

Date: September 2, 2023

<b>To,</b> <b>BSE Limited,</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001  <b>BSE Scrip Code: 543451</b>	<b>To,</b> <b>National Stock Exchange of India Limited,</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051  <b>NSE Scrip Symbol: AGSTRA</b>
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**Ref: Regulation 30 and 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Sub: Annual Report for FY 2022-23 and Notice convening the Twentieth (20<sup>th</sup>) Annual General Meeting**

Dear Sir/Madam,

This is further to our letter dated August 29, 2023, wherein we had informed that the Twentieth (20<sup>th</sup>) Annual General Meeting of the Company would be held on Monday, September 25, 2023, at 11:00 a.m. (IST), through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

Pursuant to Regulation 30 and 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed, the Annual Report of the Company for FY 2022-23 alongwith the Notice convening the Twentieth (20<sup>th</sup>) Annual General Meeting, which is being sent through email to the Members whose e-mail addresses are registered with the Company/Depositories.

The Annual Report of the Company for FY 2022-23 along with the Notice of the Twentieth Annual General Meeting is also available on the website of the Company at: [www.agsindia.com](http://www.agsindia.com)

This intimation is being made available on the website of the Company at: [www.agsindia.com](http://www.agsindia.com).

Kindly take the above on record.

Thanking You,  
Yours Sincerely,  
For **AGS Transact Technologies Limited**

**Sneha Kadam**  
**Company Secretary**  
**(Mem No: ACS31215)**

Encl: Annual Report for FY 2022-23



AGS Transact Technologies Ltd.

[www.agsindia.com](http://www.agsindia.com)

**REGISTERED OFFICE**

601 - 602, B-Wing, Trade World,  
Kamala City, Senapati Bapat Marg,  
Lower Parel (W), Mumbai - 400 013  
**Phone:** +91-22-6781 2000  
**Fax:** +91-22-2493 5384

**CORPORATE OFFICE**

1401-A & 1402,  
One International Centre,  
Tower-3, 14th Floor, S.B. Marg,  
Prabhadevi (W), Mumbai - 400 013  
**Phone:** +91-22-7181 8181

**CIN-L72200MH2002PLC138213**

# ANNUAL REPORT

2022-2023



**DRIVING  
OPPORTUNITIES**



**EXPANDING  
HORIZONS**

# National Common Mobility Card

Empowering Users through Prepaid  
RuPay Cards



<https://nammametro.agsindia.com>

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**Mr. Ravi B. Goyal**  
Chairman and Managing Director

**Mr. Subrata Kumar Mitra**  
Independent Director

**Mr. Sivanandhan Dhanushkodi**  
Independent Director

**Mrs. Jhuma Guha**  
Independent Director

**Ms. Preeti Malhotra**  
Additional Director (Independent)

**Mr. Sudip Bandyopadhyay**  
Non-Executive,  
Non-Independent Director

**Mr. Stanley Johnson P.**  
Executive Director

**Mr. Vinayak R. Goyal**  
Executive Director

**Mr. Rahul N. Bhagat**  
Independent Director  
(Cessation w.e.f. 6 June 2023)

**Mr. Vijay Chugh**  
Independent Director  
(Cessation w.e.f. 11 March 2023)

**Mrs. Anupama R. Goyal**  
Non-Executive,  
Non-Independent Director  
(Cessation w.e.f. 29 March 2023)

### CHIEF FINANCIAL OFFICER

**Mr. Saurabh Lal**

### COMPANY SECRETARY AND COMPLIANCE OFFICER

**Ms. Sneha Kadam**

### REGISTERED OFFICE

601-602, Trade World, B-Wing,  
Kamala Mills Compound,  
Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai - 400013, Maharashtra, India  
Tel: +91-22-6781-2000

### CORPORATE OFFICE

14<sup>th</sup> Floor, Tower 3,  
One International Centre,  
Senapati Bapat Marg,  
Prabhadevi (West),  
Mumbai - 400013, Maharashtra, India  
Tel: +91-22-7181-8181

Website: [www.agsindia.com](http://www.agsindia.com)

CIN: L72200MH2002PLC138213

### REGISTRAR & TRANSFER AGENT

**Link Intime India Private Limited**

C-101, 1<sup>st</sup> Floor, 247 Park,  
L.B.S. Marg,  
Vikhroli (West),  
Mumbai - 400083, Maharashtra, India  
Tel: +91-22-4918-6200

### STATUTORY AUDITORS

**B S R & Co. LLP,**  
Chartered Accountants  
14<sup>th</sup> Floor, Central B Wing,  
and North C Wing,  
Nesco IT Park 4, Nesco Centre,  
Western Express Highway,  
Goregaon (East),  
Mumbai - 400063,  
Maharashtra, India  
Tel: +91-22-6257-1000

### BANKS/FINANCIAL INSTITUTIONS

State Bank of India  
IDFC First Bank Limited  
Investec Bank Plc  
IndusInd Bank Limited  
HDFC Bank Limited  
Bajaj Finance Limited  
Aditya Birla Finance Limited  
Dhanlaxmi Bank Limited  
SBM Bank (India) Limited  
Federal Bank Limited  
Axis Bank Limited  
SBI Global Factors Limited



# DRIVING OPPORTUNITIES. EXPANDING HORIZONS.

The emergence of digital payment platforms has revolutionised India's business landscape, bringing about significant transformation. The demand for digital payment solutions is rising due to technological advancements, customer preferences, and the Digital India initiatives implemented by the Indian Government.

However, despite these developments, India continues to be a cash-based society, as indicated by the increasing figures of Cash in Circulation (CIC). This unique coexistence of cash and digital transactions, combined with evolving market needs and customer preferences, is creating opportunities for the implementation of innovative omnichannel payment solutions, including Automated Teller Machines (ATMs) and Cash Recycling Machines (CRMs). The expectations for fast, accurate, and seamless payments have never been higher.

Aligned with our commitment to empower Indian businesses across diverse industries with tailored and innovative payment solutions, our vision of 'Driving Opportunities, Expanding Horizons' aims to capitalise on the growth opportunities through digital payments and the automation of banking processes. AGS Transact Technologies Limited (AGS Transact) is actively driving these transformative opportunities, benefitting not only ourselves but also our extensive clientele. We provide a wide range of integrated omnichannel payment solutions and have established a reputed client portfolio spanning various sectors such as banking, petroleum, fintech, e-commerce, transit and retail.

## WHAT'S INSIDE...

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Please find our online version at:  
<https://www.agsindia.com/investor-relation.aspx>

Or simply scan to download.



### Investor Information

CIN	L72200MH2002PLC138213
BSE Code	543451
NSE Symbol	AGSTRA
AGM Date	25 September 2023 at 11.00am
AGM Mode	Video Conferencing ('VC')/ Other Audio-Visual Means ('OAVM')

ABOUT THE COMPANY



## AGS Transact Technologies



**DRIVING OPPORTUNITIES**



**EXPANDING HORIZONS**

We are one of the largest integrated omnichannel payment solutions providers in India. We offer digital and cash-based payment solutions to banks and corporate clients across diverse industries including petroleum, e-commerce, fintech, transit and retail.

AGS Transact Technologies Limited (hereafter referred to as 'AGS Transact' or 'We') is a leading provider of integrated omnichannel payment solutions in India. Our diverse offerings include ATM and CRM outsourcing, cash management services, digital payment solutions, merchant services, and transaction processing. Through our comprehensive portfolio of services, we have earned the trust of our esteemed banking and corporate clients across various sectors, including petroleum, e-commerce, fintech, transit and retail.

Through our digital payment ecosystem Ongo, we offer issuance of prepaid cards including co-branded cards with various partners, thus carving a niche for ourselves in this space. We are the second-largest ATM managed service and cash management company in India, with a widespread presence across ~2,200 cities and towns. Since the inception in 2002, we have consistently strengthened and expanded our portfolio and geographical reach. Alongside our strong presence in India, we are strategically growing our operations in Southeast Asian countries, including Singapore, Philippines, Indonesia, and Cambodia. This will enable us to further strengthen our leadership position in the region.

Our dedicated in-house infrastructure and best-in-class technology platform differentiates us from our peers. It empowers us to constantly innovate and deliver tailor-made payment solutions to effectively address the changing market needs.



### Our Vision

Providing end-to-end cash and digital payment solutions and technology for the banking, petroleum, e-commerce, retail, and fintech sectors



### Our Mission

To be a leader in payment solutions by delivering secure, innovative products that engage customers across the product value chain in a cost-effective manner.

TOTAL INCOME

₹ **17,075** Million

SWITCHING TRANSACTIONS

**878** Million

CUSTOMER TOUCH-POINTS

**4,83,561**

*Aforementioned data is for 31 March 2023*





## VALUE CREATION FOR STAKEHOLDERS

# DRIVING OPPORTUNITIES TO CREATE VALUE FOR OUR STAKEHOLDERS

At AGS Transact, we strive to create long-term value for all our stakeholders. Our Company consistently adapts to the evolving environment and is committed to offering customised solutions that meet the growing needs and expectations of our esteemed stakeholders.

## Customers



At AGS Transact, we place utmost importance on our customers, who are one of the key stakeholders of our business. Our customer base spans a wide range of sectors, including banking, petroleum, retail, and colour. Therefore, we are committed to meet the requirements of these industries and strive to fulfil our customers' aspirations through our state-of-the-art solutions.

CUSTOMER TOUCH-POINTS

**4,83,561**

MERCHANT POS\* INSTALLED

**2,47,623**

ATMS &amp; CRMS MANAGED/SERVICED

**74,501**

DAILY CASH REPLENISHED

~ ₹20.5 Billion

*\*POS: Point-of-Sale*

## Employees



Our workforce plays a pivotal role in our journey towards success. We are committed to establishing a workforce that aligns with the required skills and expertise, while also attracting individuals who are driven by action and personal development. To achieve this, we provide internal growth opportunities by encouraging lateral job movements through internal job postings, as well as impart on-job training and skill developments initiatives to qualifying employees. Our work environment is carefully designed to foster outstanding performance, cultivate strong leadership, and encourage innovation.

HUMAN CAPITAL\*

**10,000+**
*\*Including Sub-Contracted Employees*
*Aforementioned data is on consolidated basis*

## Investors/Shareholders



We strive to deliver favourable returns for our investors and create value for our shareholders. To ensure effective communication and maintain transparency, we regularly engage with them and provide updates on the progress of our Company. Our goal is to offer comprehensive, transparent, and timely disclosures that enable informed decision-making on their part.

TOTAL INCOME

**₹17,075 Million**

ROCE\*

**14.74%**

ADJUSTED EBITDA\*\*

**₹4,907 Million**
*\* Return on Capital Employed*
*\*\* Refer Page 291 for Description of Adjusted EBITDA*


## Community



Creating shared value is a fundamental principle that drives our overall business. Our Company endeavours to financially and socially transform lives of all its stakeholders by becoming a sustainable corporate citizen. Through our Corporate Social Responsibility (CSR) initiatives we strive to enrich the society, both materially and socially, while contributing towards social upliftment and preservation of the global environment.

For more details please refer to our CSR initiatives, on page no. 76

## Partners/Vendors



At AGS Transact, we highly value our partners and vendors across various business verticals, including tech-partners, as they are integral to our corporate growth journey. We are dedicated to the well-being of this network through effective knowledge sharing, feedback, and suggestions. This commitment results in the adoption of global best practices, enhancing our in-house service capabilities, and delivering efficient, high-quality outputs to our valued clientele.

In addition, responsible leadership is at the core of our values. We actively collaborate with industry trade bodies and forums, adhering to prescribed industry guidelines. As proud members of prominent industry associations like PCI, CCA, CATMI, and CMA, we uphold our commitment to ethical business practices and responsible engagement with our industry peers.

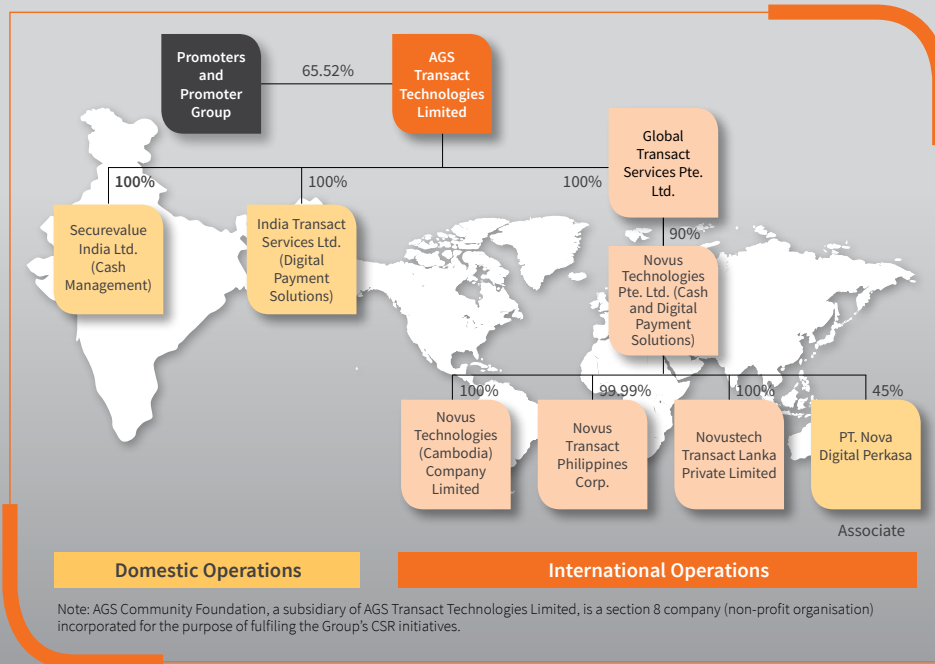
*Aforementioned data is on consolidated basis*



CORPORATE STRUCTURE AND PRESENCE

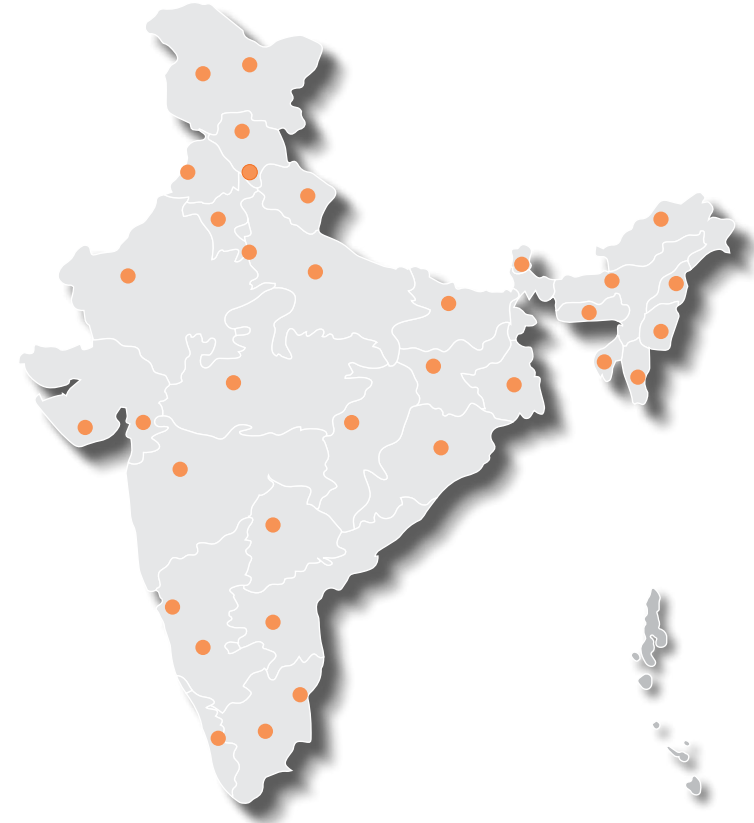
# EXPANDING HORIZONS THROUGH OUR CORPORATE STRUCTURE AND PRESENCE

AGS Transact operates through its fully owned subsidiaries: Securevalue India Limited (SVIL) oversees the Company’s cash management services, India Transact Services Limited (ITSL) provides digital payments services, and Global Transact Services Pte. Ltd. (GTSL) focusses on the Company’s international business operations. Thus, each subsidiary has a distinct role within AGS Transact’s corporate structure.



## Driving Opportunities across India with Our Extensive Footprint

Our widespread presence across India provides us the capability to connect with a broader customer base, diversify our revenue streams, and broaden our service offerings. This enables us to enhance brand recognition and foster customer trust and drive increased revenue generation and overall business expansion. Leveraging this expansive network, our goal is to strengthen our leadership position within the industry and establish an even stronger presence in the market.



<b>OFFICE LOCATIONS</b> <b>35</b>	<b>VAULTS &amp; SPOKE LOCATIONS</b> <b>468</b>	<b>TOWNS &amp; CITIES</b> <b>2,200+</b>
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\*Aforementioned numbers are on consolidated basis

Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and is not intended to be used for reference purposes. The representation of political boundaries and the names of geographical features/states do not necessarily reflect the actual position. The Company or any of its Directors, officers or employees cannot be held responsible for any misuse or misinterpretation of any information or design thereof.



MANAGEMENT'S MESSAGE

# FROM THE DESK OF CHAIRMAN AND MANAGING DIRECTOR



**We have successfully concluded another year of business operations, driven by refined strategies to optimise costs and enhance operational efficiency. By securing new orders and capitalising on emerging opportunities in the expanding payment industry, we remain poised for a future of continued growth and achievement.**

### Dear Shareholders,

As we reflect upon the financial year 2022-23 performance, I want to express my appreciation for your continued support and faith in AGS Transact Technologies Limited and our management. We have successfully concluded another year of business operations, driven by refined strategies to optimise costs and enhance operational efficiency. By securing new orders and capitalising on emerging opportunities in the expanding payment industry, we remain poised for a future of continued growth and achievement.

### Macroeconomic Landscape

To begin with, let us look at the major macroeconomic events that transpired throughout the year. On the global economic front, the growing tensions influenced international oil and commodity prices, contributing to increased global inflation. In response to this mounting inflation, major central banks took measures to increase interest rates.

Despite these escalating global concerns, the Indian economy displayed resilience and achieved a growth rate of 7.2%<sup>1</sup>. Rising inflation remains a key concern for the Indian economy against which, Reserve Bank of India (RBI) took some decisive actions to sustain the country's economic growth. These actions included raising the repo rate on six consecutive occasions. The effects of these actions were evident as the inflation rate gradually subsided, eventually reaching its lowest point in 20 months.

