr. Krzysztof Wieslaw Jamroz	Non-Executive Independent Director	Member
Mr. Ashish Agrawal	Non-Executive Director	Member
Mr. Jimmy Lachmandas Mahtani	Non-Executive Director	Member

Mr. Rajiv Kaul is permanent invitee to all the meeting of committee.

However, on December 31, 2019 due to completion of the tenure of Mr. Gopal Krishna Pillai and Mr. Krzysztof Wieslaw Jamroz, independent directors of the Company, as of March 31, 2020 nomination and remuneration committee consisted of only two members i.e., Mr. Ashish Agrawal (non-executive director) and Mr. Jimmy Lachmandas Mahtani (non-executive director).

The Board through a resolution passed by circulation on March 25, 2020 appointed Mr. Krishna Mohan Sahni as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on June 8, 2020.

Further, the Board by circular resolution passed on July 16, 2020, reconstituted the nomination and remuneration committee consisting of below members:

Name	Category	Position
Mr. Jimmy Mahtani	Non-Executive Director	Chairman
Mr. Ashish Agrawal	Non-Executive Director	Member
Mr. Krishna Mohan Sahni	Non-Executive Independent Director	Member
Ms. Shyamala Gopinath	Non-Executive Independent Director	Member



Mr. Rajiv Kaul is permanent invitee to all the meeting of committee.

The Committee formulates criteria for determining qualifications, positive attributes and independence of a director and recommends to the Board the policy relating to the remuneration for the directors, Key Managerial Personnel and other employees and evaluation of Independent Directors and the Board.

The policy formulates criteria for determining qualifications, competencies, positive attributes and independence for the appointment of director (executive / non-executive) and also the criteria for determining the remuneration of the directors, key managerial personnel, senior management and other employees. The policy has been placed on the website of the Company (<http://www.cms.com/investors-corporate-policy/>).

Two (2) meeting of the Nomination and Remuneration Committee were held during the financial year 2020-21 on 26-08-2020 and 14-10-2020.

## 21. CORPORATE SOCIAL RESPONSIBILITY:

Corporate Social Responsibility Committee was constituted in accordance with the provisions of the Companies Act, 2013 and rules made there under, with following members at the beginning of the year:

Name	Category	Position
Mr. Rajiv Kaul	Executive Director	Chairman
Mr. Krzysztof Wieslaw Jamroz	Non-Executive Independent Director	Member
Mr. Ashish Agrawal	Non-Executive Director	Member

However, on March 31, 2020, due to completion of the tenure of Mr. Krzysztof Wieslaw Jamroz, independent director of the Company, as of December 31, 2019, the CSR committee consists of only two members i.e., Mr. Rajiv Kaul (executive director) and Mr. Ashish Agrawal (non-executive director).

The Board through a resolution passed by circulation on March 25, 2020 appointed Mr. Krishna Mohan Sahni as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on June 8, 2020.

Further, the Board by circular resolution passed on July 16, 2020, reconstituted the nomination and remuneration committee consisting of below members:

Name	Category	Position
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Mr. Rajiv Kaul Connecting Commerce	Executive Director	Chairman
Mr. Jimmy Mahtani	Non-Executive Director	Member
Mr. Krishna Mohan Sahni	Non-Executive Independent Director	Member
Ms. Shyamala Gopinath	Non-Executive Independent Director	Member

The terms of reference and role of the Corporate Social Responsibility Committee are as mentioned in policy formulated in line with schedule VII to the Companies Act, 2013 and Rules made thereunder.

Company has formulated Policy on CSR in accordance with Schedule VII of the Companies Act, 2013, which has been placed on the website of the Company (<http://www.cms.com/investors-corporate-policy/>)

The policy outlines the Company's strategy to bring about positive impact on society through programs relating to Women's empowerment, child education, financial literacy, and environment issues. The Company has undertaken activities in accordance with the said policy.

Three (3) meetings of the Corporate and Social Responsibility Committee was held during the financial year 2020-21 on 26-08-2020, 10-10-2020 and 24-03-2021.

The annual report on our CSR activities is appended as Annexure E to the Board's report.

## 22. STAKEHOLDER'S RELATIONSHIP COMMITTEE:

Stakeholder's Relationship Committee comprises of below directors as on March 31, 2019:

Name	Category	Position
Mr. Jimmy Lachmandas Mahtani	Non-Executive Director	Chairman
Mr. Ashish Agrawal	Non-Executive Director	Member
Mr. Rajiv Kaul	Executive Director	Member

The Stakeholder's Relationship Committee has the mandate to review and redress investor grievances. This committee assists the Board and the Company in maintaining healthy relationships with all the stakeholders.

## 23. IPO COMMITTEE:

Pursuant to the proposed initial public offering of the Company, the Board of Directors of the Company at its meeting held on August 19, 2017 constituted IPO Committee. IPO Committee comprises of below directors as on March 31, 2021:



Name	Category	Position
Mr. Jimmy Lachmandas Mahtani	Non-Executive Director	Chairman
Mr. Ashish Agrawal	Non-Executive Director	Member
Mr. Rajiv Kaul	Executive Director	Member

The IPO Committee shall be inter alia responsible for various legal, statutory and procedural formalities, including appointment of various intermediaries, filing the draft red herring prospectus (the DRHP) with SEBI and the Stock Exchanges, filing the red herring prospectus (the RHP) and the prospectus in relation to the Offer (the Prospectus) with SEBI, the Stock Exchanges, the Registrar of Companies, Maharashtra at Mumbai or any other statutory agencies or relevant authorities as may be required and other matters incidental thereto.

#### 24. EXTRACT OF ANNUAL RETURN:

The Extract of Annual Return in Form MGT-9 pursuant to Section 92 (3) of Companies Act, 2013 read with rule 12 (1) of Companies (Management and Administration), Rules 2014 are as per Annexure F. ([www.cms.com](http://www.cms.com)).

#### 25. CONTRACT WITH RELATED PARTIES:

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. The contracts, arrangements or transactions at arm's length basis are disclosed in form AOC-2 as per Annexure G.

#### 26. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

During the year, the Company has provided loans/ Guarantees and made investments as covered under and in compliance with provisions of Section 186 of Companies Act, 2013, which are within the limits approved by the members at the Annual General Meeting held on 21<sup>st</sup> October, 2014. For detailed information, respective para in notes to accounts can be referred.

#### 27. RISK MANAGEMENT POLICY:

The Risk Management Policy of the Company aims at enhancing shareholders' value and providing an optimum risk-reward tradeoff. The risk management approach is based on a clear understanding of the variety of risks that the organization faces, disciplined risk monitoring and measurement, and continuous risk assessment and mitigation measures.





## 28. VIGIL MECHANISM/WHISTLE BLOWER:

The Company promotes ethical behavior in all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism Policy under which the employees are free to report violations of applicable laws and regulations. No personnel have been denied access to the Chairman of Audit Committee. The Audit Committee's Chairman's office address and process to communicate with him is also provided under the Policy for ease of access to persons intending to use the Whistle Blower framework.

Company has formulated Policy on Vigil Mechanism/ Whistle Blower in accordance with provisions of Section 177 of the Companies Act, 2013 and rules made thereunder, which has been placed on the website of the Company (<http://www.cms.com/investors-corporate-policy/>)

## 29. PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy for prevention of Sexual Harassment at the Workplace in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year, one complaint was received by the Company and with regards to POSH complaint filed in May 2020 by a Senior Executive HR (female; complainant), Chandigarh against regional manager (male; respondent) at Chandigarh, the Internal Control Committee ("ICC") has concluded the proceedings after following the due process of law. As per recommendation of ICC the management has taken zero tolerance on such matters and the respondent has tendered his resignation and the complainant has been restored back to her original work place with the same appointment terms with assurance of no retaliation.

To build awareness in this area, the Company has been conducting induction / refresher programmes in the organisation on a continuous basis.

## 30. INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial control systems commensurate with the size, scale, and complexity of its operations. The Company has policies and procedures in place for ensuring proper and efficient conduct of its business, 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. The Company has adopted accounting policies, which are in line with the Accounting Standards and the Companies Act 2013.

### **31. FORMAL ANNUAL EVALUATION**

The Board evaluated the effectiveness of its functioning and that of the Committees and of individual directors by seeking their inputs on various aspects of Board/Committee Governance.

### **32. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE:**

During the year under review no such orders were passed.

### **33. MATERIAL CHANGES AND COMMITMENTS:**

The Board through a resolution passed by circulation on April 9, 2021 appointed Mr. Tapan Ray as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on April 9, 2021.

Except above there have been no material changes and commitments, which affects the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report.

### **34. ACKNOWLEDGEMENT**

Your Director wishes to place on record their deep sense of appreciation for all those who associated with the Company in year under review.



Connecting Communities  
**For and On behalf of the Board of Directors  
of CMS Info Systems Limited**

Annual Report  
March 2021

**Rajiv Kaul**  
**Director**  
**DIN: 02581313**  
Add: Signia Isles,  
Flat no. 802, G Block,  
BKC, Opp. Dhirubhai  
Ambani School,  
Bandra East, Mumbai - 400 051

**Ashish Agrawal**  
**Director**  
**DIN: 00163344**  
Add: Flat No. 3403, D-Wing,  
Ashok, Towers, Dr. S S Rao Road  
Parel, Mumbai, 400012

**Place: Mumbai**  
**Date: 25-05-2021**



As on March 31, 2021, following are the details of three Stock Option schemes:

The Company has granted stock options to its employees through its equity settled schemes referred to as Employee Stock Option Scheme 2016, CEO Stock Option Scheme 2016 and Management Scheme 2016.

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

Particulars	March 31, 2021		March 31, 2020	
	Employee Scheme	CEO Scheme	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	3,555,750	9,866,667	3,809,409	9,866,667
Granted during the period	-	-	125,000	-
Forfeited / cancelled during the period	(34,000)	-	(378,659)	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
Outstanding at the end of the year	3,521,750	9,866,667	3,555,750	9,866,667

**Annexure B**  
**Form no. MR-3**  
**Secretarial Audit report**

**M Siroya and Company**

**Company Secretaries**

A-103, Samved Building (Madhukunj), Near EktaBhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.:+91 22 28706523/24; 28546523(D); Cel.:+91 9324310151; E-mail: siroyam@gmail.com; [www.msiroya.com](http://www.msiroya.com)

Form No. MR-3

**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
CMS Info Systems Limited,  
T-151, 5th Floor, Tower No.10,  
Sector-11, Railway Station Complex, CBD Belapur,  
Navi Mumbai - 400614

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by CMS Info Systems Limited (hereinafter called the "Company") for the audit period covering the Financial year ended March 31, 2021. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 according to the relevant and applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder, as may be applicable;
- (ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iii) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment in India; and
- (iv) As per our observations and as confirmed by the Company, the Company is operating in the business of providing ATM and Cash Management Services and there are no laws specifically applicable in relation to the business of the Company.

We have also examined compliance with the applicable clauses of the following:

1. Secretarial Standards issued by The Institute of Company Secretaries of India, New Delhi; and
2. The Company is an unlisted Company and therefore compliance with listing agreement is not applicable.

During the period under review, the Company has complied with the applicable provisions of the Act, Rules, Regulations, Circulars, Notifications, Directions, Guidelines, Standards, etc. mentioned above.

We further report that the Board of Directors of the Company and committees thereof are duly constituted with proper balance of Executive Directors, Non-Executive Directors, Woman Director and Independent Directors. The following changes in the composition of the Board of Directors that took place during the year under review were carried out in compliance with the provisions of the Act:



Page 1 of 3

## M Siroya and Company

### Company Secretaries

A-103, Samved Building (Madhukunj), Near EktaBhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.:+91 22 28706523/24; 28546523(D); Cel.:+91 9324310151; E-mail: siroyam@gmail.com; [www.msirova.com](http://www.msirova.com)

- (i) The members at their Extra Ordinary General Meeting held on June 8, 2020 appointed Mr. Krishna Mohan Sahni (DIN:02103128), who was appointed as an Additional (Independent) Director w.e.f. April 1, 2020, as a Non-Executive Independent Director of the Company for the period from April 1, 2020 to March 31, 2021; and
- (ii) The members at their Extra Ordinary General Meeting held on October 14, 2020 approved re-appointment of Mr. Rajiv Kaul (DIN:02581313) as a Whole Time Director & CEO the Company w.e.f. October 16, 2020 to March 31, 2022.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation & deliberations at these meetings.

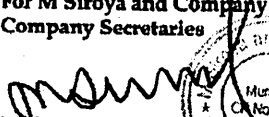
During the period under review, decisions were carried through unanimously and no dissenting views were observed, while reviewing the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, acts, rules, regulations, circulars, notifications, directions and guidelines.

We further report that during the audit period the Company has undertaken following event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, acts, rules, regulations, circulars, notifications, directions, guidelines, standards, etc. referred to above:

- (i) The Board of Directors on May 4, 2020 through Circular Resolution declared an interim dividend of Rs. 1.70 per equity share;
- (ii) The members, at their Extraordinary General Meeting held on July 21, 2020, approved Change in Registered Office address of the Company from Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon East, Mumbai - 400 063 to T-151, 5th Floor, Tower No.10, Sector-11, Railway Station Complex, CBD Belapur, Navi Mumbai- 400 614 with effect from 27<sup>th</sup> July 2020 by Special Resolution; and
- (iii) The Board of Directors on November 2, 2020 through Circular Resolution declared an interim dividend of Rs. 0.75 per equity share.

For M Siroya and Company  
Company Secretaries

  
Milkesh Siroya  
Proprietor  
FCS No.: 5682  
CP No.: 4157  
UDIN: F005682C000375997



Date: May 26, 2021  
Place: Mumbai



Connecting Commerce

## M Siroya and Company

### Company Secretaries

A-103, Samved Building (Madhukunj), Near EktaBhoomi Gardens, Rajendra Nagar, Borivali (E), Mumbai - 400 066  
Tel.: +91 22 28706523/24; 28546523(D); Cel.: +91 9324310151; E-mail: [siroyam@gmail.com](mailto:siroyam@gmail.com); [www.msirova.com](http://www.msirova.com)

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.


'Annexure A'

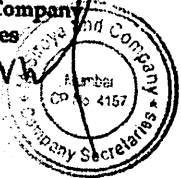
To,  
The Members,  
CMS Info Systems Limited  
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility to express an opinion on these Secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management's representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the Corporate and other applicable laws, acts, rules, circulars, notifications, directions, regulations, standards is the responsibility of the management. Our examination was limited to the verification of the procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. In view of the ongoing restrictions/advisories issued by the Government of India/Maharashtra to contain the spread of Covid-19 pandemic on the movement of people, we have relied on electronic data for verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company.

For M Siroya and Company  
Company Secretaries

  
Mukesh Siroya  
Proprietor  
FCS No.: 5682  
CP No.: 4157  
UDIN: F005682C000375997



Date: May 26, 2021  
Place: Mumbai

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### Annexure C

Disclosures pertaining to remuneration and other details as required under Section 197 of the Act, read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are as follows:

(name of top 10 employees in terms of remuneration drawn and name of every employee who if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees or if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month;)

Name	Rajiv Kaul	Manjunath Rao	Pankaj Khandelwal	Anush Raghavan	Arindam Biswas
	(1)	(2)	(3)	(4)	(5)
Age in Years	53 Yrs	57 Yrs	50 Yrs	37 Yrs	51 Yrs
Nature of Employment, whether contractual or otherwise	Permanent	Permanent	Permanent	Permanent	Permanent
Designation	Executive Vice Chairman, CEO & WTD	President – Managed Services Business	President & CFO	President – Cash Management Business	Senior Director - Finance
Qualification & Experience in years	BE- MBA; 21 yrs	BSC; 30 Yrs	CA & LLB; 25 Yrs	PGDBM 10 Yrs	CA – 19 YRS





<b>Date of Appointment</b>	Connecting Commerce				
	01.12.2008	02.07.2012	08.05.2006	01.10.2009	03.10.2018
<b>Last employment held before joining the Company (Name of the Company &amp; Location)</b>	Actis-London	NCR Corpn. Ltd. – Singapore	NRC Ltd-Mumbai	Hay Group-Delhi	Tangenz – India
<b>Annual Remuneration in Rupees</b>	9,48,51,979/-	1,29,60,222/-	1,23,14,195/-	95,36,430/-	54,95,538/-
<b>% of Equity Shares held in the company</b>	Nil	Nil	Nil	Nil	Nil
<b>Whether the employee is the relative of any Director or Manager; Name of such manager or Director</b>	NA	NA	NA	NA	NA

<b>Name</b>	<b>Aparajita Jain</b>	<b>Mrydul Vats</b>	<b>Vinita Khar</b>	<b>Nehal Shah</b>	<b>Mokam Singh-Matta</b>
	<b>(6)</b>	<b>(7)</b>	<b>(8)</b>	<b>(9)</b>	<b>(10)</b>
<b>Age in Years.</b>	46 Yrs	42 Yrs	39 Yrs	50 Yrs	55 Yrs
<b>Nature of Employment, whether contractual or otherwise</b>	Permanent	Permanent	Permanent	Permanent	Permanent
<b>Designation</b>	Director - Revenue Assurance	Vice President - ATM Product and Solution Sales	Director - Sales	Director - Facilities & Administration	Senior Director - Cards

<b>Qualification &amp; Experience in years</b>	CA – 20 YRS	Master in international Business	MBA IN International Business	MBA In Finance	Dip marketing Management
<b>Date of Appointment</b>	01.04.2019	16.01.2009	27.01.2020	21.06.2017	07.01.1998
<b>Last employment held before joining the Company(Name of the Company &amp; Location)</b>	Deloitte Touchtohmatsu India LLP	AMI Partners Inc	Grand Hyatt Mumbai	Cigna TTK Health Insurance Com Ltd	Kodak India Ltd.
<b>Annual Remuneration in Rupees</b>	52,43,196/-	41,82,399/-	41,47,801/-	40,57,800/-	38,40,199/-
<b>% of Equity Shares held in the company</b>	Nil	Nil	Nil	Nil	Nil
<b>Whether the employee is the relative of any Director or Manager; Name of such manager or Director</b>	NA	NA	NA	NA	NA

**Annexure D**

**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

**Part "A": Subsidiaries**

(Information in respect of each subsidiary to be presented with amounts in Rs.)

1.

Sl. No.	Particulars	Details
1.	Name of the subsidiary	M/s. CMS Securitas Limited
2.	The date since when subsidiary was acquired	1 <sup>st</sup> April, 2009
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
5.	Share capital	95,00,000/-
6.	Reserves & surplus	2,01,00,233/-
7.	Total assets	14,35,26,852/-
8.	Total Liabilities	11,39,26,620/-
9.	Investments (current)	Nil
10.	Turnover	27,61,52,354/-
11.	Profit before taxation	1,65,74,202/-
12.	Provision for taxation	40,32,362/-
13.	Profit after taxation	1,25,41,840/-
14.	Proposed Dividend	Nil
15.	% of shareholding	100

2.

Sl. No.	Particulars	Details
1.	Name of the subsidiary	M/s. Securitrans India Private Limited
2.	The date since when subsidiary was acquired	23 <sup>rd</sup> May, 2011
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021

4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
5.	Share capital	1,32,50,000/-
6.	Reserves & surplus	130,85,70,000/-
7.	Total assets	177,95,90,000/-
8.	Total Liabilities	45,77,70,000/-
9.	Investments (current)	Nil
10.	Turnover	187,66,40,000/-
11.	Profit before taxation	24,67,30,000/-
12.	Provision for taxation	9,48,70,000/-
13.	Profit after taxation	15,18,50,000/-
14.	Proposed Dividend	Nil
15.	% of shareholding	100

3.

Sl. No.	Particulars	Details
1.	Name of the Subsidiary	M/s. Quality Logistics Services Private Limited
2.	The date since when subsidiary was acquired	29 <sup>th</sup> July, 2015
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A
5.	Share Capital	1,00,000/-
6.	Reserves & Surplus	Nil
7.	Total Assets	1,00,000/-
8.	Total Liabilities	Nil
9.	Investments	Nil
10.	Turnover	Nil
11.	Profit before taxation	Nil
12.	Provision for taxation	Nil
13.	Profit after taxation	Nil
14.	Proposed Dividend	Nil
15.	% of shareholding	100

4.

Sl.	Particulars	Details
-----	-------------	---------

No.		
1.	Name of the Subsidiary	M/s. CMS Marshall Limited (Subsidiary Company of CMS Securitas Limited)
2.	The date since when subsidiary was acquired	
3.	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1 <sup>st</sup> April, 2020 to 31 <sup>st</sup> March, 2021
4.	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A.
5.	Share Capital	5,00,000/-
6.	Reserves & Surplus	28,02,195/-
7.	Total Assets	13,69,54,787/-
8.	Total Liabilities	13,36,52,592/-
9.	Investments	Nil
10.	Turnover	43,88,45,227/-
11.	Profit before taxation	67,47,933/-
12.	Provision for taxation (Current tax and tax adjustment pertaining to earlier years)	41,19,281/-
13.	Profit after taxation	26,28,652/-
14.	Proposed Dividend	Nil
15.	% of shareholding	Subsidiary of Subsidiary Company

**Notes:** The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations
- Names of subsidiaries which have been liquidated or sold during the year.

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Name of associates/Joint Ventures				
1. Latest audited Balance Sheet Date		-	-	-
		-	-	-
2. Shares of Associate/Joint Ventures held by the company on the year end		-	-	-
No.				
Amount of Investment in Associates/Joint Venture		-	-	-

Extend of Holding%		-	-	-
3. Description of how there is significant influence		-	-	-
4. Reason why the associate/joint venture is not consolidated		-	-	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet		-	-	-
6. Profit/Loss for the year		-	-	-
i. Considered in Consolidation		-	-	-
ii. Not Considered in Consolidation		-	-	-

1. Names of associates or joint ventures which are yet to commence operations.
2. Names of associates or joint ventures which have been liquidated or sold during the year.

**Note:** This Form is to be certified in the same manner in which the Balance Sheet is to be certified.

**Annual Report on CSR Activities**

The Corporate Social Responsibility Committee was constituted in accordance with the provisions of the Companies Act, 2013 and rules made there under. Amongst the areas, mentioned under the Companies Act, 2013, is to formulate policy and monitoring activities of Corporate Social Responsibility spending.

The terms of reference and role of the Corporate Social Responsibility Committee are as mentioned in policy formulated in line with schedule VII to the Companies Act, 2013 and Rules made thereunder.

**CSR Committee:**

Corporate Social Responsibility Committee was constituted in accordance with the provisions of the Companies Act, 2013 and rules made there under, with following members at the beginning of the year:

Name	Category	Position
Mr. Rajiv Kaul	Executive Director	Chairman
Mr. Krzysztof Wieslaw Jamroz	Non-Executive Independent Director	Member
Mr. Ashish Agrawal	Non-Executive Director	Member

However due to completion of the tenure of Mr. Krzysztof Wieslaw Jamroz, independent director of the Company, on December 31, 2019, CSR committee consists of only two members at the end of the year i.e., Mr. Rajiv Kaul (executive director) and Mr. Ashish Agrawal (non-executive director).

The Board through a resolution passed by circulation on March 25, 2020 appointed Mr. Krishna Mohan Sahni as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on June 8, 2020.

