AGS Transact Technologies Limited

Consolidated Balance Sheet

as at 31 March 2020

(Rs. in million)

Particulars	Note	31 March 2020	31 March 2019
Assets			
Non-current assets			
Property, plant and equipment	*3(a)*	**5,997.06**	5,454.66
Right-of-use asset	*3(b)*	**4,054.22**	-
Capital work-in-progress		**866.89**	497.98
Goodwill	*4(a)*	**24.49**	23.70
Other intangible assets	*4(b)*	**440.65**	351.26
Intangible assets under development		**23.20**	3.11
Investments	*5*	**23.55**	-
Financial assets			
Loans	*6*	**632.13**	618.82
Other financial assets	*7*	**231.11**	40.49
Deferred tax assets (net)	*8*	**539.43**	364.88
Other non-current assets	*9*	**361.71**	487.15
Other non-current tax assets	*8*	**443.81**	535.20
Total non-current assets		**13,638.25**	**8,377.25**
Current assets			
Inventories	*10*	**639.03**	918.64
Financial assets			
Trade receivables	*11*	**4,564.85**	4,429.69
Cash and cash equivalents	*12a*	**106.11**	269.99
Bank balances other than 12a above	*12b*	**652.69**	111.07
Loans	*13*	**108.66**	97.10
Other financial assets	*14*	**1,645.50**	1,226.76
Other current assets	*15*	**1,058.86**	737.89
Total current assets		**8,775.70**	**7,791.14**
Total assets		**22,413.95**	**16,168.39**
Equity and liabilities			
Equity			
Equity share capital	*16*	**1,185.81**	1,185.81
Other equity	*17*	**3,803.74**	3,664.99
Equity attributable to owners of the Company		**4,989.55**	**4,850.80**
Non-controlling interests		**-**	-
Total equity		**4,989.55**	**4,850.80**
Non-current liabilities			
Financial liabilities			
Borrowings	*18(a)*	**3,488.81**	3,216.61
Lease liabilities	*18(b)*	**3,281.88**	-
Other financial liabilities	*19*	**50.11**	65.04
Provisions	*20*	**223.39**	174.83
Other non-current liabilities	*21*	**78.80**	129.32
Total non-current liabilities		**7,122.99**	**3,585.80**
Current liabilities			
Financial liabilities			
Borrowings	*22(a)*	**2,164.52**	1,391.52
Lease liabilities	*22(b)*	**1,519.41**	-
Trade payables	*23*		
Total outstanding dues of micro enterprises and small enterprises		**138.10**	176.09
enterprises		**2,445.62**	2,248.22
Other financial liabilities	*24*	**3,026.14**	3,222.59
Other current liabilities	*25*	**776.38**	486.47
Provisions	*26*	**231.24**	206.90
Total current liabilities		**10,301.41**	**7,731.79**
Total equity and liabilities		**22,413.95**	**16,168.39**
Significant accounting policies	*2*		
The accompanying notes are an integral part of the consolidated financial statements.	2-54		

As per our report of even date attached.

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

Jayesh T Thakkar
Partner
Membership No. 113959

Place: Mumbai
Date : 25 August 2020

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN: 01374288

Badrinarain Goyal
Director
DIN: 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 25 August 2020

AGS Transact Technologies Limited

Consolidated Statement of Profit and Loss

for the year ended 31 March 2020

(Rs. in million)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	*27*	**18,004.43**	18,057.42
Other income	*28*	**330.83**	178.72
Total income		**18,335.26**	**18,236.14**
Expenses			
Cost of raw materials and components consumed	*29*	**2,337.10**	2,854.50
Purchase of traded goods	*30*	**303.20**	524.00
Decrease in inventories of finished goods and traded goods	*31*	**101.75**	147.01
Employee benefit expenses	*32*	**2,800.76**	2,748.80
Other expenses	*33*	**7,837.84**	8,917.74
Total expenses before interest, depreciation and amortisation		**13,380.65**	**15,192.05**
Earnings before interest, tax, depreciation and amortisation (EBITDA)		**4,954.61**	**3,044.09**
Finance costs	*34*	**1,304.01**	822.63
Depreciation and amortisation expense	*3&4*	**2,446.65**	1,302.02
Profit for the year before share of profit of associate		**1,203.95**	**919.44**
Share of net profit/(loss) of associate		**(8.71)**	-
Profit before tax		**1,195.24**	**919.44**
Tax expense:			
Current tax	*8*	**337.41**	292.96
Adjustment of tax relating to previous years		**(4.31)**	(32.76)
Deferred tax credit	*8*	**32.00**	(102.25)
Total tax expense		**365.10**	**157.95**
Profit for the year		**830.14**	**761.49**
Other comprehensive income			
Items that will not be reclassified to Consolidated Statement of Profit and Loss in subsequent year			
Remeasurements of defined benefit plans	*36*	**(19.46)**	(18.26)
Income tax relating to the above	*8*	**4.90**	5.77
Items that will be reclassified to Consolidated Statement of Profit and Loss in subsequent year			
Gain on foreign currency translation		**17.57**	26.68
Other comprehensive income for the year		**3.01**	**14.19**
Total comprehensive income for the year		**833.15**	**775.68**
Attributable to :			
Equity holders of the parent		**833.15**	**775.68**
Non-controlling interests		**-**	**-**
Earnings per equity share			
Basic earnings per share (Rs.)	*35*	**7.00**	6.42
Diluted earnings per share (Rs.)	*35*	**6.90**	6.36
Significant accounting policies	*2*		
The accompanying notes are an integral part of the consolidated financial statements.	2-54		

As per our report of even date attached.

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

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

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Managing Director
DIN: 01374288

Badrinarain Goyal
Director
DIN: 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 25 August 2020

Place: Mumbai
Date : 25 August 2020

AGS Transact Technologies Limited

Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(a) Equity share capital *(Rs. in million)*

Particulars	**31 March 2020**	**31 March 2019**
Balance at the beginning of the year	**1,203.93**	1,203.93
Less: Treasury shares*	**(18.12)**	(18.12)
Balance at the end of the year	**1,185.81**	**1,185.81**
***Movement of Treasury share capital**		
Balance at the beginning of the year	**(18.12)**	(18.86)
Share options exercised during the year	**-**	0.74
Balance at the end of the year	**(18.12)**	**(18.12)**

(b) Other equity *(Rs. in million)*

Particulars	**Reserves & Surplus**					
	Securities premium	**Employee stock options reserve**	**General reserve**	**Retained earnings (refer note 38)**	**Foreign currency translation reserve**	**Total other equity**
Balance at 1 April 2018	**2,297.77**	**12.92**	**10.00**	**507.99**	**7.27**	**2,835.95**
Profit for the year	-	-	-	761.49	-	761.49
Other comprehensive income for the year	-	-	-	(12.49)	26.68	14.19
Premium on share options exercised during the year	2.16	-	-	-	-	2.16
Share options lapsed	-	51.20	-	-	-	51.20
Balance at 31 March 2019	**2,299.93**	**64.12**	**10.00**	**1,256.99**	**33.95**	**3,664.99**
Adjustment on initial application of Ind AS 116, net of taxes	-	-	-	(601.46)	-	(601.46)
Adjusted balance as at 1 April 2019	**2,299.93**	**64.12**	**10.00**	**655.53**	**33.95**	**3,063.53**
Profit for the year	-	-	-	830.14	-	830.14
Other comprehensive income for the year	-	-	-	(14.56)	17.57	3.01
Dividend paid (including tax on dividend)				(145.14)	-	(145.14)
Dividend on treasury shares (refer note 16)				1.81	-	1.81
Employee compensation expenses recognised during the year	-	50.39	-	-	-	50.39
Balance at 31 March 2020	**2,299.93**	**114.51**	**10.00**	**1,327.78**	**51.52**	**3,803.74**

Note:
The balance attributable towards the non-controlling interest of Novus Technologies Pte. Ltd. and its step-down subsidiaries was nil.

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

As per our report of even date attached.

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

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Jayesh T Thakkar
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Managing Director
DIN: 01374288

Badrinarain Goyal
Director
DIN: 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 25 August 2020

Place: Mumbai
Date : 25 August 2020

AGS Transact Technologies Limited

Consolidated Statement of Cash Flows

for the year ended 31 March 2020

(Rs. in million)

Particulars			Year ended 31 March 2020	Year ended 31 March 2019
A.	**Cash flow from operating activities**			
	Profit before tax		**1,195.24**	**919.44**
	Adjustments for :			
	Finance cost		**1,304.01**	822.63
	Amortization of premium on forward contracts		**-**	-
	Interest income		**(113.45)**	(68.27)
	Write back of lease liabilities (net) (refer note 38)		**(54.58)**	-
	Depreciation and amortisation		**2,446.65**	1,302.02
	Loss on sale/retirement of Property, plant and equipment (net)		**30.85**	44.87
	Provision for warranty (net)		**(4.93)**	5.25
	Employee stock option scheme expense		**50.39**	51.20
	Inventories written off		**-**	24.00
	Unrealised foreign exchange gain		**(1.94)**	-
			4,852.24	**3,101.14**
	Changes in working capital :			
	Decrease in inventories		**279.68**	410.94
	Increase in trade receivables		**(129.97)**	(754.44)
	(Increase)/ decrease in loans and other financial assets		**(394.68)**	353.64
	Increase in other current assets		**(302.12)**	(222.26)
	Decrease in other non-current assets		**12.50**	43.84
	Increase in trade payable		**155.01**	451.61
	Increase in other current liabilities		**236.42**	265.10
	(Decrease)/ increase in other non-current liabilities		**(65.45)**	27.00
	Increase in provisions		**58.38**	48.20
	Cash generated from operations		**4,702.01**	**3,724.77**
	Direct taxes paid		**(241.70)**	(247.88)
	Net cash flow generated from operating activities	**(A)**	**4,460.31**	**3,476.89**
B.	**Cash flow from investing activities**			
	Purchase of property, plant and equipment including capital advances and work-in-progress		**(2,311.38)**	(1,628.91)
	Proceeds from sale of property, plant and equipment		**95.49**	10.30
	Purchase of investments		**(23.55)**	
	Interest received		**47.67**	13.38
	Fixed deposits placed during the year		**(820.07)**	(111.43)
	Proceeds from maturity of fixed deposits		**105.22**	63.03
	Net cash used in investing activities	**(B)**	**(2,906.62)**	**(1,653.63)**
C.	**Cash flow from financing activities**			
	Proceeds from issuance of equity share capital		**-**	2.90
	Proceeds from long-term borrowings		**1,402.48**	1,429.88
	Repayment of long-term borrowings		**(1,470.82)**	(1,551.46)
	Proceeds / (repayment) from short-term borrowings (net)		**772.69**	(853.85)
	Payment of lease liabilities		**(1,496.82)**	-
	Interest paid		**(681.52)**	(727.19)
	Other finance charges paid		**(100.25)**	(67.56)
	Dividend paid (including tax on dividend)		**(143.33)**	
	Net cash used in financing activities	**(C)**	**(1,717.57)**	**(1,767.28)**
	Net Increase in cash and cash equivalents	**(A)+(B)+(C)**	**(163.88)**	**55.98**
	Cash and cash equivalents at the beginning of the year		**269.99**	214.01
	Cash and cash equivalents at the end of the year		**106.11**	**269.99**

Note :

1. The above Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (Ind AS) 7 - "Statement of Cash flows".

2. The movement of borrowings and lease liabilities as per Ind AS 7 is as follows:	Year ended 31 March 2020	Year ended 31 March 2019
Opening borrowings	**6,075.70**	7,034.21
Proceeds from long-term borrowings	**1,402.48**	1,429.88
Repayment of long-term borrowings	**(1,470.82)**	(1,551.46)
Proceeds / (repayment) from short-term borrowings (net)	**772.69**	(853.85)
Non-cash adjustments	**8.83**	16.92
Closing borrowings	**6,788.88**	**6,075.70**
Impact due to Ind AS 116 - Leases (refer note 38)	**4,801.29**	**-**
Closing borrowings and lease liabilities	**11,590.17**	**6,075.70**

Consolidated Statement of Cash Flows *(continued)*

for the year ended 31 March 2020

		(Rs. in million)
3. Reconciliation of cash and cash equivalents:	**31 March 2020**	**31 March 2019**
Cash on hand	**42.84**	20.52
Balance with banks		
- Current accounts	**126.10**	342.12
Less : current account balances held in trust for customers	**(62.83)**	(92.65)
Cash and cash equivalents as per consolidated cash flow statement (refer note 12a)	**106.11**	**269.99**

4. Cash credit is treated as a borrowings and hence not included as a part of cash and cash equivalent for the purpose of the consolidated statement of cash flows.

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

As per our report of even date attached.

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

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
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Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31215

Place: Mumbai
Date : 25 August 2020

Place: Mumbai
Date : 25 August 2020

Note 1
Group overview

AGS Transact Technologies Limited (the 'Company') is a company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company along with its subsidiaries including step-down subsidiaries - Securevalue India Limited ('SVIL'), India Transact Services Limited ('ITSL'), Global Transact Services Pte. Ltd. ('GTSL'), Novus Technologies Pte. Ltd., Novus Technologies (Cambodia) Company Limited, Novus Transact Philippines Corporation, Novustech Transact Lanka (Private) Limited and PT Nova Digital Perkasa (together 'the Group') is in the business of supplying, installing and managing technology-based automation products and providing related services to its customers present in the Banking, Petroleum, Colour and Retail sectors. The Group is also engaged in the business of providing ATM outsourcing, toll and transit solutions, ATM Management Services, Intelligent Cash deposit (ICD) including cash burial facility, transaction switching service, electronic payment services through point of sale (POS) machine and other payment channels, cash management, cash replenishment, door step banking to banks and service providers and supplying of self-service terminals and related software to financial institutions.