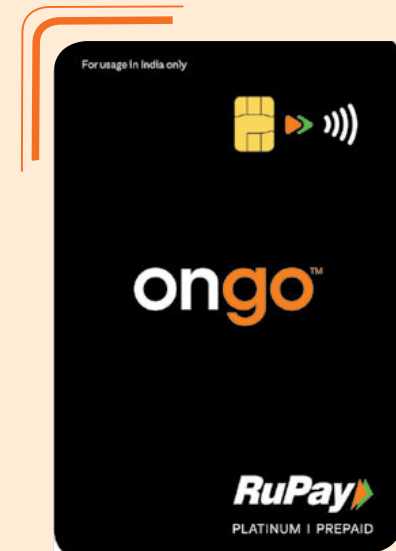
### Industry Overview

I would like to draw your attention to our country's rapidly evolving and robust payment landscape, which has experienced impressive growth and adoption rates. In 2022-23, India took the top spot globally in digital payments, with a staggering 89.5 Billion digital transactions. This remarkable achievement can largely be attributed to the Unified Payments Interface (UPI), which played a pivotal role in driving the transaction volume growth of about 56% during this period<sup>2</sup>.

Although there was a remarkable growth in digital payments, cash in circulation has also seen a notable increase, rising from ₹28.5 Trillion in

the 2020-21 to ₹33.5 Trillion in 2022-23, as reported by the Reserve Bank of India (RBI). This surge in cash usage is indicative of the continued importance of physical currency in our economy.

The cash management market has also experienced significant growth, reaching ₹3,920 Crores in 2022-23 from ₹3,300 Crores in the previous fiscal year. This growth can be attributed to banks' efforts to expand their ATM/CRM network, as evidenced by the RFPs of 20,000+ ATM/CRM floated during the year. Additionally, leading banks, including one of the largest PSUs, have recently issued fresh RFPs for the installation of 15,000+ ATMs/CRMs at the start of 2023-24, indicating a continued focus on expanding their digital banking infrastructure.



Speaking of digital banking infrastructure, banks are now establishing Digital Banking Units (DBUs) that emulate a physical branch therefore giving rise to a truly Phygital world and providing round-the-clock access to customers. This strategic move is expected to enhance customer convenience and support the growing adoption of digital payment channels.

Apart from these developments, there have been several regulatory initiatives that are poised to positively impact the payment ecosystem. Noteworthy examples include the implementation of Ministry of Home Affairs' guidelines on Cassette Swapping, the launch of Digital Banking Units, the introduction of interchange fees on PPI-based UPI transactions, and the facilitation of PPI wallet interoperability by NPCI. Further, the RBI through PIDF has provided incentives for the deployment of PoS infrastructure (physical and digital modes) in tier-3 to tier-6 centres. These initiatives are collectively aimed at creating value and opportunities for all key stakeholders in the payment landscape.

### Operational Highlights

During the year, our ATM Outsourcing and cash management businesses performed well. We expanded our CRM network from 4,072 in 2021-22 to 5,178 in 2022-23. Further, we provided cash management services to more than 42,426 ATMs/CRMs through our wholly owned subsidiary Securevalue India.

I am pleased to underline our significant achievements and



**I am pleased to underline our significant achievements and milestones throughout the year. The most prominent highlight of the year was winning the order of 8,000 ATM/CRM under Managed service portfolio, out of which we have completed the integration of close to 4,000 ATMs/CRMs for PNB and UBI banks.**

milestones throughout the year. The most prominent highlight of the year was winning the order of 8,000 ATM/CRM under Managed service portfolio, out of which we have completed the integration of close to 4,000 ATMs/CRMs for PNB and UBI banks. We powered the RuPay National Common Mobility Card or NCMC issued by RBL Bank for Bengaluru Metro Rail Corporation (BMRCL), India's second-longest metro line. Also, we provided and implemented the Automated Fare Collection System for Kochi Water Metro as a consortium.

On the strategic front, we are focussed on creating higher value by improving profitability margins. We are consciously looking to scale down the lower margins business and tap high-growth business lines with better profitability to achieve this objective. Parallely, on the digital front, we are capitalising the growing digital

adoption in the country by aggressively rolling out PoS devices with a focus on OMCs, coupled with value-added services.

### Financial Highlights

Despite facing some external challenges and delays in execution, we showcased resilience. During the financial year, our total income fell by 5% and stood at ₹17,075 Million. Our adjusted EBITDA increased marginally and stood at ₹4,907 Million. However, our adjusted EBITDA margins increased by 200 bps, indicating an overall operational efficiency. The PAT achieved a financial turnaround i.e. from a loss of ₹825 Million in 2021-22, we recorded a profit of ₹370 Million in 2022-23. This was predominantly due to the reduced finance costs, changes in revenue mix, and improved cost rationalisation.

### Looking forward

I would like to draw your attention to the continuous growth in the value and volume of banknotes, with a circulation increase of 9.9% and 5.0%, respectively, during 2021-22. India still heavily relies on cash for transactions, especially in rural areas and unorganised sectors, creating a significant demand for ATMs. In fact, it is estimated that the transaction volumes of ATMs will reach 8.6 Billion with a CAGR of 5.57%, while transaction value will stand at ₹40.8 Trillion by 2026-27 – indicating a CAGR of 5.53%. Additionally, the Cash Management Market, when we take the total of ATM Cash Management, Retail cash management and Dedicated Cash-in-transit vans or DCVs together, is projected to grow to a level of ₹7,900 Crores by 2026-27. This presents ample growth opportunities for our Company.

Furthermore, recent regulations by the RBI, requiring credit card activation within 30 days, further emphasise the need for ATMs/CRMs. New ATMs are being installed in rural areas, where infrastructure development is expanding to address the growing demand. There is a growing trend of banks deploying cash recycling machines or the CRMs. According to a media report in February 2023 about 20% of the total 2,50,000 ATMs in the country are now accounted by CRMs. Cash recycling machines or CRMs not only dispense cash but also enables the customer to deposit cash instantly in his/her bank account. Despite higher investment than a regular ATM, CRMs offers better economics for players like

us and higher cost saving for banks. Having said, the implementation of cassette swapping by leading banks at their ATM/CRM network are likely to open new revenue channels for ATM/CRM outsourcing & cash management players such as our Company.

Digital payments are the foundation of a financially inclusive society, fostering unity within an organised financial framework. In India, the growth of digital payments has been phenomenal, even in the post-pandemic era. This growth trajectory is expected to continue, with a projected fourfold expansion by 2026-27.

This exceptional growth can be attributed to the proactive policies implemented by the Government of India and the RBI. Their concerted efforts have played a pivotal role in promoting digital payments. While the rise of innovative financial technology companies (FinTech) has introduced new technologies that enhance user experiences, payment service providers (PSPs) have built a robust infrastructure to facilitate seamless and secured transactional flows. The introduction of open-loop prepaid cards i.e. NCMC for Bengaluru Metro Rail Corporation powered by AGS Transact and similar initiatives under Ongo such as the open-loop co-branded prepaid cards on our PPI license with a leading Indian FMCG conglomerate, are few examples of how our Company is creating a niche in digital payment ecosystem.

### Conclusion

The thriving payment landscape in India, characterized by the remarkable growth in digital payments alongside the sustained importance of cash, indicates a dynamic and promising future for the country's financial ecosystem. The ongoing efforts by banks and regulatory bodies to foster innovation and inclusivity are expected to further bolster the growth and efficiency of digital payments in India.

I want to extend my heartfelt gratitude to the esteemed members of the Board, the exceptional leadership team, our dedicated employees, reliable suppliers, and valuable business partners. Their constant support has enabled us to fulfil our commitment to efficiently serving our customers.

I also thank all the shareholders for their unflinching belief in our mission and their invaluable guidance. As we continue to make strides in the ever-changing payment industry, we are committed to providing innovative and improved solutions, and we are grateful for your ongoing support in this endeavour.

With best wishes

**Ravi B. Goyal**  
Chairman & Managing Director

OUR BUSINESS SEGMENTS

# EXPANDING HORIZONS WITH OUR SOLUTIONS

## Revolutionising Payments: Driving Seamless Omnichannel Experiences

AGS Transact Technologies is committed to providing businesses and consumers with a complete suite of omnichannel payment services through our payment solutions segment. Our offerings under this segment include cash payment solutions like ATM and CRM outsourcing, managed services, and cash management, as well as digital

payment services such as, issuance of co-branded prepaid cards with our partners, POS solutions, toll and transit solutions, RFID Fuelling services, transaction switching, and agency banking. We constantly innovate to meet the evolving needs of our industry and therefore our clients and end-customers.

### We Operate in Three Major Business Segments



#### Payment Solutions



#### Banking Automation Solutions



#### Other Automation Solutions



\*As of 31 March 2023



## Our Payment Solutions Segment include the Following Services

- Digital Payment
- ATM/CRM Outsourcing
- Cash Management
- Switching Transactions & Toll and Transit

### Digital Payment Solutions

We offer a comprehensive suite of solutions to provide seamless, secure, and convenient digital payment experience to our customer base across sectors. With our omnichannel payment platform, we cater to merchants, banks, and various sectors, providing an array of payment choices.

Our unique Ongo ecosystem empowers customers to make multiple payments at point-of-sale terminals. Our Ongo POS solution enables merchants to accept all popular modes of payments including credit/debit/prepaid cards and UPI. We have installed 247,600+ merchant POS terminals across the country.

We are actively working towards streamlining payments at fuel retail outlets through our Integrated Payment

Solutions (IPS) in collaboration with Oil Marketing Companies (OMCs). Our RFID fuelling solution offers fleet owners and individual vehicle owners a cashless, contactless, and paperless transaction experience.

Through our Ongo open-loop prepaid cards, we aim to empower consumers to make online and offline payments with ease. We have received authorisation from RBI to issue co-branded prepaid cards with our partners. Soon, we will launch open-loop co-branded prepaid cards on our PPI license with a leading Indian FMCG Conglomerate.

Earlier during the year, we powered the National Common Mobility Card or NCMC issued by RBL Bank for Bangalore Metro Rail Corporation. These are open-

loop Rupay prepaid cards which enable commuters to make swift payments at Bengaluru metro and at non-transit points including online and offline shopping. Commuters/users can easily top-up this NCMC card on the App and website, using their preferred mode of payment. In near future, other modes of transit will also be integrated with NCMC.

In addition to providing Transactions Switching services, we also offer AFC & Toll solutions. We provided and integrated the end-to-end Automatic Fare Collection System (AFC) for the Kochi water metro through a consortium, facilitating seamless journeys and enhancing commuter experiences.

### Value-Added Services



Payment Acceptance (Device-based and Device-less)



Integrated Payments Solution (IPS)



Loans Against Card Receivables



Merchant Application and Portal



CUG Prepaid & Loyalty

PAYMENT TOUCH POINTS

**2.47+** Lakhs

TOTAL POS TRANSACTIONS

**158** Million

BANKING PARTNERS

**75+**

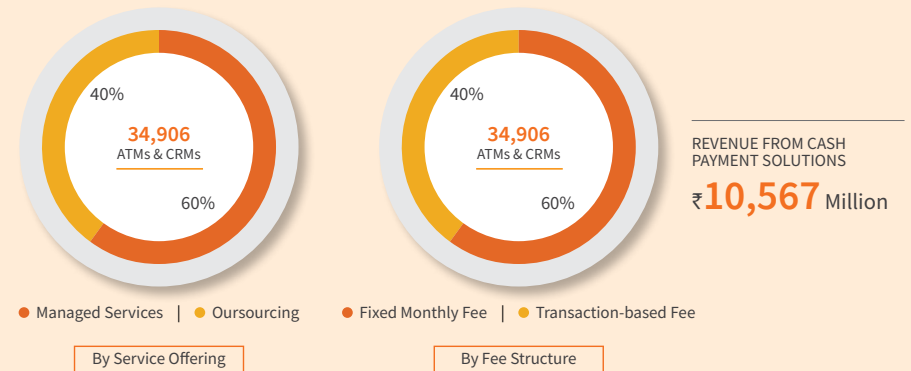
## Cash Payment Solutions

### ATM/CRM Outsourcing

At AGS Transact, we take immense pride in being one of the market leaders of ATM-managed services in India. We offer a complete range of solutions that entails key aspects of ATM management, ensuring industry-best peak performance and overall efficiency. Our end-to-end Managed services

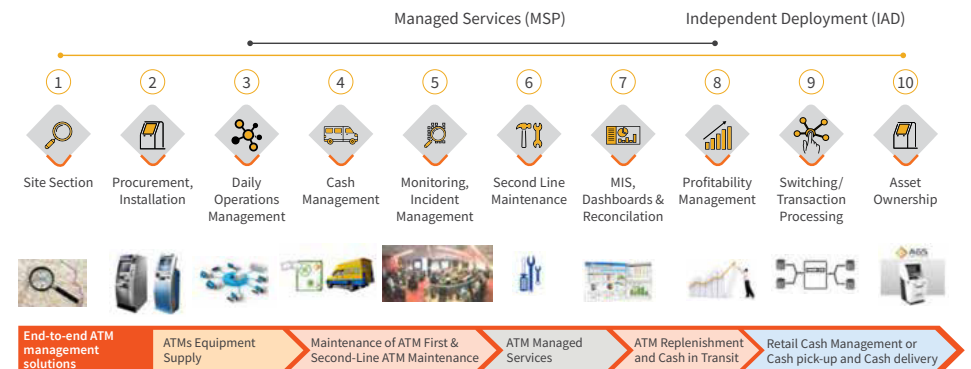
encompass equipment provision, Cash management, Monitoring & Incident management and Second Line maintenance. With an unwavering commitment to excellence, we set the industry standard for managing and enhancing ATM operations nationwide.

### Breakdown of ATMs & CRMs as on 31 March 2023



### Established Leadership Position in the ATM Industry

\*“Only” company in India to provide the full range of services in the ATM Managed services market.



\*Source: Ken Research Report



## Cash Management

At AGS Transact, we offer comprehensive cash management solutions through our subsidiary Securevalue India (SVIL). As the second-largest cash management company in India with a growing network of 42,426 ATMs/CRMs, we are committed to fulfilling the cash replenishment needs of the ATMs under our management and extend our services to other ATM operators as well. Our expertise encompasses a wide array of services, including ATM cash replenishment, cash-in-transit (CIT), dedicated cash vans or DCV services, retail cash management, cash pick-up/doorstep banking, maintenance, and cash processing and vaulting.



ATMs REPLENISHED WITH CASH  
**42,426**

CITIES AND TOWNS IN INDIA  
**~1,805**

DAILY AVERAGE AMOUNT REPLENISHED  
**~ ₹20.5 BILLION**

CASH PICK-UP AND DOORSTEP BANKING POINTS  
**~850**

VAULTS AND SPOKE LOCATIONS  
**468**

CASH VANS  
**2,485**

## Driving Banking Services with Automation Solutions

Our Banking automation segment comprises of sale of ATM and cash recycling machines, currency technology solutions, self-service terminals/kiosks and related services and upgrades.

We provide complete life-cycle management of ATMs/CRMs after the warranty period expires. Additionally, we stock spare parts for the repair of ATMs, CRMs and other automated banking hardware.

TOTAL ATMs AND CRMs INSTALLED  
**74,501**

ATMs AND CRMs UNDER SERVICE IN INDIA  
**26,488**

## Other Automation Solutions

We provide various technology solutions such as cash billing terminals and automation software etc. to customers across Retail, Petroleum and Colour sectors, which enables them to provide technology-driven automated payments and dispensing solutions to the end-consumers.



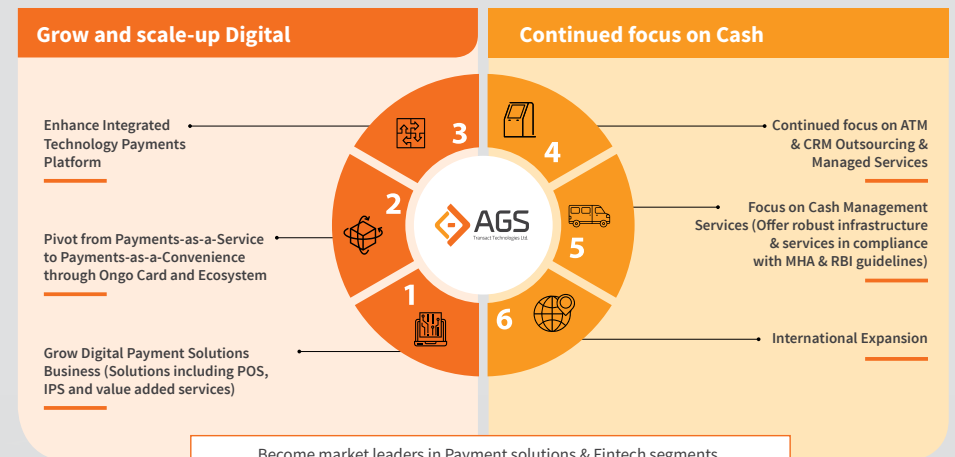
## FUTURE STRATEGIES

# EXPANDING THE HORIZONS – STEADILY AND CONSISTENTLY

Amidst a burgeoning payments industry, we are committed to establishing ourselves as the frontrunners in both Cash and Digital payment segments. Our extensive portfolio of end-to-end payment solutions distinguishes us from competitors and empowers us to cater to the diverse requirements of our clients. Leveraging

our existing strengths, our Company is focussed on enhancing our integrated technology payments platform to provide businesses and individuals with seamless and efficient payment processing. Our goal is to strengthen our position as the go-to provider in this ever-expanding landscape.

### Building Blocks to Implement Future Strategy



Become market leaders in Payment solutions & Fintech segments by Exploring Opportunities, Expanding Scale and Enabling Growth.



KEY DIFFERENTIATING FACTORS

# DRIVING OPPORTUNITIES THROUGH OUR DIFFERENTIATING FACTORS

At AGS Transact, we leverage our USPs and strategic approach to stand out from other industry players. The following are our key differentiators:

## Integrated omni-channel payment platform

AGS Transact is one of the largest\* integrated omni-channel payment solutions providers in India in terms of providing digital and cash-based solution to banks and corporate clients. Our comprehensive suite of payment solutions help our customers to attain efficiency and accuracy in cash and digital payment transactions. Additionally, our wide network across 2,200 cities and towns in India, enables us to unlock operating efficiencies and synergy benefits, making us the preferred partner for our customers.