Further, the Board by circular resolution passed on July 16, 2020, reconstituted the CSR committee consisting of below members:

Name	Category	Position
Mr. Rajiv Kaul	Executive Director	Chairman
Mr. Jimmy Mahtani	Non-Executive Director	Member
Mr. Krishna Mohan Sahni	Non-Executive Independent Director	Member
Ms. Shyamala Gopinath	Non-Executive Independent Director	Member

The Board through a resolution passed by circulation on April 9, 2021 appointed Mr. Tapan Ray as an additional director to hold office as an independent director on the Board of the Company and the same was approved by the members of the Company at extra-ordinary general meeting held on April 9, 2021.

Further, the Board by circular resolution passed on May 24, 2021, reconstituted the CSR committee consisting of below members:

Sr. No.	Name	Position in the Committee	Nature of Directorship
1.	Mr. Rajiv Kaul	Chairman	Executive Director
2.	Mr. Jimmy Mahtani	Member	Non-Executive Director
3.	Mr. Tapan Ray	Member	Non-Executive Independent Director
4.	Ms. Shyamala Gopinath	Member	Non-Executive Independent Director

The financial details as sought by the Companies Act, 2013 for the financial year 2020-21 are as follows:

Particulars	Amount (in Rs.)
Average net profit of the company for last three financial years	146,76,86,584/-
Prescribed CSR expenditure (2 % of the amount as in item above)	
Total amount to be spent for the financial year	2,93,53,732/-
Amount Spent	Rs. 3,07,95,700/-
Amount unspent	Nil

**Manner in which the amount spent during the financial year is detailed below:**

Sr. N	CSR project or	Sector in which the	Projects or program	Amount	Amount spent on	Cumulative expenditure	Amount spent:
-------	----------------	---------------------	---------------------	--------	-----------------	------------------------	---------------



o.	activity identified	project covered.	is (1) Local area or other (2) Specify the state and district where projects or programs was undertaken	outlay (budget) project or programs wise	the projects or programs subheads: (1) Direct expenditure on projects or programs (2) Overheads	e upto the reporting period	Direct or through implementing agency
1	COVID-19 Disaster Relief *  (detailed in table below)	-	-	12,70,700	12,70,700	12,70,700	Through Implementing Agencies
1	Goonj	Holistic development of villages	Neev-Odisha (Ganjam & Gajapati cluster) & UP (Banda cluster, Bundelkhand region) 2021	70,00,000	70,00,000	70,00,000	Implementing agency
2	Manuvikasa	Water harvesting structures	Uttara Kannada, Haveri and Shivamogga Districts of Karnataka State	28,25,000	28,25,000	28,25,000	Implementing Agency
3	Leapword	Child Education	Districts in Maharashtra	25,00,000	25,00,000	25,00,000	Implementing Agency
4	Chirag Rural Development	Sustainable and integrated	Sakhri Village and Twin	60,00,000	60,00,000	60,00,000	Implementing Agency

	Foundati on	development of Sakhri Village	Village Project, Nashik				
5	Stonesou p Trust	Cloth pads for girls - for a cleaner, greener and safer world -	Bangalore, Karnataka	5,00,0 00			Impleme nting Agency
6	Keshav Srushti	Education of underprivileg ed children	Mumbai, Maharashtr a	5,00,0 00	5,00,000	5,00,000	Impleme nting Agency
7	Chehak Trust	Work with children and adolescents of low income communities with development al difficulties	Mumbai, Maharashtr a	5,00,0 00	5,00,000	5,00,000	Impleme nting Agency
8	The Society for Educatio nal Improve ment and Innovatio n (CLR - Sajag Abhiyan)	Early childhood care, development & education with a focus on caregiver coaching for nurturing care	Bihar, Goa	5,00,0 00	5,00,000	5,00,000	Impleme nting Agency
9	Habitat for Humanity	Decent shelter, water, sanitation & hygiene, disaster response and village volunteer program	Maharashtr a, Odisha and Karnataka	5,00,0 00	5,00,000	5,00,000	Impleme nting Agency
10	The Gateway Trust -	Residential and training centre for	Uttarakha nd	5,00,0 00	5,00,000	5,00,000	Impleme nting Agency

	Project Arunima	adults with autism					
11	The Banyan	Mental health services for poor and homeless people with mental health issues	Tamilnadu ,Kerala , Maharashtra	5,00,000	5,00,000	5,00,000	Implementing Agency
12	Earth Saviours Foundation	Care of abandoned old and disabled people	Gurgaon and Haryana	5,00,000	5,00,000	5,00,000	Implementing Agency
13	Prime Minister National Relief Fund	--	--	58,00,000	58,00,000	58,00,000	Direct
14	Administrative exp.			14,00,000	14,00,000	14,00,000	

**\* COVID- 19 Disaster Relief**

COVID- 19 Disaster Relief					
NGO	Region	Cause	Duration (no. of days)	No of beneficiaries (2 meals/day)	Total Grant (INR)
Akshaya Patra	Delhi	Cooked meals	40	5000	2,00,000
Feeding India	Jaipur, Rajasthan	Dry rations to feed a family of 5	14	1000	2,00,000
Project Chirag	Palghar	Dry rations to feed a family of 4	14	800	2,00,000
Altruist Venture	Guhawati	Dry rations to feed a family of 4	7	400	44,700
KVF Foundation	Mumbai	Cooked meals	5	200	60,000
Bringing Smiles Foundation	Bangalore	Dry rations to feed a family of 4	14	800	1,50,000
Bhai Ghanaiyaji Mission Sewa	Punjab	Dry rations to feed a family of 4	7	840	72,000



Connecting Commerce

Society					
Sarva Jana Hitya Welfare Society	Delhi	Dry rations for 200 families	7	800	1,00,000
Dreamz Homes	Mumbai	Meal Ingredients	14	80	40,000
	Kolkatta	Meal packets		500	20,000
	Patna	Dry rations for CMS contract workers who did not have work	7	200	34,000
	Chennai	Dry rations to feed a family of 4	3	2000	1,50,000
<b>TOTAL</b>				<b>12,620</b>	<b>12,70,700</b>

**In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report.**

The Company has spent the entire two percent of the average net profit of the last three financial years.

#### **CSR committee responsibility statement**

The CSR Committee confirms that the implementation and monitoring of the CSR activities of the Company are in compliance with the CSR objectives and CSR Policy of the Company.

**Annexure F**

Form No. MGT-9  
Extract of Annual Return

Annexed separately.

**Annexure G**

**FORM NO. AOC -2**

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis. N.A.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	--
b)	Nature of contracts/arrangements/transaction	--
c)	Duration of the contracts/arrangements/transaction	--
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	--
e)	Justification for entering into such contracts or arrangements or transactions'	--
f)	Date of approval by the Board	--
g)	Amount paid as advances, if any	--
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	--

2. Details of contracts or arrangements or transactions at Arm's length basis.

1.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	CMS Securitas Limited; Subsidiary Company
b)	Nature of contracts/ arrangements/ transaction	Rendering or availing of services
c)	Duration of the contracts/ arrangements/ transaction	For the f.y. 2020-21
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	On such terms and conditions as approved by board from time to time; Rs. 274.17 million
e)	Date of approval by the Board	26-08-2020, 10-12-2020 and 24-03-2021
f)	Amount paid as advances, if any	NIL

2.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Securitrans India Private Limited; Subsidiary Company
b)	Nature of contracts/ arrangements/ transaction	Rendering or availing of services
c)	Duration of the contracts/ arrangements/ transaction	For the f.y. 2020-21
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	On such terms and conditions as approved by board from time to time; Rs. 132.23 million
e)	Date of approval by the Board	26-08-2020, 10-12-2020 and 24-03-2021
f)	Amount paid as advances, if any	NIL

3.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	CMS Marshall Limited; Subsidiary of CMS Securitas Limited
b)	Nature of contracts/ arrangements/ transaction	Rendering or availing of services
c)	Duration of the contracts/ arrangements/ transaction	For the f.y. 2020-21
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	On such terms and conditions as approved by board from time to time; Rs. 438.85 million
e)	Date of approval by the Board	26-08-2020, 10-12-2020 and 24-03-2021
f)	Amount paid as advances, if any	NIL

**Annexure F**  
**FORM NO. MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on financial year ended on 31.03.2021**

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U45200MH2008PLC180479
2	Registration Date	26th March, 2008
3	Name of the Company	M/s. CMS Info Systems Limited
4	Category/Sub-category of the Company	Company Limited by Shares Indian Non Government Company
5	Address of the Registered office & contact details	T-151, 5th Floor, Tower No. 10, Railway Station Complex, Sector-11, CBD Belapur, Navi Mumbai - 400614 Tel: 022 4889 7400 Fax: 022 4889 5177
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 247 Park , C 101 1st Floor , LBS Marg , Vikhroli ( W ) , Mumbai - 400 083 Phone: +91 22 49186000

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Sale of ATM and ATM Sites	47990	14.35
2	Provision of ATM and cash management services	82990	79.61
3			

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1	Sion Investment Holdings Pte. Limited 1 Raffles Place, #29-02 One Raffles Place, Singapore - 048616	N.A	Holding	100	2(46)
2	CMS Securitas Limited J-3, Block B 1, Mohan Cooperative Industrial Estate New Delhi South Delhi DL 110044 IN	U67190DL1999PLC098107	Subsidiary	100	2(87)
3	Securitrans India Private Limited 2, Naryana Community Center, C Block, Naraina Vihar, New Delhi - 110028	U74999DL1998PTC095012	Subsidiary	100	2(87)
4	CMS Marshall Limited Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon East, Mumbai - 400 063	U46711MH2006PLC158878	Subsidiary	Nil	2 (87)(ii)(a)
5	Quality Logistics Services Private Limited Silver Metropolis, 11th Floor, Jay Coach Compound, Off. Western Express Highway, Goregaon East, Mumbai - 400 063	U60231MH2015PTC266933	Subsidiary	100	2(87)

IV. SHARE HOLDING PATTERN									
(Equity share capital breakup as percentage of total equity)									
(i) Category-wise Share Holding									

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2021]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
(1) Indian									
a) Individual/ HUF	6	-	6	0.00%	6	-	6	0.00%	0.00%
b) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) Bodies Corp.	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (1)</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>0.00%</b>	<b>6</b>	<b>-</b>	<b>6</b>	<b>0.00%</b>	<b>0.00%</b>



(2) Foreign									
a) NRI Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Other Individuals	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Bodies Corp.	14,79,99,994	-	14,79,99,994	100.00%	14,79,99,994	-	14,79,99,994	100.00%	0.00%
d) Any other	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub Total (A) (2)</b>	<b>14,79,99,994</b>	<b>-</b>	<b>14,79,99,994</b>	<b>100.00%</b>	<b>14,79,99,994</b>	<b>-</b>	<b>14,79,99,994</b>	<b>100.00%</b>	<b>0.00%</b>
<b>TOTAL (A)</b>	<b>14,80,00,000</b>	<b>-</b>	<b>14,80,00,000</b>	<b>100.00%</b>	<b>14,80,00,000</b>	<b>-</b>	<b>14,80,00,000</b>	<b>100.00%</b>	<b>0.00%</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
b) Banks / FI	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Central Govt	-	-	-	0.00%	-	-	-	0.00%	0.00%
d) State Govt(s)	-	-	-	0.00%	-	-	-	0.00%	0.00%
e) Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
f) Insurance Companies	-	-	-	0.00%	-	-	-	0.00%	0.00%
g) FIs	-	-	-	0.00%	-	-	-	0.00%	0.00%
h) Foreign Venture Capital Funds	-	-	-	0.00%	-	-	-	0.00%	0.00%
i) Others (specify)	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(1):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	-	-	0.00%	-	0	-	0.00%	0.00%
ii) Overseas	-	-	-	0.00%	-	0	-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	0.00%	-	-	-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians	-	-	-	0.00%	-	-	-	0.00%	0.00%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Nationals	-	-	-	0.00%	-	-	-	0.00%	0.00%
Clearing Members	-	-	-	0.00%	-	-	-	0.00%	0.00%
Trusts	-	-	-	0.00%	-	-	-	0.00%	0.00%
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	0.00%	0.00%
<b>Sub-total (B)(2):-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Total Public (B)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
<b>Grand Total (A+B+C)</b>	<b>14,80,00,000</b>	<b>-</b>	<b>14,80,00,000</b>	<b>100.00%</b>	<b>14,80,00,000</b>	<b>-</b>	<b>14,80,00,000</b>	<b>100.00%</b>	<b>0.00%</b>

**(ii) Shareholding of Promoter**

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
8	M/s. Sion Investment Holdings Pte. Limited	14,79,99,994	100.00%	0	14,79,99,994	100.00%	0	0.00%
9	Mr. Pankaj Khandelwal (as a nominee of Sion Investment Holdings Pte Limited)	1	0.00%	0	1	0.00%	0	0.00%
10	Ms. Neeta Khandelwal (as a nominee of Sion Investment Holdings Pte Limited)	1	0.00%	0	1	0.00%	0	0.00%
11	Mr. Alex Augustine (as a nominee of Sion Investment Holdings Pte Limited)	1	0.00%	0	1	0.00%	0	0.00%
12	Mr. Manjunath Rao (as a nominee of Sion Investment Holdings Pte Limited)	1	0.00%	0	1	0.00%	0	0.00%
13	Mr. Dinesh Salián (as a nominee of Sion Investment Holdings Pte Limited)	1	0.00%	0	1	0.00%	0	0.00%
14	Mr. Sanjay Kumar Panchal (as a nominee of Sion Investment Holdings Pte Limited)	1	0.00%	0	1	0.00%	0	0.00%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1				<b>NO CHANGE</b>			
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

**(iv) Shareholding Pattern of top ten Shareholders***(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	NII	NII	NII	NII	NII	NII	NII
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

**(v) Shareholding of Directors and Key Managerial Personnel:**

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Mr. Rajiv Keul						
	At the beginning of the year			-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%

2	Mr. Jimmy Mahtani						
	At the beginning of the year						
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
3	Mr. Ashish Agrawal						
	At the beginning of the year						
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
4	Ms. Shyamala Gopinath						
	At the beginning of the year						
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
5	Mr. Krishna Mohan Sahini						
	At the beginning of the year						
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
6	Mr. Pankaj Khandelwal						
	At the beginning of the year						
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%
7	Mr. Praveen Soni						
	At the beginning of the year						
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			-	0.00%	-	0.00%
				-	0.00%	-	0.00%

#### V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	(Amt. Rs./Lacs)
				Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	9.29	-	-	9.29
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>9.29</b>	<b>-</b>	<b>-</b>	<b>9.29</b>
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	-	-	-
* Reduction	9.29	-	-	9.29
<b>Net Change</b>	<b>9.29</b>	<b>-</b>	<b>-</b>	<b>9.29</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid *	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Interest due on Cash Credit utilisation during month was not debited by bank owing to disruption caused by outbreak of Covid 19

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**
**A. Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Name	Designation	
		Rajiv Kaul	CEO, Executive Vice Chairman & Whole Time Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	948.52		948.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.35		15.35
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option+A190			-
3	Sweat Equity			-
4	Commission - as % of profit - others, specify			-
5	Others, please specify			-
	Total (A)	963.87		963.87
	Ceiling as per the Act			

**B. Remuneration to other Directors**

SN.	Particulars of Remuneration	Name of Directors		Total Amount (Rs/Lac)
		Mr. Krishna Mohan Sahni	Ms. Shyamala Gopinath	
1	Independent Directors			
	Fee for attending board committee meetings	4.00	4.00	8.00
	Commission	21.00	21.00	42.00
	Others, please specify			-
	Total (1)	25.00	25.00	50.00
2	Other Non-Executive Directors			
	Fee for attending board committee meetings			-
	Commission			-
	Others, please specify			-
	Total (2)			-
	Total (B)=(1+2)	25.00	25.00	50.00
	Total Managerial Remuneration			1,013.87
	Overall Ceiling as per the Act			

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

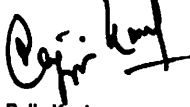
SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Rajiv Kaul	Pankaj Khandelwal	Praveen Soni	
		CEO	CFO	CS	
1	Gross salary	Mr. Rajiv Kaul, the only WTD, is also CEO of the Company. No separate Salary payable for the position of CEO.			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	948.52	123.14	21.79	1,093.45
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	15.35	2.83	1.06	19.25
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961				-
2	Stock Option				-
3	Sweat Equity				-
4	Commission - as % of profit - others, specify				-
5	Others, please specify				-
	Total	963.87	125.98	22.85	1,112.70

MDT 9  
March 31, 2021

**VII. PENALTIES / PUNISHMENT/COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

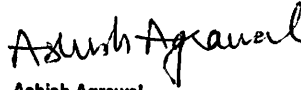
For and On behalf of the Board of Directors  
of CMS Info Systems Limited



Rajiv Kaul  
Director

DIN: 02581313

Add: Signia Isles, Flat no.802  
G Block, BKC, Opp. Dhirubhai  
Ambani School, Bandra East  
Mumbai - 400 051



Ashish Agrawal  
Director

DIN: 00163344

Add: Flat No. 3403, D-Wing,  
Ashok, Towers, Dr. S S Rao  
Road, Parel, Mumbai, 400012,



Praveen Soni  
Company Secretary  
FCS 6495

Add: D-302, Kalpataru  
Towers, Akurli Road,  
Kandivali East, Mumbai -  
400 101

Date 25-05-2021  
Place Mumbai

## NOTICE

NOTICE is hereby given that the **Fourteenth Annual General Meeting** of the Members of **CMS Info Systems Limited**, ("Company") will be held on (Wednesday), the 30<sup>th</sup> day of June 2021, at 05.00 PM IST at T-151, 5th Floor, Tower No. 10, Railway Station Complex, Sector-11, CBD Belapur, Navi Mumbai - 400614 to transact following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Financial Statements (Standalone and Consolidated) of the Company for the Financial Year ended March 31, 2021 and the reports of the Board of Directors and Auditors' thereon.

*To Consider and if thought fit, to pass with or without modification(s), following resolution as Ordinary Resolution:*

**"RESOLVED THAT** the Audited financial statements (Standalone and Consolidated) of the Company for the year ended March 31, 2021 including the Balance Sheet as at March 31, 2021, Statement of Profit and Loss for the year ended March 31, 2021, the Cash Flow Statements and Statement of Changes in Equity along with the reports of the Board of Directors and the Auditors be and are hereby received, considered and adopted."

2. To confirm the payment of first interim dividend of Rs. 1.70 per equity share (subject to deduction of taxes as applicable), second interim dividend of Rs. 0.75 per equity share (subject to deduction of taxes as applicable) aggregating Rs. 2.45 per equity share and already paid, as the Final Dividend for the financial year 2020-21.

*To Consider and if thought fit, to pass with or without modification(s), following resolution as Ordinary Resolution:*

**"RESOLVED THAT** an Interim Dividend for the year ended 31<sup>st</sup> March 2021 of Rs. 2.45 per equity share on the entire issued, subscribed and paid up capital of 14,80,00,000 equity shares of nominal value of Rs. 10 each only, be and is hereby approved and confirmed."

3. To appoint a Director, in place of Mr. Ashish Agrawal (Director), who retires by rotation and being eligible, offers himself for re-appointment.

*To Consider and if thought fit, to pass with or without modification(s), following resolution as Ordinary Resolution:*



Connecting Commerce

Agm Notice  
March 31, 2021  
Page 1

**"RESOLVED THAT** pursuant to Section 152 of the Companies Act, 2013, Mr. Ashish Agrawal (DIN: 00163344), Director of the Company, who retires by rotation at this meeting and being eligible, has offered himself for re-appointment, be and is hereby re-appointed as Director of the Company."

**By Order of the Board of Directors of  
CMS Info Systems Limited**

**Rajiv Kaul**  
**Director**  
DIN: 02581313  
Add: 802, 8<sup>th</sup> Floor,  
G Block, Signia Isles,  
Opp. Dhirubhai Ambani  
School, BKC, Bandra East,  
Mumbai - 400 051

**Ashish Agrawal**  
**Director**  
DIN: 00163344  
Add: Flat No. 3403, D-Wing,  
Ashok, Towers, Dr. S S Rao  
Road, Parel, Mumbai, 400012

**Place: Mumbai**  
**Date: 05-06-2021**

**NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies in order to be effective must be deposited with the Company at least 48 hours before the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.
2. Members are requested to promptly notify any change of address to the Registered Office of the Company.
3. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020, April 13, 2020 and 13<sup>th</sup> January, 2021 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In case, any of the members are interested in attending the AGM through VC / OAVM, he/ she may write to the Company through email on [company.secretary@cms.com](mailto:company.secretary@cms.com)

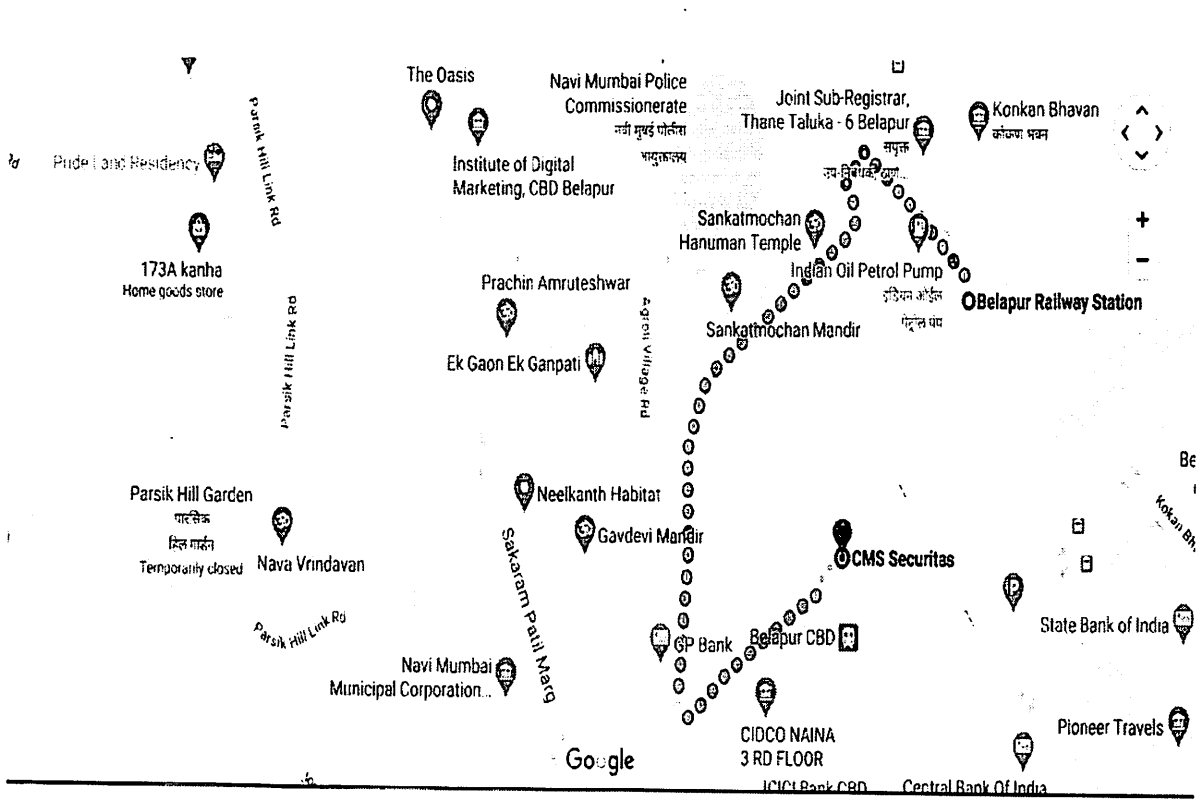
4. In compliance with the aforesaid MCA Circulars, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.
5. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before 29<sup>th</sup> June, 2021 through email on [company.secretary@cms.com](mailto:company.secretary@cms.com). The same will be replied by the Company suitably.
6. The details of the Director seeking re-appointment at the AGM are provided in Annexure A of this Notice.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. The particulars of the venue of the Meeting including route map and prominent land mark has been enclosed for easy location.
9. Members/Proxies/ Representatives are requested to bring Attendance Slip enclosed in the Annual Report for attending the Meeting.
10. Precautions for COVID-19: In order to stop the spread of Covid-19, various administrative instructions & restrictions have been imposed by the Central/ State Government of Maharashtra. Therefore, while holding the AGM, the Board hereby confirms that compliance of necessary instruction and guidelines regarding COVID-19 shall be ensured. Meeting will have gathering of minimum required members and support team, necessary social distance shall be maintained among participants, sanitizer, mask and all safety measures shall be strictly used and all other safety measures, process and policy as envisaged by Covid-19 shall be followed.