Note 2
Basis of preparation and Significant Accounting Policies

A. Basis of preparation of consolidated financial statements

The consolidated financial statements of the Group have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention (except for certain financial instruments that are measured at fair values at the end of each reporting period) on accrual basis to comply in all material aspects with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS' as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 ("the Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter and relevant provisions of the Companies Act, 2013.

The Consolidated Financial Statements relates to the Group. The Group does not have investments in joint ventures.

The Consolidated Financial Statements have been prepared on accrual and going concern basis.

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March, 2020, the Statement of Profit and Loss for the year ended 31 March 2020, the Statement of Cash Flows for the year ended 31 March 2020 and the Statement of Changes in Equity for the year ended as on that date, and accounting policies and other explanatory information (together hereinafter referred to as 'Consolidated Financial Statements' or 'financial statements')

The Consolidated Financial Statements were approved by the Board of Directors of the Company on 25 August 2020.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the entity's functional currency. All amounts have been rounded off to the nearest rupee in millions with two decimals, unless otherwise indicated.

C. Basis of measurement

The consolidated financial statements have been prepared on historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial instruments (assets and liabilities) measured at fair value (refer accounting policy regarding financial instruments)

- Net defined benefit (asset) / liability – fair value of plan assets less present value of defined benefit obligations

D. Key estimates and assumptions

While preparing the consolidated financial statements in conformity with Ind AS, the management has made certain estimates and assumptions that require subjective and complex judgments. These judgments affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses, disclosure of contingent liabilities at the Consolidated Statement of Assets and Liabilities date and the reported amount of income and expenses for the reporting period. Future events rarely develop as forecasted and the best estimates require adjustments, as actual results may differ from these estimates under different assumptions or conditions.

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

Judgement, estimates and assumptions are required in particular for:

Determination of the estimated useful lives

Useful lives of property, plant and equipment are based on the life prescribed in Schedule II of the Act. In cases, where the useful lives are different from that prescribed in Schedule II and in case of intangible assets, they are estimated by management based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support. All useful lives are reviewed at each reporting period and revised if required.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations. Due to complexities involved in the valuation and its long term nature, defined benefit obligation is sensitive to changes in these assumptions. All assumptions are reviewed at each reporting period.

Recognition and measurement of 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 closing date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

Discounting of long-term financial assets / liabilities

All financial assets / liabilities are required to be measured at fair value on initial recognition. In case of financial assets / liabilities which are required to subsequently be measured at amortised cost, interest is accrued using the effective interest method.

Determining whether an arrangement contains a lease

At inception of an arrangement, the Group determines whether the arrangement is or contains a lease.
At inception or on reassessment of an arrangement that contains a lease, the Group separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Group's incremental borrowing rate. In case of operating lease, all payments under the arrangement are treated as lease payments.

Fair value of financial instruments

Derivatives are carried at fair value. Derivatives includes foreign currency forward contracts. Fair value of foreign currency forward contracts are determined using the fair value reports provided by respective bankers.
Further information about the assumptions made in measuring fair values is included in the following note:
– Impairment test of financial assets: key assumptions underlying recoverable amounts.

Taxes

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in which the entity operates and the period over which deferred income tax assets will be recovered.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used.

E. Measurement of fair values

The Group's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Group has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.
Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The entity has recognised certain assets at fair value and further information is included in the relevant notes.

F. Basis of consolidation

The consolidated financial statements ('CFS') has been prepared in accordance with the requirements of Ind AS 110 – 'Consolidated Financial Statements'.

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when the control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intra Group transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed wherever necessary to ensure consistency with the policies adopted by the Group.

The excess of cost to the Group of its investment in subsidiaries, on the acquisition dates over and above the Group's share of equity in the subsidiaries, is recognised as 'Goodwill on Consolidation' being an asset in the Consolidated Financial Statement. The said Goodwill is not amortised, however, it is tested for impairment at each Balance Sheet date and the impairment loss, if any, is provided for. On the other hand, where the share of equity in subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus' in the consolidated financial statements. In case of acquisition of additional stake in the existing subsidiary, the excess of purchase consideration over the Group's portion of equity of the subsidiary on the date on which the additional investment is made, is adjusted in equity.

Non-controlling interests in the net assets of consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately within equity.

Non-controlling interests in the net assets of consolidated subsidiaries consists of:
a) The amount of equity attributable to non-controlling interests at the date on which investment in a subsidiary is made; and
b) The non-controlling interest's share of movements in equity since the date parent subsidiary relationship came into existence.
The profit and other comprehensive income attributable to non-controlling interests of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss and Consolidated Statement of Changes in Equity.

Upon loss of control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interest and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in the Consolidated Statement of Profit and Loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost and the differential is recognised in Consolidated Statement of Profit and Loss. Subsequently, it is accounted for as an equity-accounted investee depending on the level of influence retained.

As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's standalone financial statements.

The subsidiaries considered in the preparation of the consolidated financial statements and the shareholding of the Group in these companies as of 31 March 2020 is as follows:

Subsidiaries	**Holding Company**	**Country of Incorporation**	**Ownership interest**
India Transact Services Limited (w.e.f. 1 April 2010)	Company	India	100%
Securevalue India Limited (w.e.f. 24 April 2012)	Company	India	100%
Global Transact Services Pte. Ltd. ('GTSL') (w.e.f. 6 March 2009)	Company	Singapore	100%
Novus Technologies Pte. Ltd. ('NTPL') (w.e.f. 28 November 2013)	GTSL	Singapore	90%
Novus Technologies (Cambodia) Company Limited (w.e.f. 29 August 2014)	NTPL	Cambodia	90%
Novus Transact Philippines Corporation (w.e.f. 15 September 2014)	NTPL	Philippines	90%
Novustech Transact Lanka (Private) Limited (w.e.f. 23 September 2016)	NTPL	Sri Lanka	90%
AGS Community Foundation (w.e.f. 24 September 2019)	Company	India	60%

G. Financial assets

(i) Initial recognition and measurement

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

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 Consolidated Statement of Profit and Loss. In other cases, the transaction cost is attributed to the acquisition value of the financial asset.

(ii) Classification and subsequent measurement

The Group classifies its financial assets into a) financial assets measured at amortised cost, b) financial assets measured at fair value through other comprehensive income (FVOCI), and c) financial assets measured at fair value through profit and loss (FVTPL). Management determines the classification of its financial assets at the time of initial recognition or, where applicable, at the time of reclassification.

a) Financial assets measured at amortised cost

A financial asset is classified as measured at amortised cost if it is held within a business model whose objective is to;
- hold financial asset in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using effective interest rate method (EIR). Amortised cost is arrived at after taking into consideration any discount on fees or costs that are an integral part of the EIR. The amortisation of such interest forms part of finance income in the Consolidated

Statement of Profit and Loss. Any impairment loss arising from these assets is recognised in the Consolidated Statement of Profit and Loss.

b) Financial assets measured at fair value through other comprehensive income (FVOCI)

- Debt investments at FVOCI: These assets are subsequently measured at fair value. Interest income under the effective interest method, foreign exchange gains and losses and impairment are recognised in Consolidated Statement of Profit and Loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to Consolidated Statement of Profit and Loss

Financial assets are not reclassified subsequent to their recognition, except if and in the period the Group changes its business model for managing financial assets.

c) Financial assets measured at fair value through profit and loss (FVTPL)

This is a residual category for classification. Any asset which does not meet the criteria for classification as at amortised cost and FVOCI, is classified as FVTPL. Financial assets at fair value through profit and loss are measured at fair value, and changes therein are recognised in the Consolidated Statement of Profit and Loss.

(iii) Trade receivables

Trade receivables are initially recognised at fair value. Subsequently, these assets are held at amortised cost, using the effective interest rate (EIR) method. The EIR is the rate that discounts estimated future cash income through the expected life of financial instrument. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, prior experience, customer profile and expectations about future cash flows.

(iv) Derecognition

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the contractual rights to receive the cash flows from the asset.

(v) Impairment of financial asset

Expected credit losses are recognised for all financial assets subsequent to initial recognition other than financials assets in FVTPL category.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward looking information.

For trade receivables, the Group applies a simplified approach. It recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits and expectations about future cash flows.

The impairment losses and reversals are recognised in Consolidated Statement of Profit and Loss.

H. Financial liabilities

(i) Initial recognition and measurement

A financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument. Financial liabilities are initially measured at fair value less any directly attributable transaction costs unless at initial recognition, they are classified as fair value through profit and loss. A financial liability is classified as at FVTPL if it is held for trading, or it is a derivative or it is designated as such on initial recognition.

(ii) Subsequent measurement

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement in Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using EIR. Interest expense and foreign exchange gains and losses are recognised in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

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.

I. Derivative financial instruments

The Group holds derivative financial instruments (forward contracts) to hedge its foreign currency exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognised in Consolidated Statement of Profit and Loss. The gain or loss on such derivative is presented in the Consolidated Statement of Profit and Loss in the same line item as the corresponding foreign exchange loss or gain arising from the hedged transaction.

J. Share capital

Ordinary equity shares

Incremental costs directly attributable to the issue of ordinary equity shares, are recognised as a deduction from equity.

Treasury shares

The Company has created an AGSTTL Employees Welfare Trust ("Trust") for providing share-based payment to its employees. The Trust is used as a vehicle for distributing shares to employees under the employee remuneration schemes. The Trust buys shares of the Company for giving shares to employees. The Company treats Trust as its extension and shares held by Trust are treated as treasury shares. Treasury shares are recognised at cost and deducted from equity. No gain or loss is recognised in Consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in Capital reserve. Share options exercised during the reporting period are deducted from treasury shares.

K. Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located, after deducting trade discounts and rebates if any.

Pre-operative expenses such as salaries, rent, brokerage, legal and professional fees, etc. incurred during installation period are capitalised under the respective asset head as part of the indirect installation cost, to the extent to which the expenditure is allocable / apportioned to the asset-head. In case of composite contract involving acquisition of property, plant and equipment and providing services, the property, plant and equipment are capitalised at the respective fair value of the asset acquired.

Stores and spares includes tangible items used as rotables in supply of goods or services and are expected to be used for a period more than 1 year.

Demo assets includes assets which are given for training, testing and demonstration to various current and prospective customers for supply of goods or services and are expected to be used for a period more than 1 year.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the Consolidated Statement of Profit and Loss.

Property plant and equipment which are not ready for intended use as on the reporting date are disclosed as “Capital work-in-progress”.

Advances paid towards the acquisition of property, plant and equipment outstanding at each reporting date are classified as Capital advances.

(ii) Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the entity.

(iii) Depreciation

Depreciation on property, plant and equipment

Depreciation is provided on the Written Down Value ('WDV') method, except in the case of Building, ATM, ATM sites, Demo assets and stores and spares where the Straight-Line Method ('SLM') is used, over the estimated useful life of each asset as determined by the management. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is put to use.

The estimated useful lives and method of depreciation of items of property, plant and equipment are as follows:

Asset	**Method of Depreciation**	**Useful life (years)**
Buildings	SLM	30 - 60
ATM machines*^	SLM	5 - 10
Others assets at ATM Sites*^	SLM	7
POS machines*^	SLM	3 - 5
Demo assets	SLM	2 – 5
Stores and spares#	SLM	5
Plant and machinery*	WDV	10 - 15
Furniture and fixtures^	WDV	2 - 10
Office equipment, electrical installation and air conditioners^	WDV	2 - 10
Computers^	WDV	1 - 6
Vehicles for office purposes	WDV	8
Vehicles for cash management*	SLM	7

* ATM machines, other assets at ATM sites, POS machines, Vehicles for cash management business and Plant and machinery are depreciated over the estimated useful lives, which is lower than the useful life indicated in Schedule II of the Act. The management has estimated, supported by independent assessment by professionals, the useful lives of the classes of assets.

Management has estimated, supported by independent assessment by professionals, the useful lives of the classes of assets.

^ Foreign subsidiaries are depreciating assets on SLM basis. The useful life for ATM machines, POS machines, furniture and fixtures, office equipment; electrical installation and air conditioner and computers have been estimated to be 5 years, 3 years, 2 years, 2 to 3 years and 1 year respectively.

Leasehold improvements are amortised over the primary period of lease i.e. lease period which ranges from 3 to 10 years as per the agreement or the life of respective assets, whichever is lower.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

L. Asset held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at lower of their carrying amount or fair value less cost to sell.

M. Intangible assets

(i) Recognition and measurement

Intangible assets acquired separately are measured on initial recognition at cost.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the Consolidated Statement of Profit and Loss in the year in which the expenditure is incurred.

Intangibles which are not ready for intended use as on the reporting date are disclosed as "Intangible under development".

(ii) Subsequent expenditure

After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment loss, if any.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates.

(iii) Service concession arrangements

The Group recognises an intangible asset arising from a service concession arrangement to the extent it has a right to charge for use of the concession infrastructure. The fair value, at the time of initial recognition of such an intangible asset received as consideration for providing construction or upgrade services in a service concession arrangement, is regarded to be its cost. Subsequent to initial recognition, the intangible asset is measured at cost, less any accumulated amortisation and accumulated impairment losses, if any.

(iv) Amortisation of intangible assets

Intangible assets are amortised on a straight line basis over the estimated useful economic life. The estimated useful lives are as follows:

Asset	Useful life (years)
Licenses and Technical know-how	7
Software	4

The estimated useful life of an intangible asset in a service concession arrangement is amortised over the period of contract.

The amortisation period and the amortisation method are reviewed at each reporting date. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly.

(v) Expenditure on research and development

Expenditure on research activities is recognised in Consolidated Statement of Profit and Loss as incurred.

Development expenditure is capitalised as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in Consolidated Statement of Profit and Loss as incurred.

Following the initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses, if any. Amortisation of the asset begins when development is complete and the asset is available for use. It is amortised on a straight line basis over the period of expected future benefit from the related project. Amortisation is recognised in the Consolidated Statement of Profit and Loss.

During the period of development, the asset is tested for impairment annually.