\*Source: Ken Research

## Customer-centric portfolio

We take pride in our extensive industry experience and knowledge, which, combined with our expertise in both cash and digital payment segments, empowers us to deliver tailor-made solutions to our valued customers. Building longstanding relationships is at the core of our business, and we make it a point to regularly engage with our clients to grasp their evolving industry needs. This customer-centric approach enables us to collaborate closely with them, providing relevant & effective offerings such as mobile wallets and agency banking software. Our adaptability ensures we capture a significant share of their payment-related requirements, while staying dedicated to our customers' success.



## Diversified Customer Base and Long-Standing Relationships

We pride ourselves on serving a diverse customer base, including prominent players in the Banking, Petroleum, Retail, and Fintech sectors. This diversity allows us to offer a wide range of products and seize cross-selling opportunities. This is evident from the esteemed clientele which included more than 50 leading banks, all leading OMCs and large retail brands.

Moreover, our longstanding relationships with global technology providers, network partners, leading banks, financial institutions, and major retailers enhance our market credibility, establishing trust among both existing and potential customers.

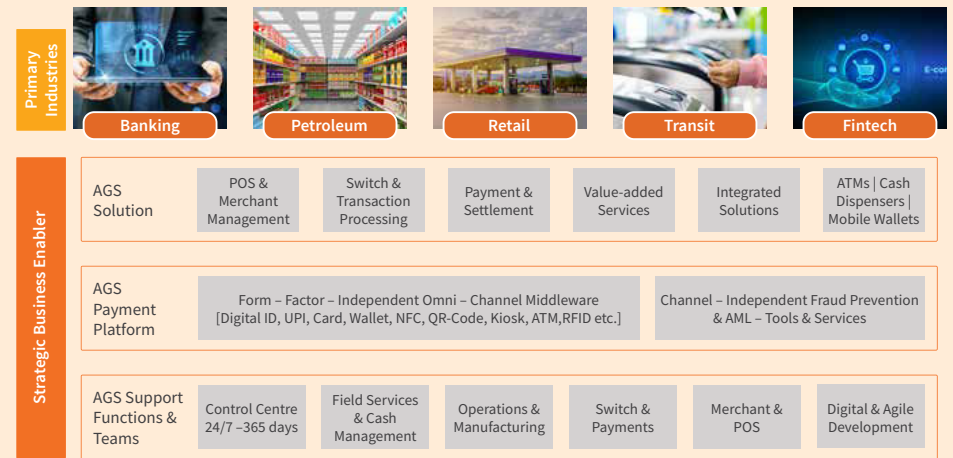
## Experienced Leadership

At AGS Transact, we owe our success and growth to our exceptional team of highly experienced professionals who serve as the cornerstone of our business. Our strong management and leadership team possesses the expertise and industry knowledge necessary for establishing a solid foundation that propels us to excel in our field. Their pivotal role in driving our daily operations and decision-making processes ensures that we stay on track and deliver exceptional services and solutions to our esteemed clients. With their guidance and leadership, we are able to maintain our commitment to excellence and continually exceed expectations.

## Comprehensive In-House Infrastructure and Technological Capabilities

Our in-house infrastructure and technological capabilities are a source of pride for us, as they play a crucial role in driving our business forward. By fostering productivity, efficiency, and economies of scale, these capabilities directly benefit our customers. Currently, we efficiently manage and serve an extensive network of 4,83,560+ customer touchpoints across 2,200 cities and towns through our 35 branch offices and 468 vault and spoke locations throughout India.

A key differentiator is our state-of-the-art back-end switching platform, which enables us to provide comprehensive ATM outsourcing solutions, process transactions on behalf of banks and institutions, manage our POS network, and issue prepaid instruments. These robust in-house capabilities empower us to continually innovate, enhance overall productivity, and achieve remarkable economies of scale.



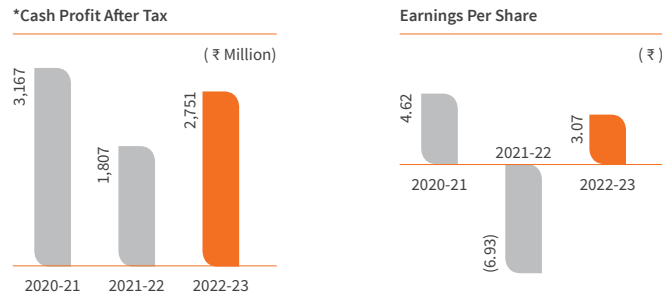
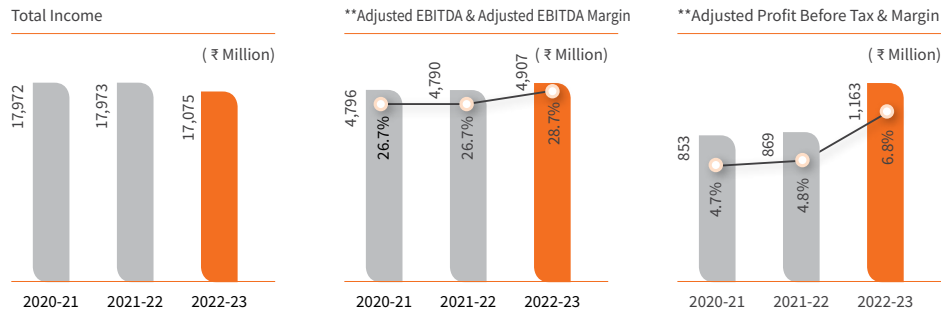
FINANCIAL PARAMETERS

# UNLOCKING OPPORTUNITIES ON THE HORIZON: OUR KEY FINANCIAL PARAMETERS

With a proactive approach, we have strategically transitioned our service mix to focus on offerings that yield higher margins. We have gradually moved away from businesses that diminish value, aiming to unlock greater returns on investment.

We witnessed a significant turnaround in our Profit After Tax (PAT) performance. After incurring a loss of ₹825 Million in 2021-22, we achieved a profit of ₹370 Million in 2022-23. This remarkable improvement can be attributed primarily to lower finance costs, changes in revenue distribution, and cost optimisation.

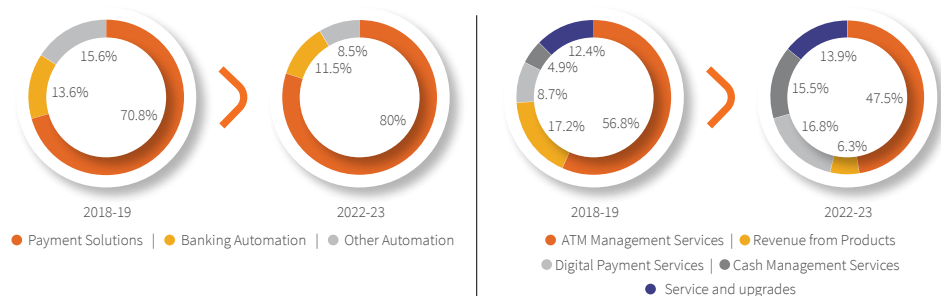
Consolidated Financial Highlights



\*Cash Profit after Tax = PAT + ESOP Cost + Depreciation and Amortization Expense  
\*\* Refer page 291 for the description

Our Revenue Break-up

Revenue from Operations Breakdown



# OUR ESTEEMED BOARD MEMBERS



**Mr. Ravi B. Goyal**  
Chairman & Managing Director

Mr. Ravi B. Goyal serves as the Chairman & Managing Director of our Company. He joined the Board of Directors on 11 December 2002, and took on the role of Managing Director from 1 October 2008. He was re-appointed as the Managing Director of our Company, effective from 1 August 2021. Mr. Goyal is responsible for overseeing the overall operations of our Company and its subsidiaries. Additionally, he holds positions on the Boards of our subsidiaries, namely ITSL, SVIL, and GTSL.

Mr. Goyal has a Bachelor of Engineering degree from Mumbai University and has 27 years of experience in the technology sector.

He has previously worked with DCM Limited and Byte Systems Private Limited. Before establishing our Company, he founded Advanced Graphic Systems, a proprietorship business focused on marketing computer-aided textile designing software.

His achievements have earned him various awards and recognitions. Some of these include the 'Innovative Leader Award' (2017) at the MODI Awards, the 'Best Payments Entrepreneur of the Year (2018)' at the Payments and Cards Summit organised by Kamikaze, and the 'Promising Entrepreneur of India (2019)' Award presented by the Economic Times (ET Edge).



**Mr. Sudip Bandyopadhyay**  
Non-Executive, Non-Independent Director

Mr. Sudip Bandyopadhyay is a gold medalist from University of Calcutta and is also a qualified Chartered Accountant and a Cost Accountant with over 35 years of rich and diverse experience in various areas of finance and financial services. His area of expertise includes lending, capital markets, commodity and currency markets, wealth management, asset management, forex and distribution of financial products. Mr. Bandyopadhyay is currently the Group Chairman of Inditrade Group of Companies. Mr. Sudip acquired control of Inditrade Group from Barings India Private Equity Fund in 2015. Inditrade has significant presence in Agri Commodity Financing, MSME Lending and Micro Finance business. He sits on the Boards of a number of listed and unlisted companies.

During his 16 years stint with ITC as Head of Treasury and Strategic Investments, he managed investments in excess of

₹1.5 Billion. He managed all the treasury operations including capital, currency and money markets for ITC. Post ITC, he was the Managing Director of Reliance Securities (Reliance Money) and also on the Board of several Reliance ADA Group companies. He was instrumental in leading Reliance Anil Dhirubhai Ambani Group's foray, amongst others, into Equity and Commodity Broking, Financial Products Distribution, Commodity Exchanges, Gold Coin Retailing, Money Changing and Money Transfer. Under his leadership, Reliance Money had aggressively expanded its footprint in India and across the globe. He was also responsible for the acquisition of AMP Sanmar through which Reliance launched its Life Insurance business. Mr. Sudip Bandyopadhyay has significant presence in business media through his regular interaction on leading business channels, business newspapers and magazines.





### Mr. Stanley Johnson Panacherry

Executive Director

Mr. Stanley Johnson P is an Executive Director on the Board and Head - Banking of our Company. He has been appointed as an Executive Director with effect from 9 June 2021. He holds a Bachelor of Science degree from Mumbai University. He also holds a master's degree in Computer Applications from The International University, U.S.A. Mr. Stanley has been associated with our Company since 16 August 2010. He has been instrumental in strengthening and expanding our banking operations across

India. He is also a Director on the Board of our overseas step-down subsidiary, Novus Technologies (Cambodia) Company Limited. Mr. Stanley has over 27 years of experience in the field of payment industry. Prior to joining our Company, he was associated with FIS Payments Solutions and Services India Private Limited. He is a recipient of the 'Chairman's Award' from the eFunds Corporation in 2006. Further, he is a Director at Confederation of ATM Industry, a registered non-profit trade association.



### Mr. Vinayak R. Goyal

Executive Director

Mr. Vinayak R. Goyal holds a Bachelor of Science degree in Computer Engineering from Purdue University, USA, and has previously worked with Avendus Capital Private Limited as an analyst. He has over 4 years of experience in the fields of

investment banking, business strategy and fund raising. He works closely with the management to drive strategic and business initiatives at our Company. He is also a Non-Executive Director on the Board of ITSL.

## INDEPENDENT DIRECTORS



### Mr. Subrata Kumar Mitra

Non-Executive, Independent Director

Mr. Subrata Kumar Mitra holds a Master of Science degree from the University of Calcutta and a master's degree in Management Science from the Texas Christian University, USA. Mr. Mitra is a well-known veteran with hands-on experience in a wide range of financial services businesses in India. In his early years, Mr. Mitra worked with reputed organisations such as American Express Bank as Head of Corporate Banking and Investment Banking in India, Standard Chartered Bank- Merchant Banking Division, GIC Mutual Fund - where he brought one of the earliest foreign investors in the industry. Thereafter, from 1994 to 2007, he served as the Group Director, Financial Services in the Aditya Birla Group and set up the highly

successful financial services business. He has dealt with several global entities for entry into India and as joint venture partners.

He has served on the Board of Directors and Committees of several reputed companies in different industries as an Independent Director and Advisor. He is also an advisor to a large international bank for over 12 years. He is associated with several international and domestic NGOs, Committees and Chambers in India and is a contributor of articles in various publications. He has been the India Correspondent for Asia Asset Management, Hong Kong for more than 10 years.



### Mr. D. Sivanandhan

Non-Executive, Independent Director

Mr. D. Sivanandhan is a postgraduate in economics and holds a master's degree in arts from University of Madras. Mr. D. Sivanandhan is one of the most highly regarded IPS officers in India, with an illustrious career spanning several postings during his 35 years of service. Mr. D. Sivanandhan has dedicated his life to the eradication of corruption and organised crime and is renowned for his use of strategy and intelligence to uphold the rule of law. Mr. Sivanandhan retired as a DGP of Maharashtra State Police in 2011. Mr. D. Sivanandhan has held several senior positions in Intelligence Bureau, Central Bureau of Investigation and Mumbai Crime Branch and has also served as Commissioner of Police of Nagpur, Thane city and Mumbai. Mr. D. Sivanandhan has worked with RBI as Security Advisor for three years from 2014.

President's Distinguished Service Medal (2000) and also the Internal Security Medal (1998). In 2017, Mr. D. Sivanandhan was a member of the special task force in the National Security Council Secretariat (Prime Minister's Office) for revamping India's internal and external national security measures. Mr. Sivanandhan was a security advisor to the Reserve Bank of India for three years and is on the Board of several prestigious companies. Mr. Sivanandhan is now the Chairman of Securus First India Private Limited; a security consultancy company started by him and is also on the Board of other companies. He is also the founder of Roti Bank Mumbai, an NGO feeding the poor and has served 12 million free meals in about four years. Mr. Sivanandhan has also co-authored a National best seller titled "Chanakya's seven secrets of leadership".

Mr. Sivanandhan has been awarded the Meritorious Service Medal (1993), the





### Mrs. Jhuma Guha

Non-Executive, Independent Director

Mrs. Jhuma Guha is a qualified Chartered Accountant and a qualified Company Secretary having a rich experience of over three decades in the field of financial services. She is currently the Vice-Chairperson of Inditrade Group of Companies and has earlier worked in the Corporate Investments of ITC Limited, Reliance Securities Limited, Destimoney

Securities Private Limited, etc. She brings along with her varied experience and expertise in the fields of Corporate and Legal Affairs, Compliance, Financial Management, Mergers and Acquisitions, Strategic Management and Planning. She is also an Independent Director on the Boards of our Subsidiaries SVIL and ITSL.



### Ms. Preeti Malhotra

Additional Director (Non-Executive, Independent)

Ms. Preeti Malhotra is an accomplished global professional with over 30 years of work experience in top leadership positions. She specialises in Business Strategy and development, Corporate Affairs, Corporate Governance, Policy formation, Strategic Alliances, Joint Ventures & New Projects, Collaborations, Investor Relations, Mergers, Acquisitions, Takeovers, IPO's, Shareholding Divestments, Compliance & Risk Management, Fund Raising and project management.

Ms. Malhotra has been the Chairman of Smart Bharat Group, a diversified business conglomerate having interests in Realty, Hospitality, AI-enabled Preventive Healthcare & Wellness and also venturing into new-age projects. She has also served as Director on multiple Corporate Boards in India and overseas and as Governing Body Member / Trustee in the Health infra and

education space. Ms Malhotra has been spearheading as Chairperson of some key committees of ASSOCHAM.

Ms. Malhotra holds the distinction of being the former President of the Institute of Company Secretaries of India (ICSI) and was the first woman to be elected as President amongst the premier National Professional Bodies in India. She is an active contributor to various policy initiatives of the Government of India and has been a member on various expert Committees to advise the Government on the framing of the New Company Law in India. Ms. Malhotra is a fellow member of the ICSI, a law graduate and Commerce (Hons.) graduate from Delhi University. She has also finished a study on exponential technologies that seek to address the world's greatest challenges with the Executive Programme from Singularity University, Silicon Valley.

## OUR LEADERSHIP TEAM



### Mr. Saurabh Lal

Chief Financial Officer

Mr. Saurabh Lal currently serves as the Chief Financial Officer for our Company and our subsidiary SVIL. Mr. Lal holds a Bachelor of Commerce degree from the University of Delhi and is a certified Chartered Accountant from the ICAI (Institute of Chartered Accountants of India).

Before joining our Company, Mr. Lal held positions at ICICI Bank Limited, Reliance Money Limited, and Green Invest Limited, which further enhanced his professional background and knowledge in the field.

With over 16 years of experience in the financial services industry, he brings valuable expertise to his role.



### Mr. Ashish Mehta

Head - IT and Infrastructure

Mr. Ashish Mehta currently serves as the Head - IT and Infrastructure at our Company. Mr. Mehta holds a Diploma in Computer Technology from the Bombay Institute of Technology, Mumbai. He also has a certification in Strategic IT Management from the prestigious Indian Institute of Management - Ahmedabad.

With over 22 years of combined management and technical experience in the banking and payment industry, Mr. Mehta brings a wealth of knowledge to his role. Prior to joining our Company, he held the position of Executive Director at Euronet Services India Private Limited, where he led IT operations for the Asia-Pacific and Middle East regions. Additionally, he has worked with renowned organisations such as Citigroup, GE Countrywide Consumer Financial Services Limited, ABN AMRO, and HDFC Bank.

Mr. Mehta has received several prestigious awards for his contributions and accomplishments. Some of these include the 'HERO' Award from Euronet in 2009, the Transformers Award from Dell EMC, the Datacenter and Infrastructure ICON from CORE Media in 2017, and the Digital ICON from CORE Media in 2018. These accolades highlight his outstanding achievements and significant impact in the field of IT and infrastructure.

As the Head - IT and Infrastructure, Mr. Mehta plays a crucial role in driving the technological advancement and smooth functioning of our Company. His extensive experience, certifications, and accolades make him a valuable part of our organisation.



### Mr. Nikesh Samaiya

Executive Vice President - Software Development

Mr. Nikesh Samaiya is the Executive Vice President - Software Development of our Company. He holds a Bachelor of Engineering degree from the Rajiv Gandhi Prudyogiki Vishvavidyalay (University of Technology of Madhya Pradesh) and a post graduate diploma in business management (manufacturing and operations) from the Bharatiya Vidya Bhavan's S.P. Jain Institute of Management and Research, Mumbai.