**ROUTE MAP OF THE VENUE OF 14<sup>TH</sup> ANNUAL GENERAL MEETING**

Route Map

From Belapur railway station to Tower No. 10, Railway Station Complex, Belapur



### Annexure A

#### Details of Director seeking re-appointment at the Annual General Meeting

Name of the Director	Ashish Agrawal
Designation	Director (Non-executive)
DIN	00163344
Date of Birth	22/03/1973
Date of first appointment on Board	August 27, 2015
Directorship held in other companies	Nil
Memberships/Chairmanships of Committees across Public Companies	Nil
Brief Profile covering experience, achievements, qualification, etc.	<p>Mr. Ashish Agarwal has over 20 years of experience in private equity and investment banking. He currently serves as a Principal of Baring Private Equity Asia, Mumbai. Prior to that, he was associated with Lehman Brothers in Mumbai as a Senior Vice President, and the Bank of America in Chicago as Vice President.</p> <p>Mr. Agarwal holds a Bachelor's degree in Engineering with specialisation in Electronics from SGS Institute of Technology &amp; Science, Indore, and a Post-Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. He is also a qualified Chartered Financial Analyst (CFA) from the CFA Institute, USA.</p>
Shares held in the Company	Nil
Relationship with Directors	N.A.
Number of Meetings of the Board attended during the year	04

### PROXY FORM

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19 (3) of the Companies (Management and Administration) Rules, 2014 - Form No. MGT-11)

14<sup>th</sup> Annual General Meeting -

Name of the Member(s):	<input type="text"/>
Registered address:	<input type="text"/>
Registered email address:	<input type="text"/>
Folio no./ Client no.	<input type="text"/>
DP ID	<input type="text"/>

I/We, being the member(s) of \_\_\_\_\_ shares of the above mentioned company, hereby appoint

Name: \_\_\_\_\_ Email: \_\_\_\_\_  
\_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_ signature: \_\_\_\_\_

Or failing him/ her

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_ Signature: \_\_\_\_\_

Or failing him/ her

Name: \_\_\_\_\_ Email: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_ Signature: \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 14<sup>th</sup> Annual General Meeting of the Company to be held on Wednesday, 30<sup>th</sup> June, 2021 at 05.00 p.m. IST at T-151,5<sup>th</sup> Floor, Tower No. 10, Railway Station Complex, Sector-11, CBD Belapur, Navi Mumbai - 400614, India and at any adjournment thereof in respect of such resolutions as are included below:

Resolution number	Resolution	Type of Resolution	Vote (optional, see Note 2) (Please mention no. of shares)	
			For	Against
<b>Ordinary Business</b>				
1	Adoption of financial statements	Ordinary		
2	Confirmation of Interim Dividend	Ordinary		
3	Appointment of Mr. Ashish Agrawal as a director liable to retire by rotation	Ordinary		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

\_\_\_\_\_  
Signature of member

\_\_\_\_\_  
Signature of proxy holder(s)

Affix Revenue stamp of not less than Re.1

**Notes:**

1. This form, in order to be effective, should be duly stamped, completed, signed and deposited at the registered office of the Company, not less than 48 hours before the Annual General Meeting (on or before 11.00 a.m on \_\_\_\_\_ )
2. It is optional to indicate your preference. If you leave the 'for' or 'against' column blank against any or all of the resolutions, your proxy will be entitled to vote in the manner as he / she may deem appropriate.

## ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholders may obtain additional attendance slip at the venue of the Meeting.

DP Id: \_\_\_\_\_ Folio No.: \_\_\_\_\_

Client Id: \_\_\_\_\_ No. of Shares: \_\_\_\_\_

Name and Address of the Shareholder:

I hereby record my presence at the FOURTEENTH ANNUAL GENERAL MEETING of the members of the Company held on Wednesday, 30<sup>th</sup> June, 2021 at 05.00 p.m. at T-151, 5<sup>th</sup> Floor, Tower No. 10, Railway Station Complex, Sector-11, CBD Belapur, Navi Mumbai - 400614.

\_\_\_\_\_  
Signature of shareholder or Proxy

Note: You are requested to bring your copy of Annual Report to the meeting.

**CMS Info Systems Limited**

**Standalone Financial Statements  
together with the  
Independent Auditors' Report  
for the year ended 31 March 2021**

# **CMS Info Systems Limited**

## **Standalone Financial statements together with the Independent Auditors' Report**

*for the year ended 31 March 2021*

### ***Contents***

**Independent Auditors' Report**

**Standalone Balance sheet**

**Standalone Statement of profit and loss (including other comprehensive income)**

**Standalone Statement of Cash Flows**

**Standalone Notes to the financial statements**

# BSR & Co. LLP

Chartered Accountants

14th Floor, Central Wing B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
Western Express Highway, Goregaon (East),  
Mumbai - 400 063

Telephone: +91 22 6257 1000  
Fax: +91 22 6257 1010

## Independent Auditors' 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 2021, 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 the 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 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on 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 Directors' report, but does not include the financial statements and our auditors' report thereon.

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

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





## **Independent Auditors' Report (Continued)**

### **CMS Info Systems Limited**

#### **Management's and Board of Directors' Responsibility 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 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.



## **Independent Auditors' Report (Continued)**

### **CMS Info Systems Limited**

#### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Continued)**

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.



**Independent Auditors' Report (Continued)**

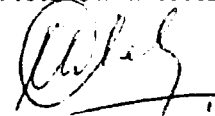
**CMS Info Systems Limited**

**Report on Other Legal and Regulatory Requirements (Continued)**

- 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under Section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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



**Koosai Leheriy**  
Partner

Membership No: 112399  
ICAI UDIN: 21112399AAAABN8283

Mumbai  
25 May 2021

## CMS Info Systems Limited

### Annexure - A to the Independent Auditors' Report – 31 March 2021

(Referred to in our report of even date)

- i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us, there are no immovable properties included in property, plant and equipment of the Company and accordingly, the requirements under clause 3(i) (c) of the Order are not applicable to the Company.
- ii) The inventory, except goods-in-transit has been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the books of accounts.
- iii) According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act and accordingly, paragraph 3(iii) of the Order is not applicable to the Company.
- iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or provided any guarantees or security to the parties covered under Section 185 of the Act during the year. The Company has complied with the provisions of Section 186 of the Act, in respect grant of loans, making investments and providing guarantees and securities, as applicable.
- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi) The Central Government has not prescribed the maintenance of cost records under Section 148 of the Act for any of the products / services rendered by the Company.
- vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods and Services tax, Duty of Customs, Cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of Duty of Excise and Sales Tax/ value added tax.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Goods and Services Tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.

Also refer note 30 (c) to the standalone Ind AS financial statements.



## CMS Info Systems Limited

### Annexure - A to the Independent Auditors' Report – 31 March 2021 (Continued)

- (b) According to the information and explanations given to us, there are no dues of Income-tax, Sales tax, Service tax, Duty of Customs, Goods and Services tax and Value added tax as at 31 March 2021, which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned in Enclosure I to this report.
- viii) In our opinion and according to the information and explanations given to us, the Company does not have any loans or borrowings from any financial institution, bank or Government, nor it has issued any debentures during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- x) According to the information and explanations given to us, seven instances of cash embezzlements done by employees of the Company wherein the total amount involved was Rs. 74.84 million has been noticed or reported during the year. Further, the Company has filed complaints with the Police and has also filed insurance claims for the recovery of amounts involved. Out of the above, the Company has recovered Rs. 23.66 million, written off Rs. 10.35 million being doubtful of recovery and is in the process of recovering the balance amounts.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with the provisions of Sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the Standalone Ind AS financial statements as required by the applicable Indian Accounting Standards.
- xiv) According to the information and explanations given to us and based on 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, paragraph 3(xiv) of the Order is not applicable to the Company.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.



**B S R & Co. LLP**

## **CMS Info Systems Limited**

### **Annexure - A to the Independent Auditors' Report – 31 March 2021 (Continued)**

xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-1A of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No: 101248W/W-100022



**Koosal Lehery**

*Partner*

Membership No: 112399

ICAI UDIN: 21112399AAAABN8283

Mumbai  
25 May 2021

## CMS Info Systems Limited

Enclosure I to Annexure A to the Independent Auditors' Report –  
31 March 2021

Name of Statute	Nature of dues	Forum where dispute is pending	Period to which the Amount relates	Amount under dispute (Rs in Million)	Amount paid under protest (Rs in Million)
Bihar Value Added Tax Act, 2005	Value Added Tax	Commissioner of commercial taxes, Bihar	2015-16	25.73	10.29
Gujarat Value Added Tax Act, 2003	Value Added Tax	Commercial tax officer, Gujarat.	2013-14	40.12	2.50
Uttarakhand VAT Act, 2005	Value Added Tax	Deputy Commissioner, Dehradun	2014-15	1.72	0.69
Kerala VAT Act, 2003	Value Added Tax	Assistant Commissioner, Ernakulam	2016-17	0.12	0.02
Orissa Value Added Tax Act, 2003	Value Added Tax	Deputy Commissioner of Value Added Tax, Orissa	2014-15	1.49	0.05
Orissa Value Added Tax, 2004	Value Added Tax	Deputy Commissioner of Value Added Tax, Orissa	2013-14 and 2014-15	0.37	0.02
Central Sales Tax Act, 1956	Central Sales Tax	Commercial tax officer Gujarat	2013-14	0.55	-
Central Sales Tax Act, 1956	Central Sales Tax	Deputy Commissioner of Central Sales Tax, Orissa	2013-14 and 2014-15	0.26	-
The Central Excise Act, 1944	Excise duty	Custom, Excise and Service Tax Appellate Tribunal	May-13 to Jun-17	42.45	3.18
The Central Excise Act, 1944	Excise duty	Custom, Excise and Service Tax Appellate Tribunal	2015-16	26.58	19.93
Maharashtra Goods and Service tax Act, 2017	Value Added Tax	Deputy Commissioner of State tax	2015-16	44.42	-
Kerala state Goods and Service Tax Act, 2017	Value Added Tax	First Appellate Authority, Ernakulam	2013-14	133.80	-
Maharashtra Goods and Service Tax Act, 2017	Central Sales Tax	Deputy Commissioner of State Tax	2015-16	5.76	-
Bihar Goods and Service tax Act, 2017	Goods and Service tax	Office of the Appellate Authority, Central Bihar	2017-18	0.82	0.05
Customs Act, 1962	Special Additional duty	Supreme Court	2015-16	42.78	-
Customs Act, 1962	Custom duty	Customs Excise & service tax Appellate Tribunal	2016-19 and 2019-20	45.13	4.17
Service Tax Act, 1994	Service Tax	Commissioner of CGST	2014-15	7.05	-
Income tax department	Income tax	CIT Appeal	AY 2017-18	50.47	41.92
Income tax department	Income tax	CIT Appeal	AY 2018-19	67.86	57.36

## **CMS Info Systems Limited**

### **Annexure B to the Independent Auditors' report on the standalone financial statements of CMS Info Systems Limited for the year ended 31 March 2021**

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

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

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of CMS Info Systems Limited ("the Company") as of 31 March 2021 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 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

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

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

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



## CMS Info Systems Limited

### **Annexure B to the Independent Auditors' report on the standalone financial statements of CMS Info Systems Limited for the year ended 31 March 2021 (Continued)**

#### **Meaning of Internal Financial controls with Reference to Financial Statements**

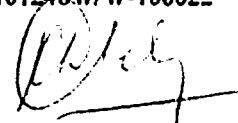
A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.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

#### **Inherent Limitations of Internal Financial controls with Reference to Financial Statements**

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

For BSR & Co. LLP  
Chartered Accountants

Firm's Registration No: 101248W/W-100022



**Koosai Leheri**  
Partner

Membership No: 112399

ICAI UDIN: 21112399AAAABN8283

Mumbai  
25 May 2021

# CMS Info Systems Limited

## Standalone Balance Sheet as at March 31, 2021

(₹ in million)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	1,804.02	1,076.08
(b) Capital work-in-progress		226.81	28.01
(c) Right-of-use assets			
(d) Goodwill	3(a)	1,181.22	794.72
(e) Other intangible assets	5	1,227.03	1,227.03
(f) Intangible assets under development	5	189.51	183.14
(g) Financial assets		4.66	10.47
(i) Investments			
(ii) Other financial assets	6(a)	1,854.43	1,851.04
(b) Deferred tax assets (net)	7	162.79	394.16
(f) Income tax assets (net)	8	134.81	136.57
(j) Other non-current assets		77.84	105.24
	9	146.11	113.26
		<u>7,009.23</u>	<u>5,919.72</u>
<b>Current assets</b>			
(a) Inventories	10	894.73	430.44
(b) Financial assets			
(i) Investments	6(b)	953.27	553.37
(ii) Trade receivables	11	2,941.43	2,236.54
(iii) Cash and cash equivalents	12	1,838.04	1,525.70
(iv) Bank balances other than (iii) above	12	395.56	279.83
(v) Other financial assets	7	1,687.08	1,283.65
(c) Other current assets	9	403.31	451.80
		<u>8,305.82</u>	<u>6,761.13</u>
<b>Total</b>		<u><u>15,315.05</u></u>	<u><u>12,681.05</u></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	13(a)	1,480.00	1,480.00
(b) Other equity	13(b)	8,031.95	6,858.95
<b>Total equity attributable to equity share holders of the Company</b>		<u>9,511.95</u>	<u>8,338.95</u>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
(a) Financial liabilities			
(i) Other financial liabilities	15	924.67	585.99
(b) Provisions	16	31.70	26.70
		<u>956.37</u>	<u>612.69</u>
<b>Current Liabilities</b>			
(a) Financial liabilities			
(i) Trade payables	14		
1. Dues of micro enterprises and small enterprises		38.46	76.45
2. Dues of creditors other than micro enterprises and small enterprises		2,126.37	1,827.61
(ii) Other financial liabilities	15	2,446.14	1,441.18
(b) Provisions	16	6.45	5.89
(c) Other current liabilities	17	229.30	378.28
		<u>4,846.72</u>	<u>3,729.41</u>
<b>Total</b>		<u><u>15,315.05</u></u>	<u><u>12,681.05</u></u>

### Summary of significant accounting policies

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

As per our report of even date

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

Koosai Lechury  
Partner  
Membership No.: 112199

Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200MH2003PLC180479

Ashish Agrawal

Ashish Agrawal  
Director  
DIN No.: 00161344

Place: Mumbai

Pankaj Khandetwal

Pankaj Khandetwal  
Chief Financial Officer

Place: Mumbai

Rajiv Kaul

Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place: Texas, USA

Praveen Sood

Praveen Sood  
Company Secretary  
Membership No: FCS 6495  
Place: Jaipur

# CMS Info Systems Limited

## Standalone Statement of Profit and Loss for the year ended March 31, 2021

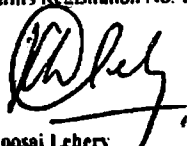
(₹ in million)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	15	11,309.01	11,620.64
Other income	19	82.95	17.36
Finance income	20	60.03	41.74
<b>Total Income</b>		<b>11,451.99</b>	<b>11,679.74</b>
<b>Expenses</b>			
Purchase of traded goods	21	2,069.54	1,814.60
(Increase) / Decrease in inventories	22	(273.06)	98.58
Employee benefits expense	23	750.36	735.95
Finance cost	24	76.60	66.21
Depreciation and amortisation expense	4 & 5	580.52	481.80
Other expenses	25	6,142.02	6,668.57
<b>Total Expenses</b>		<b>9,345.98</b>	<b>9,865.70</b>
<b>Profit before tax</b>		<b>2,106.01</b>	<b>1,814.04</b>
<b>Tax expense</b>			
Current tax		575.00	482.00
Tax adjustment of earlier year		12.34	4.47
Deferred tax charge/(credit)		2.00	50.94
<b>Total tax expense</b>		<b>589.24</b>	<b>537.41</b>
<b>Profit for the year attributable to equity shareholders</b>		<b>1,516.77</b>	<b>1,276.63</b>
<b>Other comprehensive income ('OCI')</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gains / (losses) on defined benefit plans		(1.05)	(1.57)
Income tax effect		0.27	0.40
<b>Other comprehensive income for the year, net of tax</b>		<b>(0.78)</b>	<b>(1.17)</b>
<b>Total comprehensive income for the year</b>		<b>1,515.99</b>	<b>1,275.46</b>
<b>Earnings per equity share (nominal value of share ₹ 10)</b>			
Basic	26	10.25	8.63
Diluted		9.98	8.40
<b>Summary of significant accounting policies</b>			
	1		

The accompanying notes form an integral part of the financial statements

As per our report of even date

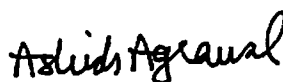
For BSR & Co.LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

  
Koosai Leherly  
Partner

Membership No.: 112399

Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200N112008PLC180479

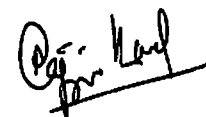
  
Ashish Agrawal

Ashish Agrawal  
Director

DIN No. 00165344  
Place: Mumbai

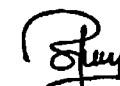
  
Pankaj Khandelwal  
Chief Financial Officer

Place: Mumbai

  
Rajiv Kaul

Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place: Texas, USA



  
Praveen Soni

Praveen Soni  
Company Secretary  
Membership No: FCS 6195  
Place: Jaipur

# CMS Info Systems Limited

## Standalone Statement of Cash flows for the year ended March 31, 2021

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax	2,106.01	1,814.04
<b>Adjustments to reconcile profit before tax to net cash flow:</b>		
Depreciation and amortisation on Property, plant and equipment and Intangible asset	372.43	287.13
Depreciation on Right-of-use assets	208.09	194.67
Unrealised foreign exchange (gain)/loss	(3.33)	1.73
Advance written off	-	88.17
Bad debts written off	60.95	105.93
Debit balance written off	1.08	4.69
Impairment allowance for bad and doubtful receivables and deposits	146.00	113.60
(Profit)/Loss on disposal of property, plant and equipment (net)	0.10	(1.07)
Sundry credit balances written back	(40.46)	-
Impairment for doubtful claims receivables	-	13.77
Insurance claims receivables written off	0.79	-
Lease rent concessions	(20.07)	-
Finance income	(60.03)	(33.78)
Profit on sale of current investments	(7.65)	(12.92)
Net change in fair value of current investments measured at FVTPL	(2.48)	(3.37)
Employee stock option compensation cost	19.42	10.05
Finance costs	76.59	66.21
<b>Operating profit before working capital changes</b>	<b>2,857.47</b>	<b>2,648.85</b>
<b>Movement in working capital:</b>		
Increase in trade payables and other liabilities	266.98	1,573.69
Increase / (Decrease) in provisions	4.50	(17.25)
(Increase) in inventories	(464.29)	(14.06)
(Increase) in trade receivables	(911.84)	(1,116.98)
(Increase) in other assets and prepayments	(189.04)	(596.83)
<b>Cash flow generated from operations</b>	<b>1,563.79</b>	<b>2,477.42</b>
Direct taxes paid (net of refunds)	(559.83)	(437.80)
<b>Net cash flow from operating activities (A)</b>	<b>1,003.95</b>	<b>2,039.62</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	47.79	1.29
Purchase of property, plant and equipment, intangible assets (including CWIP and capital advances)	(548.59)	(786.16)
Investments in mutual funds	(3,189.90)	(3,830.00)
Proceeds from redemption of mutual funds	2,800.13	3,396.66
Loan given to subsidiary	(768.44)	(1,337.30)
Repayment of loan from subsidiary	992.41	1,433.47
Investment in deposits with banks	(1,788.33)	(199.96)
Proceeds from maturity of deposits with banks	1,556.68	262.83
<b>Net cash flow (used in) investing activities (B)</b>	<b>(898.25)</b>	<b>(1,059.18)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(362.60)	(321.16)
Finance costs	(7.81)	(3.79)
Finance costs on lease liabilities	(69.58)	(62.42)
Payment of Principal portion of lease liabilities	(161.78)	(171.89)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(600.97)</b>	<b>(559.26)</b>
<b>Net increase/(Decrease) in cash and cash equivalents (A+B+C)</b>	<b>(495.27)</b>	<b>421.19</b>
Cash and cash equivalents at the beginning of the year	1,525.70	1,104.51
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>1,030.44</b>	<b>1,525.70</b>

## CMS Info Systems Limited

### Standalone Statement of Cash flows (Continued) for the year ended March 31, 2021

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
<b>Components of cash and cash equivalents:</b>		
Cash on hand	3.70	10.33
In deposits account with original maturity of less than three months	397.86	870.03
Balances with banks		
On current accounts	628.88	645.34
Cash and cash equivalents (refer note 12)	<u>1,030.44</u>	<u>1,525.70</u>
Cash and cash equivalents at the end of the year	<u>1,030.44</u>	<u>1,525.70</u>

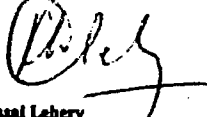
The Standalone statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS 7)

Summary of significant accounting policies

2

As per our report of even date

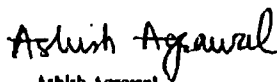
For BSR & Co.LLP  
Chartered Accountants  
Firm's Registration No: 101248W/W-100022

  
Kosal Leher  
Partner

Membership No.: 112399

Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200MH2008PLC180479

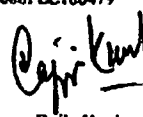


Ashish Agrawal  
Director  
DIN No.: 00163344

Place: Mumbai

  
Pankaj Khandetwal  
Chief Financial Officer

Place: Mumbai



Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place: Texas, USA



Praveen Soni  
Company Secretary  
Membership No: FCS 6495  
Place: Jaipur

# CMS Info Systems Limited

## Standalone Statement of Changes in Equity for the year ended March 31, 2021

(₹ in million)

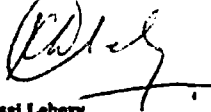
Particular	Equity share capital		Reserve and surplus			Total equity
		Securities premium	Share based payment reserve (refer note 38 & 39)	Capital redemption reserve	Retained earnings	
As at March 31, 2019	1,480.00	42.87	378.33	150.00	5,324.97	7,374.17
Profit for the year	-	-	-	-	1,276.63	1,276.63
Other comprehensive income	-	-	-	-	(1.17)	(1.17)
Total comprehensive income	-	-	-	-	1,275.46	1,275.46
Employee stock option compensation cost	-	-	10.48	-	-	-
Dividend Paid (including dividend distribution tax ₹ 54.76 million)	-	-	-	-	331.16	331.16
As at March 31, 2020	1,480.00	42.87	386.81	150.00	6,379.27	8,338.95
Profit for the year	-	-	-	-	1,516.77	1,516.77
Other comprehensive income	-	-	-	-	(0.78)	(0.78)
Total comprehensive income	-	-	-	-	1,515.99	1,515.99
Employee stock option compensation cost	-	-	19.61	-	-	19.61
Dividend Paid	-	-	-	-	362.60	362.60
As at March 31, 2021	1,480.00	42.87	406.41	150.00	7,432.46	9,511.93

Summary of significant accounting policies (Refer Note 2)

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

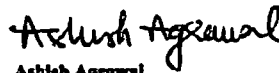
As per our report of even date.