N. Government Grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in the statement of profit and loss as other income on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

O. Impairment of non-financial assets

The Groups's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, 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 CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the Consolidated Statement of Profit and Loss. Impairment loss recognised in respect of a CGU is allocated to the carrying amounts of the other assets of the CGU on a pro rata basis.

In respect of assets for which impairment loss has been recognised in prior periods, the Group reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill on business combinations is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

P. Inventories

Raw materials, finished goods, stores, spares (other than those capitalised in property, plant and equipment), traded items and consumables are carried at the lower of cost and net realisable value.

However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are sold at or above cost. The comparison of cost and net realisable value is made on an item-by-item basis.

In determining cost of raw materials, finished goods, traded items, stores, spares and consumables, weighted average cost method is used. Cost of inventory comprises all costs of purchase, duties, taxes (other than those subsequently recoverable from tax authorities) and all other costs incurred in bringing the inventory to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Cost of finished goods includes the cost of raw materials, an appropriate share of fixed and variable production overheads, excise duty as applicable and other costs incurred in bringing the inventories to their present location and condition.

Q. Revenue

(i) Sale of goods

Revenue from contracts with customers is measured at fair value of the consideration received or receivable, is inclusive of excise duty and net of returns, service level credits, non-current warranties, trade discounts, goods and service tax and volume rebates, where applicable.

Revenue is recognised when the Group satisfies performance obligation by transferring the goods to the customers. The Group 'transfers' goods to the customers when the customers obtains control of that goods. Control may be transferred either at a point in time or over time. The amount of revenue recognised is adjusted for expected returns, which are estimated based on historical data.

(ii) Rendering of services

Revenue from contracts with customers, net of service level credits is recognised when the Group satisfies performance obligation by transferring the services to the customers.

The revenue from ATM and management services is disclosed net of service level credits, one-time upfront fees and premium on purchase of property, plant and equipment. One-time upfront fees and premium on purchase of property, plant and equipment is amortised over the period of the respective contract.

Revenue from maintenance contracts is recognised pro-rata over the period of the contract as and when services are rendered.

Revenue from one time set up fees is recognised over the expected contractual term with the customers. Servicing fees for POS machine is recognised on monthly basis based on certainty of collection and transaction fees on the basis of transactions settled using POS machines.

The Group collects goods and service tax on behalf of the government and therefore, these are not economic benefits flowing to the Group. Hence, they are excluded from revenue.

(iii) Service concession arrangements

Revenue related to construction or upgrade services provided under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Group.

(iv) Multiple deliverable arrangements

At contract inception, the Group assesses the goods or services explicitly or implicitly promised in a contract and identifies as a performance obligation each promise to transfer a distinct good or service. A good or service that is promised in a contract is 'distinct' if both of the following criteria are met:

a) The customer can benefit from the good or service either on its own or together with other resources that are 'readily available' to the customer.

b) The entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The Group, at contract inception, allocates the transaction price to each performance obligation on the basis of relative stand-alone selling price.

With effect from 1 April 2018, the group has adopted Ind AS 115 "Revenue from contracts with customer'. Based on assessment done by management, there is no material impact on revenue recognised during the year.

R. Recognition of insurance claim, dividend income, interest income or expense

Insurance claims are accounted for on the basis of claims admitted and to the extent that there is no uncertainty in receiving the claims

Dividend income is recognised in Consolidated Statement of Profit and Loss on the date on which the Group's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of dividend can be measured reliably.

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate (EIR), which is the rate that discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in Other income in the Consolidated Statement of Profit and Loss.

Finance lease interest expense is recognised upon commencement of the finance lease agreement using constant periodic rate of return over the period of the agreement.

S. Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction.

(ii) Subsequent measurement

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in Consolidated Statement of Profit and Loss in the period in which they arise.

(iii) Foreign operations

In case of foreign operations whose functional currency is different from the parent's functional currency, the assets and liabilities of such foreign operations, including goodwill and fair value adjustments arising upon acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of such foreign operations are translated to the reporting currency at the average exchange rates prevailing during the period. Resulting foreign currency differences are recognised in other comprehensive income / (loss) and presented within equity as part of Foreign Currency Translation Reserve (FCTR). When a foreign operation is disposed of, in part or in full, the relevant amount in the FCTR is transferred to the Consolidated Statement of Profit and Loss.

(iv) Fair value gain / (loss) of derivative contracts

Foreign exchange difference on foreign currency borrowings, settlement gain/ (loss) and fair value gain/ (loss) on derivative contracts relating to borrowings are accounted and disclosed under Finance cost.

T. Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified short-term employee benefits and they are recognised in the year in which the employee renders the related services. For the amount expected to be paid, the Group recognises an undiscounted liability if they have a present legal or constructive obligation to pay the amount as a result of past service provided by employees, and the obligation can be estimated reliably.

(ii) Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered Provident Fund Scheme and Employee State Insurance Corporations. The Group has no further legal or constructive obligation to pay once contributions are made. Contributions made are charged to employee benefit expenses in the year in which the employment services qualifying for the benefit are provided. Some of the foreign subsidiaries of the Group makes specified contributions towards pension scheme. These contributions are recognised as an expense in the Consolidated Statement of Profit and Loss, during the period in which the employee renders the related services.

(iii) Gratuity - Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Gratuity is a defined benefit plan. The gratuity plan provides for a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's eligible salary and the tenure of employment with the Group.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan ('the asset ceiling').

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other Comprehensive Income. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Consolidated Statement of Profit and Loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Consolidated Statement of Profit and Loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(iv) Compensated absences

Compensated absences which are not expected to occur within twelve months after the end of the year in which the employee renders the related services are recognised as a liability at the present value of the estimated liability for leave as a result of services rendered by employees, which is determined at each reporting date based on an actuarial valuation by an independent actuary using the projected unit credit method. The discount rates used for determining the present value of the obligation under other long term employee benefits, are based on the market yields on Government of India securities as at the reporting date. Re-measurement gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

The Group presents the above liability as current in the Balance Sheet.

(v) Employee stock compensation cost

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date.

U. Provisions (other than for employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the reporting date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

Provision for warranties

Provision for current warranty-related costs is recognised when the related product is sold. Provision is based on technical estimates which are based on historical experience. The estimates of such warranty-related costs are reviewed and revised annually.

V. Contingent liabilities and contingent assets

Contingent liabilities are possible obligations whose existence will only be confirmed by future events not wholly within the control of the Group, or present obligations where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability. Contingent liabilities are not recognised in the consolidated financial statements but are disclosed unless the possibility of an outflow of economic resources is considered remote.

A contingent asset is not recognised but disclosed in the consolidated financial statements where an inflow of economic benefit is probable.

Contingent liabilities and contingent assets are reviewed at each reporting date.

W. Leases

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The Group assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contact involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

On transition to Ind AS 116, the Group has elected to apply practical expedient to grandfather the assessment of which transactions are leases. Contracts that were not identified as leases under Ind AS 17 were not re-assessed for whether there is a lease under Ind AS 116. Therefore, the definition of leases the Group has tested its right of use assets for impairment on the date of assessment and has concluded that there is no indication that the right of use assets are impaired.

i. As a lessee

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments;

The lease liability is measured at amortised cost using the effective interest method.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. Right of use assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

Under Ind AS 116, the Group recognised a right-of-use asset and a lease liability for the sale and leaseback transaction on 1 April 2019, measured in the same way as other right-of-use assets and lease liabilities at that date and adjusted the leaseback right-of-use of asset for proportionate gains and losses recognised in statement of profit and loss.

The Group has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Group applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. The Group has used hindsight when determining the lease term and did not recognise right of use asset for leases to which the lease term end within 12 months of date of initial application.

Leases where the Group is lessor:

Leases in which the Group transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases. Assets given under finance lease are recognised as a receivable at an amount equal to the net investment in the lease. After initial recognition, the Group apportions lease rentals between the principal repayment and interest income so as to achieve a constant periodic rate of return on the net investment outstanding in respect of the finance lease. The interest income is recognised in the Consolidated Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Consolidated Statement of Profit and Loss.

X. Income tax

Income tax comprises current and deferred tax. It is recognised in Consolidated Statement of Profit and Loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves. Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be utilised.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Y. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

Z. Operating segments

(i) Basis for segmentation

An operating segment is a component of the entity that engages in business activities from which it may earn and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. Such decision is taken by chief operating decision maker (CODM). Operating segments are reported in a manner consistent with the internal reporting provided to the CODM.

(ii) Business segment

The Group's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products or services and serves different markets. Accordingly, the Group has identified 'Payment Solutions', 'Banking Automation Solutions' and 'Other Automation Solutions' segments as the primary reportable segments.

(iii) Geographical segment

The Group's business is primarily within India. Hence no separate geographical disclosure is considered necessary.

(iv) Segment information

- Inter-segment transfers: The Group generally accounts for inter-segment sales and transfers at cost plus appropriate margins.

- Allocation of common costs: Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

- Unallocated items: Unallocated items include general corporate income and expense items which are not allocated to any business segment.

- Segment accounting policies: The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

AA. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the year. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares), if any, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

AB. Measurement of earnings before interest, tax, depreciation and amortisation (EBITDA)

The Group has opted to present earnings before interest (finance cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Consolidated Statement of Profit and Loss for the year. The Group measures EBITDA on the basis of profit/loss from continuing operations including other income. Finance cost includes interest on borrowings, financial guarantee and foreign exchange on borrowing cost to the extent it is considered to be an adjustment to the interest rate.

AC. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, unrestricted bank balances and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

AD. Current and non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is classified as current when it satisfies any of the following criteria:

(a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is expected to be realised within twelve months after the Balance Sheet date; or

(d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

(a) it is expected to be settled in, the entity's normal operating cycle;

(b) it is held primarily for the purpose of being traded;

(c) it is due to be settled within twelve months after the Balance Sheet date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the Balance Sheet date.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

AE. Recent Amendments under IND AS

The amendments are proposed to be effective for reporting periods beginning on or after 1 April 2020.

a) Issue of Ind AS 117 – Insurance Contracts Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.

b) Amendments to existing Standards Ministry of Corporate Affairs has carried out amendments of the following accounting standards:

i. Ind AS 103 – Business Combination

ii. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors

iii. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

AGS Transact Technologies Limited

Notes to the Consolidated Financial Statements *(Continued)*
as at 31 March 2020

Note 3a
Property, plant and equipment

Reconciliation of carrying amount

(Rs. in million)

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM sites	POS machines*	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
Deemed cost as at 1 April 2018	**47.40**	**504.72**	**125.83**	**94.25**	**4,363.21**	**89.73**	**773.61**	**141.00**	**199.38**	**521.84**	**53.24**	**139.91**	**7,054.12**
Additions	6.35	-	9.73	176.92	996.88	345.19	58.77	4.22	13.81	131.82	23.01	41.82	1,808.52
Disposals	-	1.66	2.00	1.42	369.64	99.68	1.06	1.82	0.82	-	-	1.13	479.23
Gross carrying amount as at 31 March 2019	**53.75**	**503.06**	**133.56**	**269.75**	**4,990.45**	**335.24**	**831.32**	**143.40**	**212.37**	**653.66**	**76.25**	**180.60**	**8,383.41**
Accumulated depreciation as at 1 April 2018	-	17.75	27.36	26.11	1,150.98	17.63	219.21	59.25	98.74	168.64	31.39	73.62	**1,890.68**
Depreciation for the year	-	10.99	17.48	24.88	717.64	43.37	131.61	22.20	35.19	123.17	15.23	42.98	1,184.74
Disposals	-	0.30	0.93	0.28	122.75	19.52	0.64	0.89	0.41	-	-	0.95	146.67
Accumulated depreciation as at 31 March 2019	**-**	**28.44**	**43.91**	**50.71**	**1,745.87**	**41.48**	**350.18**	**80.56**	**133.52**	**291.81**	**46.62**	**115.65**	**2,928.75**
Net carrying amount as at 31 March 2019	**53.75**	**474.62**	**89.65**	**219.04**	**3,244.58**	**293.76**	**481.14**	**62.84**	**78.85**	**361.85**	**29.63**	**64.95**	**5,454.66**
Gross carrying amount as at 1 April 2019	**53.75**	**503.06**	**133.56**	**269.75**	**4,990.45**	**335.24**	**831.32**	**143.40**	**212.37**	**653.66**	**76.25**	**180.60**	**8,383.41**
Additions	-	-	28.63	77.14	1,168.54	343.64	324.41	15.03	58.34	105.42	7.44	38.46	2,167.05
Disposals	-	-	2.95	25.80	473.87	149.29	-	8.91	3.71	-	-	1.69	666.22
Gross carrying amount as at 31 March 2020	**53.75**	**503.06**	**159.24**	**321.09**	**5,685.12**	**529.59**	**1,155.73**	**149.52**	**267.00**	**759.08**	**83.69**	**217.37**	**9,884.24**
Accumulated depreciation as at 1 April 2019	-	28.44	43.91	50.71	1,745.87	41.48	350.18	80.56	133.52	291.81	46.62	115.65	**2,928.75**
Depreciation for the year	-	10.94	18.16	35.11	690.25	81.10	155.37	17.59	39.32	133.45	19.68	39.35	1,240.32
Disposals	-	-	1.15	8.21	232.81	29.79	-	5.79	2.54	-	-	1.60	281.89
Accumulated depreciation as at 31 March 2020	**-**	**39.38**	**60.92**	**77.61**	**2,203.31**	**92.79**	**505.55**	**92.36**	**170.30**	**425.26**	**66.30**	**153.40**	**3,887.18**
Net carrying amount as at 31 March 2020	**53.75**	**463.68**	**98.32**	**243.48**	**3,481.81**	**436.80**	**650.18**	**57.16**	**96.70**	**333.82**	**17.39**	**63.97**	**5,997.06**

1. Refer note 41 for expenses capitalised as part of the cost of the property, plant and equipment.

Note 3b
Right-of-use asset

Following are the changes in the carrying value of right-of-use asset for the year ended 31 March 2020:

(Rs. in million)

Particulars	Building	Plant and Machinery	Total
Balance as at 1 April 2019	3,946.76	299.02	**4,245.79**
Additions	1,110.31	5.71	**1,116.02**
Depreciation	(965.99)	(121.76)	**(1,087.76)**
De-recognition of right-of-use asset (refer note 38)	(219.84)	-	**(219.84)**
Balance as at 31 March 2020	**3,871.24**	**182.97**	**4,054.22**

The aggregate depreciation expense on right-of-use asset is included under depreciation and amortisation expense in the Statement of Profit and Loss.