Mr. Samaiya has over 19 years of experience in the field of IT and software development. Prior to joining our Company, he was the Chief Executive Officer of Carinov Systems Private Limited, manager at Birlasoft (India) Limited, an executive engineer at Fibcom India Limited, and a design engineer at Taran Electronics.



**Mr. Shailesh S. Shetty**

Managing Director, Securevalue India Limited

Mr. Shailesh S. Shetty is the Managing Director of our Subsidiary, SVIL. Mr. Shetty holds a Diploma in Industrial Electronics Service from the Indian Technical Education Society, Mumbai and a Bachelor of Commerce degree from the Madurai Kamaraj University. He has over 26 years of experience in the fields of supply chain

and after-sales service. He was previously associated with our Company and with Advance Graphic Systems as Head-Purchase and Logistics. Prior to joining our Company, he was associated with Fillon Technologies India Private Limited.



**Mr. Sudheer Parappurath**

Chief Operating Officer, India Transact Services Limited

Mr. Sudheer Parappurath currently serves as the Chief Operating Officer at our subsidiary, ITSL. Mr. Parappurath holds a Bachelor of Science degree from the University of Calicut, Bachelor of Laws degree from the University of Mysore, and a post-graduate diploma in Industrial Relations and Personnel Management from Bharatiya Vidya Bhavan.

With over 27 years of experience in the payment industry, Mr. Parappurath brings a wealth of knowledge to his role. Prior to joining ITSL, he held positions at esteemed organisations including Axis Bank Limited, Reliance Jio Infocomm Limited, BOBCARDS

Limited, Binani Metals Limited, and IVP Limited. He has also completed a Certified Forensic Accounting Professional course from India Forensic and Certified Fraud Examiner certification from the ACFE (Association of Certified Fraud Examiners).

Mr. Parappurath serves as a Director on the Board of India Payment Risk Council, further showcasing his industry involvement and expertise. His extensive experience and expertise in risk and operations management contribute significantly to the success and secure functioning of ITSL.



**Mr. Ricardos El Khoury**

Chief Executive Officer & Director, Novus SGP

Mr. Ricardos El Khoury holds the position of Chief Executive Officer and Director at our Subsidiary, Novus SGP. Additionally, Mr. El Khoury serves as a director on the boards of our subsidiaries, namely Novus Cambodia, Novus Lanka, and Novus Philippines. Mr. El Khoury holds a Bachelor of Science degree in Computer Science from Notre Dame University - Louaize.

With approximately 29 years of experience in the information technology sector,

Mr. El Khoury brings a wealth of expertise to his role. Prior to joining Novus SGP, he held various positions at reputed organisations. He was a regional Vice President at Wincor Nixdorf Pte Ltd sales manager at Tamer Freres s.a.l., account manager at International Computer & Communications Systems S.A.R.L., and technico-commercial engineer at Integro Middle East S.A.L. - Lebanon.



**Mr. Satish Zope**

Advisor - Petroleum

Mr. Satish Zope currently holds the position of Advisor - Petroleum at our Company. Mr. Zope holds a Master of Commerce degree from the University of Poona and possesses over 26 years of experience in sales and business development. Before joining our Company, he was associated with Mountain Technologies Pty Limited.

Additionally, he has also worked with Teledirect Informatics India Limited, further enriching his professional background and expertise in the industry. Mr. Zope's extensive experience and knowledge greatly contribute to the success and growth of our Company's petroleum division.

## DIRECTORS' REPORT

To,  
The Members,  
**AGS Transact Technologies Limited.**

Your Directors are pleased to present the 20<sup>th</sup> Annual Report alongwith the Audited Financial Statements of your Company for the financial year ended on 31 March 2023.

### FINANCIAL HIGHLIGHTS:

(₹ in Million, except per equity share data)

PARTICULARS	FY 2022 – 23		FY 2021 – 22	
	Standalone	Consolidated	Standalone	Consolidated
Revenue from Operations	12,102.43	16,712.73	13,170.19	17,718.72
Total Income	12,387.83	17,075.12	13,320.36	17,972.65
Total expenses before interest, depreciation and amortisation and tax	9,266.15	12,756.37	9,954.34	13,609.66
Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,121.68	4,318.75	3,366.02	4,362.99
Less: Finance Costs	1,215.57	1,436.96	2,309.86	2,502.09
Less: Depreciation and amortisation expense	1,724.60	2,306.49	1,870.69	2,518.73
Profit/(Loss) for the year before share of profit/(loss) of associate	181.51	575.30	(814.53)	(657.83)
Share of net loss of associate (net of income tax)	--	--	--	(7.94)
Profit / (loss) before tax	181.51	575.30	(814.53)	(665.77)
Less: Tax Expenses				
Current Tax	3.33	164.61	41.80	154.25
Adjustment of tax relating to previous years	--	(3.26)	--	--
Deferred tax	29.41	44.33	29.91	4.66
Profit / (loss) for the year	148.77	369.62	(886.24)	(824.68)
Basic Earnings per Equity share (in ₹)	1.24	3.07	(7.45)	(6.93)
Diluted Earnings per Equity share (in ₹)	1.21	3.01	(7.45)	(6.93)

### OVERVIEW OF COMPANY'S BUSINESS AND FINANCIAL PERFORMANCE

During the year under review, the revenue from operations on a standalone basis was ₹ 12,102.43 Million as compared to ₹ 13,170.19 Million in the previous year. The revenue from operations on a consolidated basis was ₹ 16,712.73 Million as compared to ₹ 17,718.72 Million in the previous year. On a standalone basis, the profit for the year was ₹ 148.77 Million as compared to loss in the previous financial year. Whereas on a consolidated basis the profit for the year was ₹ 369.62 Million as compared to loss of ₹ 824.68 Million in the previous financial year. FY 2022-23 ended with a steady operational and financial performance. The profit was primarily on account of cost optimisation/efficiencies and reduction in the finance cost.

Your Company is one of the largest integrated omni-channel payment solutions providers in India in terms of providing digital and cash-based solutions to banks and corporate clients. We provide customised products and services comprising ATM and CRM outsourcing, cash management and digital payment solutions including merchant solutions, transaction processing services and mobile wallets. The

Company operates in three broad business segments, namely, Payment Solutions; Banking Automation Solutions; and Other Automation Solutions. The Company serves diverse industries such as banking, retail, petroleum, toll and transit, cash management and fintech in India and other select countries in Asia. Your Company is expanding its presence in installing cash recycler machines (CRMs) for various banks which would further strengthen its overall market position given the increasing preference by banks for CRMs to offer automatic deposit and withdrawal facilities to customers. This will in-turn also expand the portfolio of machines serviced by one of our subsidiary i.e. Securevalue India Limited under their cash management business.

During the year under review, the Company has won orders for 8,000+ ATMs/ CRMs under the Managed Services portfolio (i.e. under Assets light model) from two leading banks i.e. Union Bank of India and Punjab National Bank. The addition of these 8000+ ATMs/CRMs will further strengthen our leadership position in the industry. These are managed services contracts which include ATM management, maintenance, cash management, etc. on a pan India basis. As a result, it will bolster

### DIRECTORS' REPORT (Contd.)

our performance in terms of topline as well as bottomline. It will also contribute to the overall revenue stream of our cash management subsidiary i.e. Securevalue India Limited.

The Company has powered the RuPay National Common Mobility Card (open-loop card) issued by RBL Bank for Bangalore Metro Rail Corporation (BMRCL), the second longest metro line in India. This National Common Mobility Card (NCMC) is an interoperable prepaid Rupay card which commuters can use to access metro services in Bengaluru and other NCMC enabled metro stations in the country. Additionally, this NCMC card can be used for making various payments including retail, fuel, toll & parking as well as offline contactless transactions of low value. In due course of time, NCMC cards will also allow users to make payments at other mobility services like bus, suburban railways etc. More recently, your Company has implemented Automated Fare collection system for Kochi Water Metro through its consortium with Axis Bank and Axis Elektronik.

As of 31 March 2023, it deployed 2,47,623 payment terminals and was one of the largest deployers of PoS terminals at petroleum outlets in India, having rolled out 48,120 terminals at various petroleum outlets.

The Group has a strong digital payments solution business, bolstered by its network of close to 245,000 POS terminals in the market. Also, incremental revenue opportunities from the integrated POS deployment at fuel stations will help the group further diversify its revenue mix.

Implementation of cassette swap model for currency movement i.e. loading of cash into ATMs through cassette swap mode has opened up new revenue opportunity for Company as well as for its subsidiary while mitigating the risk of open cash replenishment. As phase-wise implementation of cassette swapping across cities begins in FY 2023-24, we expect to further strengthen our ATM/CRM Outsourcing business and synergistically grow our cash management business as well.

An analysis of the financials and business performance of the Company during the year under review is included in the Management Discussion and Analysis which forms a separate section of the Annual Report.

### LISTING

The Equity shares of the Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Annual listing fee for the FY 2022-23 has been paid to both the Exchanges.

### DIVIDEND

Due to pressure on the liquidity and business operations post-COVID-19 pandemic and keeping in mind the principle

of shared prosperity and sacrifice, it is decided by the Board of Directors that it would be prudent, not to recommend any dividend for the financial year under review.

### RESERVES

During the year under review, your Company has not transferred any amount to the Reserves.

### CHANGE(S) IN THE NATURE OF BUSINESS

During the year under review, there was no change in the nature of the business or any activity of business of the Company.

### BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act 2013 ("the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations"], with an appropriate combination of Executive, Non-Executive and Independent Directors.

As on 31 March 2023, the Board of the Company has 8 (Eight) Directors comprising of 1 (One) Managing Director, 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 4 (Four) Independent Directors.

During the financial year under review, there were below changes in the Board constitution of the Company:

- Appointment of Mrs. Jhuma Guha (DIN: 00007454) as a Non-Executive, Independent Director w.e.f. 05 August 2022;
- Retirement of Mr. Sudip Bandyopadhyay (DIN: 00007382) and Mr. Vijay Chugh (DIN: 07112794), Non-Executive, Independent Directors, on account of completion of 2 consecutive terms as Independent Directors from end of day on 11 March 2023;
- Appointment of Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as an Additional Director (Non-Executive, Independent Director) w.e.f. 11 March 2023;
- Appointment of Mr. Sudip Bandyopadhyay (DIN: 00007382) as an Additional Director (Non-Executive, Non-Independent Director) w.e.f. 29 March 2023;
- Resignation of Mrs. Anupama R. Goyal (DIN: 02696453) Non-Executive, Non-Independent Director w.e.f. 29 March 2023.
- Mr. Stanley Johnson Panacherry (DIN: 08914900), Executive Director, retired by rotation and was re-appointed at the 19<sup>th</sup> Annual General Meeting of the Company held on 30 August 2022.

## DIRECTORS' REPORT (Contd.)

Post 31 March 2023 till the date of signing this report, the following changes have taken place in the Board constitution:

- Regularisation of appointment of Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as a Non-Executive, Independent Director w.e.f. 11 March 2023, approved by the members through postal ballot on 20 May 2023.
- Regularisation of appointment of Mr. Sudip Bandyopadhyay (DIN:00007382) as a Non-Executive, Non-Independent Director w.e.f. 29 March 2023, approved by the members through postal ballot on 20 May 2023.
- Cessation of Mr. Rahul N. Bhagat (DIN: 02473708) as a Non-Executive, Independent Director w.e.f. 06 June 2023 on account of completion of first term.
- Appointment of Ms. Preeti Malhotra (DIN: 00189958) as an Additional Director (Non-Executive Independent Director) w.e.f. 28 June 2023 for a period of 5 years subject to approval of members at the ensuing 20<sup>th</sup> AGM of the Company.

In accordance with the Articles of Association of the Company and the provisions of the Section 152 of the Companies Act, Mr. Vinayak R. Goyal (DIN: 09199173) will retire by rotation at the ensuing 20<sup>th</sup> Annual General Meeting ("AGM") and being eligible, has offered himself for re-appointment. The necessary resolutions for re-appointment of Mr. Vinayak R. Goyal and appointment of Ms. Preeti Malhotra have been included in the Notice of the forthcoming 20<sup>th</sup> AGM for the approval of the members

Mr. Ravi B. Goyal (DIN: 01374288) – Chairman and Managing Director, Mr. Saurabh Lal – Chief Financial Officer and Ms. Sneha Kadam – Company Secretary and Compliance Officer are the Key Managerial Personnel of the Company as at the date of this Report.

Information on the Audit Committee, the Nomination and Remuneration Committee, the Stakeholders' Relationship Committee, Risk Management Committee and Corporate Social Responsibility Committee and meetings of those Committees held during the year is given in the Report on Corporate Governance annexed as "Annexure 1".

**STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS**

All the Independent Directors of your Company have submitted their declarations of independence, as required, pursuant to the provisions of Section 149(7) of the Act, stating that they meet the criteria of independence, as provided in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI Listing Regulations and are not disqualified from continuing as Independent Directors of your Company.

Further, all the Independent Directors of your Company have confirmed their registration/renewal of registration, as applicable, on the Independent Directors' Databank.

Except, Mrs. Jhuma Guha (DIN:00007454), Non-Executive, Independent Director, who holds 185 equity shares in your Company, none of the Independent Non-Executive Directors held any equity shares of your Company during the financial year ended 31 March 2023 and as on the date of this report.

**STATEMENT REGARDING OPINION OF THE BOARD WITH REGARD TO INTEGRITY, EXPERTISE AND EXPERIENCE (INCLUDING THE PROFICIENCY) OF THE INDEPENDENT DIRECTORS**

The Independent Directors of the Company possess requisite qualifications, experience and expertise. In compliance with the rule 6(1) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors have registered themselves with the Indian Institute of Corporate Affairs ("IICA"). Pursuant to amendments in section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of their names in the data bank.

Mr. Subrata Kumar Mitra, Mrs. Jhuma Guha, Mr. Sivanandhan Dhanushkodi, Mr. Sudip Bandyopadhyay, Mr. Vijay Chugh and Ms. Preeti Malhotra are exempted from the requirement to undertake online proficiency self-assessment test conducted by IICA. Mr. Rahul N. Bhagat had duly completed the online proficiency self-assessment test conducted by the IICA within the prescribed timelines.

**SHARE CAPITAL**

During the financial year under review, the Company has not issued any shares or made any allotments.

The Authorised Share Capital of your Company as on 31 March 2023 was ₹ 1,600,000,000 divided into 160,000,000 Equity Shares of ₹ 10 each.

The issued, subscribed and paid-up equity share capital of the Company as on 31 March 2023 was ₹ 1,214,030,760 divided into 121,403,076 equity shares of face value of ₹ 10 each.

During the previous financial year, the Company had issued 1,010,500 equity shares on 29 March 2022 to AGS Transcat Employees Welfare Trust under the Company's approved ESOP schemes. The Company was required to obtain prior in-principle approval from Stock Exchanges, which was not complied with and the shares were allotted. The Company had made an application seeking condonation from SEBI in this regard and SEBI granted the condonation on 22 November

## DIRECTORS' REPORT (Contd.)

2022. Thereafter, pursuant to receipt of in-principle approvals from the Stock Exchanges, these 1,010,500 equity shares were listed and admitted for trading on the Stock Exchanges with effect from 27 December 2022.

**ISSUE OF SWEAT EQUITY SHARES**

The Company has not issued Sweat Equity Shares during the financial year under review and hence the disclosure as required under Section 54 read with rule 8(13) of Companies (Share Capital and Debentures) Rules, 2014 is not required to be made.

**EQUITY SHARES WITH DIFFERENTIAL VOTING RIGHTS**

The Company has not issued Equity Shares with differential voting rights during the financial year under review and hence the disclosure as required under Section 43 read with rule 4(4) of Companies (Share Capital and Debentures) Rules, 2014 is not required to be made.

Sr No.	Instrument	Rating	Rating Action	Type of rating	Name of the rating agency	Date
1	Long-term and short-term borrowings (₹ 9,000.00 Million)	CRISIL A+/Stable	Reaffirmed	Long Term Rating	CRISIL Ratings Limited	26 April 2023
2	Working Capital Loan (₹ 2,170.00 Million)	IND A+/Negative/Ind A1	Long-term rating affirmed; Outlook revised to Negative from Positive; Short-term rating downgraded	Long-Term Rating / Short-Term Rating	India Ratings and Research Private Limited	10 April 2023
3	Term Loans (₹ 6,274 Million)	Ind A+ / Negative	Affirmed; Outlook revised to Negative from Positive	Long-Term Rating	India Ratings and Research Private Limited	10 April 2023
4	Commercial paper (₹ 300.00 Million)	WD	*Withdrawn	Short-Term Rating	India Ratings and Research Private Limited	10 April 2023

\*Since no such debt has been availed by the Company, India Ratings and Research Private Limited has withdrawn the rating assigned to the captioned debt instrument basis the request made by the Company.

**POST PANDEMIC INITIATIVES**

The post pandemic era saw normalcy gain traction as a result of the proactive implementation of India's ambitious covid-19 vaccination programme by the Government of India, achieving more than 140+ crore doses so far. As employees began to resume work from office and people in general started to socialise; there was a sudden influx of people across various modes of transport, work spaces and common areas such as parks, cinema halls etc. While this change was welcomed by all, there was a simultaneous increase in the no. of covid cases in India, crossing 65000+ cases in June 2022. The government had issued an advisory against rising cases due to new variants of COVID-19, and letting our guards down at public places. In wake of this, AGS CoviAssist, which is our team dedicated towards safeguarding AGS employees and their immediate

**CONSOLIDATED FINANCIAL STATEMENT**

Consolidated financial statements are prepared for the year 2022-23 in compliance with the provisions of the Companies Act, applicable accounting standards and as prescribed under the SEBI Listing Regulations.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

As stipulated under Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Management Discussion and Analysis, is presented in a separate section forming part of the Annual Report.

**CREDIT RATING**

During the financial year under review, the Company has obtained/renewed any credit ratings. The details of credit rating obtained by the Company post 31 March 2023 are as under:

relatives against covid-19, commenced an internal campaign. The objective was to sensitise employees on-field and at-office, about rising covid-19 cases, Govt.'s advisories & initiatives and encourage them to follow precautionary practices such as taking the Booster Dose; wearing masks while at public places, and consulting a doctor/physician during cough and cold or fever.

At work place, we continue to encourage hygiene practices such as frequent sanitisation of work-stations, use of hand sanitiser or washing hands frequently and wearing mask at work in case the employee or his/her family member has related symptoms. For doing so, we send cautionary emailers to employees pan India at regular intervals; put up digital posters across AGS Tube i.e. multiple digital screens across AGS Group offices and on HRMS - the employee portal for AGS Transcat Group.