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

  
Koonal Lebery  
Partner  
Membership No.: 112399

Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200MH2008PLC180479

  
Ashish Agrawal  
Director  
DIN No.: 00163344

Place: Mumbai

  
Pankaj Khandelwal  
Chief Financial Officer

Place: Mumbai

  
Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place: Texas, USA

  
Praveen Soni  
Company Secretary  
Membership No: FCS 6495  
Place: Jaipur

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 1. Corporate information

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

The Company is engaged in the business of providing ATM and Cash Management services, supply, installation and maintenance of ATM and cash deposit machines, and also engaged in card trading and personalization services. The registered office of the Company is located at T-151, 5<sup>th</sup> Floor, Tower No.10, Sector 11, Railway station complex, CBD Belapur, Navi Mumbai 400614.

The financial statements were authorised for issue in accordance with a resolution of the directors on May 25, 2021.

### 2. Summary of significant accounting policies

#### a) Basis of preparation

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

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

#### b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle and is due to be settled within twelve months after the reporting period
- Held primarily for the purpose of trading

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### b) Current versus non-current classification (Continued)

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Company classifies all other liabilities as non-current.

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

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

#### c) Property, plant and equipment

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

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

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

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

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

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

②



# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### c) Property, plant and equipment (Continued)

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

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

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

#### d) Intangible assets and goodwill

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

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

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

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

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

#### e) Impairment of non-financial assets

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### e) Impairment of non- financial assets (Continued)

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

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

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

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

#### f) Leases

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

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

The effect of adoption Ind AS 116 as at April 1, 2019 is given to notes to accounts, Refer Note 28

The lease liabilities were discounted using the incremental borrowing rate (same as company average borrowing rate) of the Company as at April 1, 2019.

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### f) Leases (Continued)

The Company also applied the available practical expedients wherein it:

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

#### i) Right-of-use assets

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

#### ii) Lease liability

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### f) Leases (Continued)

##### ii) Lease liability (Continued)

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

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

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

# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies *(Continued)*

#### b) Revenue recognition *(Continued)*

##### Sale of goods:

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

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

##### Sale of services:

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

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

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

##### Sale of ATM sites:

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

#### i) Interest income:

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (*Continued*)

#### j) Foreign currencies

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

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

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

#### k) Retirement and other employee benefits

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

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

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

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

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

# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies *(Continued)*

#### k) Retirement and other employee benefits *(Continued)*

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

#### l) Income taxes

##### Current income tax

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

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

##### Deferred tax

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

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

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

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

# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies *(Continued)*

#### m) Earnings per share

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

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

#### n) Provisions

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

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

#### o) Contingent liabilities

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

#### 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.



# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued) for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### q) Share based payment (Continued)

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

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

#### r) Fair value measurement

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

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

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

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

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

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

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### r) Fair value measurement (Continued)

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

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

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

#### s) Financial instruments

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

##### Financial assets

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

##### Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequently classified and measured at:

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

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

##### Debt instruments at amortised cost

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

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### s) Financial instruments (Continued)

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

#### Debt instrument at FVTPL

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

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

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

#### Equity investments

#### Investment in subsidiaries

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

#### Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Company has transferred substantially all the risks and rewards of the asset, or
  - (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (*Continued*)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (*Continued*)

#### s) Financial instruments (*Continued*)

##### Derecognition (*Continued*)

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

##### Financial liabilities

###### Initial recognition and measurement

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

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

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

###### Subsequent measurement

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

###### Financial liabilities at fair value through profit or loss

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

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

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

###### Loans and borrowings

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

# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies *(Continued)*

#### s) Financial instruments *(Continued)*

##### Loans and borrowings *(Continued)*

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

##### Financial guarantee contracts

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

##### Derecognition

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

##### Offsetting of financial instruments

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

##### Impairment of financial assets

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

# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies *(Continued)*

#### s) Financial instruments *(Continued)*

##### Impairment of financial assets *(Continued)*

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

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

#### t) Business combinations and goodwill

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

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

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

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

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies (Continued)

#### t) Business combinations and goodwill (Continued)

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

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

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

#### u) Rounding of amount:

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

#### v) Cash dividend distribution to equity holders of the parent

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

### 3. Significant accounting judgments, estimates and assumptions:

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

# CMS Info Systems Limited

## Notes to the standalone financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 3. Significant accounting judgments, estimates and assumptions (Continued)

#### Significant judgement:

##### Leases

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

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

##### Estimates

##### Defined benefit plans

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. Future salary increases are based on expected future inflation rates. The mortality rate is based on publicly available mortality tables for the country. Those mortality tables tend to change only at interval in response to demographic changes. Refer note 27 for sensitivity analysis in relation to this estimate.

##### Property, plant and equipment

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

##### Impairment of goodwill 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.



# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 3. Significant accounting judgments, estimates and assumptions *(Continued)*

#### Impairment of goodwill and investment in subsidiaries *(Continued)*

The impairment indicators, the estimation of expected future cash flows and the determination of the fair value require the Management to make significant judgements, estimates and assumptions concerning the identification and validation of impairment indicators, fair value of assets, Revenue growth rates and operating margins used to calculate projected future cash flows, relevant risk-adjusted discount rate, future economic and market conditions, etc. For the details as to carrying amount of Goodwill and impairment testing (including related sensitivity analysis), refer note 32.

#### Share-based payments

The Company initially measures the cost of equity-settled transactions with employees using black scholes model to determine the fair value of the liability incurred. Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 38.

#### Claims receivable

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

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

#### Provision for doubtful trade receivables

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

#### Other provisions

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

# CMS Info Systems Limited

## Notes to the standalone financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 3. Significant accounting judgments, estimates and assumptions *(Continued)*

#### Significant judgement: *(Continued)*

##### Recent pronouncement:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rule 2015 are:

##### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

##### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

## CMS Info Systems Limited

### Standalone Notes to financial statements (Continued) as at March 31, 2021

(₹ in million)

#### 4 Property, plant and equipment

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Office equipment	Leasehold improvements	Computers, Servers and peripherals	Total
Gross block value as at March 31, 2019	813.87	49.58	192.54	1,009.25	20.55	82.18	291.07	2,158.64
Additions during the year	152.02	6.23	64.55	368.39	3.23	16.36	43.10	653.88
Deletions during the year	12.28	5.03	11.53	17.20	3.90	-	5.76	50.31
Gross block value as at March 31, 2020	653.21	40.78	245.74	1,365.44	19.88	98.54	328.41	2,762.01
Additions during the year	816.03	1.59	149.09	57.41	2.86	18.95	17.94	1,063.88
Deletions during the year	81.22	10.59	58.73	10.98	6.99	-	-	169.51
Gross block value as at March 31, 2021	1,387.02	41.78	336.10	1,411.87	15.75	117.49	346.35	3,656.37
Accumulated depreciation as at March 31, 2019	184.68	39.42	111.63	843.41	18.51	43.70	263.11	1,543.46
Depreciation for the year	82.55	3.97	33.50	91.58	1.20	9.69	20.47	232.76
Accumulated depreciation on disposals	12.21	5.03	11.23	12.14	3.83	-	5.75	50.29
Accumulated depreciation as at March 31, 2020	255.02	38.36	123.89	922.65	15.83	53.39	276.83	1,685.93
Depreciation for the year	105.29	4.12	26.95	113.79	1.65	10.50	25.85	288.25
Accumulated depreciation on disposals	47.36	10.38	46.64	10.86	6.98	-	-	121.82
Accumulated depreciation as at March 31, 2021	312.95	32.10	194.16	1,025.48	10.50	63.89	302.68	1,852.36
Net block as at March 31, 2020	398.19	12.42	121.85	442.79	4.05	45.15	51.58	1,076.07
Net block as at March 31, 2021	1,074.07	9.68	231.94	385.89	5.25	53.61	43.67	1,894.02

#### Capital work in progress

Capital work-in-progress as at 31 March 2021 is ₹ 226.81 millions (31 March 2020 ₹ 28.01 millions). Additions made to capital work-in-progress during the year amount to ₹ 226.81 millions (31 March 2020 ₹ 28.01 millions). Asset amounting to ₹ ₹ 21.01 millions (31 March 2020 ₹ 4.01 millions) has been capitalised during the year.

## CMS Info Systems Limited

### Standalone Notes to financial statements (Continued)

as at March 31, 2021

(₹ in million)

#### 5 Intangible assets

Particulars	Computer software	Customer Contract	Non compete Fees	Total	Goodwill
Gross block value as at March 31, 2019	71.90	174.59	18.00	264.49	1,227.03
Additions during the year	36.37	39.12	-	75.49	-
Deletion during the year	-	-	-	-	-
Gross block value as at March 31, 2020	108.27	213.71	18.00	339.98	1,227.03
Additions during the year	17.42	73.13	-	90.55	-
Deletion during the year	-	-	-	-	-
Gross block value as at March 31, 2021	125.69	286.84	18.00	430.53	1,227.03
Accumulated amortisation as at March 31, 2019	50.44	41.28	2.75	102.47	-
Amortisation during the year	18.14	33.23	1.00	54.37	-
Deletion during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2020	76.58	74.51	3.75	156.84	-
Amortisation during the year	21.97	59.21	3.00	84.18	-
Deletion during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2021	98.55	133.72	6.75	241.02	-
Net block as at March 31, 2020	31.69	139.20	12.25	183.14	1,227.03
Net block as at March 31, 2021	27.14	153.12	9.25	189.51	1,227.03

#### 5(a) Right to Use Assets

Particulars	Leasehold Property	Total
Gross block value as at April 01, 2019	704.06	704.06
Additions during the year	285.33	285.33
Deletion during the year	-	-
Gross block value as at March 31, 2020	989.39	989.39
Additions during the year	760.40	760.40
Deletion during the year	217.05	217.05
Gross block value as at March 31, 2021	1,532.73	1,532.73
Accumulated depreciation as at April 01, 2019	-	-
Depreciation charge for the year	194.67	194.67
Deletion during the year	-	-
Accumulated depreciation as at March 31, 2020	194.67	194.67
Depreciation charge for the year	208.09	208.09
Deletion during the year	51.25	51.25
Accumulated depreciation as at March 31, 2021	351.51	351.51
Net block as at March 31, 2020	794.72	794.72
Net block as at March 31, 2021	1,181.22	1,181.22

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

as at March 31, 2021

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
<b>6 Investments</b>		
<b>(a) Non-current investments</b>		
Investments in equity shares of subsidiary companies (unquoted, fully paid up, valued at cost)		
950,000 (March 31, 2020 - 950,000) equity shares of ₹10 each of CMS Securitas Limited	28.51	28.46
132,500 (March 31, 2020 - 132,500) equity shares of ₹ 100 each of Securitrans India Private Limited	1,825.82	1,822.48
10,000 (March 31, 2020 - 10,000) equity shares of ₹ 10 each of Quality Logistics Services Private Limited	0.10	0.10
	<u>1,854.43</u>	<u>1,851.04</u>
<b>(b) Current investments in units of unquoted mutual fund (at fair value through profit and loss)</b>		
NIL Units (March 31, 2020 - 1,022,211 Units) in ICICI Prudential Liquid Plan- Growth	-	300.31
NIL Units (March 31, 2020 - 934,082 Units) ABSL Money Manager Fund - Growth	-	253.06
328,174 Units ICICI Prudential Liquid Fund (March 31, 2020 - NIL Units)	100.01	-
1,806,813 Units ICICI Prudential Overnight Fund (March 31, 2020 - NIL Units)	200.52	-
10,570,596 Units ICICI Prudential Ultra short term Fund (March 31, 2020 - NIL Units)	241.83	-
77,823 Units SBI liquid fund (March 31, 2020 - NIL Units)	250.72	-
47,793 Units SBI Overnight fund (March 31, 2020 - NIL Units)	160.19	-
	<u>953.27</u>	<u>553.37</u>

## 7 Other Financial Assets

	Non - Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>				
Loans to subsidiary (refer note (i) below)	-	223.96	-	-
Claims receivable	42.21	55.13	-	-
Accrued interest	-	-	7.21	4.76
Unbilled revenue	-	-	1,659.52	1,261.50
Balance in fixed deposit accounts with original maturity more than 12 months	-	16.20	-	-
Margin money deposits (refer note (ii) below)	47.14	19.76	-	-
Advances to employees	-	-	20.35	14.90
Security deposits	73.44	78.71	-	-
	<u>162.79</u>	<u>394.16</u>	<u>1,687.08</u>	<u>1,281.66</u>
<b>Unsecured, considered doubtful</b>				
Sundry deposits	2.33	2.33	-	-
Claims receivable	72.10	84.69	-	-
	74.53	86.42	-	-
Loss Impairment allowance for doubtful assets	(74.53)	(86.42)	-	-
	<u>162.79</u>	<u>394.16</u>	<u>1,687.08</u>	<u>1,281.66</u>

### Notes:

- (i) Loans to subsidiary represents loan given to Securitrans India Private Limited (wholly owned subsidiary) for business needs which is repayable on demand
- (ii) Margin money deposits given as security  
Margin money deposits with carrying amount of ₹ 39.20 million (March 31, 2020 - ₹ 11.81 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 ₹ 7.95 million (March 31, 2020 - ₹ 7.95 million) are subject to first charge to secure the facilities for Vaulting and ATM operations

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

as at March 31, 2021

(€ in million)

	As at March 31, 2021	As at March 31, 2020
<b>8 Deferred Tax Assets (Net)</b>		
<b>Deferred tax assets</b>		
Impairment allowance for bad and doubtful receivables	110.87	84.23
Impairment allowance for doubtful advances, claims receivable and deposits	18.76	21.75
Provision for employee benefits and bonus payable	22.54	18.62
Depreciation	-	6.23
Leases	12.33	5.74
	<u>164.50</u>	<u>136.57</u>
<b>Deferred tax liabilities</b>		
Depreciation	29.69	-
	<u>29.69</u>	<u>-</u>
<b>Deferred tax assets (net)</b>	<u>134.81</u>	<u>136.57</u>
<b>Deferred tax reconciliation</b>		
	As at March 31, 2021	As at March 31, 2020
Opening balance	136.57	187.11
Tax during the year recognised in Statement of Profit and Loss	(2.00)	(50.94)
Tax during the year recognised in other comprehensive income	0.27	0.40
Closing balance	<u>134.81</u>	<u>136.57</u>
<b>Tax reconciliation</b>		
Profit before tax	2,106.01	1,814.04
At statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	530.04	456.56
Effect of change in tax rate	-	53.04
Effect of non-deductible items under tax laws	46.96	27.81
Adjustment of tax relating to earlier years	12.24	-
At the effective income tax rate of 25.168% (March 31, 2020: 25.168%)	<u>589.24</u>	<u>537.41</u>
Income tax expense reported in the Statement of Profit and Loss	589.24	537.41

## 9 Other Assets

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>				
Advances recoverable in kind or for value to be received	-	-	128.28	161.20
Capital advances	75.59	55.11	-	-
Receivable from Government Authorities	47.00	41.78	134.50	103.67
Prepaid expenses	22.80	13.37	140.53	185.47
	<u>146.11</u>	<u>113.26</u>	<u>403.31</u>	<u>451.34</u>
	<u>146.11</u>	<u>113.26</u>	<u>403.31</u>	<u>451.34</u>

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

as at March 31, 2021

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
<b>10 Inventories</b>		
Valued at lower of cost and net realisable value		
Trading goods (refer note below)	456.48	183.42
Stores and spares	438.25	247.02
	<u>894.73</u>	<u>430.44</u>
Note:		
Trading stock includes stock at ATM sites which are not installed as at March 31, 2021 amounting to ₹ 285.59 million (March 31, 2020 - ₹ 63.94 million)		
<b>11 Trade Receivables</b>		
Secured and considered good	-	-
Unsecured and considered good	2,941.43	2,236.54
Credit impaired	(440.77)	(334.60)
Less: Loss allowance	(440.77)	(333.66)
	<u>2,941.43</u>	<u>2,236.54</u>
<b>12 Cash and Bank Balances</b>		
Cash and cash equivalents		
Balances with banks		
On current accounts	628.88	(45.34)
In deposits account with original maturity of less than three months	397.86	870.03
Cash on hand	3.70	10.33
	<u>1,030.44</u>	<u>1,525.70</u>
Bank Balances other than above		
Funds held relating to cash management activity [refer note (i) below]	69.57	220.58
In deposits account with original maturity for less than 12 months but more than three months	236.20	11.88
Margin money deposits [refer note (ii) below]	89.79	47.37
	<u>395.56</u>	<u>279.83</u>
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 ₹ 66.25 million (March 31, 2020 - ₹ 23.54 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 ₹ 23.54 million (March 31, 2020 - ₹ 23.83 million) are subject to first charge to secure the facilities for Vaulting and ATM operations		

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

as at March 31, 2021

(₹ in million)

### 13(a) Equity Share Capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital</b>		
173,000,000 (March 31, 2020 - 173,000,000) equity shares of ₹ 10 each	1,730.00	1,730.00
1,500,000 (March 31, 2020 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ₹ 100 each	150.00	150.00
	<u>1,880.00</u>	<u>1,880.00</u>
<b>Issued, subscribed and fully paid up shares:</b>		
148,000,000 (March 31, 2020 - 148,000,000) equity shares of ₹ 10 each	1,480.00	1,480.00

#### (i) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ₹ 10 each fully paid up				
Sion Investment Holdings Pte. Limited	14,80,00,000	100.00%	14,80,00,000	100.00%
<b>Total</b>	<u>14,80,00,000</u>	<u>100.00%</u>	<u>14,80,00,000</u>	<u>100.00%</u>

#### 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 allotted under employee stock option schemes, refer note 38.

(iii) During the year 2020-21, the Board has paid ₹ 362.60 million interim dividends. The first dividend was declared on May 4, 2020 at the rate of ₹ 1.70 per equity share (17% of the face value of ₹ 10 each) and the second dividend was declared on November 2, 2020 at the rate of ₹ 0.75 per equity share (7.5% of the face value of ₹ 10 each). The dividend distribution tax on the said dividends is ₹ nil million as Company has withheld the tax @ 10% on the Gross dividend and remittance is done net of withholding taxes. The withholding taxes are duly deposited with the Government.

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

as at March 31, 2021

(£ in million)

### 13(b) Other equity

	As at March 31, 2021	As at March 31, 2020
<b>A) Summary of Other Equity balance</b>		
<b>(i) Securities premium</b>		
Opening balance	42.87	42.87
Add: Securities premium on shares issued during the year	-	-
Closing balance	42.87	42.87
<b>(ii) Share based payment reserve (refer note 38 &amp; 39)</b>		
Opening balance	386.81	376.33
Add: Employee stock option compensation cost during the year	19.61	10.48
Closing balance	406.42	386.81
<b>(iii) Capital redemption reserve</b>		
Opening balance	150.00	150.00
Add: Transfer during the year	-	-
Closing balance	150.00	150.00
<b>(iv) Retained earnings</b>		
Opening balance	6,279.27	5,524.97
Add: Net profit after tax transferred from Statement of Profit and Loss	1,516.77	1,276.63
Less: Dividend Paid (including dividend distribution tax)	362.60	321.16
Other comprehensive income	(0.78)	(1.17)
Closing balance	7,432.66	6,279.27
<b>Total</b>	<b>8,031.95</b>	<b>6,858.95</b>

### B) Nature and purpose of reserves

- (i) **Securities Premium** : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium, on exercise of the option.
- (ii) **Share based payment reserves** : The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserves.
- (iii) **Capital Redemption Reserve**: The Company has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- (iv) **Retained Earnings**: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued) as at March 31, 2021

(₹ in million)

### 14 Trade Payables

	As at March 31, 2021	As at March 31, 2020
1 Dues of micro enterprises and small enterprises (refer note 11)	38.46	76.45
2 Dues of creditors other than micro enterprises and small enterprises	2,126.38	1,827.61
	<u>2,164.84</u>	<u>1,904.06</u>

### 15 Other Financial Liabilities

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital creditors	-	-	896.33	76.83
Lease liabilities	924.67	585.99	305.56	231.59
Payable to employees	-	-	214.95	192.32
Accrued expenses	-	-	996.92	940.51
Others	-	-	32.38	-
	<u>924.67</u>	<u>585.99</u>	<u>2,446.14</u>	<u>1,441.25</u>

### 16 Provisions

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
For gratuity (refer note 27)	10.12	7.01	0.08	0.82
For compensated absences	21.58	19.09	5.77	5.07
	<u>31.70</u>	<u>26.10</u>	<u>6.45</u>	<u>5.89</u>

### 17 Other Current Liabilities

	Current	
	As at March 31, 2021	As at March 31, 2020
Statutory liabilities (including provident fund, tax deducted at source and others)	83.14	109.04
Unearned revenue	146.16	299.23
	<u>229.30</u>	<u>408.27</u>

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued) for the year ended March 31, 2021

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>18 Revenue from operations (refer note 41)</b>		
Sale of ATM and ATM Sites	1,622.83	1,354.53
Sale of products	683.02	1,198.50
Sale of services (refer note 28)	9,003.16	9,067.62
<b>Revenue from operations</b>	<b>11,309.01</b>	<b>11,620.65</b>
<b>Details of products sold</b>		
ATM Spares and related products	536.34	1,110.31
Cards	143.70	76.81
Others	2.98	11.38
	<b>683.02</b>	<b>1,198.60</b>
<b>Details of services rendered</b>		
ATM and Cash management services	7,231.82	7,561.71
AMC services	1,456.40	1,145.94
Card Personalisation	314.94	356.96
	<b>9,003.16</b>	<b>9,067.61</b>
<b>19 Other Income</b>		
Sundry credit balances written back	40.46	-
Profit on sale of property, plant and equipment (net)	-	1.07
Foreign exchange gain (net)	12.29	-
Profit on sale of current investments	7.65	12.92
Net change in fair value of current investments measured at FVTPL	2.48	3.37
Lease rent concessions	20.07	-
	<b>82.95</b>	<b>17.36</b>
<b>20 Finance Income</b>		
Interest income on		
Bank deposits	48.73	14.01
Loan to subsidiary	4.29	13.11
Security deposits measured at amortised cost	3.81	3.46
Income Tax refund	-	7.96
Financial guarantee income	3.20	3.20
	<b>60.03</b>	<b>41.74</b>
<b>21 Purchase of Traded Goods</b>		
Purchase of traded goods	2,069.54	1,814.60
<b>Details of purchases</b>		
ATM and ATM Sites	1,534.26	899.31
ATM Spares and related products	416.84	859.41
Cards	118.44	55.88
	<b>2,069.54</b>	<b>1,814.60</b>