Note 4a
Goodwill

Reconciliation of carrying amount

Goodwill on consolidation amounting to Rs. 24.49 million (31 March 2019: Rs. 23.70 million) pertains to acquisition of Novus Technologies Pte. Ltd ('NTPL').

The goodwill on consolidation is not amortised and accordingly is tested for impairment annually. No impairment charges were identified for the year ended 31 March 2020 and 31 March 2019.

(Rs. in million)

Particulars	Goodwill on Consolidation
Carrying amount as at 31 March 2018	22.91
Exchange differences on translation of foreign operations	0.79
Carrying amount as at 31 March 2019	23.70
Exchange differences on translation of foreign operations	0.79
Carrying amount as at 31 March 2020	24.49

The recoverable amount of NTPL is based on value in use. The value in use is estimated using discounted cash flows over a year of 5 years. Cash flows beyond 5 years is estimated by capitalising the future maintainable cash flows by an appropriate capitalisation rate and then discounted using pre-tax discount rate.

Operating margins and growth rates for the five year cash flow projections have been estimated based on past experience and after considering the financial budgets/forecasts provided by the management. Other key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industry and have been based on historical data from both external and internal sources.

Particulars	31 March 2020	31 March 2019
Discount rate	**18.00%**	**13.44%**
Long-term growth rate beyond 5 years	**3%**	**1%**

The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of NTPL.

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Note 4b
Other intangible assets

Reconciliation of carrying amount

(Rs. in million)

Particulars	Licenses and technical knowhow fees	Software	Other intangible asset*	Total
Deemed cost as at 1 April 2019	**90.30**	**245.45**	**164.20**	**499.95**
Additions	-	161.32	-	161.32
Ind As Adjustment				
Disposals				-
Gross carrying amount as at 31 March 2019	**90.30**	**406.77**	**164.20**	**661.27**
Accumulated amortisation as at 1 April 2019	**44.12**	**137.22**	**11.39**	**192.73**
Amortisation for the year	13.58	87.28	16.42	117.28
Disposals	-	-	-	
Accumulated amortisation as at 31 March 2019	**57.70**	**224.50**	**27.81**	**310.01**
Net carrying amount as at 31 March 2019	**32.60**	**182.27**	**136.39**	**351.26**
Gross carrying amount as at 1 April 2019	**90.30**	**406.77**	**164.20**	**661.27**
Additions	-	117.34	90.62	207.96
Disposals	-	-	-	-
Gross carrying amount as at 31 March 2020	**90.30**	**524.11**	**254.82**	**869.23**
Accumulated amortisation as at 1 April 2019	**57.70**	**224.50**	**27.81**	**310.01**
Amortisation for the year	8.17	88.79	21.61	**118.57**
Disposals	-	-	-	-
Accumulated amortisation as at 31 March 2020	**65.87**	**313.29**	**49.42**	**428.58**
Net carrying amount as at 31 March 2020	**24.43**	**210.82**	**205.40**	**440.65**

* The Group had entered into a public private arrangement which meets the definition of a Service Concession Arrangement (SCA) as per Appendix A to Ind AS 11 - Construction Contracts. Based on the requirements of Appendix A to Ind AS 11 Construction Contracts, the consideration in relation to such arrangement has been recognised as other intangible assets - refer note 39.

Note:
Refer note 41 for expenses capitalised as part of the cost of the intangible assets.

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Note 5		
Investments		
8,000 equity shares (31 March 2019: Nil shares) Rs. 10 each of AGS Community Foundation	0.08	-
450,000 shares (31 March 2019: Nil shares) IDR 13,995 each of PT Nova Digital Perkasa	23.47	
	23.55	**-**

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

		(Rs. in million)
Particulars	**31 March 2020**	**31 March 2019**
Note 6		
Non-current financial assets - Loans		
Unsecured, considered good		
Security deposits	**361.27**	330.60
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	**270.86**	288.22
	632.13	**618.82**
Note 7		
Other non-current		
Other non-current financial assets		
Unsecured, considered good		
Margin money with maturity of more than twelve months (refer note below)	**231.11**	40.49
	231.11	**40.49**

Note:

Includes interest accrued amounting to Rs. 9.59 million (31 March 2019: Rs. 0.88 million) on margin money with maturity more than twelve months.

Note 8

Taxes

(a) Amounts recognised in Consolidated Statement of Profit and Loss *(Rs. in million)*

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax expense		
Current year	**337.41**	292.96
Changes in estimates related to prior year	**(4.31)**	(32.76)
	333.10	260.20
Deferred tax credit		
Origination and reversal of temporary differences	**32.00**	(102.25)
	32.00	(102.25)
Tax expense for the year	**365.10**	**157.95**

(b) Amounts recognised in other comprehensive income *(Rs. in million)*

	Year ended 31 March 2020	Year ended 31 March 2019
Items that will not be reclassified to Consolidated Statement Profit and Loss		
Tax effect on remeasurements of the defined benefit plans	**4.90**	5.77
	4.90	**5.77**

(c) Reconciliation of effective tax rate *(Rs. in million)*

	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	**1,203.95**	919.44
Statutory income tax rate in India	**25.168%**	34.94%
Tax using the statutory tax rate in India	**303.01**	321.28
Tax effect of:		
Differences in tax rates in subsidiaries	**47.65**	(13.75)
Expenses not allowed under tax	**4.73**	4.34
Deferred tax assets not recognised because realisation is not probable	**13.37**	10.44
Deferred tax recognised on unabsorbed losses and depreciation	**(27.78)**	(181.80)
Changes in estimates related to prior years	**-**	55.52
Others	**(19.32)**	(5.31)
Rate Change	**47.75**	
Tax relating to previous years	**(4.31)**	(32.78)
Total tax expense	**365.11**	**157.94**

Note:

On 20 September 2019, the government has brought in the Taxation Laws (Amendment) Ordinance 2019 to make certain amendments in the Income tax Act 1961 and the Finance (No.2) Act 2019. The ordinance is promulgated by the President of India to effect tax reforms announced by the government. One such amendment includes to provide an option for a concessional tax at the rate of 22 percent in case of a domestic company subject to prescribed conditions with effect from Financial year 2019-20 (Assessment year 2020-21). In this case, the company would like to avail the option for concessional tax rate.

(d) Movement in deferred tax balances

Movement in deferred tax balances for the year ended 31 March 2020 *(Rs. in million)*

Particulars	**Net asset / (liability) 1 April 2019**	**Recognised in profit or loss - credit / (charge)**	**Recognised in OCI**	**Net asset / (liability) 31 March 2020**
Property, plant and equipment	44.61	4.05	-	48.66
Impact of Ind AS 116	201.64	18.45		220.09
Other intangible assets	41.80	(41.80)	-	-
Employee benefits	110.90	(10.87)	4.90	104.93
Trade receivables	11.10	(14.30)	-	(3.20)
Borrowings	4.39	0.23	-	4.62
Provision for warranties	20.58	(7.48)	-	13.10
Loans	(28.71)	(3.64)	-	(32.35)
Derivative contracts	-	0.15	-	0.15
Unrealised gain / (loss) on intra-group transactions	-	-	-	-
Provision for expenses	-	-	-	-
Brought forward loss	160.21	23.22	-	183.43
Deferred tax credit	**566.52**	**(32.00)**	**4.90**	**539.43**
Deferred tax charge relating to previous years	**-**	**-**	**-**	**-**
Deferred tax asset / (liability)	**566.52**	**(32.00)**	**4.90**	**539.43**

Movement in deferred tax balances for the year ended 31 March 2019 *(Rs. in million)*

Particulars	**Net asset / (liability) 1 April 2018**	**Recognised in profit or loss - credit / (charge)**	**Recognised in OCI**	**Net asset / (liability) 31 March 2019**
Property, plant and equipment	112.72	(68.11)	-	44.61
Other intangible assets	(3.50)	45.30	-	41.80
Employee benefits	87.74	17.39	5.77	110.90
Trade receivables	2.45	8.65	-	11.10
Borrowings	3.47	0.92	-	4.39
Provision for warranties	20.32	0.26	-	20.58
Loans	(19.17)	(9.54)	-	(28.71)
Derivative contracts	0.03	(0.03)	-	-
Unrealised gain /(loss) on intra-group transactions	4.12	(4.12)	-	-
Provision for expenses	12.52	(12.52)	-	-
Brought forward loss	39.07	121.14	-	160.21
Deferred tax credit	**259.77**	**99.34**	**5.77**	**364.88**
Deferred tax charge relating to previous years	**(2.91)**	**2.91**	**-**	**-**
Deferred tax asset / (liability)	**256.86**	**102.25**	**5.77**	**364.88**

1. Significant management judgement is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income by each jurisdiction in which the relevant entity operates and the year over which deferred income tax assets will be recovered.

2. Deferred tax liability on undistributed earnings of subsidiaries was not recognised because the Company controls the dividend policy of its subsidiaries.

(Rs. in million)

	31 March 2020	**31 March 2019**
Other non-current tax assets		
Advance tax paid (net of provision for tax)*	**443.81**	**535.20**

* Net of provision for tax Rs. 337.41 million (31 March 2019: Rs. 229.96 million)

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

		(Rs. in million)
Particulars	**31 March 2020**	**31 March 2019**
Note 9		
Other non-current assets		
Unsecured, considered good		
Balances with government authorities (refer note below)	**84.23**	83.99
One time upfront fees	**36.51**	51.21
Capital advances	**36.20**	56.54
Premium on purchase of property, plant and equipment (refer note 44)	**167.33**	196.40
Prepaid rent	**-**	50.91
Other prepaid expenses	**37.44**	48.10
	361.71	**487.15**

Note: Net of provision Rs.17.42 million (31 March 2019: Rs. 17.42 million).

Note 10
Inventories

(valued at lower of cost and net realisable value)

Raw materials and components [Includes goods in transit Rs. 34.00 million (31 March 2019: Rs. 16.27 million)]	**369.65**	556.05
Finished goods	**209.40**	275.74
Stock-in-trade	**51.44**	82.03
Stores and spares	**8.54**	4.82
	639.03	**918.64**

Note 11
Current financial assets - Trade receivables

Unsecured, Considered good (refer note below)	**4,564.85**	4,429.69
	4,564.85	**4,429.69**

Note:

Trade receivables includes Rs. Nil (31 March 2019: Rs. 25.25 million) due from an entity which has a common director. Further, Trade receivables stated above include dues from directors or officers or with any other person or firms or private companies in which any director is a partner or director or member (refer note 50).

Note 12a
Current financial assets - Cash and cash equivalents

Cash on hand (refer note (i) below)	**42.84**	20.52
Balance with banks		-
- Current accounts (refer note (ii) below)	**126.10**	342.12
Less : Current account balances held in trust for customers (refer note (iii) below)	**(62.83)**	(92.65)
Total current account balances	**63.27**	**249.47**
	106.11	**269.99**

Note:

(i) Cash on hand as at 31 March 2020 includes Rs. 36.61 million (31 March 2019: Rs.1.18 million) held in White Label ATMs deployed by the Group and includes Rs.0.22 million (31 March 2019: Rs.16.35 million) lying in vaults for cash burial business.

(ii) One of the subsidiary has nodal accounts, having balance of Rs. 18.65 million (31 March 2019: Rs 20.80 million) which is used for merchant payment for transactions done on POS machines. Hence, the same is not considered as a part of cash and bank balances.

(iii) Current bank balances of Rs 62.83 million (31 March 2019 : Rs 92.65 million) is reduced to the extent of liability of funds held relating to cash burial business.

Note 12b
Current financial assets - Bank balances other than 12a above

Margin money with maturity of less than three months (refer note (i) below)	**453.00**	32.67
Margin money with maturity of more than three months but less than twelve months of reporting date (refer note (ii) and (iii) below)	**197.49**	76.20
Balance with banks - On escrow account (refer note (iv) below)	**2.20**	2.20
	652.69	**111.07**

Note:

(i) Includes interest accrued amounting to Rs.7.17 million (31 March 2019 : Rs. 2.03 million) on margin money with original maturity of less than three months.

(ii) Includes interest accrued of Rs. 5.17 million (31 March 2019 : Rs. 1.62 million) on margin money with maturity more than three months but less than twelve months.

(iii) Margin money includes amount of Rs. 8.86 million (31 March 2019: Rs.7.58 million) given as security to banks for electronic payment services business carried out by one of the subsidiary.

(iv) Balance in escrow account represents outstanding balance of prepaid instruments issued by the Group. Balance in escrow account is restricted accounts as per the RBI guidelines and the Group cannot withdraw any amount from these accounts.

