Basant Jain & Associates LLP

CHARTERED ACCOUNTANTS

601, DALAMAL CHAMBERS, NEW MARINE LINES, MUMBAI - 400 020. TEL: 22018793 / 22018794 / 22018369

E-mail : basant.jain2011@gmail.com

INDEPENDENT AUDITOR'S REPORT

To The Members of CMS Securitas Limited.

Report on the StandaloneInd AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of CMS Securitas Limited("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (includingOther Comprehensive Income), the Cash Flow Statement and the Statement of Change in Equity for the year thenended, and a summary of the significant accounting policiesand other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to the preparation of thesestandalone Ind AS financial statements that give a true andfair view of the state of affairs(financial position), profitorloss (financial performance including other comprehensiveincome) and cash flows in accordance with the accounting principles generallyaccepted in India, including the Indian Accounting Standards(Ind AS) prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

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

Auditor's Responsibility

Our responsibility is to express an opinion on thesestandaloneInd AS financial statements based on our audit.We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

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

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

Opinion

In our opinion and to the best of our information andaccording to the explanations given to us, the aforesaidstandalone Ind AS financial statements give the informationrequired by the Act in the manner so required and give a trueand fair view in conformity with the accounting principlesgenerally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at March 31, 2019,its profit (financial performanceincluding other comprehensive income) and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

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

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

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

(c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

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

(e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure 2' to this report;

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

   i. The Company does not have any pending litigations which would impact its financial position;
   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Basant Jain & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 120131W/W100303

Basant K. Jain
Partner
Membership Number: 043791
Mumbai
Date : 28/06/2019

BASANT JAIN & ASSOCIATES LLP
MUMBAI
ACCOUNTANTS

Annexure 1 referred to in paragraph 1 under Report on Other Legal and Regulatory Requirements of our report of even date
Re: CMS Securitas Limited (the 'Company')

(i) a)The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.(b)Fixed assets of the Company have been physically verified by the management during the year. In our opinion the frequency of Verification of the fixed assets by the management is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(ii) The Company does not have any inventory; hence reporting under clause (ii) is not applicable to the company and hence not commented upon.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

For Basant Jain & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 120131W/W100303

Basant K. Jain
Partner
Membership Number: 043791
Mumbai
Date : 28/06/2019

BASANT JAIN & ASSOCIATES LLP
MUMBAI
CHARTERED ACCOUNTANTS

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

We have audited the internal financial controls over financial reporting of CMS Securitas Limited (the 'Company') as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (the 'Act').

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the Institute of Chartered Accountants of India.

For Basant Jain & Associates LLP
Chartered Accountants
ICAI Firm Registration Number: 120131W/W100303

Basant K. Jain
Partner
Membership Number: 043791
Mumbai
Date : 28/06/2019

BASANT JAIN & ASSOCIATES LLP * CHARTERED ACCOUNTANTS *
MUMBAI

CMS SECURITAS LIMITED
Balance Sheet as at March 31, 2019
(Amounts in ₹)

	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
Property, plant and equipment	6	2,09,76,241	2,04,39,933
Non-current investments	7	5,75,000	5,75,000
Deferred tax assets (net)	9	1,51,67,216	1,72,23,522
Income tax assets (net)		1,82,10,478	1,46,63,426
		5,49,28,935	**5,29,01,881**
Current assets			
Financial assets			
Trade receivables	10	4,50,96,387	4,40,23,171
Cash and bank balances	11	47,52,626	25,20,843
Other Financial assets	8	9,77,802	56,05,306
		5,08,26,815	**5,21,49,320**
Total		**10,57,55,750**	**10,50,51,201**
Equity and liabilities			
Equity			
Equity Share capital	4	95,00,000	95,00,000
Other Equity	5		
Securities premium		1,15,00,000	1,15,00,000
Retained earnings		(57,48,108)	(74,60,778)
Other reserves		61,58,927	46,24,189
Total equity attributable to equity holders		**2,14,10,819**	**1,81,63,411**
Non-current liabilities			
Provisions	15	5,46,66,968	5,07,45,856
		5,46,66,968	**5,07,45,856**
Current Liabilities			
Financial liabilities			
Trade payables	12	1,12,216	10,40,279
Provisions	15	53,91,187	52,83,192
Other Financial Liablilities	13	1,25,38,733	1,79,11,234
Other Current Liabilities	14	1,16,35,827	1,19,07,229
		2,96,77,963	**3,61,41,934**
Total		**10,57,55,750**	**10,50,51,201**
Summary of significant accounting policies	2		