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued) for the year ended March 31, 2021

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>22 (Increase) / Decrease in Inventories</b>		
Inventories at the end of the year		
Traded goods	456.48	183.42
Inventories at the beginning of the year		
Traded goods	183.42	282.00
	<u>(273.06)</u>	<u>98.58</u>
<b>23 Employee Benefit Expense</b>		
Salaries, wages and bonus	653.77	631.56
Contribution to provident and other funds (refer note 27)	36.34	46.62
Gratuity expense (refer note 27)	5.50	4.97
Share based payments to employees (refer note 38 & 39)	19.42	10.05
Staff welfare expenses	35.33	42.75
	<u>750.36</u>	<u>735.95</u>
<b>24 Finance Costs</b>		
Interest on bank overdraft	4.95	3.49
Interest others	2.06	0.30
Interest on lease liability	69.58	62.42
	<u>76.59</u>	<u>66.21</u>
<b>25 Other Expenses</b>		
Service and security charges	3,172.79	3,483.88
Conveyance and traveling expenses	465.24	626.16
Vehicle maintenance, hire and fuel cost	861.22	954.14
Consumption of stores and spares	224.04	223.57
Annual maintenance charges	225.87	168.25
Lease rentals	6.96	3.96
Legal, professional and consultancy fees	157.84	151.61
Courier Freight and forwarding charges	137.12	131.21
Power and electricity charges	80.54	75.84
Insurance	169.45	120.66
Communication costs	33.79	29.04
Advance written off	-	88.17
Trade receivables written off	100.84	163.28
Less Out of the provision of earlier years	(39.89)	(57.35)
Impairment allowance for bad and doubtful receivables and deposits	146.00	113.60
Cash disposal charges	156.01	193.60
Insurance Claims receivables written off	12.68	14.60
Less Out of the provision of earlier years	(11.89)	(14.60)
Impairment allowance for doubtful insurance claims	-	13.77
Advances and other Debit balance written off	1.08	6.67
Less Out of the provision of earlier years	-	(1.98)
Cash lost in transit	75.09	16.64
Repairs and maintenance- Building	0.01	2.99
Repairs and maintenance- Plant and Machinery	0.35	0.19
Repairs and maintenance- Others	16.34	21.38
Loss on sale / write off of property, plant and equipment (net)	0.10	-
Payment to auditors		
As auditors		
Audit fees	6.00	6.00
Reimbursement of expenses	0.18	0.28
Foreign exchange loss (net)	-	6.64
Expenditure on corporate social responsibility (refer note 33)	30.69	24.90
Miscellaneous expenses	113.57	101.47
	<u>6,142.02</u>	<u>6,668.57</u>

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 27. Employee benefits (Continued)

#### Defined benefit plan (Continued)

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

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

Particulars	March 31, 2021	March 31, 2020
Current service cost	4.88	4.35
Net interest cost	0.62	0.62
<b>Expenses recognized in the Statement of Profit and Loss</b>	<b>5.50</b>	<b>4.97</b>

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

Particulars	March 31, 2021	March 31, 2020
<b>Actuarial (gains) / losses</b>		
- change in demographic assumptions	-	(0.01)
- change in financial assumptions	0.61	1.13
- experience variance (i.e. actual experience vs assumptions)	0.77	0.68
- Return on plan assets, excluding amount recognized in net interest expense	(0.33)	(0.23)
<b>Components of defined benefit cost recognized in other comprehensive income</b>	<b>1.05</b>	<b>1.57</b>

#### Balance Sheet

#### Details of provision and fair value of plan assets

Particulars	March 31, 2021	March 31, 2020
Present value of obligation	35.59	31.39
Fair value of plan asset	24.79	22.96
<b>Net liability</b>	<b>10.80</b>	<b>8.43</b>

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 27. Employee benefits (Continued)

#### Changes in present value of obligation

Particulars	March 31, 2021	March 31, 2020
Present value of obligation at the beginning of the year	31.39	29.37
Current service cost	4.88	4.35
Interest expense	2.07	2.22
Re-measurement (gain) / loss arising from		
-change in demographic assumptions	-	(0.01)
-change in financial assumptions	0.61	1.13
-experience variance (i.e. actual experience vs assumptions)	0.77	0.68
Past service cost	-	-
Benefits paid	(4.13)	(6.35)
	<b>35.59</b>	<b>31.39</b>

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

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning	22.96	21.13
Investment income	1.51	1.60
Employer's Contribution	-	-
Return on plan assets excluding amount recognized in net interest expenses	0.32	0.23
Fair value of plan assets as at the end	<b>24.80</b>	<b>22.96</b>

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

Particulars	March 31, 2021	March 31, 2020
Investment with insurer through trust	100%	100%

The Company expects to contribute ₹ Nil (March 31, 2020 - ₹ Nil) to gratuity fund during the annual period beginning after balance sheet date.

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

Particulars	March 31, 2021	March 31, 2020
Weighted average duration (based on discounted cash flows)	9 years	8 years

Expected cash flows over the next (valued on undiscounted basis)	March 31, 2021	March 31, 2020
1 year	2.52	3.06
2 to 5 years	12.91	11.93
6 to 10 years	15.41	13.50
More than 10 years	38.78	33.17

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 27. Employee benefits (Continued)

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

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

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.40%	6.60%
Salary Growth rate	5.00%	0% (FY 20-21) & 5.00% thereafter
Employee attrition rate	Upto 5 years of service – 25% above 5 years of service – 5%	Upto 5 years of service – 25% above 5 years of service – 5%

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

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

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2021 is as shown below:

Particulars	March 31, 2021		March 31, 2020	
	Decrease in assumption	Increase in assumption	Decrease in assumption	Increase in assumption
Discount Rate (-/+1%)	3.31	(2.87)	2.82	(2.44)
(% change compared to base due to sensitivity)	9.30%	-8.10%	9.00%	-7.80%
Salary Growth Rate (-/+1%)	(2.53)	2.83	(2.22)	2.44
(% change compared to base due to sensitivity)	-7.10%	8.00%	-7.10%	7.80%
Attrition Rate (-/+ 50% of attrition rates)	0.38	(0.46)	0.26	(0.29)
(% change compared to base due to sensitivity)	1.10%	-1.30%	0.80%	-0.90%
Mortality Rate (-/+10% of Mortality rates)	(0.02)	0.02	(0.01)	0.01
(% 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 ₹ 8.22 million (March 31, 2020: ₹ 8.29 million) for Compensated absences is recognised as an expense and included in "Employee benefits" in the Statement of Profit and Loss. Accumulated non-current liability amount to ₹ 21.58 million (March 31, 2020: ₹ 19.09 million) and accumulated current liability amount to ₹ 5.77 million (March 31, 2020: ₹ 5.07 million).

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 28. Operating lease

#### Company as lessee:

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The Company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 1, 2019. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets representing the right to use the underlying assets.

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

Particulars	March 31, 2021	March 31, 2020
Current lease liabilities	305.56	231.50
Non-current lease liabilities	924.67	585.99
<b>Total</b>	<b>1,230.23</b>	<b>817.49</b>

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	March 31, 2021	March 31, 2020
Balance as of April 1	817.49	704.06
Additions	760.40	285.53
Deletions	(165.80)	-
Finance costs accrued during the year	69.58	62.42
Lease rent concession	(20.07)	-
Payment of lease liabilities	(231.37)	(234.32)
<b>Balance as of March 31</b>	<b>1,230.23</b>	<b>817.49</b>

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

Particulars	March 31, 2021	March 31, 2020
Less than one year	305.56	231.50
One to five years	1,019.57	693.97
More than five years	294.61	172.75
<b>Total</b>	<b>1,619.74</b>	<b>1,098.22</b>

The following is the movement in Right-of-use assets during the year ended March 31, 2021:

Particulars	March 31, 2021	March 31, 2020
Balance as of April 1,	794.72	704.06
Additions	760.40	285.53
Deletions	(217.05)	-
Depreciation for the year	(156.85)	(194.67)
De-recognition of right-of-use asset	-	-
<b>Balance as of March 31,</b>	<b>1,181.22</b>	<b>794.72</b>

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 28. Operating lease (Continued)

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 as at April 1, 2020 is 8.5%.

The outflow on account of lease liabilities for the year ended March 31, 2021 is ₹ 231.37 million.

#### Company as lessor: Operating lease receivables

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

Particulars	March 31, 2021	March 31, 2020
Within one year	18.05	123.80
After one year but not more than five years	21.56	72.28
More than five years	-	-
<b>Total</b>	<b>39.61</b>	<b>196.08</b>

During the current year, the Company has recognised ₹ 116.28 million (March 31, 2020 - ₹ 123.80 million) as income in relation to the above arrangements. These are reported under sale of services (refer note 18). The above lease rentals are fixed monthly fees.

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

Particulars	March 31, 2021	March 31, 2020
Gross block value	1,322.70	125.06
Less: Accumulated Depreciation	(184.38)	(53.46)
<b>Net block value</b>	<b>1,138.32</b>	<b>71.60</b>
Depreciation for the year	86.69	19.93

# CMS Info Systems Limited

## Standalone Notes to financial statements *(Continued)*

for the year ended March 31, 2021

(₹ in million)

### 29. Related party disclosures

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

<b>Related parties where control exists</b>	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entities under common control	Vault Co-Investment Vehicle L.P
Holding Company	Sion Investment Holdings Pte. Limited
Subsidiary Companies and Trusts	CMS Securitas Limited Securitrans India Private Limited Quality Logistics Services Private Limited CMS Marshall Limited (subsidiary of CMS Securitas Limited) CMS Securitas Employees Welfare Trust

<b>Other Related parties</b>	
Key Management Personnel (KMP)	<b>Whole Time Director &amp; Chief Executive Officer</b> - Mr. Rajiv Kaul  <b>Chief Financial Officer</b> - Mr. Pankaj Khandelwal  <b>Non-Executive Independent Directors</b> - Mrs. Shyamala Gopinath - Mr. Krishna Mohan Sahni (upto 31 March 2021)  <b>Non-Executive Directors</b> - Mr. Ashish Agrawal - Mr. Jimmy Lachmandas Mahtani  <b>Company Secretary</b> - Mr. Praveen Soni

# CMS Info Systems Limited

## Notes to the financial statements (Continued) for the year ended March 31, 2021

(₹ in million)

### 29(b) Details of transactions with related parties:

	Transactions		Receivable / (Payable)	
	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2021	March 31, 2020
<b>Interest Income</b>				
Securtrans India Private Limited	4.39	13.11	-	-
<b>Guarantee Income</b>				
Securtrans India Private Limited	3.20	3.20	-	-
<b>Remuneration to KMP (short-term employee benefits)</b>				
Mr. Rajiv Kaul	96.48	66.99	(34.89)	(35.52)
Mr. Pankaj Khandewal	13.31	12.19	(2.78)	(2.63)
<b>Remuneration to non-executive independent directors</b>				
Mr. Gopal Krishna Pillai	-	2.10	-	-
Mrs. Shyamala Gopalan	2.10	2.10	(0.53)	(0.53)
Mr. Krzysztof Wieslaw Janusz	-	2.10	-	-
Mr. Kiran Mohan Sahu	2.10	-	-	-
<b>Employee stock option compensation cost</b>				
Mr. Rajiv Kaul (refer note 39)	15.69	15.69	-	-
Mr. Pankaj Khandewal	0.32	1.62	-	-
<b>Sitting fees paid to Directors</b>				
Mr. Gopal Krishna Pillai	-	0.30	-	-
Mrs. Shyamala Gopalan	0.40	0.30	-	(0.10)
Mr. Krzysztof Wieslaw Janusz	-	0.20	-	-
Mr. Kiran Mohan Sahu	0.40	-	-	-
<b>Service and security charges</b>				
CMS Marshall Limited	438.85	434.62	-	-
CMS Securitas Limited	374.17	286.17	-	-
Securtrans India Private Limited	124.74	188.35	-	(120.07)
<b>Reimbursement of power and electricity and Maintenance</b>				
CMS Securitas Limited	3.55	6.09	-	-
<b>Reimbursement of Insurance Charges</b>				
Securtrans India Private Limited	17.34	24.65	-	-
<b>Reimbursement of Other Expenses</b>				
Securtrans India Private Limited	366.07	454.73	-	-
<b>Loans given during the year</b>				
Securtrans India Private Limited	768.44	875.06	-	-
<b>Loans received back during the year</b>				
Securtrans India Private Limited	992.41	1,433.47	-	-
<b>Balances outstanding at the year end</b>				
CMS Securitas Limited	-	-	(63.07)	(64.59)
CMS Marshall Limited	-	-	(83.97)	(71.01)
Securtrans India Private Limited	-	-	-	223.96

#### 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

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 30. Contingent liabilities and Capital commitments

#### (a) Contingent Liabilities:

Particulars	March 31, 2021	March 31, 2020
Claims against the Company not acknowledged as debt		
a) Disputed Customs matter*	87.91	42.78
b) Disputed VAT matters*	247.77	245.89
c) Disputed Excise matters*	69.03	69.03
d) Disputed CST matters*	6.56	6.30
e) Disputed Service Tax matters*	7.05	-
f) Disputed GST matters*	0.82	-
g) Disputed Income tax matters	118.33	-
Guarantees given by the Company on behalf of the subsidiary**	800.00	800.00
<b>Total</b>	<b>1,337.47</b>	<b>1,164.00</b>

#### 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, 2020: ₹ 600 million) in favour of the lenders and ₹ 200 million (March 31, 2020: ₹ 200 million) in favour of one of the customers of subsidiary for overnight vaulting facilities.

(b) The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 is ₹ 548.27 million (March 31, 2020: ₹ 66.28 million).

(c) There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. The company believes, based on legal opinion, that the liability if any would be prospective 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 impact of which is not quantifiable. The management is confident, that these matters will not have any material impact in the financial statement.

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

The Company has ₹ 38.46 million (March 31, 2020: ₹ 76.45 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.

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

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

Particulars	March 31, 2021	March 31, 2020
Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)	38.46	76.45
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	-	-

### 32. Impairment testing of Goodwill

Goodwill acquired through business combinations has indefinite life. Out of the total Goodwill of the Company, ₹ 1,221.13 million (March 31, 2020: ₹ 1,221.13 million), relates to the Cash Management division of the Company.

The Company performed its annual impairment test for the year ended March 31, 2021, and March 31, 2020. The Company considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Company has extrapolated cash flows beyond 5 years using a growth rate of 4% p.a. for the year ended on March 31, 2021 (March 31, 2020: 4%). The pre-tax discount rate applied to the cash flow projections for impairment testing is 13.7% for March 31, 2021 (March 31, 2020: 13.7%).

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

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

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2021. 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.

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# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 33. Expenditure on corporate social responsibility

As per section 135 of the Act, a CSR committee has been formed by the Company. The funds are utilized throughout the year on activities which are specified in Schedule VII of the Act. Gross amount required to be spent by the company during the year is ₹ 29.35 million (March 31, 2020 ₹ 24.90 million).

Particulars	March 31, 2021			March 31, 2020			
	Amounts spent during the year :-	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-	-	-	-	-
(ii) On purpose other than (i) above	30.69	-	-	30.69	24.90	-	24.90

### 34. 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, 2021:

	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in mutual fund units	950.78	953.27	953.27	-	-

#### Quantitative disclosures fair value measurement hierarchy as at March 31, 2020:

	Cost	Fair value	Level 1	Level 2	Level 3
Assets measured at fair value					
FVTPL financial investments					
Investment in mutual fund units	550.00	553.37	553.37	-	-

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

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

#### Break up of financial assets carried at amortised cost

Particulars	March 31, 2021	March 31, 2020
Trade receivables	2941.43	2,236.54
Cash and cash equivalents	1,030.44	1,525.70
Other bank balances	395.56	279.83
Other financial assets	1,849.88	1,677.81
<b>Total financial assets carried at amortized cost</b>	<b>6,217.31</b>	<b>5,719.88</b>

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 34. Fair value hierarchy (Continued)

Break up of financial liabilities carried at amortised cost

Particulars	March 31, 2021	March 31, 2020
Trade payables	2,164.83	1,904.06
Other financial liabilities	3,370.81	2,027.17
<b>Total financial liabilities carried at amortised cost</b>	<b>5,535.64</b>	<b>3,931.23</b>

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.

### 35. Financial risk management objectives and policies

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

#### Credit risk

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

#### Trade receivables

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

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

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

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued) for the year ended March 31, 2021

(₹ in million)

### 35. Financial risk management objectives and policies (Continued)

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

Gross Carrying Amount	March 31, 2021	March 31, 2020
Current (not past dues)	675.10	995.84
1 to 30 days past dues	1,031.90	488.23
31 to 60 days past dues	506.30	321.78
61 to 180 days past dues	529.10	525.99
Above 180 days past dues	639.80	239.36
<b>Grand Total</b>	<b>3,382.20</b>	<b>2,571.20</b>

The above exposure includes three customers whose individual credit exposure exceeds 10% of total trade receivables.

Movement in allowance of impairment in respect of trade receivables:

Particulars	March 31, 2021	March 31, 2020
Balance as at April 01	334.66	278.41
Amounts written off ( Net )	(39.89)	(57.35)
Net re-measurement of loss allowances	146.00	113.60
<b>Balance as at March 31</b>	<b>440.77</b>	<b>334.66</b>

#### 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 ₹ 75.77 million as at 31<sup>st</sup> March 2021 and ₹ 81.04 million as at 31<sup>st</sup> March 2020.

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

Movement in allowance of impairment in respect of other receivables:

Particulars	March 31, 2021	March 31, 2020
Balance as at April 01	86.42	87.25
Amounts written off ( Net )	(11.89)	(14.60)
Net re-measurement of loss allowances	-	13.77
<b>Balance as at March 31</b>	<b>74.53</b>	<b>86.42</b>



# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 35. Financial risk management objectives and policies (Continued)

#### 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 & 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 March 31, 2021:

Particulars	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade payables	-	2,164.83	-	-	2,164.83
Other financial liabilities	-	2,446.14	1,019.57	294.61	3,760.32
<b>Total</b>	-	<b>4,610.97</b>	<b>1,019.57</b>	<b>294.61</b>	<b>5,925.15</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

Particulars	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade payables	-	1,904.07	-	-	1,904.07
Other financial liabilities	-	1,441.18	693.97	172.75	2,307.90
<b>Total</b>	-	<b>3,345.25</b>	<b>693.97</b>	<b>172.75</b>	<b>4,211.97</b>

#### 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.

# CMS Info Systems Limited

## Standalone Notes to financial statements (Continued)

for the year ended March 31, 2021

(₹ in million)

### 42. Impact of Corona Virus outbreak (COVID-19)

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

43. As per amendments in the Income Tax Act, 1961, new Section 115BAA has been introduced with effect from FY 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22%. The Company has evaluated and opted for concessional tax rate in the previous year.

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

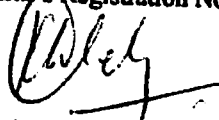
Particulars	Note No.	Amount as per previous period financials	Adjustments	Revised amount for previous year
<b>Statement of Profit and Loss</b>				
Sale of ATM and ATM Sites	18	1,412.06	(57.53)	1,354.53
Sale of services	18	9,010.08	57.53	9,067.62
Purchase of traded goods	21	1,832.01	(17.42)	1,814.60
Annual maintenance charges	25	150.83	17.42	168.25

As per our report of even date

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Koosal Lehery

Partner

Membership No. 112399

Mumbai

25 May 2021

For and behalf of Board of Directors of

CMS Info Systems Limited

CIN: U45200MH2008PLC180479



Ashish Agrawal

Director

DIN No: 00163344

Place: Mumbai



Pankaj Khandelwal

Chief Financial Officer

Place: Mumbai



Rajiv Kaul

Whole Time Director  
and Chief Executive Officer

DIN No.: 02581313

Place : Texas, USA



Praveen Soni

Company Secretary

Membership No. FCS 6495

Place: Jaipur

**CMS Info Systems Limited**

**Consolidated Financial Statements  
together with the  
Independent Auditors' Report  
for the year ended 31 March 2021**

# **CMS Info Systems Limited**

## **Consolidated Financial statements together with the Independent Auditors' Report**

*for the year ended 31 March 2021*

### ***Contents***

**Independent Auditors' Report**

**Consolidated Balance sheet**

**Consolidated Statement of profit and loss (including other comprehensive income)**

**Consolidated Statement of Cash Flows**

**Consolidated Notes to the financial statements**

# BSR & Co. LLP

Chartered Accountants

14th Floor, Central Wing B Wing and North C Wing,  
Nesco IT Park 4, Nesco Center,  
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Mumbai - 400 063

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## Independent Auditors' Report To the Members of CMS Info Systems Limited

### Report on the Audit of Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of CMS Info Systems Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), which comprise the consolidated balance sheet as at 31 March 2021, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2021, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### Basis for Opinion

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

#### Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's Director's report, but does not include the financial statements and our auditors' report thereon.



## **Independent Auditors' Report (Continued)**

### **CMS Info Systems Limited**

#### **Other Information (Continued)**

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

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

#### **Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements**

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

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

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

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

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



## **Independent Auditors' Report (Continued)**

### **CMS Info Systems Limited**


#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)**

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

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

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

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



## Independent Auditors' Report (Continued)

### CMS Info Systems Limited

#### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

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.

#### Other Matters

- (a) We did not audit the financial statements / financial information of five subsidiaries, whose financial statements/financial information reflect total assets (before consolidation adjustments) of Rs. 1,959.97 million as at 31 March 2021, total revenues (before consolidation adjustments) of Rs. 2,590.60 million and net cash outflows (before consolidation adjustments) amounting to Rs. 239.11 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements/financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the audit reports of the other auditors.

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

#### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2021 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".





**Independent Auditors' Report (Continued)**

**CMS Info Systems Limited**

**Report on Other Legal and Regulatory Requirements (Continued)**

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

- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on the consolidated financial position of the Group - Refer Note 31 to the consolidated financial statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2021.
- iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2021.
- iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the financial statements since they do not pertain to the financial year ended 31 March 2021.