DIRECTORS' REPORT (Contd.)

Further, all on-roll AGS Transcat Group employees are covered under Insurance scheme which continues to cover COVID-19 related hospitalisation across India.

**AUDITORS AND AUDITORS REPORT**

At the 19<sup>th</sup> Annual General Meeting (AGM) of the Company held on 30 August 2022, M/s. B S R & Co. LLP, Chartered Accountants were re-appointed as the Statutory Auditors of the Company for a second term of four (4) years i.e. to hold office from the conclusion of the 19<sup>th</sup> AGM until the conclusion of the 23<sup>rd</sup> AGM. M/s. B S R & Co. LLP has provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the 'Peer Review Board of ICAI'.

The Report given by the Statutory Auditors on the financial statement of the Company is part of this Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditors in their Report.

The Audit Committee composition and details with respect to the number of meetings and attendance at the meetings are provided in the Report on Corporate Governance forming part of the Annual Report FY 2022-23. During the year under review, there have been no instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee on any matter which is mandatorily required.

Sr. No.	Particulars	Comments
1.	The Company has disbursed/transferred the CSR funds under the statutory obligation laid down in Section 135 of the Act to the implementing agency (AGS Community Foundation, a Section 8 company and subsidiary of the Company). However, the amounts so transferred in the previous year (₹ 2.14 Crores) and the current year (₹ 1.11 Crores) remain unutilised by the implementing agency as at 31 March 2023. Further, the CSR funds disbursed/transferred in the FY 2020-21 (₹ 1.68 Crores) have not been completely utilised by the implementing agency as at 31 March 2023.	The Company had disbursed CSR contribution to the implementing agency (AGS Community Foundation, a Section 8 company and subsidiary of the Company) and has identified Project AGS Shiksha to utilise the said contribution. The CSR contribution shall thus be utilised towards Project AGS Shiksha by the implementing agency in a judicious and beneficial manner.
2.	The Company did not have woman independent director on its board from 01 April 2022 to 04 August 2022 as required under Regulation 17 (1) (a) of Listing Regulations	The applicability of regulation 17 (1)(a) was effective 01 April 2022 and the Company was in process of evaluating suitable candidates for the proposed appointment, which was eventually made on 05 August 2022.

The Board will ensure that the Company takes necessary steps to comply with applicable regulations from time to time.

**COST AUDITORS**

M/s. Kishore Bhatia & Associates, Cost Accountants, will be carrying out the cost audit of the Company for the financial year 2022-23. The Company has duly maintained cost records as required under the provisions of the Companies Act 2013. The Board of Directors have re-appointed them to conduct the audit of the cost records of the Company for FY 2023-24 in compliance with section 148 of the Companies Act, 2013.

**INTERNAL AUDITORS**

The Board of Directors have appointed M/s. Mahajan & Aibara Chartered Accountants LLP, (Firm Registration No: 105742W), as Internal Auditors for the FY 2022-23 to conduct the internal audit of the various areas of operations and records of the Company.

**SECRETARIAL AUDIT REPORT**

M/s. Bhandari & Associates, Practising Company Secretaries, (Firm Registration No: P1981MH043700) were appointed to conduct the Secretarial Audit of the Company for the financial year 2022-23 as required under Section 204 of the Companies Act, 2013 and the rules made thereunder. The report of the Secretarial Auditor, in the prescribed Form MR-3 is annexed to this report as "Annexure 2".

The Secretarial Auditors' Report for FY 2022-23 does not contain any qualification, reservation or adverse remark, except as mentioned in the form MR-3 which is annexed to this report as "Annexure 2". The Board has taken note of the remarks of the Secretarial Auditor and commented as below:

DIRECTORS' REPORT (Contd.)

Securevalue India Limited and India Transcat Services Limited, wholly owned subsidiaries of the Company fall within the ambit of "Material Subsidiary" as per the SEBI Listing Regulations for the financial year 2022-23. The Secretarial Audit Report of Securevalue India Limited and India Transcat Services Limited for the Financial Year 2022-23 is enclosed as "Annexure 2A" and "Annexure 2B" respectively to this report.

**SUBSIDIARIES**

As on 31 March 2023, the Company has 8 subsidiaries which include 3 Direct wholly owned subsidiaries, 1 subsidiary (section 8 company) and 4 overseas step down subsidiaries as under:

- i. Securevalue India Limited (Wholly owned subsidiary);
- ii. India Transcat Services Limited (Wholly owned subsidiary);
- iii. Global Transcat Services Pte. Limited (Wholly owned subsidiary);
- iv. Novus Technologies Pte. Limited (First level step down subsidiary through Global Transcat Services Pte. Limited);
- v. Novus Technologies (Cambodia) Company Limited (Second level step down subsidiary through Novus Technologies Pte. Limited);
- vi. Novus Transcat Philippines Corporation (Second level step down subsidiary through Novus Technologies Pte. Limited);
- vii. Novustech Transcat Lanka (Private) Limited (Second level step down subsidiary through Novus Technologies Pte. Limited); and
- viii. AGS Community Foundation (Section 8 Company).

Further, as on 31 March 2023, the Company has an associate entity (45% stake) in Indonesia i.e. P.T. Nova Digital Perkasa through its first level step down subsidiary (Novus Technologies Pte. Limited).

During the year under review, none of the entities have ceased to be the Company's subsidiaries, joint ventures or associate companies.

The Board of Directors (including Audit Committee) have reviewed the affairs of the subsidiaries and associate entity A Report on the performance and financial position of each of the subsidiaries and associate entity included in the Consolidated Financial Statements and their contribution to the overall performance of the Company, is provided in Form AOC-1 and forms part of this report as "Annexure 3".

The Annual Audited Accounts of the Subsidiary Companies and the related detailed information will be made available to the Shareholders of the Company at the corporate office of the Company.

The Company has framed a Policy for determining Material Subsidiary which is available on the website of the Company at <https://www.agsindia.com/corporate-policies.aspx>

**CODE OF CONDUCT**

Your Company has in place, a Code of Conduct for the Board of Directors and Senior Management Personnel, which reflects the legal and ethical values to which your Company is strongly committed.

The Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them, for the financial year ended 31 March 2023. The said Code is available on the website of your Company at <https://www.agsindia.com/corporate-policies.aspx>. In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended 31 March, 2023. The declaration to this effect signed by Mr. Ravi B. Goyal, Chairman and Managing Director of the Company forms part of this Report as "Annexure 4".

**RISK MANAGEMENT**

The Company has devised and adopted a Risk Management Policy and implemented a mechanism for risk assessment and management. The policy provides for identification of possible risks associated with the business of the Company, assessment of the same at regular intervals and taking appropriate measures and controls to manage, mitigate and handle them. The key categories of risk covered in the policy are strategic risks, financial risks, operational risks and such other risk that may potentially affect the working of the Company. A copy of the risk management policy is placed on the website of the Company.

As on 31 March 2023, the Risk Management Committee comprises of the below entailed Directors:

- |    |                                |                            |
|----|--------------------------------|----------------------------|
| 1. | Mr. Rahul N. Bhagat            | Chairman of the Committee; |
| 2. | Mr. Sivanandhan Dhanushkodi    | Member;                    |
| 3. | Mr. Ravi B. Goyal              | Member                     |
| 4. | Mr. Saurabh Lal                | Member                     |
| 5. | Mr. Stanley Johnson Panacherry | Member                     |
| 6. | Mr. Vinayak R. Goyal           | Member                     |
| 7. | Mr. Sudheer Parappurath        | Member                     |

As on date, the Risk Management Committee comprises of the below entailed Directors:

- |    |                                |                            |
|----|--------------------------------|----------------------------|
| 1. | Mr. Ravi B. Goyal              | Chairman of the Committee; |
| 2. | Mr. Sivanandhan Dhanushkodi    | Member;                    |
| 3. | Mr. Saurabh Lal                | Member                     |
| 4. | Mr. Stanley Johnson Panacherry | Member                     |
| 5. | Mr. Vinayak R. Goyal           | Member                     |
| 6. | Mr. Sudheer Parappurath        | Member                     |

## DIRECTORS' REPORT (Contd.)

Your Company recognises that risk is an integral part of business and is committed to managing the risks in a proactive and efficient manner. Your Company periodically assesses risks in the internal and external environment and incorporates risk treatment plans in its strategy, business and operational plans.

**EMPLOYEES STOCK OPTION SCHEMES**

During the previous financial year ended 31 March 2022, 10,10,500 equity shares were allotted by the Company to AGS Transact Employees Welfare Trust (ESOP Trust) for enabling exercise of vested options by employees under Employees Stock Option Scheme 2012 (ESOS 2012) and Employee Stock Option Scheme 2015 (ESOS 2015). The Shareholders of the Company have approved amendments to ESOS 2012 and ESOS 2015 in compliance with Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ["SEBI SBEB Regulations"].

**A. EMPLOYEE STOCK OPTION SCHEME - ESOS 2012**

The Company instituted the ESOS 2012 pursuant to resolutions passed by the Board and the Shareholders, each dated 29 February 2012, and as amended pursuant to resolutions passed by the Board and the Shareholders, each dated 27 July 2018 and 22 November 2021. The ESOS 2012 is compliant with the SEBI SBEB Regulations.

2012.

The details of ESOS 2012 are as follows:

**a) Options granted:**

As on 31 March 2023, the Company has granted options as below:

Grant Year	Options Granted	Options Lapsed	Options Exercised	Net Options
2012	18,70,000	7,83,080	10,86,920	-
2013	50,000	-	50,000	-
2015	3,42,000	2,53,000	89,000	-
2019	8,81,000	1,28,000	2,95,500	4,57,500
2022	1,29,740	43,780	-	85,960
<b>Total</b>	<b>32,72,740</b>	<b>12,07,860</b>	<b>15,21,420</b>	<b>5,43,460</b>

- b) Options vested during the year: 38,922
- c) Options exercised during the year: 2,67,300
- d) The total number of shares arising as a result of exercise of option during the year: 2,67,300
- e) Options lapsed during the year: 1,84,000
- f) The exercise price (as on the date of grant of options): ₹ 39.13 per option
- g) Variation of terms of options: NIL
- h) Money realised by exercise of options during the year: ₹ 1,04,59,449/-
- i) Total number of options in force as on 31 March 2023: 5,43,460

Pursuant to a Shareholders' resolution dated 03 February 2015, bonus shares were allotted in the ratio of 3:1 to the Shareholders as on a record date of 11 February 2015. Pursuant to the adjustment made as a result of such bonus issue, pursuant to a resolution passed by the Board, dated 12 March 2015, the total number of options that can be granted under ESOS 2012 is 2,319,588.

Pursuant to a resolution passed by the Nomination and Remuneration Committee dated 12 August 2021, 129,740 options were granted from the remaining ESOS 2012 pool to certain employees of our Company or our Subsidiaries, including certain Key Managerial Personnel, under ESOS 2012. Such options are convertible into not more than 129,740 Equity Shares, which represents 0.11% of the pre- Offer paid-up Equity Share Capital of our Company. ESOS 2012 is administered by the AGS Transact Employees' Welfare Trust. Pursuant to a shareholders' resolutions dated 03 February 2015 and 22 November 2021, our Company approved the grant of an interest free unsecured loan of up to ₹ 92,000,000 and ₹ 43,000,000/- respectively to AGS Transact Employees Welfare Trust, in one or more tranche(s), to be utilised for the purpose of purchasing the Equity Shares of our Company under ESOS 2012, and such shares to be allocated to the employees of our Company upon the exercise of options under ESOS

## DIRECTORS' REPORT (Contd.)

**j) Employee wise details of options granted to:-**
**(A) Key managerial personnel as per Companies Act, 2013**

Name of Key Managerial Person	Options held as on 01 April 2022	Options granted during the year	Options exercised during the year	Options held as on 31 March 2023
Mr. Saurabh Lal	102,000	--	28,000	74,000
Ms. Sneha Kadam	13,000	--	--	13,000

**(B) Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOS 2012 are set forth below:**

Name of Employee	No. of Option Granted - Post Bonus
Financial Year 2012	
Mr. Stanley Johnson P.	112,000
Mr. Anand Agarwal*	112,000
Financial Year 2013	
Mr. Ravindra Deshpande*	14,000
Mr. Rajesh Shah	18,000
Mr. Subrat Mishra*	18,000
Financial Year 2015	
Mr. Amit Majumdar*	160,000
Mr. Saurabh Lal	28,000
Mr. Ankur Sharma*	20,000
Mr. Stanley Johnson P.	20,000
Mr. Vijay Iyer*	20,000
Financial Year 2019	
Mr. Satish Zope	75,000
Mr. Saurabh Lal	74,000
Mr. Stanley Johnson P.	72,000
Mr. Shailesh Shetty	62,000

\* no longer an employee/associated with the Company

**(C) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant: NIL**

The details of ESOS 2015 are as follows:

**a) Options granted:**

As on 31 March 2023, our Company has granted options as below:

Grant Year	Options Granted	Options Lapsed	Options Exercised	Net Options
2019	12,16,000	2,58,000	6,77,400	2,80,600
2022	24,02,920	7,37,000	27,720	16,38,200
<b>Total</b>	<b>36,18,920</b>	<b>9,95,000</b>	<b>7,05,120</b>	<b>19,18,800</b>

- b) Options vested during the year: 7,20,876
- c) Options exercised during the year: 52,720
- d) The total number of shares arising as a result of exercise of option during the year: 52,720
- e) Options lapsed during the year: 514,140

**B. EMPLOYEE STOCK OPTION SCHEME - ESOS 2015**

The Company instituted ESOS 2015 on 30 January 2015 pursuant to resolutions dated 30 January 2015 and 03 February 2015 passed by the Board and Shareholders, respectively, and the ESOS 2015 was subsequently amended pursuant to resolutions, each dated 27 July 2018 and 22 November 2021, passed by the Board and the Shareholders. The ESOS 2015 is compliant with the SEBI SBEB Regulations.

Pursuant to a Shareholders' resolution dated 03 February 2015, bonus shares were allotted in the ratio of 3:1 to the Shareholders as on a record date of 11 February 2015. Pursuant to the adjustments made as a result of such bonus issue, by way of a resolution passed by the Board, dated 21 March 2015, the total number of options that can be granted under ESOS 2015 was 1,216,000, convertible into 1,216,000 Equity Shares. Further, pursuant to a Board resolution dated 04 August 2021 and a Shareholders' resolution dated 07 August 2021, the option pool available to be granted ESOS 2015 was increased by an additional 2,200,000 options. Pursuant to a resolution passed by the Nomination and Remuneration Committee dated 12 August 2021, 2,402,920 options were granted to certain employees of our Company or our Subsidiaries, including certain Key Managerial Personnel, under ESOS 2015. Such options are convertible into not more than 2,402,920 Equity Shares. ESOS 2015 is administered by the AGS Transact Employees' Welfare Trust.

## DIRECTORS' REPORT (Contd.)

- f) The exercise price (as on the date of grant of options): ₹ 39.13/- per option
- g) Variation of terms of options: NIL
- h) Money realised by exercise of options during the year: ₹ 20,62,933.60
- i) Total number of options in force as on 31 March 2023: 19,18,800
- j) Employee wise details of options granted to:-
- (A) Key managerial personnel as per Companies Act:

Name of Key Managerial Person	Options held as on 01 April 2022	Options granted during the year	Options exercised during the year	Options held as on 31 March 2023
Mr. Saurabh Lal	70,500	--	--	70,500
Ms. Sneha Kadam	6,800	--	--	6,800

- (B) Employees who received a grant in any one year of options amounting to 5% or more of the options granted during the year under the ESOS 2015 are set forth below:

Financial Year 2019	Options granted
Mr. Ricardos El Khoury	75,000

- (C) Identified employees who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant: NIL

The particulars required to be disclosed pursuant to the SEBI SBEB Regulations shall be disclosed on Company website <https://www.agsindia.com/corporate-governance/others.aspx#others>.

**DIVIDEND DISTRIBUTION POLICY**

In terms of Regulation 43A of the SEBI Listing Regulations, top 1,000 listed entities based on market capitalisation are required to formulate a Dividend Distribution Policy. Accordingly, your Company had formulated and adopted its Dividend Distribution Policy, which is available on the Company's Website at <https://www.agsindia.com/corporate-policies.aspx>.

**BOARD CONSTITUTION**

As on 31 March 2023, your Board comprises 8 (Eight) Directors comprising of 1 (One) Managing Director, 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 4 (Four) Independent Directors.

The Board met 10 times during the FY 2022-23, the details of which are given in the Corporate Governance Report forming part of the Annual Report. The maximum interval between any two meetings did not exceed 120 days, as prescribed in the Companies Act, 2013 and the SEBI Listing Regulations.

On the basis of the written representations received from the Directors, none of the above Directors is disqualified under Section 164 (2) of the Act.

Post 31 March 2023 till the date of signing this report, the following changes have taken place in the Board constitution:

- Regularisation of appointment of Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as a Non-Executive, Independent Director w.e.f. 11 March 2023, approved by the members through postal ballot on 20 May 2023.
- Regularisation of appointment of Mr. Sudip Bandyopadhyay (DIN:00007382) as a Non-Executive, Non-Independent Director w.e.f. 29 March 2023, approved by the members through postal ballot on 20 May 2023.
- Cessation of Mr. Rahul N. Bhagat (DIN: 02473708) as a Non-Executive, Independent Director w.e.f. 06 June 2023 on account of completion of first term.
- Appointment of Ms. Preeti Malhotra (DIN: 00189958) as an Additional Director (Non-Executive Independent Director) w.e.f. 28 June 2023 for a period of 5 years subject to approval of members at the ensuing 20<sup>th</sup> AGM of the Company.

**COMPANY'S POLICY RELATING TO PAYMENT OF REMUNERATION TO DIRECTORS AND KMPs:**

The Company's policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management Personnel includes criteria for determining qualifications, positive attributes, independence of a Director and other matters as prescribed under Section 178(3) of the Companies Act, 2013. The compensation structure is merit-based, market-led and benchmarked against industry standards. The policy includes provisions w.r.t. criteria for appointment and payment of remuneration to Directors, Key Managerial Personnel and Senior Management Personnel of the Company.

The Company's Nomination and Remuneration Policy is available on the website of the Company at <https://www.agsindia.com/corporate-policies.aspx>.