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

As per our report of even date

For Basant Jain & Associates LLP
Firm registration number : 120131W/W-100303
Chartered Accountants

Basant Jain
Partner
Membership No.: 43791

Place : Mumbai
Date: June 28, 2019

BASANT JAIN & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors of
CMS Securitas Limited

Pankaj Khandelwal
Director
DIN No.: 05298431

Rajiv Kaul
Director
DIN No.: 02581313

CMS Securitas Limited

CMS SECURITAS LIMITED
Statement of profit and loss for the year ended March 31, 2019
(Amounts in ₹)

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from operations	16	28,73,58,207	26,24,45,433
Finance income	20	-	18,04,749
Other income	17	60,60,247	2,12,875
Total income		**29,34,18,454**	**26,44,63,057**
Expenses			
Employee benefit expenses	18	28,48,72,162	25,87,59,491
Depreciation and amortisation		3,90,600	4,25,832
Other expenses	19	10,00,295	11,33,309
Total Expenses		**28,62,63,057**	**26,03,18,632**
Profit before tax		**71,55,397**	**41,44,425**
Current tax		22,00,000	2,76,836
Deferred tax (credit) / charge		23,64,775	(32,14,326)
Tax adjustement pertaining to earlier years		-	(1,06,900)
Total tax expense		**45,64,775**	**(30,44,390)**
Profit for the year attributable to equity shareholders		**25,90,622**	**71,88,815**
Other comprehensive income ('OCI')			
OCI not to be reclassified to Statement of Profit and Loss in subsequent periods			
Remeasurement gain / (loss) on defined benefit plans		(11,86,421)	21,26,899
Income tax effect		3,08,469	(6,57,212)
Other comprehensive income for the year, net of tax		**(8,77,952)**	**14,69,687**
Total comprehensive income for the year		**17,12,670**	**86,58,502**
Earning per equity share (nominal value of share ₹ 10)	21		
Basic		**2.73**	**7.57**
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 Basant Jain & Associates LLP
Firm registration number : 120131W/W-100303
Chartered Accountants

Basant Jain
Partner
Membership No.: 43791

Place : Mumbai
Date: June 28, 2019

BASANT JAIN & ASSOCIATES LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

For and on behalf of the Board of Directors of
CMS Securitas Limited

Pankaj Khandelwal
Director
DIN No.:05298431

Rajiv Kaul
Director
DIN No.:02581313

CMS Securitas Limited

CMS SECURITAS LIMITED
Cashflow statement as at and for the year ended March 31, 2019
(Amounts in ₹)

	For the year ended March 31, 2019	For the year ended March 31, 2018
Cash flow from operating activities		
Profit before tax	71,55,397	41,44,426
Adjustments to reconcile profit before tax to net cash flow:		
Bad debts written off		
Depreciation	3,90,600	4,25,832
Impairment allowance for trade receivables written back	-	(2,09,200)
Share based payment expenses	15,34,738	30,09,155
Operating profit before working capital changes	**90,80,735**	**73,70,213**
Changes in assets and liabilities :		
Decrease in trade payables	(9,28,063)	(1,13,84,793)
Increase/ (Decrease) in provisions	28,42,686	(43,162)
Decrease in Other Financial Liabilities	(53,72,501)	(9,67,50,780)
Increase/ (Decrease) in Other current liabilities	(2,71,403)	63,18,879
(Increase) / Decrease in trade receivables	(10,73,216)	45,00,450
Decrease in non current other assets	-	3,62,20,858
Decrease in other current assets	46,27,504	6,46,03,251
Cash flow generated from operations	**89,05,742**	**1,08,34,916**
Direct taxes paid (net of refunds)	(57,47,050)	31,98,678
Net cash flow from operating activities (A)	**31,58,692**	**1,40,33,594**
Cash flows from investing activities		
Purchase of property, plant and equipment	(9,26,909)	(2,08,65,765)
Net cash flow from / (used in) investing activities (B)	**(9,26,909)**	**(2,08,65,765)**
Net cash flow used in financing activities (C)	**-**	**-**
Net increase in cash and cash equivalents (A+B+C)	**22,31,783**	**(68,32,171)**
Cash and cash equivalents at the beginning of the year	**25,20,843**	**93,53,014**
Cash and cash equivalents at the end of the year (refer note below)	**47,52,626**	**25,20,843**