C. With respect to the matter to be included in the Auditor's report under section 197(16):

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

For B S R & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022

**Koosai Leher**

Partner

Membership No: 112399

ICAI UDIN:21112399AAAABK1992

Mumbai  
25 May 2021

## **CMS Info Systems Limited**

### **Annexure A to the Independent Auditors' report on the consolidated financial statements of CMS Info Systems Limited for the year ended 31 March 2021**

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

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

#### **Opinion**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2021, we have audited the internal financial controls with reference to consolidated financial statements of CMS Info Systems Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. Those Standards and the

Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

## CMS Info Systems Limited

### **Annexure A to the Independent Auditors' report on the consolidated financial statements of CMS Info Systems Limited for the year ended 31 March 2021 (Continued)**

#### **Auditors' Responsibility (Continued)**

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

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

#### **Meaning of Internal Financial controls with Reference to Consolidated Financial Statements**

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

#### **Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements**

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



B S R & Co. LLP

## CMS Info Systems Limited

**Annexure A to the Independent Auditors' report on the consolidated financial statements of CMS Info Systems Limited for the year ended 31 March 2021 (Continued)**

### Other Matters

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

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



**Koosai Leheriy**  
Partner

Membership No: 112399  
ICAI UDIN: 21112399AAAABK1992

Mumbai  
25 May 2021

**CMS Info Systems Limited**

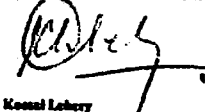
**Consolidated Balance Sheet**  
as at March 31, 2021

(₹ in million)

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	4	1,897.00	1,206.13
(b) Capital work-in-progress		226.81	28.86
(c) Right-of-use assets	5(a)	1,210.79	838.59
(d) Goodwill	3	2,033.63	2,033.63
(e) Other intangible assets	3	189.54	183.36
(f) Intangible assets under development		4.66	10.47
<b>Financial assets</b>			
(i) Investments	6(a)	0.00	0.00
(ii) Other financial assets	7	238.74	226.19
(b) Deferred tax assets (net)	8	247.83	272.96
(i) Income tax assets (net)		99.34	196.54
(j) Other non-current assets	9	166.43	134.00
		<u>6,314.85</u>	<u>5,120.81</u>
<b>Current assets</b>			
(a) Inventories	10	894.73	430.44
<b>Financial assets</b>			
(i) Investments	6(b)	1,122.55	566.23
(ii) Trade receivables	11	3,490.95	3,344.37
(iii) Cash and cash equivalents	12	1,338.14	1,591.30
(iv) Bank balances other than (cr) above	12	619.34	314.19
(v) Other financial assets	7	1,916.10	1,453.64
(c) Other current assets	9	453.46	468.20
		<u>9,823.25</u>	<u>8,156.97</u>
<b>Total</b>		<u><u>16,138.10</u></u>	<u><u>13,277.78</u></u>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
(a) Equity share capital	13(a)	1,480.00	1,480.00
(b) Other equity	13(b)	8,364.76	7,023.91
<b>Total Equity attributable to Equity Share holders</b>		<u>9,844.76</u>	<u>8,503.91</u>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
(i) Other financial liabilities	13	942.38	633.66
(b) Provisions	16	191.01	190.96
		<u>1,136.39</u>	<u>824.62</u>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
(i) Trade payables			
1. Dues of micro enterprises and small enterprises	14	45.27	100.37
2. Dues of creditors other than micro enterprises and small enterprises		2,610.82	1,612.34
(ii) Other financial liabilities	15	2,737.17	1,601.68
(b) Provisions	16	29.22	26.72
(c) Other current liabilities	17	314.77	457.74
		<u>5,136.95</u>	<u>3,998.83</u>
<b>Total</b>		<u><u>16,138.10</u></u>	<u><u>13,277.78</u></u>
Summary of significant accounting policies	2		
The accompanying notes form an integral part of the financial statements.	1		

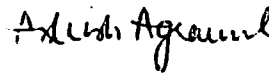
As per our report of even date

For BSR & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101241W/W-100022

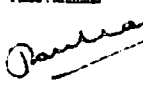
  
Kunal Lebery  
Partner  
Membership No.: 123299

Mumbai  
25 May 2021

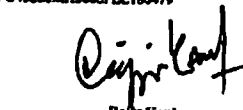
For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200MI2002PLC180479

  
Ashish Agrawal  
Director

DIN No.: 00163344  
Place: Mumbai

  
Pankaj Khandrewal  
Chief Financial Officer

Place: Mumbai

  
Rajiv Kani  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place: Texas, USA

  
Praveen Seal  
Company Secretary  
Membership No.: FCS 6495  
Place: Jaipur

## CMS Info Systems Limited

### Consolidated Statement of Profit and Loss for the Year ended March 31, 2021

(₹ in millions)

	Notes	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Income</b>			
Revenue from operations	18	13,060.90	13,832.38
Other income	19	99.12	21.28
Finance income	20	59.19	29.28
<b>Total Income</b>		<b>13,219.21</b>	<b>13,882.94</b>
<b>Expenses</b>			
Purchase of traded goods	21	2,069.54	1,814.60
(Increase) / Decrease in inventories	22	(773.06)	98.58
Employee benefits expenses	23	2,019.84	2,193.53
Finance costs	24	82.32	73.15
Depreciation and amortization expense	4 & 5	634.55	563.87
Other expenses	25	6,312.52	7,186.61
<b>Total Expenses</b>		<b>10,841.71</b>	<b>11,932.33</b>
<b>Profit before tax</b>		<b>2,377.50</b>	<b>1,950.61</b>
<b>Tax expense</b>			
Current tax		694.46	540.83
Adjustment of tax relating to earlier years		11.90	5.21
Deferred tax charge		25.91	37.48
<b>Total tax expense</b>		<b>692.27</b>	<b>603.52</b>
<b>Profit for the year attributable to equity shareholders</b>		<b>1,685.23</b>	<b>1,347.09</b>
<b>Other comprehensive income (OCI)</b>			
Items that will not be reclassified to profit or loss			
Remeasurement gains / (losses) on defined benefit plans		(2.20)	(14.11)
Income tax effect		0.81	2.86
<b>Other Comprehensive income for the year, net of tax</b>		<b>(1.39)</b>	<b>(11.25)</b>
<b>Total Comprehensive Income for the year</b>		<b>1,683.84</b>	<b>1,335.84</b>
<b>Earning per equity share (nominal value of share ₹ 10)</b>			
Basic	26	11.39	9.10
Diluted		11.09	8.87
Summary of significant accounting policies			
	2		

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

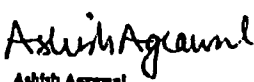
As per our report of even date.

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

  
Kousal Lebery  
Partner  
Membership No.: 112399

Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U43200MH2008PLC180479

  
Ashish Agrawal  
Director

DIN No.: 00163344  
Place : Mumbai

  
Pankaj Khandelwal  
Chief Financial Officer

Place : Mumbai

  
Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place : Texas, USA

  
Praveen Sani  
Company Secretary  
Membership No.: FCS 6495  
Place: Jaipur

## CMS Info Systems Limited

### Consolidated Statement of Cash flows

for the year ended March 31, 2021

(R in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>Cash flow from operating activities</b>		
Profit before tax		1,950.61
Adjustments to reconcile profit before tax to net cash flow:	2,377.59	
Depreciation and amortisation on Property, plant and equipment and intangible assets	412.97	357.44
Depreciation on Right-of-use assets	221.58	268.43
Unrealised foreign exchange (gain) / loss	(3.32)	1.73
Lease rent concession	(29.07)	-
Impairment allowances for bad and doubtful receivables and deposits	296.00	133.60
Advances written off	-	88.17
Bad debts written off	222.78	387.48
Debit balance written off	1.08	4.69
(Profit) on disposal of property, plant and equipment (net)	(1.40)	(3.73)
Surplus balances written back	(52.76)	(0.29)
Impairment for doubtful claims receivables	-	33.76
Insurance claims receivables written off	0.79	-
Finance income	(53.06)	(20.28)
Profit on sale of current investments	(7.69)	(12.92)
Net change in fair value of current investments measured at FVTPL	(3.91)	(4.28)
Employee stock option compensation cost	19.61	10.48
Finance costs	82.31	73.15
<b>Operating profit before working capital changes</b>	<b>3,482.46</b>	<b>3,283.04</b>
<b>Movement in working capital:</b>		
Increase in trade payables and other liabilities	282.54	1,325.08
Increase / (Decrease) in provisions	0.35	(7.81)
(Increase) in inventories	(464.29)	(14.06)
(Increase) in trade receivables	(375.16)	(1,163.33)
(Increase) in other assets and prepayments	(222.32)	(513.09)
<b>Cash flow generated from operations</b>	<b>2,423.58</b>	<b>2,634.84</b>
Direct taxes paid (net of refunds)	(569.16)	(493.28)
<b>Net cash flow generated from operating activities (A)</b>	<b>1,854.42</b>	<b>2,141.56</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	49.09	4.29
Purchase of property, plant and equipment, intangible assets (including CWP and capital advances)	(558.86)	(835.98)
Investment in mutual funds	(3,356.82)	(3,830.00)
Proceeds from redemption of mutual funds	2,812.05	3,396.66
Investment in deposits with banks	(2,521.90)	(202.89)
Proceeds from maturity of deposits with banks (including interest)	2,075.05	273.50
<b>Net cash flow (used in) investing activities (B)</b>	<b>(1,493.39)</b>	<b>(1,194.42)</b>
<b>Cash flows from financing activities</b>		
Dividend paid	(362.60)	(321.16)
Finance costs	(8.86)	(5.83)
Finance costs on lease liability	(73.44)	(67.32)
Payment of principal portion of lease liabilities	(172.25)	(181.86)
<b>Net cash flow (used in) financing activities (C)</b>	<b>(617.15)</b>	<b>(576.17)</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(256.12)</b>	<b>370.97</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1,591.38</b>	<b>1,220.33</b>
<b>Cash and cash equivalents at the end of the year (refer note below)</b>	<b>1,335.26</b>	<b>1,591.30</b>

**CMS Info Systems Limited**

**Consolidated Statement of Cash flows (continued)**  
for the year March 31, 2021

(₹ in million)

**Components of cash and cash equivalents:**

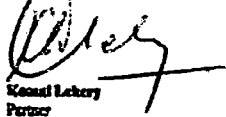
	As at March 31, 2021	As at March 31, 2020
Cash on hand	6.94	11.71
Balance with current accounts	927.58	703.43
In deposits account with original maturity of less than three months	400.32	871.16
<b>Cash and cash equivalents at the end of the year ( Refer note 12 )</b>	<b>1,335.14</b>	<b>1,591.50</b>

**Note**

The Consolidated Statement of Cash flows has been prepared under the Indirect Method as set out in the Indian Accounting Standard (Ind AS) -7

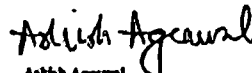
As per our report of even date.

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


  
Kunal Lakshy  
Partner  
Membership No.: 112399

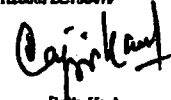
Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200GJ12008PLC180479

  
Ashish Agrawal  
Director

DIN No.: 00163344  
Place : Mumbai

  
Prubal Khadse  
Chief Financial Officer  
Place : Mumbai



Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place : Texas, USA



Praveen Bani  
Company Secretary  
Membership No.: FCS 6495  
Place : Jaipur



**CMS Info Systems Limited**

**Consolidated Statement of Changes in Equity**  
for year ended March 31, 2021

(₹ in million)

Particulars	Equity share capital	Reserve and surplus				Total equity
		Securities premium	Share based payment reserve (Credit note 39 & 43)	Capital redemption reserve	Retained earnings	
As at March 31, 2019	1,428.80	42.87	376.34	188.50	6,428.84	7,475.75
Profit for the year	-	-	-	-	1,347.09	1,347.09
Other comprehensive income	-	-	-	-	(11.25)	(11.25)
Total comprehensive income	-	-	-	-	1,335.84	1,335.84
Employee stock option compensation cost	-	-	10.48	-	-	10.48
Dividend Paid (including dividend distribution tax ₹ 54.75 million)	-	-	-	-	321.16	321.16
As at March 31, 2020	1,428.80	42.87	386.82	158.50	6,443.72	8,588.91
Profit for the year	-	-	-	-	1,683.23	1,683.23
Other comprehensive income	-	-	-	-	(1.39)	(1.39)
Total comprehensive income	-	-	-	-	1,681.84	1,681.84
Employee stock option compensation cost	-	-	19.81	-	-	19.81
Dividend Paid	-	-	-	-	862.68	862.68
As at March 31, 2021	1,428.80	42.87	406.63	158.50	7,764.98	9,844.78

Summary of significant accounting policies (Refer Note 2)

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

As per our report of even date.

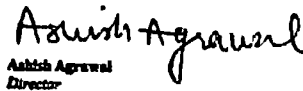
For B S R & Co. LLP  
Chartered Accountants  
Firm's Registration No: 101248/W-100022



Kunal Leher  
Partner  
Membership No.: 112399

Mumbai  
25 May 2021

For and on behalf of the Board of Directors of  
CMS Info Systems Limited  
CIN: U45200MH2008PLC180479




Ashish Agrawal  
Director

DIN No.: 00163344  
Place : Mumbai

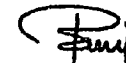


Parul Khandhwal  
Chief Financial Officer

Place : Mumbai



Rajiv Kaul  
Whole Time Director  
and Chief Executive Officer  
DIN No.: 02581313  
Place : Texas, USA



Praveen Baid  
Company Secretary  
Membership No.: PCS 6495  
Place : Jaipur

# CMS Info Systems Limited

## Notes to the consolidated financial statements

for year ended March 31, 2021

(₹ in million)

### 1. Corporate Information:

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

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

The consolidated financial statements ('CFS') were authorised for issue in accordance with a resolution of the directors on May 25, 2021.

### 2. Summary of significant accounting policies:

#### a) Basis of Preparation

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

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

#### b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

- Expected to be settled in normal operating cycle and is due to be settled within twelve months after the reporting period

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: (Continued)

#### b) Current versus non-current classification (Continued)

- Held primarily for the purpose of trading
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

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

#### c) Basis of consolidation and consolidation procedures:

The CFS comprise the financial statements of the Company and its subsidiaries as at March 31, 2021.

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

Sr. No	Name of entities*	Percentage of ownership interest as at	
		March 31, 2021	March 31, 2020
1	Securitrans India Private Limited ('SIPL')	100	100
2	CMS Securitas Limited ('CSL')	100	100
3	CMS Marshall Limited ('CML')	100	100
4	Quality Logistics Services Private Limited	100	100
5	CMS Securitas Employees Welfare Trust ('CMS Trust')	100	100

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### c) Basis of consolidation and consolidation procedures: *(Continued)*

All the companies in the Group follow uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to the same reporting date as that of the parent company, i.e., year ended on March 31, 2021

##### Consolidation procedures:

- (i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiaries are based on the amounts of the assets and liabilities recognized in the CFS at the acquisition date.
- (ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill / capital reserve.
- (iii) Eliminate in full intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and Property, plant and equipment, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the CFS. Ind AS12 applies to temporary differences that arise from the elimination of profits and losses resulting from intra group transactions.

#### d) Property, plant and equipment

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: (Continued)

#### d) Property, plant and equipment (Continued)

The Group has used the following lives to provide depreciation:

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

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

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

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

#### e) Intangible assets and goodwill

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (*Continued*)

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: (*Continued*)

#### e) Intangible assets and goodwill (*Continued*)

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

#### f) Impairment of non- financial assets

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

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

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

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

#### g) Leases

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### g) Leases *(Continued)*

The effect of adoption Ind AS 116 as at April 1, 2019 is given in notes to accounts, Refer Note 29. The lease liabilities were discounted using the incremental borrowing rate (same as group average borrowing rate) of the group as at April 1, 2019.

**The group also applied the available practical expedients wherein it:**

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

#### i) Right-of-use assets

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

#### ii) Lease liability

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (*Continued*)

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: (*Continued*)

#### g) Leases (*Continued*)

##### ii) Lease liability (*Continued*)

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

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

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

##### Company as a lessor

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

#### h) Inventories

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

#### i) Revenue recognition

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

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

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



# CMS Info Systems Limited

## Notes to consolidated financial statements (*Continued*)

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: (*Continued*)

#### i) Revenue recognition (*Continued*)

##### Sale of goods:

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

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

##### Sale of services:

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

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

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

##### Sale of ATM Sites:

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

#### j) Interest income:

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)* for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### k) Foreign currencies

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

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

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

#### l) Retirement and other employee benefits

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

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### l) Retirement and other employee benefits *(Continued)*

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

#### m) Income taxes

##### Current income tax

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

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

##### Deferred tax

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

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### n) Earnings per share

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

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

#### o) Provisions

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

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

#### p) Contingent liabilities

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

#### q) Cash and cash equivalents

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### r) Share based payment

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

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

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

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

#### s) Fair value measurement

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

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

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### s) Fair value measurement *(Continued)*

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

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

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

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

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

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

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

#### t) Financial Instruments

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

##### Financial assets

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

##### Initial recognition and measurement

On initial recognition, a financial asset is recognised at fair value. In case of Financial assets which are recognised at fair value through profit and loss (FVTPL), its transaction cost is recognised in the statement of profit and loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

Financial assets are subsequent classified and measured at:

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

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

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# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### t) Financial instruments *(Continued)*

##### Debt instruments at amortised cost

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

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

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

##### Debt instrument at FVTPL

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

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

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

##### Derecognition

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

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### t) Financial instruments *(Continued)*

##### **Derecognition *(Continued)***

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

##### **Financial liabilities**

###### **Initial recognition and measurement**

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

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

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

###### **Subsequent measurement**

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

###### **Financial liabilities at fair value through profit or loss**

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

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

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



# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### (i) Financial instruments *(Continued)*

##### Loans and borrowings

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

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

##### Financial guarantee contracts

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

##### Derecognition

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

##### Offsetting of financial instruments

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

##### Impairment of financial assets

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### t) Financial instruments *(Continued)*

##### Impairment of financial assets

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

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

#### u) Business combinations and goodwill

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

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

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 2. Summary of significant accounting policies: *(Continued)*

#### u) Business combinations and goodwill *(Continued)*

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

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

#### v) Rounding of amount:

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

#### w) Cash dividend distribution to equity holders of the parent

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

### 3. Significant accounting judgments, estimates and assumptions:

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

#### Significant judgement:

##### Leases

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 3. Significant accounting judgments, estimates and assumptions: *(Continued)*

#### Significant judgement:

##### Leases *(Continued)*

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

#### Estimates

##### Defined benefit plans

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

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

##### Property, plant and equipment

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

##### Impairment of Goodwill

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 3. Significant accounting judgments, estimates and assumptions: *(Continued)*

#### Significant judgement: *(Continued)*

##### Share-based payments

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

##### Claims receivable

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

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

##### Provision for doubtful receivables

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

##### Other Provisions

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

# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 3. Significant accounting judgments, estimates and assumptions: *(Continued)*

Significant judgement: *(Continued)*

#### Recent pronouncement:

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rule 2015 are:

#### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the company will evaluate the same to give effect to them as required by law.

**CMS Info Systems Limited**

**Notes to Consolidated financial statements (Continued)**

as on March 31, 2021

(₹ in million)

**4 Property, Plant and Equipment**

Particulars	Plant and machinery	Electrical installations	Furniture, fixtures and fittings	Vehicles	Other equipment	Leasehold improvements	Computers, Servers and peripherals	Total
Gross block value as at March 31, 2019	531.97	52.55	199.28	1,263.84	84.61	117.30	326.37	2,976.74
Additions during the year	127.49	6.21	64.07	415.47	5.82	16.36	47.24	782.26
Dispositions during the year	12.28	5.03	11.34	33.29	1.98	-	1.76	71.68
Gross block value as at March 31, 2020	673.18	54.15	252.71	2,046.02	85.91	133.66	363.85	3,609.48
Additions during the year	816.91	1.59	189.09	58.26	4.30	18.95	17.94	1,097.15
Dispositions during the year	82.22	10.50	38.73	49.66	6.97	-	0.14	208.23
Gross block value as at March 31, 2021	1,497.81	45.15	343.07	2,054.62	83.31	152.61	381.75	4,468.32
Accumulated depreciation as at March 31, 2019	202.10	42.79	116.32	1,063.62	63.80	83.54	291.85	2,173.22
Depreciation for the year	83.98	3.97	24.05	144.03	9.27	11.30	24.41	301.04
Accumulated depreciation on disposals	12.21	5.03	11.25	32.68	1.83	-	1.75	74.03
Accumulated depreciation as at March 31, 2020	273.87	41.73	129.10	1,514.97	69.19	64.90	309.71	2,403.27
Depreciation for the year	105.97	4.12	27.43	141.99	7.14	11.93	28.00	326.58
Accumulated depreciation on disposals	47.36	10.38	40.04	49.18	0.78	-	0.07	108.53
Accumulated depreciation as at March 31, 2021	332.48	35.47	189.87	1,609.62	79.35	76.83	337.68	2,571.32
Net block as at March 31, 2021	1,165.33	9.68	213.18	449.00	13.96	75.78	44.07	1,897.08
Net block as at March 31, 2020	399.31	12.42	123.61	531.25	16.72	68.76	54.14	1,206.13

Capital work in progress as March 31, 2021 is ₹ 226.81 million (March 31, 2020 is ₹ 28.86 million)

**CMS Info Systems Limited**

**Notes to Consolidated financial statements (Continued)**

as at March 31, 2021

(€ in million)

**5 Intangible assets**

Particulars	Computer software	Non computer software	Customer Contract	Total	Goodwill
Gross book value as at March 31, 2019	82.32	148.18	182.40	412.90	2,833.63
Additions during the year	95.17	-	89.12	184.29	-
Deletions during the year	-	-	-	-	-
Gross book value as at March 31, 2020	177.49	148.18	271.52	596.77	2,833.63
Additions during the year	17.44	-	73.15	90.59	-
Deletions during the year	-	-	-	-	-
Gross book value as at March 31, 2021	194.93	148.18	344.67	687.78	-
Accumulated amortisation as at March 31, 2019	64.99	152.86	68.68	286.53	-
Amortisation for the year	19.79	1.94	19.23	40.96	-
Deletions during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2020	84.78	154.80	87.91	327.49	-
Amortisation for the year	22.18	1.00	59.21	82.39	-
Deletions during the year	-	-	-	-	-
Accumulated amortisation as at March 31, 2021	106.96	155.80	147.12	409.88	-
Net book as at March 31, 2021	87.97	92.38	197.55	277.90	2,833.63
Net book as at March 31, 2020	92.71	93.38	183.61	269.70	2,833.63

**5(a) Right-of-use assets**

Particulars	Lease property	Total
Gross book value as at April 01, 2019	761.69	761.69
Additions during the year	287.53	287.53
Deletions during the year	-	-
Gross book value as at March 31, 2020	1,049.22	1,049.22
Additions during the year	760.80	760.80
Deletions during the year	218.14	218.14
Gross book value as at March 31, 2021	1,591.88	1,591.88
Accumulated depreciation as at April 01, 2019	-	-
Depreciation charge for the year	208.45	208.45
Deletions during the year	-	-
Accumulated depreciation as at March 31, 2020	208.45	208.45
Depreciation charge for the year	221.58	221.58
Deletions during the year	91.52	91.52
Accumulated depreciation as at March 31, 2021	378.51	378.51
Net book as at March 31, 2021	1,213.37	1,213.37
Net book as at March 31, 2020	840.77	840.77



# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued) as at March 31, 2021

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
<b>6 Investments</b>		
<b>(a) Non-current investments</b>		
<b>Investments in equity shares of other companies (unquoted, fully paid up, at fair value through profit and loss)</b>		
7,500 (March 31, 2020 : 7,500) Equity shares of ₹ 10 each, fully paid up, in Belapur Railway Station Complex Limited	0.08	0.08
	<u>0.08</u>	<u>0.08</u>
<b>(b) Current investments in units of unquoted mutual fund (at fair value through profit and loss)</b>		
99,728 Units (March 31, 2020 - 99,728 Units ) of face value of ₹ 10 each in ICICI Prudential Short term Plan- Growth	4.85	4.42
250,520 (March 31, 2020 - 250,520 Units ) of face value of ₹ 10 each in HDFC Corporate Debt Opportunities Fund Growth	4.80	4.37
166,260 Units (March 31, 2020 - 166,260 Units ) of face value of ₹ 10 each each in Aditya Birla Sun Life Medium term Plan-Growth	4.47	4.07
328,174 Units ICICI Prudential Liquid Fund (March 31, 2020: NIL Units)	100.01	-
1,806,813 Units ICICI Prudential Overnight Fund (March 31, 2020: NIL Units)	200.52	-
10,570,596 Units ICICI Prudential Ultra short term Fund (March 31, 2020: NIL Units)	241.83	-
77,823 Units SBI liquid fund (March 31, 2020: NIL Units)	250.72	-
47,793 Units SBI Overnight fund (March 31, 2020: NIL Units)	160.19	-
766,644 (March 31, 2020: Nil Units) in ICICI Prudential ICICI Prudential Overnight Fund	85.08	300.31
877,469 (March 31, 2020: Nil Units) in ICICI Prudential Ultra short term Fund	20.07	253.06
164,108 (March 31, 2020: Nil Units) in ICICI Prudential Liquid Fund	50.01	-
	<u>1,122.55</u>	<u>566.23</u>