Note 13
Current financial assets - Loans

Unsecured, considered good		
Security deposits	**1.55**	8.50
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	**107.11**	88.60
	108.66	**97.10**

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Note 14		
Other current financial assets		
Unbilled revenue*	**1,594.57**	1,185.16
Insurance claim receivable	**5.00**	5.39
Forward contract asset on derivative contracts	**3.15**	
Amount held as margin money against borrowings	**35.88**	35.88
Other receivable	**6.90**	0.33
	1,645.50	**1,226.76**
*** Movement of unbilled revenue**		
Opening unbilled revenue	**1,185.16**	**1,503.44**
Add: Addition during the year	**1,594.57**	**1,185.16**
Less: Invoiced during the year	**(1,185.16)**	**(1,503.44)**
Closing unbilled revenue	**1,594.57**	**1,185.16**
Note 15		
Other current assets		
Unsecured, considered good		
Premium on purchase of property, plant and equipment (refer note 44)	**58.40**	54.53
Prepaid rent	**0.10**	18.84
Other prepaid expenses	**190.20**	135.77
One time upfront fees	**14.67**	14.63
Balances with government authorities	**4.72**	109.41
Initial public offer related expenses (refer note below)	**-**	73.83
Advance to employees	**10.27**	7.15
Other advances	**780.50**	323.73
	1,058.86	**737.89**

Note: The Company has charged off initial public offer related expenses aggregating to Rs 102.21 million during the year.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

Note 16

Equity share capital

a. Details or authorised, issued and subscribed and fully paid up share capital are as follows: ***(Rs. in million)***

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Authorised capital				
Equity Shares of Rs 10/- each	**160,000,000**	**1,500.00**	160,000,000	1,600.00
Preference Shares of Rs. 10/- each	**-**	**-**	-	-
Issued, subscribed and fully paid up				
Equity Shares of Rs. 10/- each fully paid up	**120,392,576**	**1,203.93**	120,392,576	1,203.93
Less: Treasury shares*	**(1,812,000)**	**(18.12)**	(1,812,000)	(18.12)
	118,580,576	**1,185.81**	**118,580,576**	**1,185.81**

b. Reconciliation of number of shares at the beginning and at the end of the year

Particulars	31 March 2020		31 March 2019	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	**120,392,576**	**1,203.93**	120,392,576	1,203.93
Less: Treasury shares*	**(1,812,000)**	**(18.12)**	(1,812,000)	(18.12)
Shares outstanding at the end of the year	**118,580,576**	**1,185.81**	**118,580,576**	**1,185.81**

* The treasury shares of the Company includes the shares held by the AGSTTL Employees Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2020, the Trust held 1,812,000 shares (31 March 2019: 1,812,000) of the Company. This is inclusive of 1,359,000 bonus shares (31 March 2019: 1,359,000) allotted by capitalisation of reserves. The amount equivalent to the face value of the treasury shares has been reduced from share capital and the excess of cost over such face value has been reduced from securities premium.

c. Particulars of shareholders holding more than 5% of shares

Name of Shareholder	31 March 2020		31 March 2019	
	No. of shares	Percentage	No. of shares	Percentage
Ravi B. Goyal*	**66,460,312**	**55.20%**	66,460,312	55.20%
Vineha Enterprises Private Limited*	**51,054,264**	**42.41%**	51,054,264	42.41%

* During the year ended 31 March 2020, 117,514,576 Equity Shares held by the Promoters, have been pledged with Catalyst Trusteeship Limited as security in respect of secured redeemable non-convertible debentures issued by Vineha Enterprises Private Limited.

d. Terms / rights attached to equity shares

The Company has equity shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per share. The dividend, if proposed by the Board of Directors, will be subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend.

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

e. Shares reserved for issue under options

For details of shares reserved for issue under the Employee Stock Option Scheme (ESOS) of the Company, refer note 37.

Particulars	31 March 2020	31 March 2019
		(Rs. in million)

Note 17
Other equity

Particulars	31 March 2020	31 March 2019
Securities premium		
Balance at the beginning of the year	**2,364.23**	2,364.23
Less: Securities premium on treasury shares* (refer note below)	**(64.30)**	(64.30)
Premium on share options exercised during the year	**-**	-
Balance at the end of the year	**2,299.93**	**2,299.93**
*** Movement of securities premium on treasury shares**		
Balance at the beginning of the year	**(64.30)**	(66.46)
Share options exercised during the year	**-**	2.16
Balance at the end of the year	**(64.30)**	**(64.30)**
General reserve		
Balance at the beginning of the year	**10.00**	10.00
Add : Movement during the year	**-**	-
Balance at the end of the year	**10.00**	**10.00**
Employee stock options reserve		
Balance at the beginning of the year	**64.12**	12.92
Add : Movement during the year	**50.39**	51.20
Balance at the end of the year	**114.51**	**64.12**
Foreign currency translation reserve		
Balance at the beginning of the year	**33.95**	7.27
Add : Movement during the year	**17.57**	26.68
Balance at the end of the year	**51.52**	**33.95**
Retained earnings		
Balance at the beginning of the year (refer note 38)	**1,256.99**	507.99
Adjustment on initial application of Ind AS 116, net of taxes	**(601.46)**	-
Profit for the year	**830.14**	761.49
Dividend paid (including tax on dividend)	**(145.14)**	-
Dividend on treasury shares (refer note 16)	**1.81**	
Remeasurements of defined benefit plans for the year (net of tax)	**(14.56)**	(12.49)
Balance at the end of the year	**1,327.78**	**1,256.99**
Total other equity	**3,803.74**	**3,664.99**

Note:
The treasury shares of the Company includes the shares held by the AGSTTL Employee Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2020, the Trust held 1,812,000 shares (31 March 2019: 1,812,000) of the Company. This is inclusive of 13,59,000 (31 March 2019: 1,3,59,000) bonus shares allotted by capitalisation of reserves. The amount equivalent to the face value of the treasury shares has been reduced from share capital and the excess of cost over such face value has been reduced from securities premium.

Nature and purpose of reserves

Securities premium
Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

Employee stock options reserve
The Group has established various equity-settled share-based payment plans for certain categories of employees of the Company and its subsidiaries. Refer note 37 for further details on these plans.

General reserve
The Company has transferred a portion of the net profit of the Company before declaring dividend to general reserve pursuant to the earlier provisions of Companies Act, 1956. Mandatory transfer to General reserve is not required under the Companies Act, 2013.

Foreign currency translation reserve
Foreign currency translation reserve comprises of all foreign currency differences arising from the translation of the financial statements of foreign entities.

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.

Dividend
During the year, the Company paid dividend of Re. 1 per equity share for the financial year 2018 - 19.

Notes to the Consolidated Financial Statements (Continued)

as at 31 March 2020

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Note 18a		
Non-current financial liabilities - Borrowings		
Term loans - Secured		
Foreign currency term loan from banks (refer note (i) below)	**209.76**	293.51
Indian rupee term loan from banks (refer note (ii) below)	**2,198.11**	1,976.97
Indian rupee vehicle loan from banks (refer note (iii) below)	**388.91**	110.76
Indian rupee vehicle loan from others (refer note (iv) below)	**302.53**	207.01
Indian rupee term loan from others (refer note (v) below)	**389.50**	628.36
	3,488.81	**3,216.61**

Note:

(i) Foreign currency term loan from bank carry an interest rate of 9.68% p.a. to 10.99% p.a. The loans are repayable as per the amortisation schedule spread over from 17 months to 49 months. Loans are secured by charge on specific assets comprising of ATMs, specific receivables and other related equipments of assigned contract.

(ii) Indian rupee term loan from banks carry an interest rate in the range of 9.08% p.a. to 10.90% p.a. The loans are repayable as per the amortisation schedule spread over from 25 months to 53 months. Loans are secured by charge on specific assets comprising of building, ATMs, specific receivables and other related equipments of assigned contract and vaults. Further, one of the term loan availed by one of the subsidiary company is secured by way of corporate guarantee given by the parent company.

(iii) Indian rupee vehicle loan from banks for purchase of vehicles carries a rate of interest in the range of 8.71% to 10.26% p.a. The loans have repayment year in range of 5 to 62 months. The loans are secured by a hypothecation of the vehicles. Further, few of the vehilce loan availed by one of the subsidiary company is secured by way of corporate guarantee given by the parent company.

(iv) Indian rupee vehicle loan from others for purchase of vehicles carries a rate of interest in the range of 8.00% to 9.15% p.a. The loans have repayment year in range of 32 to 75 months. The loans are secured by a hypothecation of the vehicles.

(v) Indian rupee term loan from others carry an interest rate in the range of 11.25% p.a. to 13.00% p.a. The loans are repayable as per the amortisation schedule spread over from 21 months to 38 months. Loans are secured by charge on specific assets comprising of building, ATMs, specific receivables and other related equipments of assigned contract.

Note 18b		
Non-current financial liabilities - Lease liabilities		
Unsecured		
Lease liabilities (refer note 38)	**3,281.88**	-
	3,281.88	-
Note 19		
Other non-current financial liabilities		
Security deposit vendor	**8.21**	7.56
Payables related to Service Concession Arrangement projects (refer note 39)	**41.90**	57.48
	50.11	**65.04**
Note 20		
Non-current - Provisions		
Provision for employee benefits		
Gratuity (refer note 36)	**223.39**	174.83
	223.39	**174.83**
Note 21		
Other non-current liabilities		
Deferred revenue	**78.80**	129.32
	78.80	**129.32**
Note 22a		
Current financial liabilities - Borrowings		
Secured		
From banks (refer note (ii) below)		
Working capital loans (refer note (i) below)	**1,328.25**	375.11
Cash credit	**477.08**	905.21
Overdraft (refer note (iii) below)	**249.07**	-
Unsecured		
Buyers credit (refer note (iv) and (v) below)	**51.06**	-
Cash credit from Banks	**-**	54.04
Loan from director of a subsidiary company (refer note (vi) below)	**59.06**	57.16
	2,164.52	**1,391.52**

Note:

(i) Includes interest accrued amounting to Rs.0.22 million (31 March 2019: Rs. 0.11 million)

(ii) The above loans are secured by hypothecation of current assets and are repayable on demand. Further, one of the above loans availed by subsidiary company is secured by way of corporate guarantee given by parent company. These loans carry an interest rate as mentioned below:

Working capital loans	9.70% to 11.40%
Cash credit	10.15% to 12.00%
Overdraft	7.20%

(iii) Overdraft is secured by a portion of margin money with maturity of less than three months

(iv) Includes interest accrued amounting to Rs.0.21 million (31 March 2019: Rs. Nil)

(v) This unsecured loan carry an interest rate of 7.54% to 9.45% (Including hedging cost) having remaining repayment period in the range of 22 days to 54 days

(vi) The loan from director of a subsidiary company is interest free and repayable on demand.

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Note 22b		
Current financial liabilities - Lease liabilities		
Unsecured		
Lease liabilities (refer note 38)	**1,519.41**	-
	1,519.41	-
Note 23		
Current financial liabilities - Trade payables		
Total outstanding dues of micro enterprises and small enterprises	**138.10**	176.09
Total outstanding dues of creditors other than micro enterprises and small enterprises	**2,445.62**	2,248.22
	2,583.72	**2,424.31**

The following disclosures are made for the amounts due to micro enterprises and small enterprises:

Particulars	31 March 2020	31 March 2019
The principal amount remaining unpaid to any supplier as at the end of the accounting year	**138.10**	176.09
Interest due thereon	**2.12**	0.58
The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'), along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act, 2006	-	-

Note 24		
Other current financial liabilities		
Current maturities of long-term borrowings (refer note below)	**1,135.55**	1,467.57
Accrued employee cost	**426.44**	426.48
Payable for capital goods	**190.39**	26.42
Security deposit vendor	**61.87**	11.16
Provision for other expenses	**1,037.78**	1,268.66
Payables related to Service Concession Arrangement projects (refer note 39)	**22.30**	22.30
ICD Reconciliation Liability of funds held relating to cash burial business	**151.81**	-
	3,026.14	**3,222.59**

Note:
Includes interest accrued amounting to Rs. 32.58 million (31 March 2019: Rs. 26.32 million).

Note 25		
Other current liabilities		
Deferred revenue	**148.73**	222.54
Balances due to government authorities (refer note below)	**597.33**	242.61
Unearned Revenue*	**30.32**	21.32
	776.38	**486.47**

Note:
Includes dues towards Tax deduction at source, Goods and services tax, Provident fund, Employee state insurance contribution, Profession tax and others.