## DIRECTORS' REPORT (Contd.)

**ANNUAL EVALUATION OF BOARD'S PERFORMANCE**

The Nomination & Remuneration Committee carried out annual performance evaluation of the Board, its Committees and Individual Directors for the financial year 2022-23 at their meeting held on 11 March 2023. During the financial year under review, the Independent Directors of your Company in separate meeting held on 11 March 2023 without presence of other Directors and management evaluated performance of the Chairman, Managing Director and other Non-Independent Directors along with performance of the Board/Board Committees and other senior management members. The evaluation of the performance of the Directors was done through discussions, the criteria of which included, inter alia, board stature, contributions made at the Board meeting, attendance, instances of sharing best and next practices, domain knowledge, vision, strategy, engagement with senior management.

**VIGIL MECHANISM**

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Accordingly, the Board of Directors have formulated a "Whistle Blower Policy/Vigil Mechanism" which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulations 22 of the SEBI Listing Regulations. The policy is a channel to the Directors, Employees and Stakeholders to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code or the Terms of reference or the Policy without fear of punishment or unfair treatment. The Policy ensures to protect the whistle blower from unfair adverse personal action and no individual has been denied access to the audit committee under the policy. The policy is available on the website of the Company and can be viewed on: <https://www.agsindia.com/corporate-policies.aspx>.

**DEPOSITS**

During the financial year 2022-23, your Company has not invited, accepted or renewed any fixed deposits from the Public within the meaning of Section 73 and 76 of the Companies Act, 2013 (the Act) read with Companies (Acceptance of Deposits) Rules, 2014. Accordingly, as on March 31, 2023, there were no principal or interest outstanding in respect thereof.

**ANNUAL RETURN**

Pursuant to the requirement under Section 92(3) of the Companies Act, 2013, copy of the annual return can be accessed on our website at <https://www.agsindia.com/corporate-governance.aspx>.

**STATEMENT ON MATERIAL CHANGES & COMMITMENTS**

There are no material changes and commitments affecting the financial position of your Company which have occurred

between the end of the financial year 2022-23 and the date of this Report.

**STATEMENT ON MATERIAL AND SIGNIFICANT ORDERS PASSED BY REGULATORS & COURTS**

No significant and material orders have been passed by any regulators or courts or tribunals against the Company impacting the going concern status and Company's operations in future.

**INTERNAL FINANCIAL CONTROL AND ITS ADEQUACY**

The Company has an effective internal control and risk mitigation system, which is reviewed and constantly updated. The internal controls including the internal financial control of the Company are managed and reviewed by the Audit Committee and apart from the staff employed by the Company, the Company has also appointed independent Internal Auditors to review and monitor the internal financial controls and their adequacy. The Internal Financial Controls of the Company are adequate and commensurate with the size and nature of business of the Company.

**REPORTING OF FRAUDS**

There were no instances of fraud as required to be reported by the Statutory Auditors of the Company to the Audit Committee or to the Board of Directors under Section 143(12) of the Companies Act, 2013 read with Rule 13 of the Companies (Audit and Auditors) Rules, 2014

**DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the year 2022-23:

- No. of complaints at the beginning of the year 2022-23 : NIL
- No. of complaints received during the year 2022-23: NIL
- No. of complaints disposed off during the year 2022-23 : NIL
- No. of complaints at the end of the year 2022-23: NIL

DIRECTORS' REPORT (Contd.)

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGOING**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are set out in "Annexure 5" forming part of this Report.

**PARTICULARS OF LOANS, INVESTMENTS, GUARANTEES**

The Company has complied with the provisions of Section 185 & 186 of the Act w.r.t. granting loans, making investments and providing guarantees & securities to its subsidiaries. Further, The Company has availed guarantee from one of its subsidiary during the period under review. Details of the same are referred at Note 46 (Notes to the financial statements) of the standalone financial statements as on 31 March 2023.

**PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All contracts/ arrangements/ transactions entered by the Company during the financial year under review were in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with the Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interests of the Company at large.

All Related Party Transactions were placed before the Audit Committee and also before the Board for their approval. Prior in-principle approval of the Audit Committee was obtained for the transactions which were of a repetitive nature. The transactions entered into pursuant to the in-principle approval so granted were reviewed and statements giving details of all related party transactions were placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis. The disclosures pertaining to related party transactions as per the applicable Accounting Standards form part of the notes to the financial statements provided in this Annual Report.

The Company has framed a Related Party Transactions Policy which is available at the below link:

<https://www.agsindia.com/corporate-policies.aspx>

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

**MD AND CFO CERTIFICATION:**

As required under Regulation 17(8) of the SEBI Listing Regulations, the Managing Director and CFO of your Company have certified the accuracy of the Financial Statements,

the Cash Flow Statement and adequacy of Internal Control Systems for financial reporting for the financial year ended 31 March 2023. Their Certificate is annexed as "Annexure 6" to this report.

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE - TERMS OF REFERENCE**

The terms of reference of the CSR Committee are as follows:

- **TERMS OF REFERENCE OF CSR COMMITTEE:**
- ✓ Review and recommend the CSR Policy to the Board of Directors;
- ✓ Recommend the amount of annual expenditure to be incurred on the CSR activities;
- ✓ Formulate the annual action plan for each financial year and recommend the same to the Board;
- ✓ Review and recommend to the Board, certain CSR projects/programmes as ongoing projects in accordance with the Act and the CSR Rules;
- ✓ Review the impact assessment reports of CSR projects, whenever applicable as per the Act and CSR Rules;
- ✓ Annually report to the Board, the status of the CSR activities and contributions made by the Company.
- ✓ To discharge any other function as may be delegated to it by the Board and falling under the purview of the Company's CSR Policy.

The brief outline of the CSR policy of the Company and the initiatives undertaken by the Company on CSR activities during the year as detailed in CSR Report are set out in "Annexure 7" in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134 (3)(c) & 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that for the concerned FY 2022-23:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and profit of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

DIRECTORS' REPORT (Contd.)

- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**REPORT ON CORPORATE GOVERNANCE**

As required by Regulation 34 of the SEBI Listing Regulations, a detailed Report on Corporate Governance is included in the Annual Report as "Annexure 1".

M/s. Bhandari & Associates, Practising Company Secretaries, Mumbai, have certified your Company's compliance requirements in respect of Corporate Governance, in terms

of Regulation 34 of the SEBI Listing Regulations; and their Compliance Certificate is annexed to the Report on Corporate Governance. ("Annexure 8").

**BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT**

The Business Responsibility and Sustainability Report for the financial year ended 31 March 2023 as stipulated under Regulation 34(2) of SEBI Listing Regulations is attached as a part of this Annual Report as "Annexure 9".

**PARTICULARS OF EMPLOYEES**

The information under Section 197(12) and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is as follows:

- Ratio of the remuneration of each director to the median remuneration of the employees of the Company and percentage increase in remuneration of each Director in the financial year:

Sr No.	Name of the Director	Designation	Ratio of Remuneration of each Director/KMP to median remuneration of employees	Percentage increase/ decrease in Remuneration in the financial year 2022-23 over financial year 2021-22
1	Mr. Ravi B Goyal	Chairman & Managing Director	51.33	NIL
2	Mr. Sudip Bandyopadhyay	Non-Executive, Non-Independent Director	11.03	(6)%
3	Mr. Vijay Chugh	Non-Executive, Independent Director	10.81	(6)%
4	Mr. Rahul N. Bhagat	Non-Executive, Independent Director	12.19	4%
5	Mr. Subrata Kumar Mitra	Non-Executive, Independent Director	10.59	44%
6	Mrs. Jhuma Guha	Non-Executive, Independent Director	6.62	NA
7	Mr. Sivanandhan Dhanushkodi	Non-Executive, Independent Director	1.27	NA
8	Mrs. Anupama R. Goyal	Non-Executive, Non-Independent Director	NIL	NA
9	Mr. Stanley Johnson P.	Executive Director	51.62	(21)%
10	Mr. Vinayak R. Goyal	Executive Director	16.42	23%

**Notes:**

- The Non-Executive, Independent Directors of the Company are paid remuneration in the form of commission and sitting fees for meetings attended by them during FY 2022-23.
- Mr. Sudip Bandyopadhyay, Non-Executive, Non-Independent Director of the Company is paid remuneration in the form of commission and sitting fees.
- Mr. Stanley Johnson P's remuneration includes perquisites of ₹ 0.81 Million on account of exercise of 30,000 employee stock options. Decrease in his remuneration as compared to previous financial year 2021-22 is on account of inclusion of perquisites owing to the exercise of employee stock options by him in the previous financial year.
- The median remuneration of employees of the Company during FY 2022-23 was ₹ 467,603.
- No remuneration is paid to Mrs. Anupama R. Goyal, Non-Executive, Non-Independent Director of the Company.
- Except sitting fees which is disclosed in financial statements, no director of the Company is in receipt of any remuneration or commission from the Company's subsidiary company.



DIRECTORS' REPORT (Contd.)

- Percentage increase in remuneration of Chief Financial Officer and Company Secretary in the financial year:

Name of the KMP	Designation	Percentage increase/ decrease in Remuneration in the financial year 2022-23 over financial year 2021-22
Mr. Saurabh Lal	Chief Financial Officer	NIL
Ms. Sneha Kadam	Company Secretary	25%

- Percentage increase in the median remuneration of employees in the financial year: 3.02
- Number of permanent employees on the rolls of the Company as on 31 March 2023: 1,299
- Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: 11.45%
- It is affirmed that the remuneration paid is as per the Remuneration Policy of the Company: Yes
- Receipt of any remuneration or commission by MD or WTD of the Company from any subsidiary company is required to be disclosed pursuant to Section 197(14) – Not applicable

Any Member desirous of obtaining the statement containing particulars of remuneration of employees as required under Section 197(12) of the Act, read with Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 may write to the Company Secretary at the e-mail ID [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com). In terms of Section 136(1) of the Act, the Annual Report is being sent to the Members excluding the aforesaid annexure.

**HUMAN CAPITAL**

The Directors acknowledge and appreciate the contribution of all employees towards the performance of the Company and believe that the employees are the most valuable assets of the Company. The Company has a scalable recruitment and human resources management process.

**COMPLIANCE WITH SECRETARIAL STANDARDS**

Your Company is in compliance with the applicable Secretarial Standards, issued by the Institute of Company Secretaries of India.

**OTHER DISCLOSURES**

- No application has been made under the Insolvency and Bankruptcy Code; hence the requirement to disclose the

details of application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year along with their status as at the end of the financial year is not applicable.

- The requirement to disclose the details of difference between amount of the valuation done at the time of onetime settlement and the valuation done while taking loan from the Banks or Financial Institutions along with the reasons thereof, is not applicable.

**ACKNOWLEDGEMENTS**

The Board wishes to place on record their sincere appreciation and gratitude to the various government authorities, bankers, customers, vendors, shareholders and all other stakeholders for their continued co-operation and generous support. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

**CAUTIONARY STATEMENT**

Statements in the Board's Report and the Management Discussion and Analysis describing the Company's objectives, expectations or predictions, may be forward looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include: global and domestic demand and supply conditions, availability of critical materials and their cost, changes in government policies and tax laws, economic development of the country, and other factors which are material to the business operations of the Company.

For and on behalf of the Board of Directors  
**AGS Transact Technologies Limited**

**Ravi B. Goyal**  
Chairman & Managing Director  
(DIN: 01374288)  
Address: C-3101, 31<sup>st</sup> Floor,  
Beau Monde, Appasaheb Marathe Marg,  
Prabhadevi, Mumbai- 400025

Place: Mumbai  
Date : 29 August 2023

**REPORT ON CORPORATE GOVERNANCE**

“Annexure 1”

**1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE:**

The Company's philosophy on Corporate Governance is based on the principles of full disclosure, fairness, equity, transparency, and accountability in various aspects of its functioning, leading to the protection of stakeholders interest and an enduring relationship with them.

Your Company is committed to follow the best Corporate Governance practices not only to ensure success in business, but also for maximising value for all the stakeholders, be it Members, investors, clients or employees. The trust of the stakeholders is built by maintaining the highest ethical standards, transparency and accountability. The Directors and Management of your Company continue to be committed to adhering to the best governance standards and to comply with the regulatory requirements in the true spirit and beyond the letter of law.

**2. BOARD OF DIRECTORS**

**a. Board Composition and category of directors**

The composition of the Board of Directors of the Company is in accordance with the provisions of Section 149 of the Companies Act 2013 ("the Act") and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["SEBI Listing Regulations"], with an appropriate combination of Executive, Non-Executive and Independent Directors. The number of Independent Directors comprises of 50% of the total strength of the Board.

As on 31 March 2023, the Board comprises of 8 (Eight) Directors comprising of 1 (One) Managing Director, 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 4 (Four) Independent Directors including a Woman Independent Director.

Further pursuant to changes in the Board constitution post 31 March 2023 as referred in this report, as on date of signing this report, the Board comprises of 8 (Eight) Directors comprising of 1 (One) Managing Director, 2 (Two) Executive Directors, 1 (One) Non-Executive Director and 4 (Four) Independent Directors including 2 Woman Independent Directors.

The management of the Company is entrusted in the hands of its Senior Management Personnel and is headed by the Executive Chairman and Managing Director who functions under the supervision and control of the Board. The Board reviews and approves strategy and oversees the actions and results of management to ensure that the

long-term objectives of enhancing stakeholders value are met.

Mr. Ravi B. Goyal, Chairman and Managing Director of the Company is the Promoter. Mr. Vinayak R. Goyal (Executive Director and son of Mr. Ravi B. Goyal) belong to the promoter group. None of the other Directors are related to Promoter group, or related to each other than as stated above.

None of the Independent Directors have any other material pecuniary relationship or transaction with the Company, its Promoters, or Directors, or Senior Management which, in their judgement, would affect their independence. It is hereby confirmed that in the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and the Companies Act, 2013 and are independent of the management. Further, the Independent Directors have also registered their names in the Data bank maintained by the Indian Institute of Corporate Affairs as mandated in the Companies (Appointment and Qualification of Directors), Rules, 2014 as amended.

The Board of Directors comprises of professionals drawn from diverse fields who bring with them a wide range of skills and experience to the Board, which enhances the quality of Board decision making process. All the Directors of the Company are experienced professionals having knowledge covering wide range of subjects including those of Information technology, Banking solutions, Consumer Banking, Financial Services, Banking outsourcing operations, Governance and the related regulatory issues of the business.

At the time of appointment, Independent Directors are made aware of their roles, rights and responsibilities through a formal letter of appointment which also stipulates the various terms and conditions of their engagement. The terms and conditions of the appointment of Independent Directors are posted pursuant to Regulation 46(2)(b) of the SEBI Listing Regulations, on the Company's website and can be accessed at <https://www.agsindia.com/corporate-policies.aspx>. Further, at Board and Committee Meetings, the Independent Directors are on a regular basis familiarized with the business model, regulatory environment in which the Company operates, strategy, operations, functions, policies and procedures of the Company and its subsidiaries so that they are able to play a meaningful role in the overall governance processes of the Company. The details of the same are on the website at <https://www.agsindia.com/corporate-policies.aspx>.

## REPORT ON CORPORATE GOVERNANCE (Contd.)

During the financial year under review, the Independent Directors were briefed about the events including but not limited to regulatory issues, impact on the business operations of the Company, etc.

Details of the Directors seeking re-appointment i.e. Mr. Vinayak R. Goyal and appointment as Independent Director i.e. Ms. Preeti Malhotra at the 20<sup>th</sup> Annual General Meeting (AGM) shall be included in the Notice of the AGM.

**Matrix setting out the skills/ expertise/ competence of the Board of Directors:**

The following is the list of core skills/ expertise/ competencies possessed by the Board of Directors of the Company, which are essential for the functioning of the Company in an effective manner:

Sr No.	Name of the Director	Skills/expertise/competences
1	Mr. Ravi B. Goyal	Over 27 years of experience in the field of technology
2	Mr. Sudip Bandyopadhyay	Over three decades of rich and diverse experience in various areas of finance and financial service
3	Mr. Subrata Kumar Mitra	Over 41 years of experience in the financial industry
4	Mr. Vijay Chugh	Over 33 years of experience at the Reserve Bank of India in the fields of supervision and regulation of commercial banks, rural credit and development, payment and settlement systems and core banking solutions
5	Mr. Rahul Narain Bhagat	Over three decades of experience in consumer banking
6	Mrs. Anupama R. Goyal	Associated with the Company and its subsidiaries since 2012
7	Mrs. Jhuma Guha	Experience of over 3 decades in the field of financial services
8	Mr. Stanley Johnson	Over 27 years of experience in the field of payment industry
9	Mr. Vinayak R. Goyal	Over 4 years of experience in the fields of investment banking, business strategy and fund raising
10	Mr. Sivanandhan Dhanushkodi	Highly regarded IPS officer with an illustrious career spanning 36 years. He has held several senior positions in the Intelligence Bureau, Central Bureau of Investigation and Mumbai crime branch.
11	Ms. Preeti Malhotra	Over 30 years of global experience in top leadership positions. Expertise in Business Strategy & development, Corporate Affairs, Fund Raising, Project management, etc

**b. Board meetings held and Directors' attendance record**

Sr. No.	Name of the Director	Category	Number of Board meetings held during the year ended 31 March 2023		No. of Directorship in Public Companies as on 31 March 2023	*No. of Board Committee Membership held in Public Companies as on 31 March 2023		Attendance at last AGM held on 30 August 2022	Shareholding as on 31 March 2023
			Held	Attended		Member	Chairman		
1.	Mr. Ravi B. Goyal	Chairman & Managing Director	10	10	3	2	0	Yes	2,77,41,455
2.	Mr. Sudip Bandyopadhyay	Non-Executive, Non-Independent Director	10	10	9	3	1	Yes	NIL
3.	Mr. Subrata Kumar Mitra	Non-Executive, Independent Director	10	10	10	10	5	No	NIL
4.	Mr. Vijay Chugh	Non-Executive, Independent Director	8	8	3	2	0	Yes	NIL
5.	Mr. Rahul N. Bhagat	Non-Executive, Independent Director	10	10	6	6	2	Yes	NIL

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr. No.	Name of the Director	Category	Number of Board meetings held during the year ended 31 March 2023		No. of Directorship in Public Companies as on 31 March 2023	*No. of Board Committee Membership held in Public Companies as on 31 March 2023		Attendance at last AGM held on 30 August 2022	Shareholding as on 31 March 2023
			Held	Attended		Member	Chairman		
6.	Mrs. Anupama R. Goyal	Non-Executive, Non-Independent Director	9	5	1	0	0	No	16
7.	Mr. Sivanandhan Dhanushkodi	Non-Executive, Independent Director	3	3	10	7	2	N.A.	NIL
8.	Mrs. Jhuma Guha	Non-Executive, Independent Director	7	7	10	7	2	Yes	185
9.	Mr. Stanley Johnson P.	Executive Director	10	10	1	0	0	Yes	1,32,000
10.	Mr. Vinayak R. Goyal	Executive Director	10	10	2	0	0	Yes	NIL

**Notes:**

\*In accordance with Regulation 26 of the SEBI Listing Regulations, Memberships/Chairmanships of only Audit Committees and Stakeholders' Relationship Committees in public limited companies (including AGS Transact Technologies Limited) have been considered.