## 7 Other Financial Assets

	Non - Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>				
Claims receivable	68.96	98.50	-	-
Accrued Interest	-	-	7.87	5.31
Unbilled revenue	-	-	1,875.21	1,423.94
Balance in fixed deposit accounts with original maturity more than 12 months	0.04	16.23	-	-
Margin money deposits (refer note below)	85.80	19.76	-	-
Advances to employees	-	-	33.02	22.43
Sundry deposits	83.94	91.70	-	-
	<u>238.74</u>	<u>226.19</u>	<u>1,916.10</u>	<u>1,453.64</u>
<b>Unsecured, considered doubtful</b>				
Sundry deposits	2.33	2.33	-	-
Claims receivable	95.34	107.23	-	-
	<u>97.67</u>	<u>109.56</u>	<u>-</u>	<u>-</u>
<b>Less: Impairment allowance for doubtful assets</b>	(97.67)	(109.56)	-	-
	<u>238.74</u>	<u>226.19</u>	<u>1,916.10</u>	<u>1,453.64</u>

### Notes:

#### Margin money deposits given as security

Margin money deposits with carrying amount of ₹ 58.14 million (March 31, 2020 - ₹ 11.81 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Group for pending court cases and deposits of ₹ 27.66 million (March 31, 2020 - ₹ 7.95 million) are subject to first charge to secure the facilities for Vaulting and ATM operations

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# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued) as at March 31, 2021

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
<b>8 Deferred Tax Assets (Net)</b>		
<b>Deferred tax assets</b>		
Impairment allowance for bad and doubtful receivables	153.30	120.84
Impairment allowance for doubtful advances, claims receivable and deposits	18.76	27.57
Provision for employee benefits and bonus payable	83.32	101.46
Depreciation	-	14.16
Leases	13.10	6.70
Others	0.61	2.23
	<u>269.09</u>	<u>272.96</u>
<b>Deferred tax liabilities</b>		
Depreciation	21.26	-
	<u>21.26</u>	<u>-</u>
<b>Deferred tax assets (Net)</b>	<u>247.83</u>	<u>272.96</u>
<b>Deferred tax reconciliation</b>		
	As at March 31, 2021	As at March 31, 2020
Opening balance	272.96	327.58
Tax during the year recognised in Statement of Profit and Loss	(25.94)	(57.48)
Tax during the year recognised in other comprehensive income	0.81	2.86
<b>Closing balance</b>	<u>247.83</u>	<u>272.96</u>
<b>Tax reconciliation</b>		
Profit before tax	2,377.50	1,950.61
At statutory income tax rate of 25.168% (March 31, 2020: 25.168%)	598.37	490.93
Effect of change in tax rate	-	69.82
Effect of non-deductible items under tax laws	82.00	42.77
Adjustment of tax relating to earlier years	11.90	-
<b>At the effective income tax rate of 25.168% (March 31, 2020: 25.168%)</b>	<u>692.27</u>	<u>603.52</u>
Income tax expense reported in the Statement of Profit and Loss	692.27	603.52

## 9 Other Assets

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Unsecured, considered good</b>				
Advances recoverable in kind or for value to be received	20.32	20.30	142.40	169.25
Capital advances	75.59	55.55	0.45	-
Receivable from Government Authorities	47.66	44.78	135.52	114.37
Prepaid expenses	22.86	13.37	155.07	212.58
	<u>166.43</u>	<u>134.00</u>	<u>433.44</u>	<u>496.20</u>

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued) as at March 31, 2021

(₹ in million)

	As at March 31, 2021	As at March 31, 2020
<b>10 Inventories</b>		
Valued at lower of cost and net realisable value		
Trading goods (refer note below)	456.48	183.42
Stores and spares	438.25	247.02
	<u>894.73</u>	<u>430.44</u>

**Note:**

Trading stock includes stock at ATM sites which are not installed as at March 31, 2021 amounting to ₹ 285.59 million (March 31, 2020 - ₹ 63.94 million).

### 11 Trade Receivables

Secured and considered good	-	-
Unsecured and considered good	3,490.95	3,344.57
Credit impaired	586.36	480.24
	<u>4,077.31</u>	<u>3,824.81</u>
Less Loss allowance	(586.36)	(480.24)
	<u>3,490.95</u>	<u>3,344.57</u>

### 12 Cash and Bank Balances

**Cash and cash equivalents**

**Balances with banks**

On current accounts	927.98	708.43
In deposits account with original maturity of less than three months	400.22	871.16
Cash on hand	6.94	11.71
	<u>1,335.14</u>	<u>1,591.30</u>

**Bank balances other than above**

Funds held relating to cash management activity (refer note (i) below)	69.57	220.58
In deposits account with original maturity for less than 12 months but more than three month	450.98	17.08
Margin money deposits (refer note (ii) below)	89.79	76.53
	<u>610.34</u>	<u>314.19</u>

**Note:**

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

(ii) Margin money deposits with carrying amount of ₹ 66.25 million (March 31, 2020 ₹ 49.91 million) are subject to first charge to secure the Bank guarantees / fixed deposits given by banks on behalf of the Group for pending court cases and deposits of 23.54 million (March 31, 2020 - ₹ 26.62 million) are subject to first charge to secure the facilities for Vaulting and ATM operations

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued)

as at March 31, 2021

(₹ in million)

### 13(a) Share Capital

	As at March 31, 2021	As at March 31, 2020
<b>Authorised share capital</b>		
173,000,000 (March 31, 2020 - 173,000,000) equity shares of ₹ 10 each	1,730.00	1,730.00
1,500,000 (March 31, 2020 - 1,500,000) 0.01% Optionally convertible cumulative redeemable preference shares of ₹ 100 each	150.00	150.00
	<u>1,880.00</u>	<u>1,880.00</u>
<b>Issued, subscribed and fully paid up shares:</b>		
148,000,000 (March 31, 2020 - 148,000,000) equity shares of ₹ 10 each	1,480.00	1,480.00

#### (i) Terms and rights attached to equity shares

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

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

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

Name of the Shareholder	As at March 31, 2021		As at March 31, 2020	
	No of Shares	% Shareholding	No of Shares	% Shareholding
Equity shares of ₹ 10 each fully paid up				
Sion Investment Holdings Pvt. Limited (Holding company)	14,80,00,000	100.00%	14,80,00,000	100.00%
<b>Total</b>	<u>14,80,00,000</u>	<u>100.00%</u>	<u>14,80,00,000</u>	<u>100.00%</u>

#### Notes:

- (i) As per records of the Group, including its register of share holders / members and other declarations received from shareholders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.
- (ii) **Shares reserved for issue under options**  
For details of options allotted under employee stock option schemes, refer note 39.
- (iii) During the year 2020-21, the Board has paid ₹ 362.60 million interim dividends. The first dividend was declared on May 4, 2020 at the rate of ₹ 1.70 per equity share (17% of the face value of ₹ 10 each) and the second dividend was declared on November 2, 2020 at the rate of ₹ 0.88 per equity share (8.8% of the face value of ₹ 10 each). The dividend distribution tax on the said dividends is ₹ Nil as the Group has withheld 10% TDS on the Gross dividend and remittance is done net of withholding taxes. The withholding taxes are duly deposited with the Government.

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued)

as at March 31, 2021

(₹ in million)

### 13(b) Other equity

	As at March 31, 2021	As at March 31, 2020
<b>A) Summary of Other Equity balance</b>		
<b>Securities premium</b>		
Opening balance	42.87	42.87
Add: Securities premium on shares issued during the year	-	-
Closing balance	<u>42.87</u>	<u>42.87</u>
<b>Share based payment reserve (refer note 39 &amp; 40)</b>		
Opening balance	386.82	376.34
Add: Employee stock option compensation cost during the year	19.61	10.48
Closing balance	<u>406.43</u>	<u>386.82</u>
<b>Capital redemption reserve</b>		
Opening balance	150.50	150.50
Add: Transfer during the year	-	-
Closing balance	<u>150.50</u>	<u>150.50</u>
<b>Retained earnings</b>		
Opening balance	6,443.72	5,429.04
Add: Net profit after tax transferred from Statement of Profit and Loss	1,685.23	1,347.09
Less: Dividend Paid	(362.60)	(321.16)
Less: Other comprehensive income	(1.39)	(11.25)
Closing balance	<u>7,764.96</u>	<u>6,443.72</u>
<b>Total</b>	<u><u>8,364.76</u></u>	<u><u>7,023.91</u></u>

### B) Nature and purpose of reserves

- (i) **Securities Premium** : The amount received in excess of face value of the equity shares is recognised in Securities Premium. In case of equity-settled share based payment transactions, the difference between fair value on grant date and nominal value of share is accounted as securities premium, on exercise of the option.
- (ii) **Share based payment reserves** : The fair value of the equity-settled share based payment transactions is recognised in Statement of Profit and Loss with corresponding credit to Share based payment reserves.
- (iii) **Capital Redemption Reserve**: The Group has recognised Capital Redemption Reserve on buyback of equity shares from its retained earnings. The amount in Capital Redemption Reserve is equal to nominal amount of the equity shares bought back.
- (iv) **Retained Earnings**: Retained earnings are the profits that the Group has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued) as at March 31, 2021

(₹ in million)

### 14 Trade Payables

	Current	
	As at March 31, 2021	As at March 31, 2020
Dues of micro enterprises and small enterprises ( refer note 32)	45.37	100.37
Dues of creditors other than micro enterprises and small enterprises	2,010.52	1,612.34
	<u>2,055.79</u>	<u>1,712.71</u>

### 15 Other Financial liabilities

	Non current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Capital creditors	-	-	896.33	76.83
Lease liabilities	945.38	633.66	320.97	231.50
Claims payable	-	-	-	9.86
Payable to employees	-	-	481.73	520.69
Accrued expenses	-	-	1,005.76	956.80
Other	-	-	32.38	-
	<u>945.38</u>	<u>633.66</u>	<u>2,737.17</u>	<u>1,801.68</u>

### 16 Provisions

	Non-Current		Current	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits				
For gratuity (refer note 28)	140.82	142.89	15.98	10.10
For compensated absences	50.19	48.07	13.24	10.62
	<u>191.01</u>	<u>190.96</u>	<u>29.22</u>	<u>20.72</u>

### 17 Other Current Liabilities

	Current	
	As at March 31, 2021	As at March 31, 2020
Statutory liabilities (including provident fund, tax deducted at source and others)	168.62	248.53
Unearned revenue	146.15	209.21
	<u>314.77</u>	<u>457.74</u>

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued) for year ended March 31, 2021

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>18 Revenue from operations (refer note 42)</b>		
Sale of ATM and ATM Sites	1,622.83	1,354.53
Sale of products	683.02	1,198.50
Sale of services (refer note 29)	10,755.05	11,279.35
<b>Revenue from operations</b>	<b>13,060.90</b>	<b>13,832.38</b>
<b>Details of products sold</b>		
ATM Spares and related Products	536.34	1,110.31
Cards	143.70	76.81
Others	2.98	11.38
	<b>683.02</b>	<b>1,198.50</b>
<b>Details of services rendered</b>		
ATM and Cash management services	8,961.26	9,776.45
AMC services	1,478.86	1,088.41
Card Personalisation	314.94	356.96
	<b>10,755.06</b>	<b>11,221.82</b>
<b>19 Other Income</b>		
Sundry credit balances written back	52.76	0.29
Profit on sale of property, plant and equipment (net)	1.40	3.73
Foreign exchange gain (net)	12.29	-
Profit on sale of current investments	7.65	12.92
Net change in fair value of current investments measured at FVTPL	3.91	4.28
Lease rent concession	20.07	-
Miscellaneous income	1.04	0.06
	<b>99.12</b>	<b>21.28</b>
<b>20 Finance Income</b>		
Interest income on		
Bank deposits	53.06	16.82
Security deposits measured at amortised cost	3.81	3.46
Income Tax refund	2.32	9.00
	<b>59.19</b>	<b>29.28</b>
<b>21 Purchase of traded goods</b>		
Purchase of traded goods	2,069.54	1,814.60
<b>Details of purchases</b>		
ATM and ATM Sites	1,534.26	899.31
ATM Spares and related Products	416.84	859.41
Cards	118.44	55.88
	<b>2,069.54</b>	<b>1,814.60</b>

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

	For the year ended March 31, 2021	For the year ended March 31, 2020
<b>22 (Increase) / Decrease in Inventories</b>		
Inventories at the end of the year		
Traded goods	456.48	183.42
Inventories at the beginning of the year		
Traded goods	183.42	282.00
	<u>(273.06)</u>	<u>98.58</u>
<b>23 Employee Benefit Expense</b>		
Salaries, wages and bonus	1,779.35	1,943.44
Contribution to provident and other funds (refer note 28)	145.59	158.06
Gratuity expense (refer note 28)	32.96	33.51
Share based payments to employees (refer note 40 and 41)	19.61	10.48
Staff welfare expenses	38.33	48.04
	<u>2,015.84</u>	<u>2,193.53</u>
<b>24 Finance Costs</b>		
Interest on bank overdraft	6.82	5.53
Interest others	2.06	0.30
Interest on lease liability	73.44	67.32
	<u>82.32</u>	<u>73.15</u>
<b>25 Other Expenses</b>		
Service and security charges	2,651.89	3,036.58
Conveyance and traveling expenses	567.67	792.17
Vehicle maintenance, hire and fuel cost	1,116.84	1,303.13
Consumption of stores and spares	231.62	234.34
Annual maintenance charges	233.59	179.60
Lease rentals	11.63	12.42
Legal, professional and consultancy fees	183.92	172.13
Courier, freight and forwarding charges	138.61	135.99
Power and electricity charges	83.05	80.47
Insurance	205.07	137.04
Communication costs	38.77	35.98
Advances written off	-	88.17
Trade receivables written off	322.67	460.31
Less : Out of the provision of earlier years	(99.89)	(72.83)
Impairment allowance for bad and doubtful receivables and deposits	206.00	133.60
Cash disposal charges	156.01	196.64
Insurance Claims receivables written off	12.68	14.60
Less : Out of the provision of earlier years	(11.89)	(14.60)
Impairment allowance for doubtful insurance claims	-	33.76
Advances and other Debit balance written off	1.08	6.67
Less : Out of the provision of earlier years	-	(1.98)
Cash lost in transit	75.32	23.97
Repairs and maintenance- Building	0.10	3.55
- Plant and Machinery	0.35	0.30
- Others	18.42	23.84
Payment to auditors		
As auditors:		
Audit fees	6.57	6.57
Reimbursement of expenses	0.18	9.28
Foreign exchange loss (net)	-	6.64
Expenditure on corporate social responsibility (Refer Note 34)	33.40	25.06
Miscellaneous expenses	128.86	132.21
	<u>6,312.52</u>	<u>7,186.61</u>



# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 26. Earnings Per Share (EPS)

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

Particulars	March 31, 2021	March 31, 2020
Profit for the year attributable to equity shareholders	1,683.84	1,347.09
Weighted average number of equity shares for Basic EPS	148,000,000	148,000,000
Weighted average number of equity shares on account of Employees' stock option scheme for dilutive impact	3,914,481	3,907,106
Weighted average number of equity shares for diluted EPS	151,914,481	151,907,106
<b>Earnings Per Share</b>		
Basic (in ₹)	11.39	9.10
Diluted (in ₹)	11.09	8.87

### 27. Capital Work in Progress

The following reflects the Capital work in progress Movement during the years:

Particulars	March 31, 2021	March 31, 2020
Opening CWIP as at	39.32	11.10
(+) Additions during the year	230.85	39.31
(-) Capitalised during the year	38.70	11.09
Closing CWIP as at	231.47	39.32

### 28. Employee benefits

#### Defined contribution plan

During the year ended March 31, 2021 and March 31, 2020 the Group contributed the following amounts to defined contribution plans:

Particulars	March 31, 2021	March 31, 2020
Provident fund and Employees family pension scheme	119.82	123.28
Employees' State Insurance Corporation	25.77	34.78
<b>Total</b>	<b>145.59</b>	<b>158.06</b>

#### Defined benefit plan

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 28. Employee benefits (Continued)

#### Defined benefit plan (Continued)

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

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

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

Particulars	March 31, 2021	March 31, 2020
Current service cost	23.15	23.04
Net interest cost	9.81	10.47
<b>Expenses recognised in the Statement of Profit and Loss</b>	<b>32.96</b>	<b>33.51</b>

#### Net employee benefits expense (recognised in other comprehensive income)

Particulars	March 31, 2021	March 31, 2020
<b>Actuarial losses / (gains)</b>		
- change in demographic assumptions	-	(0.05)
- change in financial assumptions	0.61	7.73
- experience variance ( i.e. actual experience vs assumptions)	2.84	5.96
- Return on plan assets, excluding amount recognized in net interest expense	(1.25)	0.46
<b>Components of defined benefit cost recognized in other comprehensive income</b>	<b>2.20</b>	<b>14.11</b>

#### Balance Sheet:

#### Details of provision and fair value of plan assets

Particulars	March 31, 2021	March 31, 2020
Present value of obligation	202.80	201.03
Fair value of plan asset	46.01	42.04
<b>Net liability</b>	<b>156.79</b>	<b>158.99</b>

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 28. Employee benefits (Continued)

#### Balance Sheet: (Continued)

#### Changes in present value of obligation

Particulars	March 31, 2021	March 31, 2020
Present value of obligation at the beginning of the year	201.03	180.21
Current service cost	23.15	23.04
Interest expense	12.97	13.47
Re-measurement (gain) / loss arising from		
- change in demographic assumptions	-	(0.05)
- change in financial assumptions	0.61	7.73
- experience variance (i.e. actual experience vs assumptions)	2.84	5.96
Past service cost	-	-
Benefits paid	(37.79)	(29.33)
<b>Present value of obligation at the end</b>	<b>202.80</b>	<b>201.03</b>

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

Particulars	March 31, 2021	March 31, 2020
Fair value of plan assets at the beginning	42.04	39.81
Investment income	2.72	3.00
Employer's contribution	-	-
Benefits paid	-	(0.31)
Re-measurement gain / (loss) arising from	-	-
Return on plan assets, excluding amount recognized in net interest expense	1.25	(0.46)
<b>Fair value of plan assets as at the end</b>	<b>46.01</b>	<b>42.04</b>

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

Particulars	March 31, 2021	March 31, 2020
Investment with insurer	100%	100%

The Group expects to contribute ₹ Nil (March 31, 2020 - ₹ Nil) to gratuity fund during the annual period beginning after balance sheet date.

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

Particulars	March 31, 2021	March 31, 2020
Weighted average duration (based on discounted cash flows)	7 to 12 years	7 to 12 years

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 28. Employee benefits (Continued)

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

Group's expected cash flows over the future period (on undiscounted basis)	March 31, 2021	March 31, 2020
1 year	17.82	18.34
2 to 5 years	71.06	70.23
6 to 10 years	85.16	83.92
More than 10 years	220.39	222.04

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

Particulars	March 31, 2021	March 31, 2020
Discount rate	6.25% - 6.60%	6.25% - 6.60%
Salary Growth rate	0% for FY 2021 and 5% there after	0% for FY 2021 and 5% there after
Employee Attrition rate		
- Less than 5 years of service	25%	25%
- More than 5 years of service	5%	5%

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

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

A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2021 is as shown below:

Particulars	March 31, 2021		March 31, 2020	
	Decrease in assumption	Decrease in assumption	Decrease in assumption	Increase in assumption
Discount Rate (+/-1%)	18.86	(16.38)	18.85	(13.96)
(% change compared to base due to sensitivity)	9.30%	-8.08%	9.38%	-7.75%
Salary Growth Rate (+/-1%)	(16.34)	13.45	(16.50)	15.90
(% change compared to base due to sensitivity)	-8.06%	6.63%	-8.21%	8.83%
Attrition Rate (+/- 50% of attrition rates)	(3.05)	1.22	(3.50)	4.13
(% change compared to base due to sensitivity)	-1.50%	0.60%	-1.74%	2.29%
Mortality Rate (+/-10% of Mortality rates)	(0.06)	0.06	(0.06)	0.09
(% change compared to base due to sensitivity)	-0.03%	0.03%	-0.03%	0.05%

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 28. Employee benefits (Continued)

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

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

#### Other long term employee benefits

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

Amount of ₹ 15.49 million (March 31, 2020: ₹ 15.64 million) for Compensated absences is recognised as an expense and included in "Employee benefits" in the Statement of Profit and Loss. Accumulated non-current liability amount to ₹ 50.19 million (March 31, 2020: ₹ 48.07 million) and accumulated current liability amount to ₹ 13.24 million (March 31, 2020: ₹ 10.62 million).

### 29. Operating leases

#### Group as lessee:

Effective April 1, 2019, the group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1 April 2019 using the modified retrospective method. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application. The group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at April 1, 2019. Consequently, the group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use assets representing the right to use the underlying assets.

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

Particulars	March 31, 2021	March 31, 2020
Current Lease Liabilities	320.97	231.50
Non-current Lease Liabilities	945.38	633.66
<b>Total</b>	<b>1,266.35</b>	<b>865.16</b>

The following is the movement in lease liabilities during the year ended 31 March 2021:

Particulars	March 31, 2021	March 31, 2020
Balance as at 01 April	865.16	761.69
Additions	760.40	285.33
Finance cost accrued during the year	73.44	67.32
Deletions	(166.89)	-
Lease rent concession	(20.07)	-
Payment of lease liability	(245.69)	(249.18)
<b>Balance as of 31 March</b>	<b>1,266.35</b>	<b>865.16</b>

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 29. Operating Leases (continued)

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

Particulars	March 31, 2021	March 31, 2020
Less than one year	320.97	2,501.14
One to five years	1,044.24	736.69
More than five years	296.93	175.21
<b>Total</b>	<b>1,662.14</b>	<b>1,162.04</b>

The following is the movement in Right-of-use assets during the year ended 31 March 2021:

Particulars	March 31, 2021	March 31, 2020
Balance as of 01 April	838.59	761.69
Additions during the year	760.40	285.33
Deletions during the year	(218.14)	-
De-recognition of right to use asset	(170.06)	(1,208.43)
<b>Balance as of 31 March</b>	<b>1,210.79</b>	<b>838.59</b>

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 29. Operating leases (continued)

The weighted average incremental borrowing rate applied to lease liabilities as at 1 April 2020 is 8.5%.

The outflow on account of lease liabilities for the year ended 31 March 2021 is ₹ 245.68 million.