***Movement of unearned revenue**	
Opening unearned revenue	**21.32**
Additions during the year	**30.32**
Deletions during the year	**(21.32)**
Closing unearned revenue	**30.32**

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Note 26		
Current - Provisions		
Provision for employee benefits:		
Gratuity (refer note 36)	**35.65**	23.82
Compensated absences (refer note 36)	**157.86**	140.42
Others provision for:		
Warranties*	**37.73**	42.66
	231.24	**206.90**

*Provision for warranties is recognised for machines sold to customers:-

Particulars	31 March 2020	31 March 2019
Opening balance	**42.66**	37.40
Charge during the year	**17.15**	20.15
Utilisation during the year	**(22.08)**	(14.89)
Closing balance	**37.73**	**42.66**

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

(Rs. in million)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Note 27		
Revenue from operations		
Sale of traded goods		
- Automation products	**478.30**	743.48
Sale of manufactured goods		
- Automation products	**862.26**	1,456.49
- ATM and ATM sites	**600.44**	909.73
	1,941.00	**3,109.70**
Revenue from services		
ATM and management services	**10,723.58**	10,634.68
Less: Amortisation of one time upfront fee and premium on purchase of property, plant and equipment	**(42.33)**	(42.29)
	10,681.25	**10,592.39**
AMC services	**2,340.70**	2,242.70
Electronic payment services	**1,653.11**	1,237.41
Cash management services	**1,388.37**	875.22
	16,063.43	**14,947.72**
Total revenue from operations (net)	**18,004.43**	**18,057.42**
Note 28		
Other income		
Interest income from instruments measured at amortised cost :		
Deposits with banks	**34.50**	8.62
Security deposits	**47.97**	50.59
Others	**30.98**	9.06
Insurance claim	**132.25**	99.10
Scrap sale	**10.58**	7.79
Write back of lease liabilities (net) (refer note 38)	**54.58**	-
Net gain on derivative contracts	**3.15**	-
Foreign exchange gain (net)	**6.03**	-
Provision for warranty (net)	**4.93**	-
Others	**5.86**	3.56
	330.83	**178.72**
Note 29		
Cost of raw materials and components consumed		
Inventories at the beginning of the year	**556.05**	843.95
Add: Purchases during the year	**2,150.70**	2,566.60
Less: Inventories at the end of the year	**(369.65)**	(556.05)
	2,337.10	**2,854.50**
Note 30		
Purchase of traded goods	**303.20**	524.00
	303.20	**524.00**
Note 31		
Decrease in inventories of finished goods and traded goods		
Finished goods		
Inventories at the beginning of the year	**275.74**	431.03
Inventories at the end of the year	**209.40**	275.74
	66.34	**155.29**
Traded goods		
Inventories at the beginning of the year	**86.85**	78.57
Inventories at the end of the year	**51.44**	86.85
	35.41	**(8.28)**
Decrease in inventories	**101.75**	**147.01**

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

(Rs. in million)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Note 32		
Employee benefit expenses		
Salaries and wages (refer note 41)	**2,527.77**	2,501.85
Employee stock option scheme expense net (refer note 37 and 50)	**50.39**	51.20
Contributions to provident and other funds (refer note 36)	**140.52**	129.33
Gratuity expenses (refer note 36)	**52.34**	42.67
Staff welfare expenses	**29.74**	23.75
	2,800.76	**2,748.80**
Note 33		
Other expenses		
Cash management expenses	**560.31**	599.43
Transaction expenses	**861.53**	502.20
Rent expenses (refer note 38)	**212.98**	1,646.74
Caretaker and housekeeping expenses	**2,062.60**	2,487.31
Power and fuel expenses	**697.76**	662.91
Subcontracting expenses	**617.23**	558.25
Communication expenses	**144.04**	118.04
Transaction settlement expenses	**39.44**	29.52
Loss on account of claims	**0.39**	-
Repairs and maintenance		
- Plant and machinery	**682.67**	688.42
- Others	**122.16**	88.05
Travelling and conveyance expenses	**435.91**	372.60
Consumables	**34.19**	25.26
Legal and professional charges	**375.22**	299.02
Initial public offer expenses	**102.21**	-
Insurance charges	**174.28**	131.20
Tools and equipments	**100.28**	174.89
Postage and courier	**154.18**	170.09
Foreign exchange loss (net)	**-**	16.49
Loss on sale / retirement of property, plant and equipment (net)	**30.85**	44.87
Printing and stationery	**28.29**	29.36
Provision for warranty (net)	**-**	5.25
Rates and taxes	**4.07**	20.29
Payment to auditors (refer note 43)	**7.65**	7.00
Fees for increase in authorised share capital	**3.80**	3.33
Sales promotion expenses	**78.03**	2.58
Directors' sitting fees	**6.48**	3.24
Commission to directors'	**14.00**	12.00
Office expenses	**45.09**	39.16
Miscellaneous expenses	**242.20**	180.24
	7,837.84	**8,917.74**
Note 34		
Finance costs		
Interest expense on measured at amortised cost on:		
- financial liabilities	**719.21**	763.17
- lease liabilities (refer note 38)	**522.23**	-
Other borrowing costs	**55.56**	56.89
Net loss on derivative contracts	**-**	6.15
Foreign exchange differences treated as adjustment to borrowing costs	**7.01**	(3.58)
	1,304.01	**822.63**

Note 35
Earnings per share (EPS)

Particulars	31 March 2020	31 March 2019
1 Profit attributable to equity shareholders		
Profit for the year, attributable to equity shareholders (Rs. in million)	**830.14**	**761.49**
2 Calculation of weighted average number of equity shares - Basic		
Number of shares at the beginning and end of the year	**120,392,576**	120,392,576
Less: Treasury shares	**(1,812,000)**	(1,812,000)
Less: Effect of share options exercised		(35,321)
Weighted average number of equity shares for the year	**118,580,576**	**118,545,255**
3 Calculation of weighted average number of equity shares - Diluted		
Number of shares at the beginning and end of the year	**120,392,576**	120,392,576
Less: Treasury shares	**(1,812,000)**	(1,812,000)
Less: Effect of share options exercised	**-**	(35,321)
Add : Effect of share options dilution	**1,710,277**	1,204,666
Weighted average number of potential equity shares for the year	**120,290,853**	**119,749,921**
4 Earnings Per Share		
Basic (Rs.)	**7.00**	**6.42**
Diluted (Rs.)	**6.90**	**6.36**
5 Nominal value of shares (Rs.)	**10.00**	**10.00**

Note:
Weighted average number of shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year, multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.

Note 36
Employee benefits

A. Defined Contribution Plans

Contribution to Provident fund, Employee State Insurance and any other funds
Amount of Rs. 140.52 million is recognised as an expense and included in “Employee benefit expenses” (refer note 32) in the Consolidated Statement of Profit and Loss.

B. Defined benefit plans

Gratuity
The gratuity benefit payable to the employees of the Group is as per the provisions of the Payment of Gratuity Act, 1972, as amended. Under the gratuity plan, every employee who has completed at least 5 years of service gets gratuity on separation or at the time of superannuation calculated for equivalent to 15 days salary for each completed year of service calculated on last drawn basic salary.

The gratuity benefit offered by the Group to its employees is not funded.

The following table shows a reconciliation from the opening balances to the closing balances for the net defined benefit (asset) / liability and its components:

i. Reconciliation of present value of defined benefit obligation *(Rs. in million)*

Particulars	31 March 2020	31 March 2019
Defined benefit obligation at the beginning of the year	**198.65**	150.99
Current service cost	**38.61**	31.99
Past service cost	**-**	-
Interest cost	**13.73**	10.68
Actuarial (gains) losses recognised in Other Comprehensive Income		-
arising from changes in financial assumptions	**1.42**	2.07
arising from changes in demographic assumptions	**(0.78)**	2.00
arising on account of experience changes	**18.81**	14.19
Benefits paid directly by the Group	**(11.40)**	(13.27)
Defined benefit obligation at the end of the year	**259.04**	**198.65**

ii. Amount recognised in Consolidated Balance Sheet *(Rs. in million)*

Particulars	31 March 2020	31 March 2019
Defined benefit obligation	**259.04**	198.65
Fair value of plan assets	**-**	-
Net defined benefit obligation	**259.04**	**198.65**

iii. Expense recognised in the Consolidated Statement of Profit and Loss

Particulars	*(Rs. in million)* 31 March 2020	*(Rs. in million)* 31 March 2019
(i) Expense recognised in the Consolidated Statement of Profit and Loss		
Current service cost	**38.61**	**31.99**
Past service cost	**-**	**-**
Interest cost	**13.73**	**10.68**
	52.34	**42.67**
(ii) Expense recognised in the Consolidated Other Comprehensive Income		
Actuarial (gains) / losses on defined benefit obligations		
- arising from changes in financial assumptions	**1.42**	**2.07**
- arising from changes in demographic assumptions	**(0.78)**	**2.00**
- arising on account of experience changes	**18.81**	**14.19**
	19.45	**18.26**

iv. Actuarial assumptions

The principal assumptions used in determining gratuity benefit obligation for the Group’s plan is shown below:

Particulars	31 March 2020	31 March 2019
Financial assumptions		
Discount rate	**5.25% - 6.55%**	6.65% - 7.50%
Salary escalation	**5% - 7%**	7%
Employee Turnover		
21 - 30 years	**16% - 50%**	14% - 46%
31 - 40 years	**11% - 35%**	12% - 30%
41 - 50 years	**8.38% - 30%**	8% - 34%
51 - 59 years	**0% - 9%**	0% - 13%

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

Assumptions regarding future mortality are based on published Statistics & Mortality tables. The calculation of death benefit obligation is sensitive to the mortality assumptions.

The Group expects Rs. 35.65 million in contribution to be paid to its defined benefit plan in the financial year 2019-20.

Note 36
Employee benefits *(continued)*

v. Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
Gratuity Plan				
Discount rate 50 bps on defined benefit plans	**-3.37%**	**3.60%**	-3.23%	3.43%
Future salary growth 50 bps on defined benefit plans	**3.52%**	**-3.18%**	3.21%	-3.07%

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

vi. Compensated absences

The liability towards compensated absences at 31 March 2020 based on actuarial valuation using the projected accrued benefit method amounted to Rs.157.86 million (31 March 2019: Rs. 140.42 million).

Amount of Rs. 31.55 million (31 March 2019: Rs.33.71 million) is recognised as an expense and included in “Employee benefit expenses” in the Consolidated Statement of Profit and Loss.

Note 37
Employee Stock Option Plan (ESOP)

On 29 February 2012, the Board of Directors approved the Equity-Settled Employee Stock Option Scheme (ESOS 2012) for issue of stock options to the key employees of the Company and others as approved by the Board of Directors comprising of 2,319,588 options convertible into one equity share each.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	**ESOS 2012**
Grant Date	Tranche 1: 05 March 2012 Tranche 2: 24 July 2012 Tranche 3: 01 February 2015 Tranche 4: 01 February 2015 Tranche 5: 16 August 2018
Fair Value at Grant Date	Rs. 39.13 to Rs. 152.46
Exercise Price	Rs. 39.13 to Rs. 111.13
Vesting year	1 to 3 years from the respective date of grant
Exercise year*	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of first vesting)
Expected Life	2.5 to 5.5 years

* There has been an amendment to the exercise year of the ESOP schemes.

The details of activity under ESOS 2012 are summarised below:-

Particulars	**Including bonus issue**	
	31 March 2020 (No. of options)	**31 March 2019 (No. of options)**
	ESOS 2012	ESOS 2012
Outstanding at the beginning of the year	**1,975,000**	1,168,000
Granted during the year	**-**	881,000
Exercised during the year	**-**	74,000
Lapsed during the year	**15,000**	-
Outstanding at the end of the year	**1,960,000**	1,975,000
Exercisable at the end of the year	**1,379,780**	1,094,000
Weighted average remaining contractual life (years)	**0 to 4.51**	0 to 4.51
Weighted average fair value of options granted (Rs.)	**7.77 to 121.26**	7.77 to 121.26
Weighted average exercise price (Rs.)	**39.13 to 111.13**	39.13 to 111.13

Note: The above options are after considering a bonus issue of 3:1 during the year ended 31 March 2015.

The Black and Scholes Options Pricing model had been used for computing the weighted average fair value considering the following inputs:

Particulars	**Tranche 1**	**Tranche 2**	**Tranche 3**	**Tranche 4**	**Tranche 5**
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%
Expected Volatility	0.00%	0.00%	0.00%	0.00%	33.39%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%	7.87%
Weighted average share price (Rs.)	39.13	50.00	152.46	152.4575	93.00
Exercise Price (Rs.)	39.13	39.13	39.13	111.13	39.13
Expected life of options granted in years	3.04	2.91	2.50	2.31	4.51

Of the ESOS 2012 above, 28,668 options are reserved for issue of equity shares of the Company.

On 3 February 2015, the Board of Directors approved the Equity-Settled Employee Stock Option Scheme (ESOS 2015) for issue of stock options to the key employees of the Company and others as approved by the Board of Directors comprising of 1,216,000 options convertible into one equity share each.

The key terms and conditions related to the grants under these plans are as follows; all options are to be settled by the delivery of shares.

Particulars	**ESOS 2015**
Grant Date	Tranche 1: 16 August 2018
Fair Value at Grant Date	Rs. 93.00
Exercise Price	Rs. 39.13
Vesting year	1 to 3 years from the respective date of grant
Exercise year*	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of first vesting)
Expected Life	3.5 to 5.5 years

The details of activity under ESOS 2015 are summarised below:-

Particulars	**31 March 2020 (No. of options)**	**31 March 2019 (No. of options)**
	ESOS 2015	**ESOS 2015**
Outstanding at the beginning of the year	**1,184,500**	-
Granted during the year	**-**	**1,216,000**
Exercised during the year	**-**	**-**
Lapsed during the year	**74,000**	**31,500**
Outstanding at the end of the year	**1,110,500**	**1,184,500**
Exercisable at the end of the year	**366,465**	**-**
Weighted average remaining contractual life (years)	**4.51**	**4.51**
Weighted average fair value of options granted (Rs.)	**93.00**	**93.00**
Weighted average exercise price (Rs.)	**39.13**	**39.13**

Note 37
Employee Stock Option Plan (ESOP) ***(continued)***

The Black and Scholes Options Pricing model had been used for computing the weighted average fair value

Particulars	**Tranche 1**
Dividend yield	0.00%
Expected volatility	33.39%
Risk free interest rate	7.87%
Weighted average share price (Rs.)	93.00
Exercise price (Rs.)	39.13
Expected life of options granted in years	4.51

Of the ESOS 2015 above, 56,500 options are reserved for issue of equity shares of the Company.

ESOS 2012 and ESOS 2015 are in compliance with the requirements of Securities and Exchange Board of India.

Note 38
Leases

Group as a Lessee

The Group had entered into the operating lease for POS terminals. The leases have an average remaining life of 1 to 2 years. Further minimum lease rentals payable under non-cancellable operating leases are follows:

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Less than one year	**89.62**	103.35
Between one and five years	**17.43**	55.37
More than five years	**-**	-
	107.05	**158.72**

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 and has taken the cumulative adjustment to retained earnings, on the date of initial application. 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 asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Group's incremental borrowing rate at the date of initial application.