Mr. Vijay Chugh retired w.e.f. end of day on 11 March 2023 and Mrs. Anupama R. Goyal, resigned on account of personal reasons w.e.f. 29 March 2023.

Mr. Rahul N. Bhagat ceased to be an Independent Director w.e.f. 06 June 2023

Ms. Preeti Malhotra has been appointed w.e.f. 28 June 2023

The Board of Directors of the Company meets regularly to discuss the operational and financial performance of the Company and that of its subsidiaries. During the year under review, 10 meetings of the Board were held on the following dates:

27 May 2022, 29 June 2022, 14 July 2022, 05 August 2022, 05 August 2022, 09 November 2022, 06 February 2023, 11 March 2023, 29 March 2023 and 31 March 2023.

**c. Other directorship positions held in listed entities (equity listed only) by Directors and the category (excluding AGS Transact Technologies Limited):**

Sr No.	Name of the Director	Names of listed entities in which Directorship held	Category of Directorship
1	Mr. Ravi B. Goyal	None	None
2	Mr. Sudip Bandyopadhyay	1. Inditrade Capital Limited 2. VST Industries Limited	Non-Executive Director/Promoter Non-Executive - Independent Director
3	Mr. Subrata Kumar Mitra	1. Onward Technologies Limited 2. IL&FS Engineering & Construction Company Limited 3. IF&S Transportation Networks Limited 4. Centrum Capital Limited	Non-Executive - Independent Director
4	Mr. Vijay Chugh	None	None
5	Mr. Rahul N. Bhagat	None	None
6	Mrs. Anupama R. Goyal	None	None
7	Mrs. Jhuma Guha	1. Inditrade Capital Limited	Non-Executive - Independent Director

## REPORT ON CORPORATE GOVERNANCE (Contd.)

Sr No.	Name of the Director	Names of listed entities in which Directorship held	Category of Directorship
8	Mr. Sivanandhan Dhanushkodi	1. United Spirits Limited 2. Forbes & Company Limited 3. Inditrade Capital Limited 4. Kirloskar Industries Limited	Non- Executive – Independent Director
9	Mr. Stanley Johnson P.	None	None
10	Mr. Vinayak R. Goyal	None	None
11	Ms. Preeti Malhotra	None	None

**d. Board Committees**
**AUDIT COMMITTEE**

As on 31 March 2023, the Company's Audit Committee comprises of 4 Members and is compliant with the provisions of section 177 of Companies Act, 2013 and SEBI Listing Regulations. The constitution of Audit Committee is as follows:

- Mrs. Jhuma Guha Chairperson of the Committee (w.e.f. 12 March 2023)
- Mr. Sudip Bandyopadhyay Member (w.e.f. 29 March 2023)
- Mr. Rahul N. Bhagat Member
- Mr. Sivanandhan Dhanushkodi Member (w.e.f. 12 March 2023)

During the financial year under review, the Audit Committee met 7 (Seven) times i.e. as on 27 May 2022, 29 June 2022, 05 August 2022, 09 November 2022, 06 February 2023, 11 March 2023 and 29 March 2023.

During the financial year under review, the Audit Committee was re-constituted as under:

Constitution upto 11 March 2023	Re-constitution w.e.f 12 March 2023	Re-constitution w.e.f. 29 March 2023
<ul style="list-style-type: none"> <li>• Mr. Sudip Bandyopadhyay (Chairman)</li> <li>• Mr. Ravi B. Goyal</li> <li>• Mr. Rahul N. Bhagat</li> <li>• Mr. Vijay Chugh</li> </ul>	<ul style="list-style-type: none"> <li>• Mrs. Jhuma Guha (Chairperson)</li> <li>• Mr. Ravi B. Goyal</li> <li>• Mr. Subrata Kumar Mitra</li> <li>• Mr. Rahul N. Bhagat</li> <li>• Mr. Sivanandhan Dhanushkodi</li> </ul>	<ul style="list-style-type: none"> <li>• Mrs. Jhuma Guha (Chairperson)</li> <li>• Mr. Sudip Bandyopadhyay</li> <li>• Mr. Rahul N. Bhagat</li> <li>• Mr. Sivanandhan Dhanushkodi</li> </ul>

The Audit Committee meetings held during the year were duly attended by all eligible Committee Members as on respective dates of the meetings.

The terms of reference of the Audit Committee are as follows:

- a. overseeing the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible;
- b. recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the auditors of the Company;
- c. reviewing and monitor the statutory auditors' independence and performance and the effectiveness of audit process;
- d. approval of payments to the statutory auditors for any other services rendered by statutory auditors;

e. reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:

- i. matters required to be stated in the Directors' responsibility statement to be included in the Board's report in terms of Section 134(3)(c) of the Companies Act, as amended;
- ii. changes, if any, in accounting policies and practices and reasons for the same;
- iii. major accounting entries involving estimates based on the exercise of judgment by management;
- iv. significant adjustments made in the financial statements arising out of audit findings;
- v. compliance with listing and other legal requirements relating to financial statements;
- vi. disclosure of any related party transactions; and

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- vii. qualifications and modified opinions in the draft audit report.
  - f. reviewing with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - g. scrutiny of inter-corporate loans and investments;
  - h. valuation of undertakings or assets of the Company, wherever it is necessary;
  - i. evaluation of internal financial controls and risk management systems;
  - j. approval or any subsequent modification of transactions of the Company with related parties;
  - k. reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - l. approving or subsequently modifying transactions of the Company with related parties;
  - m. establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
  - n. reviewing, with the management, the performance of statutory and internal auditors and adequacy of the internal control systems;
  - o. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
  - p. discussion with internal auditors on any significant findings and follow up thereon;
  - q. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
  - r. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- s. looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
  - t. approval of appointment of the chief financial officer, or any other person heading the finance function or discharging that function, after assessing the qualifications, experience and background, etc. of the candidate;
  - u. reviewing the functioning of the whistle blower mechanism;
  - v. ensuring that an information system audit of the internal systems and process is conducted at least once in two years to assess operational risks faced by the Company;
  - w. reviewing the utilisation of loan and/or advances from investment by the holding company in the subsidiaries exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments;
  - x. considering and commenting on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and
  - y. formulating a policy on related party transactions, which shall include materiality of related party transactions; and
  - z. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the Companies Act or other applicable law."
- The Audit Committee shall mandatorily review the following information:
- a. management's discussion and analysis of financial condition and result of operations;
  - b. statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
  - c. management letters/letters of internal control weaknesses issued by the statutory auditors;
  - d. internal audit reports relating to internal control weaknesses;
  - e. the appointment, removal and terms of remuneration of the chief internal auditor;
  - f. examination of the financial statements and the auditor's report thereon; and

REPORT ON CORPORATE GOVERNANCE (Contd.)

- g. statement of deviations, including:
  - i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - ii) annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations."

**NOMINATION AND REMUNERATION COMMITTEE**

As on 31 March 2023, the Company's Nomination and Remuneration Committee comprises of 5 Members and is compliant with the provisions of section 178 of Companies Act, 2013 and SEBI (LODR) Regulations. The Company's Nomination and Remuneration Policy is available on the website of the Company at <https://www.agsindia.com/corporate-policies.aspx>

The policy on Nomination and Remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee to align the objectives and goals of the Company with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time-to-time). The Company believes that human capital is the most important asset required in fulfilling its business objectives and it shall continually strive to foster an environment that enhances skills and leadership qualities among its employees. The compensation structure is merit-based, market-led and benchmarked against industry standards.

As on 31 March 2023, the constitution of Nomination and Remuneration Committee is as follows:

Mr. Subrata Kumar Mitra	Chairman of the Committee
Mr. Ravi B. Goyal	Member
Mr. Rahul N. Bhagat	Member
Mr. Sivanandhan Dhanushkodi	Member (w.e.f. 12 March 2023)
Mrs. Jhuma Guha	Member (w.e.f. 12 March 2023)

During the financial year under review, the Nomination and Remuneration Committee meetings were held 8 (Eight) times i.e. on 25 May 2022, 27 May 2022, 14 July 2022, 05 August 2022, 09 November 2022, 06 February 2023, 11 March 2023 and 29 March 2023.

During the financial year under review, the Nomination and Remuneration Committee was re-constituted as under:

Constitution upto 11 March 2023	Re-constitution w.e.f 12 March 2023
• Mr. Vijay Chugh (Chairman)	• Mr. Subrata Kumar Mitra (Chairman)
• Mr. Ravi B. Goyal	• Mr. Ravi B. Goyal
• Mr. Rahul N. Bhagat	• Mr. Rahul N. Bhagat
• Mr. Sudip Bandyopadhyay	• Mr. Sivanandhan Dhanushkodi
• Mr. Subrata Kumar Mitra	• Mrs. Jhuma Guha

The Nomination and Remuneration Committee meetings held during the year were duly attended by all eligible Committee Members as on respective dates of the meetings.

The terms of reference of the Nomination and Remuneration Committee are as follows:

- a. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Company ("Board") a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- b. formulation of criteria for evaluation of the performance of independent directors and the Board;
- c. devising a policy on diversity of the Board;
- d. identifying persons, who are qualified to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal and carrying out evaluation of every director's performance;
- e. determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- f. recommend remuneration of executive directors and any increase therein from time to time within the limit approved by the members of the Company;
- g. recommending remuneration to non-executive directors in the form of sitting fees for attending meetings of the Board and its committees, remuneration for other services, commission on profits;

REPORT ON CORPORATE GOVERNANCE (Contd.)

- h. recommend to the Board, all remuneration, in whatever form, payable to senior management;
- i. performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, as amended ("SEBI Employee Benefits Regulations");
- j. engaging the services of any consultant/professional or other agency for the purpose of recommending compensation structure/policy;
- k. analysing, monitoring and reviewing various human resource and compensation matters;
- l. reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- m. framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003, as amended; and
- n. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations, the SEBI Employee Benefits Regulations, the Companies Act, each as amended or other applicable law."

**CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE**

As on 31 March 2023, the Company's Corporate Social Responsibility (CSR) Committee comprises of 3 Members and is compliant with the provisions of section 135 of Companies Act, 2013. The constitution of CSR Committee is as follows:

• Mrs. Jhuma Guha	Chairperson of the Committee
• Mr. Ravi B. Goyal	Member
• Mr. Rahul N. Bhagat	Member

During the financial year under review, 3 (three) meetings of the CSR Committee were held on 05 August 2022, 09 November 2022 and 11 March 2023.

During the financial year under review, the CSR Committee was re-constituted as under:

Constitution upto 11 March 2023	Re-constitution w.e.f 12 March 2023
• Mr. Vijay Chugh (Chairman)	• Mrs. Jhuma Guha (Chairperson)
• Mr. Ravi B. Goyal	• Mr. Ravi B. Goyal
• Mr. Rahul N. Bhagat	• Mr. Rahul N. Bhagat

The CSR Committee meetings held during the year were duly attended by all eligible Committee Members as on respective dates of the meetings.

The terms of reference of CSR Committee are as follows:

- a. formulating and recommending to the Board the corporate social responsibility policy of the Company, including any amendments thereto, in accordance with Schedule VII of the Companies Act;
- b. recommending the amount of expenditure to be incurred on the corporate social responsibility activities;
- c. reviewing and monitoring the implementation of corporate social responsibility policy of the Company and programmes undertaken by the Company; and
- d. performing such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company."

**RISK MANAGEMENT COMMITTEE**

The Company's Risk Management Committee comprises of 7 (seven) Members. The constitution of the Committee as on 31 March 2023 is as follows:

1. Mr. Rahul N. Bhagat	Chairman of the Committee;
2. Mr. Sivanandhan Dhanushkodi	Member;
3. Mr. Ravi B. Goyal	Member
4. Mr. Saurabh Lal	Member
5. Mr. Stanley Johnson Panacherry	Member
6. Mr. Vinayak R. Goyal	Member
7. Mr. Sudheer Parappurath	Member



## REPORT ON CORPORATE GOVERNANCE (Contd.)

The terms of reference of Risk Management Committee are as follows:

- a. to formulate a detailed risk management policy which shall include: (i) a framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee; (ii) measures for risk mitigation including systems and processes for internal control of identified risks; and (iii) business continuity plan.
- b. to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- c. to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

- d. to periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- e. to keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- f. the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee"; and
- g. performing such other functions as may be delegated by the Board or prescribed under the SEBI Listing Regulations and other applicable law.

During the financial year under review, 2 (two) meetings of the Risk Management Committee were held on 09 November 2022 and 11 March 2023. The same were attended by all eligible Committee Members as on respective dates of the meetings.

During the financial year under review, the Risk Management Committee was re-constituted as under:

Constitution upto 08 November 2022	Re-constitution w.e.f 09 November 2022	Re-constitution w.e.f 12 March 2023
<ul style="list-style-type: none"> <li>• Mr. Vijay Chugh (Chairman)</li> <li>• Mr. Ravi B. Goyal</li> <li>• Mr. Rahul N. Bhagat</li> </ul>	<ul style="list-style-type: none"> <li>• Mr. Vijay Chugh (Chairman)</li> <li>• Mr. Ravi B. Goyal</li> <li>• Mr. Rahul N. Bhagat</li> <li>• Mr. Saurabh Lal</li> <li>• Mr. Stanley Johnson Panacherry</li> <li>• Mr. Vinayak R. Goyal</li> </ul>	<ul style="list-style-type: none"> <li>• Mr. Rahul N. Bhagat (Chairman)</li> <li>• Mr. Sivanandhan Dhanushkodi</li> <li>• Mr. Ravi B. Goyal</li> <li>• Mr. Saurabh Lal</li> <li>• Mr. Stanley Johnson Panacherry</li> <li>• Mr. Vinayak R. Goyal</li> <li>• Mr. Sudheer Parappurath</li> </ul>

**STAKEHOLDERS' RELATIONSHIP COMMITTEE:**

The Company's Stakeholders' Relationship Committee comprises of 3 Members. The constitution of the Committee as on 31 March 2023 is as follows:

- |                               |                           |
|-------------------------------|---------------------------|
| • Mr. Rahul N. Bhagat         | Chairman of the Committee |
| • Mr. Sivanandhan Dhanushkodi | Member                    |
| • Mrs. Jhuma Guha             | Member                    |

The terms of reference of the Stakeholders' Relationship Committee are as follows:

- a. redressal of grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;

- b. review measures taken for effective exercise of voting rights by shareholders;
- c. review adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent;
- d. review the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company; and
- e. formulation of procedures in line with the statutory guidelines to ensure speedy disposal of various requests received from shareholders from time to time;
- f. to approve, register, refuse to register transfer or transmission of shares and other securities;
- g. to sub-divide, consolidate and or replace any share or other securities certificate(s) of the Company;

## REPORT ON CORPORATE GOVERNANCE (Contd.)

- h. to issue duplicate share or other security(ies) certificate(s) in lieu of the original share/security(ies) certificate(s) of the Company;
- i. to dematerialise or rematerialise the issued shares;
- j. to further delegate all or any of the power to any other employee(s), officer(s), representative(s), consultant(s), professional(s), or agents(s); and
- k. performing such other functions as may be delegated by the Board and/or prescribed under the SEBI Listing Regulations and the Companies Act or other applicable law."

During the financial year under review, 1 (one) meeting of the Stakeholders' Relationship Committee was held on 09 November 2022. The same were attended by all eligible Committee Members as on respective dates of the meetings.

During the financial year under review, the Stakeholders' Relationship Committee was re-constituted as under:

Constitution upto 11 March 2023	Re-constitution w.e.f 12 March 2023
<ul style="list-style-type: none"> <li>• Mr. Rahul N. Bhagat (Chairman)</li> <li>• Mr. Sudip Bandyopadhyay</li> <li>• Mr. Vijay Chugh</li> </ul>	<ul style="list-style-type: none"> <li>• Mr. Rahul N. Bhagat (Chairman)</li> <li>• Mr. Sivanandhan Dhanushkodi</li> <li>• Mrs. Jhuma Guha</li> </ul>

Ms. Sneha Kadam, Company Secretary is the Compliance Officer of the Company, as required under the SEBI (LODR) Regulations, 2015.

Details of investor queries and grievances received and attended by the Company during the FY 2022-23 are given herein below:

**f. REMUNERATION OF DIRECTORS**
**Remuneration to Executive Directors for the FY 2022-23:**

Sr No.	Name of the Director	Designation	Salary, Allowances and Bonus (in ₹ Million)	Perquisites	Pension	Total Remuneration
1	Mr. Ravi B. Goyal	Chairman & Managing Director	24.00	NIL	NIL	24.00
2	Mr. Stanley Johnson P	Director	23.33	0.81*	NIL	24.14
3	Mr. Vinayak R. Goyal	Director	7.68	NIL	NIL	7.68

\* Perquisites are on account of exercise of 30,000 employee stock options.

None of the Directors have received any performance linked incentives during the year.

**Details of Employee Stock options held by Executive Directors:**

Sr No.	Name of the Director	Options held as on 01 April 2022	Options granted during the year	Options exercised during the year	Options held as on 31 March 2023
1	Mr. Stanley Johnson P	200,800	NIL	30,000	200,800

**Notes** The service contracts of the Chairman and Managing Director & Executive Directors of your Company are for a period of three years, with a notice period of six months and three months respectively.

The notice period for Independent Directors is 30 days as per the appointment letter issued to them.