#### Group as lessor: lease receivables

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

Particulars	March 31, 2021	March 31, 2020
Within one year	18.05	123.80
After one year but not more than five years	21.56	72.28
More than five years	-	-
<b>Total</b>	<b>39.61</b>	<b>196.08</b>

During the current year, the Group has recognized ₹ 116.28 million (March 31, 2020 - ₹ 123.80 million) as income in relation to the above arrangements. These are reported under sale of services (refer note 18). The above lease rentals are fixed monthly fees.

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

Particulars	March 31, 2021	March 31, 2020
Gross block value	1,322.70	125.06
Less: Accumulated Depreciation	(184.38)	(53.46)
<b>Net block value</b>	<b>1,138.32</b>	<b>71.60</b>
Depreciation for the year	86.69	19.93

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 30. Related party disclosures

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

Related parties where control exists	
Ultimate Holding Company	Baring Private Equity Asia GP VI Limited
Parent of Holding Company	Baring Private Equity Asia VI Holdings Pte. Limited
Entities under common control	Vault Co-Investment Vehicle L.P.
Holding Company	Sion Investment Holdings Pte. Limited

#### Names of related parties and related party relationship

Other Related parties	
Key Management Personnel (KMP)	<b>Whole Time Director &amp; Chief Executive Officer</b> - Mr. Rajiv Kaul  <b>Chief Financial Officer</b> - Mr. Pankaj Khandelwal  <b>Non-Executive Independent Director</b> - Ms. Shyamala Gopinath - Mr. Krishna Mohan Sahani (upto 31 March 2021)  <b>Non- Executive Directors</b> - Mr. Ashish Agrawal - Mr. Jimmy Lachmandas Mahtani  <b>Company Secretary</b> - Mr. Praveen Soni



# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued) for the year ended March 31, 2021

(₹ in million)

### 30(b) Details of transactions with related parties:

	Transactions		Receivable / (Payable)	
	For the year ended March 31, 2021	For the year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
<b>Remuneration to KMP (short-term employee benefits)</b>				
Mr. Rajiv Kaul	96.48	66.99	(34.89)	(35.52)
Mr. Pankaj Khandelwal	13.21	12.19	(2.78)	(2.63)
Mr. Gopal Krishna Pillai	-	2.10	-	-
Mrs. Shyamala Gopinath	2.10	2.10	(0.53)	(0.53)
Mr. Krzysztof Wieslaw Jamroz	-	2.10	-	-
Mr. Krishna Mohan Sahni	2.10	-	-	-
<b>Employee stock option compensation cost</b>				
Mr. Rajiv Kaul (refer note 39)	15.69	15.69	-	-
Mr. Pankaj Khandelwal	0.32	1.62	-	-
<b>Sitting fees paid to Directors</b>				
Mr. Gopal Krishna Pillai	-	0.30	-	-
Mrs. Shyamala Gopinath	0.40	0.30	-	(0.10)
Mr. Krzysztof Wieslaw Jamroz	-	0.20	-	-
Mr. Krishna Mohan Sahni	0.40	-	-	-

#### 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.

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued) for year ended March 31, 2021

(₹ in million)

### 31. Contingent liabilities and capital commitments

#### a) Contingent liabilities:

Particulars	March 31, 2021	March 31, 2020
Claims against the Group not acknowledged as debt		
a) Disputed Customs matters*	87.91	42.78
b) Disputed VAT matters*	247.77	245.89
c) Disputed Excise matters*	69.03	69.03
d) Disputed CST matters *	6.56	6.30
e) Disputed GST matters *	0.82	28.61
f) Disputed Service tax matters *	7.05	-
g) Employee litigation matters	13.25	-
h) Disputed Income tax matter	118.33	-
<b>Total</b>	<b>550.72</b>	<b>392.61</b>

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

- b) During the year 2016-17, one of the customers withheld the amount due to Securitrans India Private Limited ("SIPL"), subsidiary of the Company for providing cash replenishment services on account of an alleged instance of misappropriation by two employees of SIPL. Since the parties failed to resolve the dispute amicably, SIPL served a notice of pending dues to the customer on January 17, 2017. SIPL and the customer have appointed their respective arbitrators and the matter is currently pending before arbitration Tribunal and the management is confident of recovering the entire amount.

Considering the litigation involved, the Company has provided for doubtful receivables based on the best judgment assessment of the case. The management believes that the provision made in the books is sufficient to cover the liability for loss, if any, which would be confirmed only after the final result of the litigation.

Since the matter is under litigation, the disclosures required as per the provisions of Ind AS 37 relating to the provisions made are not given as it is expected to prejudice seriously the position of the Company with regards to the litigation.

- c) The estimated amount of contracts remaining to be executed on capital account and not provided for as at March 31, 2021 is ₹ 548.27 million (March 31, 2020 ₹ 67.61 million).
- d) There has been a Supreme Court (SC) judgement dated 28th February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. The group believes, based on legal opinion, that the liability if any would be prospective from the date of order. Based on such opinion and pending clarification from PF authorities, the group has recorded the cost prospectively from March 2019.
- e) In addition, there are certain civil claims against the Group, the impact of which is not quantifiable. The Management is confident, that these will not have any material impact in the financial statement.

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

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

The Group has ₹ 45.27 million (March 31, 2020 ₹ 100.37) dues outstanding to the micro and small enterprises as defined in Micro, Small and Medium Enterprise Development Act, 2006. The information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Group. This has been relied upon by the auditors.

Particulars	March 31, 2021	March 31, 2020
<b>Total outstanding dues of micro enterprises and small enterprises (as per the intimation received from vendors)</b>	<b>45.27</b>	<b>100.37</b>
a. Principal and interest amount remaining unpaid	-	-
b. Interest paid by the Group in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day	-	-
c. Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the Micro, Small and Medium Enterprises Act, 2006	-	-
d. Interest accrued and remaining unpaid	-	-
e. Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

### 33. Impairment test of Goodwill

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

- ₹ 694.25 million (March 31, 2020: ₹ 694.25 million), relates to the Cash Management division of the Holding Company.
- ₹ 1,147.52 million (March 31, 2020: ₹ 1,147.52 million), relates to one of the subsidiary- "Securitrans India Private Limited".
- ₹ 185.94 million (March 31, 2020: ₹ 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 Group performed its annual impairment test for years ended March 31, 2021 and March 31, 2020. The Group considers the relationship between its value in use and its carrying value, among other factors, when reviewing for indicators of impairment.

The recoverable amount of the goodwill is determined based on a value in use ('VIU') calculated using cash flow projections from financial budgets approved by management covering a period of five year period and the terminal value (after considering the relevant long-term growth rate) at the end of the said forecast periods. The Group has extrapolated cash flows beyond 5 years using a growth rate of 4% for the year ended March 31, 2021 (March 31, 2020: 4%). The pre-tax discount rate applied to the cash flow projections for impairment testing is 13.7% for March 31, 2021 (March 31, 2020: 13.7%).

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 33. Impairment test of Goodwill (Continued)

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

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

Based on the above assumptions and analysis, no impairment was identified as at March 31, 2021. Further, on the analysis of the said calculation's sensitivity to a reasonably possible change in any of the above mentioned key assumptions / parameters on which the Management has based determination of the CGU's recoverable amount, there are no scenarios identified by the Management wherein the carrying value could exceed its recoverable amount.

### 34. Expenditure on corporate social responsibility

As per section 135 of the Act, a CSR committee has been formed by the Group. The funds are utilised throughout the year on activities which are specified in Schedule VII of the Act. Gross amount required to be spent by the group during the year is ₹ 31.69 million (March 31, 2020 ₹ 26.97 million).

Particulars	March 31, 2021			March 31, 2020			
	Amounts spent during the year :-	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
(i) Construction / acquisition of any asset	-	-	-	-	-	-	-
(ii) On purpose other than (i) above	33.40	-	33.40	25.06	-	25.06	

### 35. Fair value hierarchy

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

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

	Cost	Fair value	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>					
<b>FVTPL financial investments</b>					
Investment in mutual fund units	1,116.70	1,122.55	1,122.55	-	-
Investment in unquoted equity shares	0.08	0.08	-	-	0.08

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 35. Fair value hierarchy (Continued)

#### Quantitative disclosures fair value measurement hierarchy as at March 31, 2020

	Cost	Fair value	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>					
<b>FVTPL financial investments</b>					
Investment in mutual fund units	560.50	566.23	566.23	-	-
Investment in unquoted equity shares	0.08	0.08	-	-	0.08

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

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 amortized cost is not significantly different in each of the year presented.

#### Break up of financial assets carried at amortised cost

Particulars	March 31, 2021	March 31, 2020
Trade receivables	3,490.94	3,344.57
Cash and cash equivalents	1,335.14	1,591.30
Other bank balances	610.34	314.19
Other financial assets	2,154.85	1,679.83
<b>Total financial assets carried at amortised cost</b>	<b>7,591.27</b>	<b>6,929.89</b>

#### Break up of financial liabilities carried at amortised cost

Particulars	March 31, 2021	March 31, 2020
Trade payables	2,055.77	1,712.71
Other financial liabilities	3,682.55	2,435.34
<b>Total financial liabilities carried at amortised cost</b>	<b>5,738.32</b>	<b>4,148.05</b>

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.

### 36. Financial risk management objectives and policies

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 36. Financial risk management objectives and policies(Continued)

#### Credit risk

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

#### Trade receivables

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

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

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

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

Gross Carrying Amount	March 31, 2021	March 31, 2020
Current (not past due)	812.62	1,293.68
1 to 30 days past due	1,072.86	504.97
31 to 60 days past due	534.72	393.67
61 to 180 days past due	556.55	647.68
Above 180 days past due	1,100.55	984.81
<b>Grand Total</b>	<b>4,077.30</b>	<b>3,824.81</b>

The above exposure includes Three customers whose individual credit exposure exceeds 10% of total trade receivables.

#### Movement in allowance of impairment in respect of trade receivables

Particulars	March 31, 2021	March 31, 2020
Balance as at April 01	480.24	419.47
Amounts written off ( Net )	(99.89)	(72.83)
Net re-measurement of loss allowances	206.00	133.60
Balance as at March 31	586.36	480.24

Security deposits are interest free deposits given by the group for properties taken on Lease. Provision is taken on a case to case basis depending on circumstances with respect to non-recoverability of the amount. The gross carrying amount of Security deposit is ₹ 83.94 million as at 31st March 2021 and ₹ 91.70 million as at 31st March 2020.

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 36. Financial risk management objectives and policies (Continued)

Movement in allowance of impairment in respect of other receivables:

Particulars	March 31, 2021	March 31, 2020
Balance as at April 01	109.56	90.40
Amounts written off (Net)	(11.89)	(14.60)
Net re-measurement of loss allowances	0	33.76
Balance as at March 31	97.67	109.56

#### Trade receivables

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

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit, working capital demand loan and bank loans. The Group has access to a sufficient variety of sources of funding. The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021:

Particulars	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade payables	-	2,055.77	-	-	2,055.77
Other financial liabilities	-	2,737.17	1,019.57	294.61	4,051.35
<b>Total</b>	<b>-</b>	<b>4,792.94</b>	<b>1,019.57</b>	<b>294.61</b>	<b>6,107.12</b>

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2020:

Particulars	On demand	Within 12 months	1 to 5 years	Above 5 years	Total
Trade payables	-	1,712.71	-	-	1,712.71
Other financial liabilities	-	1,801.68	733.23	176.90	2,711.81
<b>Total</b>	<b>-</b>	<b>3,514.39</b>	<b>733.23</b>	<b>176.90</b>	<b>4,424.52</b>

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 36. Financial risk management objectives and policies (Continued)

#### Capital management

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

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents. In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. The Group does not have any loans outstanding as at March 31, 2021. 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, 2021 and March 31, 2020.

### 37. Provision for warranty

A provision of ₹ NIL as at March 31, 2021 (March 31, 2020: ₹ NIL) is carried against expected warranty claims on sale of ATM sites and related products as at March 31, 2021. The provision is recognized based on historical experience and expected costs that will be incurred on providing repairs and maintenance services during the warranty period. Assumptions used to calculate the provision for warranty is based on current sales levels and current information available based on the warranty period for the ATM sites and related products sold. The table below gives information about movement in warranty provision during the year ended March 31, 2021 and March 31, 2020.

Particulars	March 31, 2021	March 31, 2020
At the beginning of the year	-	19.56
Arising during the year	-	-
Utilized / reversed during the year	-	(19.56)
Unwinding of finance cost	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>



# CMS Info Systems Limited

## Notes to consolidated financial statements *(Continued)*

for year ended March 31, 2021

(₹ in million)

### 38. Operating Segment

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

- a) Cash management services include ATM services; Cash delivery and pick-up, Network cash management services (together known as "Retail cash management services") and other related services
- b) Managed services division includes income from sale of ATM and ATM sites and related products and maintenance services.
- c) Card division includes revenue from trading in card and card personalization services.

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

Finance income and certain finance costs, and fair value gains and losses on financial asset are not allocated to individual segments as the underlying instruments are managed on a Group basis. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on Group basis. Capital Expenditure consists of addition of property, plant and equipment, intangible assets and capital advances.

# CMS Info Systems Limited

## Consolidated Notes to financial statements (Continued) for year ended March 31, 2021

(₹ in million)

### 38 Segment information

Particulars	Cash management services		Managed services		Cards		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
(a) Segment Revenue								
External Sales	8,961.25	9,776.45	3,641.01	3,622.16	458.64	433.77	13,060.90	13,832.38
Intra-segment Sales	132.94	67.00	-	-	-	-	132.94	67.00
Total segment Revenue	9,094.19	9,843.45	3,641.01	3,622.16	458.64	433.77	13,193.84	13,899.38
(b) Segment result								
Less: Unallocated corporate expenses	2,039.81	1,666.17	547.27	634.66	37.91	49.83	2,624.99	2,350.66
Profit from continuing operations before other income, finance cost/income and tax							2,299.31	1,998.03
Add: Other income	87.11	4.09	27.73	-	2.04	-	86.88	4.09
Add: Unallocated other income							12.24	17.16
Add: Finance income							59.19	29.33
Less: Finance cost	34.98	31.45	45.68	34.75	0.80	0.13	80.87	70.33
Less: Unallocated finance cost							1.45	2.82
Profit before tax (net of OCT)							2,375.30	1,936.50
Less: tax expenses							691.46	600.60
Profit after tax							1,683.84	1,335.84
(c) Segment Assets								
Unallocated corporate assets	6,463.46	7,514.44	5,701.42	2,464.41	247.82	283.77	12,412.70	10,262.62
Total Assets	6,463.46	7,514.44	5,701.42	2,464.41	247.82	283.77	3,705.40	3,064.76
(d) Segment Liabilities								
Unallocated Corporate Liabilities	1,844.58	1,978.96	4,027.67	2,117.07	92.49	131.51	5,964.74	4,227.54
Total Liabilities	1,844.58	1,978.96	4,027.67	2,117.07	92.49	131.51	308.60	49.86
(e) Capital Expenditure								
Unallocated corporate expenditure	165.16	641.12	1,160.17	178.40	37.66	25.90	1,362.99	845.42
Total Capital Expenditure	165.16	641.12	1,160.17	178.40	37.66	25.90	26.21	18.72
(f) Depreciation and Amortisation								
Unallocable depreciation and amortisation	368.35	339.36	216.64	172.39	26.93	24.70	611.92	536.45
Total Depreciation and Amortisation	368.35	339.36	216.64	172.39	26.93	24.70	22.63	29.43
(g) Non-cash expenses other than depreciation								
Unallocable non-cash expenses other than depreciation	363.07	488.03	67.96	77.86	0.04	0.73	431.07	566.67
Total non-cash expenses other than depreciation	363.07	488.03	67.96	77.86	0.04	0.73	19.20	99.43

Note:

#### Information about major customers

a) Revenue for the year ended March 31, 2021 includes revenue from one customer of the Group relating to Cash management services and Managed service segments amounting to ₹ 2,024.42 million representing 15% and another customer amounting to ₹ 2183.38 million representing 17% of the Group's total revenue.

b) Revenue for the year ended March 31, 2020 includes revenue from one customer of the Group relating to Cash management services and Managed service segments amounting to ₹ 1,628.88 million representing 12% and another customer amounting to ₹ 2891.91 million representing 21% of the Group's total revenue.

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 39. Employee Stock Option Schemes

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

Particulars	Employee Scheme	CEO Scheme	Management Scheme
Number of options reserved under the scheme	4,604,444	9,866,667	1,973,333
Number of option granted under the scheme	4,175,000	9,866,667	-

The vesting period of the grants is as follows:

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

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

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

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued) for year ended March 31, 2021

(₹ in million)

### 39 Employee Stock Option Schemes (Continued)

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

Particulars	March 31, 2021		March 31, 2020	
	Employee scheme	CEO Scheme	Employee scheme	CEO Scheme
Outstanding at the beginning of the year	3,555,750	9,866,667	3,809,409	9,866,667
Granted during the period	-	-	125,000	-
Forfeited / cancelled during the period	(34,000)	-	(378,659)	-
Exercised during the period	-	-	-	-
Expired during the period	-	-	-	-
<b>Outstanding at the end of the year</b>	<b>3,521,750</b>	<b>9,866,667</b>	<b>3,555,750</b>	<b>9,866,667</b>
<b>Weighted average exercise price of options (in ₹) :</b>				
Outstanding at the beginning of the year	125	123	125	123
Granted during the year	-	-	-	-
Outstanding at the end of the year	125	123	125	123
Exercisable at the end of the year	-	-	-	-
Weighted average remaining contractual life (in years)	0.04	-	0.07	-
Weighted average fair value of options granted during the year (in ₹)	-	-	-	-

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

Particulars	Assumptions	
	March 31, 2021	March 31, 2020
Dividend yield (%)	0%	0%
Expected volatility (%)	25% - 29%	25% - 29%
Risk-free interest rate (%)	6%	6%
Expected life of share options (years)	3.7 years	3.7 years
Weighted average fair value per share (in ₹)	143	143

The expected life of the share options is based on current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome. The historical volatility is based on price volatility of listed companies in same or similar industry. The holding company has allotted employee stock options to some of its employees through its Employee Stock Option Scheme. Over the year's 653,250 stock options has expired and lapsed on account of employees left the organization and accordingly reversal on account of same is recognized in the profit and loss account aggregating to ₹1.06 million. The group has recognized ₹4.97 million, (March 31, 2020 – ₹ 9.98 million) as employee benefit expense in relation to all the active options outstanding as at March 31, 2021

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 40. Agreement between Promoter and CEO

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

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

Since the option granted to CEO is for the services rendered to the Company, the Option has been valued considering the various probable scenarios and using specific assumptions relating to expected volatility and risk free return. The total charge over the period of vesting estimated is ₹ 70.20 million. The proportionate charge recognized during the current year is ₹ 15.69 million (March 31, 2020: ₹ 15.69 million)

### 41. Additional information to be disclosed as required under Schedule III to the Companies Act, 2013, of all enterprises consolidated:

As at March 31, 2021								
Particulars	Net assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As a %	₹ in million	As a %	₹ in million	As a %	₹ in million	As a %	₹ in million
<b>Parent</b>								
CMS Info Systems Limited	87%	9,511.95	90%	1,516.77	57%	(0.78)	90%	1,515.99
<b>Subsidiaries</b>								
Securitrans India Private Limited	12%	1,321.82	9%	151.85	28%	(0.38)	9%	151.47
CMS Securitas Limited	0%	29.60	1%	12.54	90%	(1.24)	1%	11.30
CMS Marshall Limited	0%	3.30	0%	2.63	-74%	1.02	0%	3.65
Quality Logistics Services Private Limited	0%	0.10	0%	-	0%	-	0%	-
CMS Securitas Employees Welfare Trust	0%	16.68	0%	1.40	0%	-	0%	1.40

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 41. Additional information to be disclosed as required under Schedule III to the Companies Act, 2013, of all enterprises consolidated (Continued)

Particulars	As at March 31, 2020							
	Net assets i.e., total assets minus total liabilities		Share in profit		Share in other comprehensive income		Share in total comprehensive income	
	As a %	₹ in million	As a %	₹ in million	As a %	₹ in million	As a %	₹ in million
<b>Parent</b>								
CMS Info Systems Limited	87%	8,338.95	95%	1,276.63	10%	(1.17)	93%	1,275.46
<b>Subsidiaries</b>								
Securitrans India Private Limited	13%	1,170.21	5%	68.99	39%	(4.35)	5%	64.64
CMS Securitas Limited	0%	18.25	0%	(0.83)	26%	(2.96)	0%	(3.79)
CMS Marshall Limited	0%	(0.35)	0%	1.18	25%	(2.75)	0%	1.57
Quality Logistics Services Private Limited	0%	0.10	0%	-	0%	-	0%	-
CMS Securitas Employees Welfare Trust	0%	15.28	0%	1.06	0%	-	0%	1.06

### 42. Ind AS 115 Revenue from Contracts with Customers

#### Sale of Product

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

#### Revenue for services

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

#### Disaggregation of revenue from contract with customers

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

#### Reconciliation of revenue recognized with contracted price

Particulars	March 31, 2021	March 31, 2020
Revenue as per Contracted Price	13,363.22	13,978.29
Reduction (Rebate/discount)	(302.32)	(145.91)
Revenue recognized as per the statement of profit and loss	13,060.90	13,832.38

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued)

for year ended March 31, 2021

(₹ in million)

### 42. Ind AS 115 Revenue from Contracts with Customers (Continued)

#### 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.

Particulars	March 31, 2020	March 31, 2020
Opening Balance	209.21	0.06
i) Additions during the year (net)	99.17	209.21
ii) Income recognized during the year	(162.22)	(0.06)
Closing Balance	146.16	209.21

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

Time Band	March 31, 2021	March 31, 2020
within 1 years	146.16	171.61
1 - 2 Year	-	9.40
2 - 3 Year	-	9.40
3 - 4 Year	-	9.40
4 - 5 Year	-	9.40
Total	146.16	209.21

#### Obligations for returns, refunds and other similar obligations:

There is no obligation for returns, refunds and other similar obligation as at 31 March 2021 and as at March 2020.

### 43. Impact of Corona Virus outbreak (COVID-19)

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

44. As per amendments in the Income Tax Act, 1961, new Section 115BAA has been introduced with effect from FY 2019-20 (AY 2020-21) to provide an option for a concessional tax at the rate of 22%. The Group has evaluated and opted for concessional tax rate in the previous year.

# CMS Info Systems Limited

## Notes to consolidated financial statements (Continued) for year ended March 31, 2021

(₹ in million)

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

Particulars	Note No.	Amount as per previous period financials	Adjustments	Revised amount for previous year
<b>Statement of Profit and Loss</b>				
Sale of ATM and ATM Sites	18	1,412.06	(57.53)	1,354.53
Sale of services	18	11,221.82	57.53	11,279.35
Purchase of traded goods	21	1,832.02	(17.42)	1,814.60
Annual maintenance charges	25	162.18	17.42	179.60

As per our report of even date

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

**Koosai Leher**  
Partner  
Membership No. 112399

Mumbai  
25 May 2021

For and behalf of Board of Directors of  
CMS Info Systems Limited  
CIN: U45200MH2008PLC180479

**Ashish Agrawal**  
Director

DIN No: 00163344  
Place : Mumbai

**Pankaj Khandelwal**  
Chief Financial Officer

Place: Mumbai

**Rajiv Kaul**

Whole Time Director  
and Chief Executive Officer

DIN No.: 02581313  
Place : Texas, USA

**Praveen Soni**  
Company Secretary  
Membership No. FCS 6495  
Place: Jaipur