The following is the break-up of current and non-current lease liabilities as at 31 March 2020

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Current lease liabilities	**1,519.41**	**-**
Non-current lease liabilities	**3,281.88**	**-**
Total	**4,801.29**	**-**

The following is the movement in lease liabilities during the year ended 31 March 2020:

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Balance as at 1 April 2019	**4,977.33**	-
Additions	**1,072.98**	-
Finance costs accrued during the year	**522.23**	-
Payment of lease liabilities	**(1,496.82)**	-
Adjustments	**(274.42)**	-
Balance as at 31 March 2020 (refer note 18b and 22b)	**4,801.29**	**-**

The table below provides details regarding the contractual maturities of lease liabilities as at 31 March 2020 on an undiscounted basis:

(Rs. in million)

Particulars	31 March 2019
Less than one year	**1,519.41**
One to five years	**3,993.30**
More than five years	**587.46**
Total	**6,100.17**

The table below provides details of amounts recognised in statement of Profit and Loss:

(Rs. in million)

Particulars	31 March 2019
Depreciation on Right-of-use assets	**1,087.76**
Interest on lease liabilities	**522.23**
Expenses related to short term leases and leases not covered under Ind AS 116	**212.98**
Other Income (net)	**(54.58)**
	1,768.39

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.

	1 April 2019
Weighted average incremental borrowing rate applied to lease liabilities	**9.17% - 13.10%**

The average tenure of leases covered under Ind AS 116 is 1 to 9 years.

Reconciliation of retained earnings as on 1 April 2019

(Rs. in million)

Particulars	31 March 2020	1 April 2019
Total retained earnings as per audited financial statement excluding Ind AS 116	**1,256.99**	**-**
Adjustment on initial application of Ind AS 116, net of taxes	**(601.46)**	**-**
Retained earnings as on 1 April 2019	**655.53**	**-**

Note 39
Service concession arrangement

During the year ended 31 March 2016, the Company along with a private bank (acting in the capacity of lead bidder) and another third party jointly bid for a public private arrangement to set up an open loop, contactless, smart card based Automatic Fare Collection System (AFCS) in relation to a metro rail project. The roles, responsibilities and obligations of all the parties was agreed as part of a consortium agreement executed between the three parties.

The Company's responsibilities include supply, installation and testing of AFCS equipment and support/maintenance of such equipment for a year of 6 years. The Company is entitled to receive a specified percentage of the value of ticket sales generated by the metro rail project for a year of 10 years.

The arrangement has been identified as a service concession arrangement in accordance with Appendix A to Ind AS 11 Construction Contracts where the Company's responsibilities include supply of the specified equipment and maintenance/support in relation to the same and the consideration linked to the ticket revenue generated by the related metro rail project.

During the year ended 31 March 2017, the Company was in the process of fulfilling its supply/installation/testing obligation and hence the cost incurred in relation to the project was capitalised as Intangible Assets under Development, net of in substance reimbursements received from co-bidders. In addition, amounts payable in relation to such projects have been reflected as Other financial liabilities.

During the year ended 31 March 2020, to the extent the installation and consequent deployment equipment has been completed, related expenditure (net of in substance reimbursements received from co bidders) and corresponding revenue based on the percentage of installation and deployment is recognised in the Statement of Profit and Loss and the consequent Intangible Assets have been recognised in the Statement of Assets and Liabilities.

Note 40
Contingent liabilities and commitments
(to the extent not provided for)

A. Contingent liabilities

		(Rs. in million)
Particulars	**31 March 2020**	**31 March 2019**
Claims against the Group not acknowledged as debts:	**28.11**	**17.96**
Matters in dispute under appeal		
(i) Sales tax	**51.27**	27.29
(ii) Excise duty*	**5.77**	5.77
(iii) Custom duty	**12.69**	12.69
(iv) DEPB	**0.43**	0.43
(v) Goods and service tax	**0.78**	0.78
Total	**99.05**	**64.92**

* Excludes, interest amount which would be finalised during the course of assessment.
Against the above pending tax litigation, the Group has paid Rs. 6.20 million (31 March 2019: Rs 4.73 million) under protest.

The Group's pending litigations comprise of claims against the Group and pertaining to proceedings pending with Indirect tax authorities. The Group has reviewed all its pending litigations and proceedings and has adequately provided for, where provisions are required and disclosed as contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its consolidated financial statements.

With regard to recent Supreme Court judgment on the applicability of allowances to be considered for the purpose of calculating provident fund, there is lack of clarity regarding the year of applicability and coverage of employees in relation to limit on contribution. Based on the legal opinion obtained, the Group has considered that judgment is likely to be applicable prospectively from 1 March 2019. Further, based on advice from legal counsel, the Group is of the opinion that judgment would not have any effect for employees where basic wage is more than Rs 15,000 per month.

B. Capital and other commitments

	(Rs. in million)	*(Rs. in million)*
Particulars	**31 March 2020**	**31 March 2019**
Estimated amount of contracts remaining to be executed on capital account and not provided for	**1,392.60**	1,352.30
Investment in wholly owned subsidiary	-	31.13

Note 41
Capitalisation of expenditure

The Group has developed certain softwares wherein the following development expenses have been capitalised/under development by the Group

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Salaries and wages	**60.74**	**2.95**

The Group has capitalised the following expenses of revenue nature to the cost of property, plant and equipment / capital work-in-progress.

(Rs. in million)

Particulars	31 March 2020	31 March 2019
Salaries and wages	**55.50**	18.90
Transport expenses	**11.99**	4.78
	67.49	**23.68**

Note 42
A. Disclosure under Ind AS 115, Revenue from Contracts with Customers

i. Sales of products and manufactured goods
The Group applies practical expedient in paragraph 121 of Ind AS 115 for all contract entered for sales of products and manufactured goods and does not disclose information about remaining performance obligations that have original expected duration of one year or less.

ii. Revenue from services
The Group applies practical expedient in paragraph 121 of Ind AS 115 for all contracts 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.

B. Changes in accounting policies

The Group has consistently applied the accounting policies to all years presented in these Interim Consolidated Financial Statements.
The Group has adopted Ind AS 115 Revenue from Contracts with Customers ("Ind AS 115") with a date of initial application of 1 April 2018.
However, there is no significant change on application of Ind AS 115.

C. Disaggreagtion of revenue from contracts with customers
Revenue from contracts with customers is disaggregated by primary business segment. Disaggregated revenue with the Group’s reportable segments is given in the note 50.

D. Reconciliation of revenue recognised with contracted price

	(Rs. in million)	*(Rs. in million)*
Particulars	**31 March 2020**	**31 March 2019**
Contracted Price	**18,612.74**	18,915.53
Reduction towards service level credits, trade discounts, etc	**608.31**	858.11
Revenue recognised	**18,004.43**	**18,057.42**

E. The Group has entered into a certain contract with a customer amounting to Rs. 1,483.72 million, wherein revenue is recognised when or as it satisfies a performance obligation by transferring a good or service to a customer over time (Contracted year: 3 years).

Note 43
Payment to auditors (excluding tax)

	(Rs. in million)	*(Rs. in million)*
Particulars	**31 March 2020**	**31 March 2019**
Audit fees	**7.65**	**6.60**
Certification fees and other services*	**9.98**	**7.47**
Out of pocket expenses	**-**	**0.40**
	17.63	**14.47**

*Out of the above expenditure, Rs. Nil (31 March 2019: Rs.7.47 million) is included in initial public offer related expenses and disclosed under "Other current assets" in the balance sheet. (refer note 15).

Note 44
During the year 31 March 2014, the Company had entered into an agreement with a customer for providing ATM Management services for 10 years. As a part of the arrangement, the Company acquired existing ATM sites at total consideration of Rs. 880.00 million. Further, an interest free security deposit of Rs. 926.25 million has been advanced towards such acquisition of the ATM network.

The property, plant and equipment acquired were capitalised at the respective fair value of Rs. 649.64 million and the difference of Rs. 276.61 million between the fair value of property, plant and equipment acquired and the total consideration was recognised as Premium on purchase of assets under 'Other assets'. In addition, the difference between the fair value and transaction price of the interest free security deposit referred to above has also been adjusted with premium on purchase of assets under 'Other assets'. The aggregate premium on purchase of equipment is amortised over the life of the contract with an adjustment to revenue. The charge for the current year is Rs. 56.29 million.(31 March 2019: Rs.54.53 million).

The Group is depreciating the property, plant and equipment acquired over the remaining useful life.

Notes to the Consolidated Financial Statements (Continued)
for the year ended 31 March 2020

Note 45
Corporate social responsibility expenses
a. Gross amount required to be spent by the Group during the year: Rs.11.00 million (31 March 2019 : Rs.5.70 million).
b. Amount spent during the year on:

(Rs. in million)

Particulars	In cash		Yet to be paid in cash	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Construction/acquisition of any asset	-	-	-	-
On purposes other than above	-	-	-	-
Total	-	-	-	-

c. Related party transaction in relation to corporate social responsibility: Nil (31 March 2019 :Nil)

d. Provision during the year: Nil

Notes to the Consolidated Financial Statements (Continued)

for the year ended 31 March 2020

Note 46

Additional information required by Schedule III to the Act

(Rs. in million)

Particulars	31 March 2020					
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Share in OCI	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated profit and loss	Amount
Parent :						
AGS Transact Technologies Limited	112.72%	5,624.28	108.29%	898.93	-366.78%	(11.04)
Indian :						
Securevalue India Limited	22.24%	1,109.84	7.28%	60.42	-46.52%	(1.40)
India Transact Services Limited	9.99%	498.25	-21.96%	(182.34)	-70.76%	(2.13)
Foreign :						
Global Transact Services Pte. Limited (including step down subsidiaries)	10.24%	511.17	2.75%	22.80	0.00%	-
Elimination	-55.20%	(2,753.99)	3.65%	30.33	584.05%	17.58
Total	**100%**	**4,989.55**	**100%**	**830.14**	**100%**	**3.01**

(Rs. in million)

Particulars	31 March 2019					
	Net assets i.e., total assets minus total liabilities		Share in profit / (loss)		Share in OCI	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated profit and loss	Amount
Parent :						
AGS Transact Technologies Limited	111.44%	5,405.99	55.44%	422.15	-36.01%	(5.11)
Indian :						
Securevalue India Limited	22.07%	1,070.50	9.55%	72.75	-46.58%	(6.61)
India Transact Services Limited	5.84%	283.10	28.49%	216.94	-5.29%	(0.75)
Foreign :						
Global Transact Services Pte. Limited (including step down subsidiaries)	8.36%	405.63	6.08%	46.27	0.00%	-
Elimination	-47.71%	(2,314.42)	0.44%	3.38	187.88%	26.66
Total	**100%**	**4,850.80**	**100%**	**761.49**	**100%**	**14.19**

AGS Transact Technologies Limited

Notes to the Consolidated Financial Statements (Continued)
as at 31 March 2020

Note 47
Financial instruments – Fair values and risk management

A. Accounting classification and fair values
The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels are presented below. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if their carrying amount is a reasonable approximation of fair value.

31 March 2020	**Carrying amount**				**Fair value**			***(Rs. in million)***
	Amortised cost	**FVTPL**	**FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets								
Loans	632.13	-	-	632.13	-	632.13	-	632.13
Other non-current financial assets	231.11	-	-	231.11	-	231.11	-	231.11
Current financial assets								
Trade receivables	4,564.85	-	-	4,564.85	-	-	-	-
Cash, cash equivalents and other bank balances	758.80	-	-	758.80	-	-	-	-
Loans	108.66	-	-	108.66	-	-	-	-
Other financial assets	1,645.50	-	-	1,645.50	-	-	-	-
	7,941.05	**-**	**-**	**7,941.05**	**-**	**863.24**	**-**	**863.24**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	4,624.36	-	-	4,624.36	-	4,624.36	-	4,624.36
Lease libilities	3,281.88	-	-	3,281.88	-	*3281.88*	-	3,281.88
Other financial liabilities	50.11	-	-	50.11	-	50.11	-	50.11
Current financial liabilities								
Borrowings	2,164.52	-	-	2,164.52	-	-	-	-
Lease liabilities	1,519.41	-	-	1,519.41	-	-	-	-
Trade payables	2,583.72	-	-	2,583.72	-	-	-	-
Other financial liabilities	1,890.59	-	-	1,890.59	-	-	-	-
	16,114.59	**-**	**-**	**16,114.59**	**-**	**7,956.35**	**-**	**7,956.35**

31 March 2019	**Carrying amount**				**Fair value**			***(Rs. in million)***
	Amortised cost	**FVTPL**	**FVOCI**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current financial assets								
Loans	618.82	-	-	618.82	-	618.82	-	618.82
Cash, cash equivalents and other bank balances		-	-	-	-		-	
Other non-current financial assets	40.49	-	-	40.49	-	40.49	-	40.49
Current financial assets								
Trade receivables	4,429.69	-	-	4,429.69	-	-	-	-
Cash, cash equivalents and other bank balances	381.06	-	-	381.06	-	-	-	-
Loans	97.10	-	-	97.10	-	-	-	-
Other financial assets	1,226.76			1,226.76	-	-	-	-
	6,793.92	**-**	**-**	**6,793.92**	**-**	**659.31**	**-**	**659.31**
Non-current financial liabilities								
Borrowings (including current maturities of long term borrowings)	4,684.18	-	-	4,684.18	-	4,684.18	-	4,684.18
Other financial liabilities	65.04	-	-	65.04	-	65.04	-	65.04
Current financial liabilities								
Borrowings	1,391.52	-	-	1,391.52	-	-	-	-
Trade payables	2,424.31	-	-	2,424.31	-	-	-	-
Other financial liabilities	1,755.02			1,755.02	-	-	-	-
	10,320.07	**-**	**-**	**10,320.07**	**-**	**4,749.22**	**-**	**4,749.22**

Notes:

a. The fair value of cash and cash equivalents, other bank balances, current trade receivables, trade payables approximated their carrying value largely due to short term maturities of these instruments.

b. Measurement of fair values: The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique
- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly
- Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values, as well as the significant unobservable inputs used.

Type	**Valuation technique**
Forward contracts	The fair value of the forward contracts is determined with reference to the forward exchange rate applicable as of the reporting date for the residual maturity of the contract being valued
Long term borrowings	The fair value of Long term borrowing is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Lease liabilities	The fair value of lease liabilities is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt/payment discounted using appropriate discounting rates.
Long term financial assets	The fair value of Long term financial assets is determined using discounted cash flow analysis. The valuation model considers the present value of expected receipt discounted using appropriate discounting rates.