Note

Components of cash and cash equivalents:	**As at March 31, 2019**	**As at March 31, 2018**
Balance with Current accounts	47,52,626	25,20,843
Cash and cash equivalents at the end of the year	**47,52,626**	**25,20,843**

As per our report of even date

For Basant Jain & Associates LLP
Firm registration number : 120131W/W-100303
Chartered Accountants

Basant Jain
Partner
Membership No.: 43791

Place : Mumbai
Date: June 28, 2019

BASANT JAIN & ASSOCIATES LLP * MUMBAI * CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
CMS Securitas Limited

Pankaj Khandelwal
Director
DIN No.:05298431

Rajiv Kaul
Director
DIN No.:02581313

CMS Securitas Limited

CMS SECURITAS LIMITED
Notes to financial statements as at and for the Year ended March 31, 2019
(Amounts in ₹)

5 : Statement of Changes in Equity

Particular	Equity share capital	Reserve and surplus			Total equity
		Securities premium	Share based payment reserve	Retained earnings	
As at April 1, 2017	**95,00,000**	**1,15,00,000**	**16,15,034**	**(1,61,19,281)**	**64,95,753**
Profit for the year				71,88,816	**71,88,816**
Share bases payment reserve			30,09,155		**30,09,155**
Other comprehensive income				14,69,687	**14,69,687**
As at March 31, 2018	**95,00,000**	**1,15,00,000**	**46,24,189**	**(74,60,778)**	**1,81,63,411**
Profit for the year				25,90,622	**25,90,622**
Share bases payment reserve			15,34,738		**15,34,738**
Other comprehensive income				(8,77,952)	**(8,77,952)**
As at March 31, 2019	**95,00,000**	**1,15,00,000**	**61,58,927**	**(57,48,108)**	**2,14,10,819**

Significant accounting policies **2**

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

As per our report of even date

For Basant Jain & Associates LLP
Firm registration number : 120131W/W-100303
Chartered Accountants

Basant Jain
Partner
Membership No.: 43791

Place : Mumbai
Date: June 28, 2019

BASANT JAIN & ASSOCIATES LLP * CHARTERED ACCOUNTANTS * MUMBAI

For and on behalf of the Board of Directors of
CMS Securitas Limited

Pankaj Khandelwal
Director
DIN No.:05298431

Rajiv Kaul
Director
DIN No.:02581313

CMS Securitas Limited

CMS SECURITAS LIMITED
Notes to financial statements as at and for the year ended March 31, 2019
(Amounts in ₹)

6 : Property, plant and equipments

Particulars	Electrical installations	Leasehold Improvements	Airconditioning Machine	Computer & Hardware	Total
Gross block value as at March 31, 2017	**31,47,280**	**-**	**18,70,690**	**-**	**50,17,970**
Additions during the year	-	2,08,65,765	-		**2,08,65,765**
Deletions during the year	-		-		-
Gross block value as at March 31, 2018	**31,47,280**	**2,08,65,765**	**18,70,690**	**-**	**2,58,83,735**
Additions during the year	-	7,24,874	-	2,02,035	9,26,909
Deletions during the year	-		-		-
Gross block value as at March 31, 2019	**31,47,280**	**2,15,90,639**	**18,70,690**	**2,02,035**	**2,68,10,644**
Accumulated depreciation as at March 31, 2017	**31,47,280**	**-**	**18,70,690**	**-**	**50,17,970**
Depreciation for the year	-	4,25,832	-		4,25,832
Accumulated depreciation on disposals	-		-		-
Accumulated depreciation as at March 31, 2018	**31,47,280**	**4,25,832**	**18,70,690**	**-**	**54,43,802**
Depreciation for the year	-	3,55,523	-	35,078	3,90,601
Accumulated depreciation as at March 31, 2019	**31,47,280**	**7,81,355**	**18,70,690**	**35,078**	**58,34,403**
Net block as at March 31, 2018	**(0)**	**2,04,39,933**	**(0)**	**-**	**2,04,39,933**
Net block as at March 31, 2019	**(0)**	**2,08,09,284**	**(0)**	**1,66,957**	**2,09,76,241**

CMS SECURITAS LIMITED
Notes to financial statements as at and for the year ended March 31, 2019
(Amounts in ₹ except share data)

4 EQUITY SHARE CAPITAL	As at March 31, 2019	As at March 31, 2018
Authorised		
1,000,000 (March 31, 2018 - 1,000,000) equity shares of ₹ 10 each	1,00,00,000	1,00,00,000
Issued, subscribed and paid-up		
950,000 (March 31, 2018 - 950,000) equity shares of ₹ 10 each fully paid up	95,00,000	95,00,000

(i) Of the above, 300,000 (March 31, 2018 - 300,000) equity shares were issued as fully paid up bonus shares by capitalising general reserve.
(ii) Of the above, 460,000 (March 31, 2018 - 460,000) equity shares were issued as fully paid, pursuant to contract without payment being received in cash.
(iii) Of the above, 950,000 (March 31, 2018 - 950,000) equity shares are held by CMS Info Systems Limited, the Holding Company.

7 INVESTMENTS	As at March 31, 2019	As at March 31, 2018
Non trade-(unquoted) in subsidiary company		
CMS Marshall Limited		
50,000 (March 31, 2018 - 50,000) Equity shares of ₹ 10 each fully paid up	5,00,000	5,00,000
7,500 (March 31, 2018 - 7,500) Equity shares of ₹ 10 each, fully paid up, in Belapur Railway Station Complex Ltd.	75,000	75,000
	5,75,000	**5,75,000**

8 OTHER FINANCIAL ASSETS	As at March 31, 2019	As at March 31, 2018
Advances to employees	9,77,802	56,05,306
	9,77,802	**56,05,306**

9 DEFERRED TAX ASSETS (NET)	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Provision for employee benefits	1,56,15,120	1,73,12,976
Deferred tax liabilities		
Difference between depreciation as per books of accounts and tax	(4,47,904)	(89,454)
Deferred tax assets (net)	**1,51,67,216**	**1,72,23,522**

Deferred tax reconciliation	As at March 31, 2019	As at March 31, 2018
Opening balance	1,72,23,522	1,46,66,408
Tax during the year recognised in Statement of Profit and Loss	(23,64,775)	32,14,326
Tax during the year recognised in Other comprehensive income	3,08,469	(6,57,212)
Closing balance	**1,51,67,216**	**1,72,23,522**

Tax reconciliation		
Particulars	**As at March 31, 2019**	**As at March 31, 2018**
Profit before tax	71,55,397	41,44,425
At statutory income tax rate of 26.00% (March 31, 2018 25.75 %)	18,60,403	10,67,189
Effect on non-deductible items under tax laws	27,04,372	(40,04,679)
Adjustment of tax relating to earlier years	-	(1,06,900)
At the effective income tax rate	**45,64,775**	**(30,44,390)**
Income tax expense reported in the Statement of Profit and Loss	45,64,775	(30,44,390)

10 TRADE RECEIVABLES	As at March 31, 2019	As at March 31, 2018
Considered goods	4,50,96,387	4,40,23,171
Considered doubtful	-	-
	4,50,96,387	4,40,23,171
Less : Provision for doubtful trade receivable	-	-
	4,50,96,387	**4,40,23,171**

11 CASH AND BANK BALANCES	As at March 31, 2019	As at March 31, 2018
Balances with banks		
On current accounts	47,52,626	25,20,843
	47,52,626	**25,20,843**

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CMS Securitas Limited

12 TRADE PAYABLE

	As at March 31, 2019	As at March 31, 2018
Trade payables	1,12,216	10,40,279
	1,12,216	**10,40,279**

13 OTHER FINANCIAL LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Payable to Employee	1,25,38,733	1,79,11,234
	1,25,38,733	**1,79,11,234**

14 OTHER CURRENT LIABILITIES

	As at March 31, 2019	As at March 31, 2018
Statutory liabilities	1,16,35,827	1,19,07,229
	1,16,35,827	**1,19,07,229**

15 PROVISIONS

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits				
Provision for gratuity (refer note 22)	4,13,25,890	3,82,44,207	33,65,884	33,33,476
Provision for compensated absences	1,33,41,078	1,25,01,649	20,25,303	19,49,716
	5,46,66,968	5,07,45,856	53,91,187	52,83,192