Note 47

Financial instruments – Fair values and risk management

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:
▪ Credit risk ;
▪ Liquidity risk ; and
▪ Market risk

i. Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

ii. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investments. The carrying amounts of financial assets represent the maximum credit risk exposure.

a. Trade receivables

The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit year and delivery / service terms and conditions. The Group makes specific provisions against such trade receivables wherever required and monitors the same at yearic intervals.
Credit risk from trade receivables is managed through the Group's policies, procedures and controls relating to customer credit risk management by establishing credit limits, credit approvals and monitoring creditworthiness of the customers to which the Group extends credit in the normal course of business. Outstanding customer receivables are regularly monitored. Based on prior experience, the portfolio of customers and an assessment of the current economic environment, management believes there is no credit risk provision required. Also Group does not have any significant concentration of credit risk.

The following table provides information about the exposure to credit risk and expected credit loss for trade receivables:

(Rs. in million)

Particulars	Gross carrying amount	
	31 March 2020	31 March 2019
Not due / Past due 0-180 days	**3,213.40**	3,256.30
More than 180 days	**1,351.45**	1,173.39
	4,564.85	**4,429.69**

b. Cash, cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs. 758.80 million (31 March 2019: Rs. 381.06 million)The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

iii. Liquidity risk

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

The Group aims to maintain the level of its cash and bank balances at an amount in excess of expected cash outflows on financial liabilities (other than trade payables) over the next six months. The Group also monitors the level of expected cash inflows on trade receivables and loans together with expected cash outflows on trade payables and other financial liabilities.

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

			Contractual cash flows		*(Rs. in million)*
31 March 2020	**Gross carrying amount**	**Total**	**Up to 1 year**	**1 - 5 years**	**More than 5 years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	4,624.36	4,675.07	1,162.89	3,453.84	58.35
Short-term loans/working capital loans	2,164.52	2,164.52	2,164.52	-	-
Lease liabilities	4,801.29	6,100.17	1,519.41	3,993.30	587.46
Trade payables	2,583.72	2,583.72	2,583.72	-	-
Other financial liabilities	1,940.70	1,940.70	1,882.31	58.39	
Total	**16,114.59**	**17,464.18**	**9,312.85**	**7,505.53**	**645.81**

			Contractual cash flows		*(Rs. in million)*
31 March 2019	**Gross carrying amount**	**Total**	**Up to 1 year**	**1 - 5 years**	**More than 5 years**
Non derivative financial liabilities					
Term loans from banks and others (including current maturities of long term borrowings)	4,684.18	5,580.58	1,888.59	3,691.99	-
Short-term loans/working capital loans	1,391.52	1,391.52	1,391.52	-	-
Trade payables	2,424.31	2,424.31	2,424.31	-	-
Other financial liabilities	1,820.06	1,885.36	1,805.32	80.04	-
Total	**10,320.07**	**11,281.77**	**7,509.74**	**3,772.03**	**-**

The Group has secured bank loans that contains a loan covenant. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above
The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change.

Note 47

Financial instruments – Fair values and risk management

iv. Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc. – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage

a. Currency risk

The functional currency of the Group is INR. The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the functional currency. The Group uses forward exchange contracts to hedge its currency risk on borrowings, most with a maturity of less than one year from the reporting date.

Exposure on trade receivables and trade payables is unhedged.

The summary quantitative data about the Group's exposure to currency risk is as follows (the amounts below have been presented in the respective foreign currencies):

(in million)

31 March 2020	USD	EUR	JPY	SGD
Financial assets (A)				
Trade and other receivables	2.17	0.01	1.84	0.00
	2.17	0.01	1.84	0.00
Financial liabilities (B)				
Trade and other payables	0.51	0.70	-	-
Buyer's credit	0.67	-	-	-
Foreign currency non-resident ('FCNR') l	1.40	-	-	-
Interest on FCNR	0.02	-	-	-
Less : Forward contracts	(2.10)	-	-	-
	0.51	0.70	-	-
Net exposure (A - B)	**1.66**	**(0.69)**	**1.84**	**0.00**

(in million)

31 March 2019	USD	EUR
Financial assets (A)		
Trade and other receivables	0.67	0.02
	0.67	0.02
Financial liabilities (B)		
Trade and other payables	2.56	1.26
	2.56	1.26
Net exposure (A - B)	**(1.89)**	**(1.24)**

The following significant exchange rates have been applied in respective years:

Currency	31 March 2020	31 March 2019
USD	75.39	69.17
EUR	83.05	77.70
JPY	0.70	NA
SGD	52.94	51.23

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, EUR & JPY at reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected Consolidated Statement of Profit and Loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(in million)

	31 March 2020		31 March 2019	
Effect in INR	**Strengthening**	**Weakening**	**Strengthening**	**Weakening**
5% movement				
USD	(6.27)	6.27	6.54	(6.54)
EUR	2.88	(2.88)	4.82	(4.82)
JPY	(0.06)	0.06	-	-
SGD	-	-	-	-
	(3.45)	**3.45**	**11.36**	**(11.36)**

b. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

The management is responsible for the monitoring of the Group's interest rate position. Various variables are considered by the management in structuring the Group's borrowings to achieve a reasonable, competitive, cost of funding.

Note 47

Financial instruments – Fair values and risk management

The interest rate profile of the Group's interest-bearing financial instruments as is as follows:

(in million)

	31 March 2020	31 March 2019
Fixed rate instruments		
Financial assets	-	-
Financial liabilities	**(704.75)**	**(470.48)**
	(704.75)	**(470.48)**
Variable rate instruments		
Financial assets	-	-
Financial liabilities	(6,084.13)	(5,548.06)
	(6,084.13)	**(5,548.06)**

Fair value sensitivity analysis for fixed-rate instruments

The Group's fixed rate borrowings are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107 Financial Instruments: Disclosures, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Cash flow sensitivity analysis for variable rate instruments

A reasonably possible change of 100 basis points in interest rate would have resulted in variation in the interest expense for the entity by the amounts indicated in the table below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

(in million)

Particulars	**Profit or (Loss)**	
	100bps increase	**100bps decrease**
31 March 2020		
Variable rate instruments		
Cash flow sensitivity	(60.84)	60.84
	(60.84)	60.84
31 March 2019		
Variable rate instruments	(55.48)	55.48
Cash flow sensitivity	(55.48)	55.48

Note 48

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The primary objective of the Group's Capital Management is to maximise shareholders value.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

The Group monitors capital using a ratio of 'adjusted net debt' to 'total equity'. For this purpose, adjusted net debt is defined as total liabilities comprising interest-bearing borrowings and lease liabilities, less cash, cash equivalents, other bank balances and non-current margin money. Total equity comprises of all components of equity.

The Group's adjusted net debt to equity ratio is as follows:

(Rs. in million)

Particulars	**31 March 2020**	**31 March 2019**
Non-current borrowings	3,488.81	3,216.61
Current borrowings	2,164.52	1,391.52
Current maturities of long-term borrowings	1,135.55	1,467.57
Non-current lease liabilities	3,281.88	-
Current lease liabilities	1,519.41	-
Gross debt	**11,590.17**	**6,075.70**
Less : Cash, cash equivalents and other bank balances	(758.80)	(381.06)
Less : Margin money (non-current)	(231.11)	(40.49)
Adjusted net debt	**10,600.26**	**5,654.15**
Total equity	**4,989.55**	**4,850.80**
Adjusted net debt to equity ratio	**2.12**	**1.17**

The Group has provided the definitions of 'adjusted net debt' and 'total equity' because they are alternative performance measures and are not defined in Ind AS.

Following the adoption of Ind AS 116 - Leases, adjusted net debt to equity ratio has increased due to inclusion of lease liabilities.

Note 50
Related party transactions

A. Related parties

Key Management Personnel and Relatives

Mr. Ravi B. Goyal	Executive, Chairman & Managing Director
Mr. Badrinarain K. Goyal	Non-executive Non Independent Director / Father of Mr. Ravi B Goyal
Mrs. Anupama R. Goyal	Non-executive Non Independent Director / Wife of Mr. Ravi B. Goyal
Mr. Sudip Bandyopadhyay	Non-executive, Independent Director
Mr. Vijay Chugh	Non-executive, Independent Director
Mr. D. Sivanandhan	Non-executive, Independent Director (till 16 December 2019)
Mr. Rahul N. Bhagat	Non-executive, Independent Director (w.e.f. 7 June 2018)
Mr. Kiran B. Goyal	Brother of Mr. Ravi B. Goyal
Mr. El Khoury Ricardos	Director and Chief Executive Officer of Novus Technologies Pte. Ltd.
Mr. Ariel Gumabao	Executive Director of Novus Transact Philippines Corporation
Mr. Mehernosh Parekh	Executive Director of Securevalue India Limited
Mr. Shailesh Shetty	Managing Director Securevalue India Limited (w.e.f 01 April 2019)

Enterprises owned or significantly influenced by key management personnel or their relatives

Advanced Graphic Systems
Fillon Technologies India Private Limited
Instruments Research Associates Private Limited
Aries Management Services Pte. Ltd.
Wow Food Brands Private Limited
PT.Nova Digital Perkasa

B. Details of transactions with related parties including disclosure required under Section 186 (4) of the Companies Act, 2013 for loans, investments and guarantees

(Rs. in million)

Particulars	**Transactions for the year ended**		**Amount receivable / (payable) As at**	
	31 March 2020	**31 March 2019**	**31 March 2020**	**31 March 2019**
Sales of goods, software license and services				
Advanced Graphic Systems	**-**	0.00*	-	-
Instruments Research Associates Private Limited	**2.36**	1.42	**27.20**	29.56
Fillon Technologies India Private Limited	**5.74**	1.38	**1.58**	0.26
Purchase of goods and services				
Instruments Research Associates Private Limited	**10.35**	4.47	**(10.99)**	(1.24)
Fillon Technologies India Private Limited	**2.07**	1.64	**-**	-
Re-imbursements of expenses				
Fillon Technologies India Private Limited	**0.08**	0.07	**-**	0.07
Instruments Research Associates Private Limited	**0.81**	0.30	**-**	0.30
Advanced Graphic Systems	**0.54**	0.38	**0.92**	0.38
Wow Food Brands Private Limited	**-**	0.02	**-**	0.02
Dividend Paid				
Mr. Ravi B. Goyal	**66.46**	-	-	-
Vineha Enterprises Private Limited	**51.05**	-	**-**	-
Other Shareholders	**2.88**	-	-	-
Remuneration (refer note below)				
Mr. Ravi B. Goyal	**24.00**	24.00	**(1.88)**	(1.30)
Mr. El Khoury Ricardos	**52.69**	52.45	**(13.50)**	(8.71)
Mr Ariel Gumabao	**3.72**	0.07	**-**	-
Mr. Shailesh Shetty	**10.51**	-	**(3.36)**	-
Mr. Mehernosh Parekh	**7.65**	6.77	**(1.80)**	(0.89)
Deposits given/(repaid)				
Mr. Ravi B. Goyal	**-**	-	**25.00**	25.00
Mrs. Anupama R. Goyal	**-**	-	**2.00**	2.00
Mr Ariel Gumabao	**-**	-	**0.06**	0.00*
Rent expenses				
Mrs. Anupama R. Goyal	**2.10**	2.10	-	(0.19)
Professional fees				-
Mr. Kiran B. Goyal	**4.80**	4.80	**(0.43)**	(0.86)
Loan taken/(repaid)		-		-
Mr. El Khoury Ricardos	-	-	**(59.06)**	(57.16)
Director's sitting fees		-		-
Mr. Sudip Bandyopadhyay	**2.15**	1.00	**(0.38)**	-
Mr. Vijay Chugh	**1.70**	0.82	**(0.13)**	-
Mr. Jagdish Capoor	**-**	0.22	**-**	-
Mr. D. Sivanandhan	**0.70**	0.35	**-**	-
Mr. Rahul N. Bhagat	**1.93**	0.85	**(0.33)**	-

Note 50
Related party transactions *(continued)*

Particulars	Transactions for the year ended		Amount receivable / (payable) As at	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Director's Commission				
Mr. Sudip Bandyopadhyay	**3.50**	2.00	**(3.50)**	-
Mr. Vijay Chugh	**3.50**	2.00	**(3.50)**	-
Mr. Jagdish Capoor	**-**	2.00	**-**	-
Mr. D. Sivanandhan	**3.50**	2.00	**(3.50)**	-
Mr. Rahul N. Bhagat	**3.50**	2.00	**(3.50)**	-
Mr. Bharat Shah	**-**	2.00	**-**	-

* Amount less than Rs.0.01 million.

Note:
The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.

Note 51
Specified Bank Notes

The disclosures regarding details of specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in the consolidated financial statements since the requirement does not pertain to the financial year ended 31 March 2019.

Note 52

One of our subsidiary, Securevalue India Ltd. had not appointed Chief Financial Officer as required under Section 203 of the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year ended March 2019. It has appointed Chief Financial Officer in financial year ended March 2020.

Note 53

Due to outbreak of COVID-19 globally and in India, the Group's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Group's ability to continue as a going concern and meeting its liabilities as and when they fall due.

Note 54
Other matters

Information with regards to other matters specified in Schedule III to the Act, is either Nil or not applicable to the group.

As per our report of even date attached.

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

Rajesh Mehra
Partner
Membership No.: 103145

Place: Mumbai
Date : 25 August 2020

For and on behalf of the Board of Directors of
AGS Transact Technologies Limited
CIN : U72200MH2002PLC138213

Ravi Goyal
Managing Director
DIN: 01374288

Badrinarain Goyal
Director
DIN: 01679378

Saurabh Lal
Chief Financial Officer
Membership No.: 504653

Sneha Kadam
Company Secretary
Membership No.: 31

Place: Mumbai
Date : 25 August 2020