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16 REVENUE FROM OPERATIONS

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of services	28,73,58,207	26,24,45,433
	28,73,58,207	**26,24,45,433**

17 OTHER INCOME

	For the year ended March 31, 2019	For the year ended March 31, 2018
Sundry credit balances written back	57,76,218	-
Provision for Doubtful debts written back	-	2,09,200
Miscellaneous income	2,84,029	3,675
	60,60,247	**2,12,875**

18 EMPLOYEE BENEFIT EXPENSE

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages and bonus	25,68,19,427	23,32,46,407
Share based payments to employees	15,34,738	30,09,155
Contribution to provident and other funds (refer note 22)	1,93,78,016	1,96,01,380
Gratuity expense	71,39,981	29,02,549
	28,48,72,162	**25,87,59,491**

19 OTHER EXPENSES

	For the year ended March 31, 2019	For the year ended March 31, 2018
Legal, professional and consultancy fees	2,31,000	4,65,250
Audit fees	35,000	35,000
Miscellaneous expenses	7,34,295	6,33,059
	10,00,295	**11,33,309**

20 FINANCE INCOME

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest on income tax refund	-	18,04,749
	-	**18,04,749**

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CMS Securitas Limited

CMS SECURITAS LIMITED
Notes to financial statements as at and for the year ended March 31, 2019
(Amount in ₹, except share data)

1. Corporate Information:

CMS Securitas Limited ('the Company') was incorporated on January 27, 1999 and is a wholly owned subsidiary of CMS Info Systems Limited. The Company provides Facility Management Services (FMS) which include providing of trained manpower, cashiers, custodian, drivers and other allied services. The registered office of the Company is located at 253, Okhla Industrial Estate, Phase III, Delhi DL 110020.

2. Summary of significant accounting policies:

a) Basis of Preparation

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

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

b) Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when it is:

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

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

c) Fixed Asset :

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

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d) Depreciation and amortization :

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

e) Impairment of assets :

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

f) Revenue recognition

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

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

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

Sale of services:

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

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

Interest:

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.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

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g) Retirement and other employee benefits

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

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

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

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

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

h) Income taxes

Current income tax

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

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

Deferred tax

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

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

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

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

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

i) Earnings per share

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

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

j) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The expense relating to a provision is presented in the Statement of Profit and Loss net of any reimbursement, if any.

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

k) Contingent liabilities

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

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l) Cash and cash equivalents

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

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

3. Significant accounting judgments, estimates and assumptions:

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

Estimates

Defined benefit plans (gratuity benefits)

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

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

21. Earnings per share:

Particulars	March 31, 2019	March 31, 2018
Profit for the year	2,590,622	7,188,816
Weighted average number of Equity Shares outstanding for Basic and Diluted EPS	950,000	950,000
Diluted Earnings per share	2.73	7.57

22 Employee benefits

Defined contribution plan

During the year, ended March 31, 2019 the Company contributed the following amounts to defined contribution plans:

Particulars	March 31, 2019	March 31, 2018
Provident Fund	15,469,321	15,164,835
Employees' State Insurance Corporation	3,908,695	4,436,544
Total	**19,378,016**	**19,601,379**

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Defined benefit plan

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

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

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

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

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

Particulars	March 31, 2019	March 31, 2018
Current service cost	4,161,974	4,141,363
Net interest cost	3,116,114	2,849,627
Expenses recognised in the Statement of Profit and Loss	**7,278,088**	**6,990,990**

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

Particulars	March 31, 2019	March 31, 2018
Actuarial (gains) / losses		
- change in demographic assumptions	-	-
- change in financial assumptions	260,629	(1,529,003)
- experience variance (i.e. actual experience vs assumptions)	955,793	(1,458,318)
- Return on plan assets, excluding amount recognised in net interest expense	(30,001)	860,422
Components of defined benefit cost recognised in other comprehensive income	**1,186,421**	**(2,126,899)**

Balance Sheet

Details of provision and fair value of plan assets

Particulars	March 31, 2019	March 31, 2018
Present value of obligation	58,529,897	54,423,084
Fair value of plan asset	13,838,123	12,845,401
Net liability	**44,691,774**	**41,577,683**

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Changes in present value of obligation

Particulars	March 31, 2019	March 31, 2018
Present value of obligation at the beginning of the year	54,423,084	52,392,100
Current service cost	4,161,974	4,141,363
Interest expense	4,078,835	3,769,558
Re-measurement (gain) / loss arising from		
-change in demographic assumptions	-	-
-change in financial assumptions	260,629	(1,529,003)
-experience variance (i.e actual experience vs assumptions)	955,793	(1,458,318)
Benefits paid	5,350,418	(2,892,616)
Present value of obligation at the end of the year	**58,529,897**	**54,423,084**
Changes in the fair value of plan asset are as follows:		
Particulars	**March 31, 2019**	**March 31, 2018**
Fair value of plan assets at the beginning	12,845,401	12,785,892
Investment income	962,721	919,931
Net interest expense	30,001	(860,422)
Fair value of plan assets as at the end	**13,838,123**	**12,845,401**

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

Particulars	March 31, 2019	March 31, 2018
Weighted average duration (based on discounted cash flows)	9 years	9 years

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

Particulars	March 31, 2019	March 31, 2018
Discount rate	7.50%	7.50%
Salary Growth rate	5.00%	5.00%
Employee attrition rate	Upto 5 years of service – 25% 5 & above years of service – 5%	Upto 5 years of service – 25% 5 & above 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.

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A quantitative sensitivity analysis for the significant assumptions on defined benefit obligation as at March 31, 2019 is as shown below:

	March 31, 2019		**March 31, 2018**	
Particulars	**Decrease in assumption**	**Decrease in assumption**	**Decrease in assumption**	**Increase in assumption**
Discount Rate (-/+1%)	5,603,064	(4,896,744)	5,359,232	(4,424,828)
(% change compared to base due to sensitivity)	9.6%	-8.40%	9.80%	-8.90%
Salary Growth Rate (-/+1%)	(5,048,362)	5,685,172	(4,808,188)	5,017,317
(% change compared to base due to sensitivity)	-8.6%	9.7%	-8.80%	10.10%
Attrition Rate (-/+ 50% of attrition rates)	(2,586,099)	2,009,748	(2,699,530)	2,469,465
(% change compared to base due to sensitivity)	-4.4	3.4%	-5.00%	5.00%
Mortality Rate (-/+10% of Mortality rates)	(33,319)	33,195	(32,368)	39,649
(% change compared to base due to sensitivity)	-0.10%	0.10%	-0.10%	0.10%

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

Other long term employee benefits

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

23. Related party disclosure

Disclosure as required by notified accounting standard 18 (AS-18) 'Related Party Disclosures' is as follows:

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

Related parties where control exits	
Ultimate Holding Company	Sion Investment Holdings Pte. Limited – from dt. 27-08-2015 Blackstone FP Capital Partners (Mauritius) V Limited – upto dt. 26-08-2015
Holding Company	CMS Info Systems Limited
Subsidiary Company	CMS Marshall Limited
Fellow Subsidiary Company	Securitrans India Private Limited Quality Logistics Services Private Limited

CMS SECURITAS LIMITED
Notes to financial statements as at and for the year ended March 31, 2019
(Amount in ₹, except share data)

(b) Details of transactions with related parties:

Particulars	Transactions Year End		Amount Year End	
	March 31, 2019 ₹	March 31, 2018 ₹	March 31, 2019 ₹	March 31, 2018 ₹
Sales of Services & Security Charged				
CMS Info Systems Limited	280,745,237	256,975,481	-	-
Securitrans India Private Limited	6,612,970	5,469,952		
Reimbursement of Expenses				
CMS Info Systems Limited	5,201,327	5,608,754	-	-
Receivables/(Payable)				
CMS Info Systems Limited	-	-	43,894,861	42,828,269
Securitrans India Private Limited	-	-	1201,414	1,194,902
CMS Marshall Limited			-	(236,134)

As per our report of even date
For Basant Jain & Associates LLP
Firm registration number:120131W/W-100303
Chartered Accountants

Basant jain
Partner
Membership No.: 43791

Place: Mumbai
Date: June 28, 2019

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

Pankaj Khandelwal
Director
DIN No. 05298431

Rajiv Kaul
Director
DIN No. 02581313