**Remuneration to Non-Executive, Independent Directors and Non-Executive, Non-Independent Directors for the FY 2022-23**

The Non-Executive Independent Directors (NEDs) of the Company are paid remuneration by way of Sitting Fees for their participation in various committee and board meetings. Further, the NEDs are also entitled to receive profit related commission in accordance with the terms of their respective appointment letters, within the limits specified under the Companies Act, 2013. Mr. Sudip Bandyopadhyay, Non-Executive, Non-Independent Director was paid remuneration by way of sitting fees for participation in various committee and board meetings and profit related commission. The remuneration paid to NEDs during the year is as follows:

Sr No.	Name of the Non-Executive Director	Sitting fees (in ₹ Million)	*Commission (in ₹ Million)
1	Mr. Sudip Bandyopadhyay	1.85	3.31
2	Mr. Subrata Kumar Mitra	1.45	3.50
3	Mr. Vijay Chugh	1.75	3.31
4	Mr. Rahul N. Bhagat	2.20	3.50
5	Mrs. Jhuma Guha	0.80	2.30
6	Mr. Sivanandhan Dhanushkodi	0.40	0.19

\*Subject to approval of shareholders at the ensuing 20<sup>th</sup> AGM.

Ms. Preeti Malhotra has been appointed w.e.f. 28 June 2023

There is no pecuniary or business relationship between the NEDs and the Company, except for the sitting fees for attending meetings of the Board/Committees thereof and commission payable to them annually. The Independent Directors are not entitled to any stock options and except Mrs. Jhuma Guha none of the Non-Executive Directors hold any Equity Shares in the Company.

**No remuneration is paid to Mrs. Anupama R. Goyal, Non-Executive, Non-Independent Director of the Company.**

**g. GENERAL BODY MEETINGS:**

The venue and timings of the last three Annual General Meetings are given below:

Financial year	Date	Location	Time
2019-20	25 September 2020	14 <sup>th</sup> Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai-400013, Maharashtra, India	11 a.m.
2020-21	21 September 2021	14 <sup>th</sup> Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai-400013, Maharashtra, India	11 a.m.
2021-22	30 August 2022	14 <sup>th</sup> Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai-400013, Maharashtra, India	11 a.m.

The number and particulars of Special Resolutions which were passed in the last three Annual General Meetings are as follows:

Date of AGM	Special resolutions passed
25 September 2020	None
21 September 2021	None
30 August 2022	<ul style="list-style-type: none"> <li>• Ratification of AGS Employee Stock Option Scheme 2012;</li> <li>• Extension of benefits to the employees of subsidiary companies of the Company for grant of employee stock option under AGS Employee Stock Option Scheme - ESOS 2012 ("ESOS 2012");</li> <li>• Ratification of the 'AGS Employee Stock Option Scheme 2015;</li> <li>• Extension of benefits to the employees of subsidiary company(ies) of the Company for grant of employee stock options under AGS Employee Stock Option Scheme - ESOS 2015 ("ESOS 2015"); and</li> <li>• Appointment of Mrs. Jhuma Guha (DIN: 00007454) as a Non-Executive Woman Independent Director of the Company").</li> </ul>

**Postal Ballot resolutions:**

Procedure as given in Rule 22 of the Companies (Management and Administration) Rules, 2014 was followed. The results of the postal ballot were declared by hosting it, along with the scrutiniser's report, on the website of the Company.

The Company had appointed Ms. Manisha Maheshwari (Membership No.: A30224), failing her, Mr. S.N. Bhandari (Membership No.: F761), Partner of M/s Bhandari and Associates, Company Secretaries, as Scrutiniser for conducting the postal ballot process (which includes e-Voting) in fair and transparent manner.

During the FY 2022-23, the approval of the shareholders was sought for following purpose by way of postal ballot vide notice dated 09 November 2022 in respect of the Special Resolution.

Postal Ballot Notice dated	Resolution	No of Votes polled	No of Votes in favour	% of votes in favour on votes polled	No of votes against	% of votes against on votes polled
09 November 2022	To approve continuation of Directorship of Mr. Subrata Kumar Atindra Mitra (DIN - 00029961) as Non-Executive, Independent Director beyond the age of 75 years in his current tenure	85,718,712	85,702,593	99.98	16,119	0.02

Further, post 31 March 2023, the approval of the shareholders was sought for following by way of postal ballot vide notice dated 29 March 2023:

Postal Ballot Notice dated	Type of resolution	Resolution	No of Votes polled	No of Votes in favour	% of votes in favour on votes polled	No of votes against	% of votes against on votes polled
29 March 2023	Special	To approve the appointment of Directorship of Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as a Non-Executive, Independent Director on the Board of the Company	84,181,525	84,156,349	99.97	25,176	0.03
29 March 2023	Ordinary	To approve the appointment of Directorship of Mr. Sudip Bandyopadhyay (DIN: 00007382) as a Non-Executive, Non-Independent Director on the Board of the Company	84,181,440	84,156,309	99.97	25,131	0.03

**h. MEANS OF COMMUNICATION**

The Board takes on record the audited/ unaudited annual/ quarterly financial results prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind-AS Rules) in the format prescribed under Regulation 33 of the SEBI Listing Regulations within prescribed time limit from the closure of the quarter/year and announces the results to all the Stock Exchanges (BSE and NSE) where the shares of the Company are listed. The Company has been publishing the results in the format as prescribed by SEBI in Free Press Journal and Navshakti within 48 hours of the conclusion of the meeting of the Board in which they are approved. The same are also published on the website of the Company i.e. [www.agsindia.com](http://www.agsindia.com).

Official news releases, if any, and Investor/Analysts presentations/transcripts are also uploaded on the Company website.

**i. GENERAL SHAREHOLDER INFORMATION**

- Annual General Meeting – **25 September 2023**
- Financial Year of the Company: **April to March**
- Dividend Payment Date: **No Dividend declared for FY 2022-23**

REPORT ON CORPORATE GOVERNANCE (Contd.)

- Listing of Equity Shares on Stock Exchanges and Stock Code:

The Company's equity shares are listed on the BSE Limited and the National Stock Exchange of India Limited.

Name and Address of the Stock Exchange	Type of Security/ Scrip Code	International Securities Identification Number (ISIN)
BSE Limited Address: Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400001	Equity Shares BSE Scrip Code: 543451	INE583L01014
National Stock Exchange of India Limited Address: Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400051	Equity Shares NSE Scrip Symbol: AGSTRA	INE583L01014

- Annual listing fees has been duly paid to both BSE and NSE.
- Corporate Identity Number (CIN) of the Company: **L72200MH2002PLC138213**
- Market Price data:

The monthly high/low price quotes of equity shares traded on BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") is as follows:

Month	NSE		BSE	
	High	Low	High	Low
April-22	128.50	100.25	128.50	100.20
May-22	126.50	85.05	126.60	85.05
June-22	91.00	67.15	91.00	65.85
July-22	86.70	67.80	87.85	67.80
Aug-22	98.00	81.60	98.40	81.50
Sept-22	87.90	79.10	87.85	78.40
Oct-22	88.80	78.60	88.70	78.65
Nov-22	83.85	73.50	83.90	73.70
Dec-22	75.55	63.60	75.15	63.50
Jan-23	74.10	56.10	74.90	56.10
Feb-23	62.20	49.00	62.10	52.30
Mar-23	60.35	44.00	60.45	44.45

- Details of Registrar and Share Transfer Agents (RTA) are as follows:

Link Intime India Private Limited,  
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),  
Mumbai - 400 083.

E-mail: [rnt\\_helpdesk@linkintime.co.in](mailto:rnt_helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

- Share Transfer System**

Share transfers and related operations for the Company are processed by the Company's RTA viz., Link Intime India Private Limited, Share transfer is normally affected within the maximum period of 15 days from the date of receipt, if all the required documentation is submitted.

Securities and Exchange Board of India (SEBI) vide its notification dated 08 June 2018 has notified Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

(Fourth Amendment) Regulations, 2018 and SEBI (Registrars to an Issue and Share Transfer Agents) (Amendment) Regulations 2018 (RTA Regulations) and amendment to Regulation 40 of the SEBI Listing Regulations and Clause 5(c) of Schedule III of the RTA Regulations. These amendments have mandated that the transfer of securities would be carried out only in dematerialised form.

- Plant Location:**

We have a 6,987.84 square metres facility at Daman, where we assemble, stage and conduct the testing of ATMs and other products. Our Daman facility has the capacity to manufacture up to 1,000 ATMs every month. The facility also acts as a warehousing facility for our ATMs.

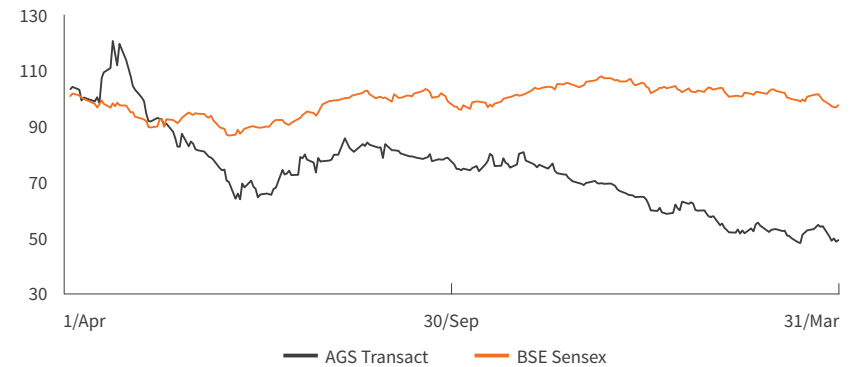
We have set up a 3,409 square feet innovation centre in Mumbai, Maharashtra where we demonstrate

REPORT ON CORPORATE GOVERNANCE (Contd.)

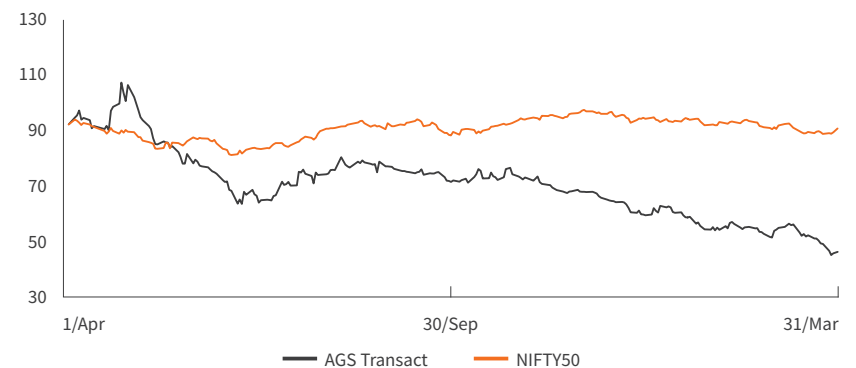
our end-to-end capabilities of designing, installing and integrating the hardware and software solutions that we provide. We have also set up an in-house testing and repair centre in Navi Mumbai, Maharashtra to support all our business sectors and a technology support which is operational round-the-clock to assist our customers. We also have a central warehouse facility at Kalamboli, Maharashtra totalling 19,785 square feet.

Our office premises, 'AGS House', in Mahape, Navi Mumbai, Maharashtra, has six floors and covers a total built-up area of approximately 8,000 square metres. These premises house our technical support and operational teams, monitoring centres, software lab, and the related infrastructure. In addition, we have a 24x7 call centre located in Airoli with an area of 26,938 square feet that provides support to our customers.

- Stock Performance in comparison to BSE sensex:**



- Stock Performance in comparison to Nifty:**



## REPORT ON CORPORATE GOVERNANCE (Contd.)

- **Commodity price risk and Commodity hedging activities:** Not Applicable

- **Distribution of Shareholding as on 31 March 2023:**

Shareholding Of Shares			Number of shareholders	Percentage Of Total	Total Shares
1	to	500	106,617	94.812	10,857,317
501	to	1000	3,081	2.7399	2,361,114
1001	to	2000	1,422	1.2646	2,096,189
2001	to	3000	450	0.4002	1,141,609
3001	to	4000	244	0.217	885,328
4001	to	5000	167	0.1485	784,645
5001	to	10000	232	0.2063	1,721,862
10001	&	above	238	0.2116	101,555,012

- **Convertible instruments issued as on 31 March 2023:**

The Company has not issued any ADRs/ GDRs/ Warrants or any Convertible instruments. As on 31 March 2023, no convertible instruments are outstanding.

- **Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part:**

Particulars	AGS Transact (₹ in Million)	SVIL (₹ in Million)	ITSL (₹ in Million)	GTSL (₹ in Million)	Total
Audit fees	9.20	2.30	2.10	1.77	15.37
Certification fees and other services	0.90	-	-	-	0.90
Out of pocket expenses	0.07	0.12	0.11	-	0.30
<b>Total</b>	<b>10.17</b>	<b>2.42</b>	<b>2.21</b>	<b>1.77</b>	<b>16.57</b>

- **Details of Utilisation of Funds:**

The Company has not raised any funds through preferential allotment or Qualified Institutional Placement as specified under Regulation 32 (7A).

- **Credit Ratings obtained during the FY 2022-23 – These details are included in Directors Report**

- **Name, designation, and address of the Compliance Officer**

Ms. Sneha Kadam, Company Secretary and Compliance Officer

**Email:** [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com)

**Address for correspondence:** 14<sup>th</sup> Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai 400013

- **Disclosure Under The Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013**

The Company has in place the Sexual Harassment of Women at Workplace (Prevention, Prohibition

and Redressal) policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The following is a summary of sexual harassment complaints received and disposed off during the FY 2022-23:

- No. of complaints at the beginning of the FY 2022-23 : NIL
- No. of complaints received during the FY 2022-23: NIL
- No. of complaints disposed off during the FY 2022-23 : NIL
- No. of complaints at the end of the FY 2022-23: NIL

## REPORT ON CORPORATE GOVERNANCE (Contd.)

**VIGIL MECHANISM**

Your Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and ethical behavior. Accordingly, the Board of Directors have formulated a “Whistle Blower Policy/Vigil Mechanism” which is in compliance with the provisions of Section 177 (10) of the Companies Act, 2013 and Regulations 22 of the SEBI Listing Regulations. The policy is a channel to the Directors, Employees and Stakeholders to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Code or the Terms of reference or the Policy without fear of punishment or unfair treatment. The Policy ensures to protect the whistle blower from unfair adverse personal action and no individual has been denied access to the audit committee under the policy. The policy is available on the website of the Company and can be viewed on: <https://www.agsindia.com/corporate-policies.aspx>

**DETAILS OF MATERIAL SUBSIDIARIES:**

Securevalue India Limited and India Transact Services Limited, wholly owned subsidiaries of the Company fall within the ambit of “Material Subsidiary” as per the SEBI Listing Regulations for the financial year 2022-23.

Sr No.	Name of the Company	Date of Incorporation	Place of Incorporation	Name of Statutory Auditors	Date of appointment of Statutory Auditors
1	Securevalue India Limited	24 April 2012	Mumbai, Maharashtra	M/s. B S R & Co. LLP, Chartered Accountants	02 August 2022
2	India Transact Services Limited	11 July 2007	Mumbai, Maharashtra	M/s. B S R & Co. LLP, Chartered Accountants	02 August 2022

- **Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets, during the last three years**

- Financial results for the quarter ended 30 September 2021 were not submitted to NSE within forty-five days from the end of the said quarter as required under Regulation 52(1), 52(4) and 54 (2) of SEBI Listing Regulations and were submitted on 21 December 2021. NSE imposed a fine of ₹ 252,000 on the Company for such delayed submission, the payment of which was made by the Company on 21 December 2021.
- NSE imposed a fine ₹ 22,000 on the Company under regulation 57(1) of SEBI Listing Regulations for delayed intimation w.r.t. payment of interest made by the Company in respect of the non-convertible debentures issued by the Company.

**DEMAT HOLDING**

As on 31 March 2023, 121,402,895 shares of the Company are in demat form. The Company has executed agreements with both NSDL and CDSL for dematerialisation of its shares.

ISIN of the Company: INE583L01014

**CERTIFICATE FROM A PRACTICING COMPANY SECRETARY ON NON-DISQUALIFICATION OF DIRECTORS**

A certificate from a company secretary in practice M/s. Bhandari & Associates, Company Secretaries that none of the directors on the board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority is attached as “Appendix A”.

- NSE imposed a fine ₹ 2,000 on the Company under regulation 50(1) of SEBI Listing Regulations for delayed intimation w.r.t. prior intimation for payment of interest on the non-convertible debentures issued by the Company.

**POLICIES AS PER SEBI LISTING REGULATIONS**

The below policies adopted in accordance with SEBI (LODR) regulations are available on the website of the Company at <https://www.agsindia.com/corporate-policies.aspx>

1. Board diversity policy
2. Policy for determining material subsidiary
3. Policy on materiality of related party transactions

**DETAILS OF COMPLIANCE WITH MANDATORY REQUIREMENTS**

All the mandatory requirements of Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of the SEBI Listing Regulations have been complied with by the Company.



## REPORT ON CORPORATE GOVERNANCE (Contd.)

**ADOPTION OF DISCRETIONARY REQUIREMENTS OF SEBI LISTING REGULATIONS**

The Company has adopted the following non-mandatory requirements in terms of Part E of Schedule II of SEBI Listing Regulations:

- A. Modified opinion(s) in audit report: During the period under review, there was no audit qualification in the Financial Statements. The Company continues to adopt the best accounting practices and has complied with the relevant applicable Accounting Standards.
- B. Reporting of internal auditor: The internal auditor of the Company reports directly to the Audit Committee.

**DISCLOSURE FOR LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT**

Except granting of loan to its wholly owned subsidiary i.e. India Transact Services Limited during the year, the Company has not made any Loans and advances in the nature of loans to firms/companies in which directors are interested during the FY 2022-23.

**RECOMMENDATIONS OF THE COMMITTEES**

During the year under review, there have been no

instances whereby the Board of Directors of the Company has not accepted the recommendations made by the Audit Committee/Nominations and Remuneration Committee/Corporate Social Responsibility Committee on any matter which is mandatorily required.

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

There are no shares in the demat suspense account/unclaimed suspense account at the beginning and at the end of the FY 2022-23.

**DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT /ETHICS**

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, the Company has formulated a Code of Conduct for prohibition and prevention of Insider Trading for its designated employees. The code lays down Guidelines and procedures to be followed and disclosures to be made while dealing with equity shares of the Company.

In accordance with Regulation 26 of the SEBI Listing Regulations, 2015, this is to confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct for the financial year ended 31 March 2023.

**Appendix A**
**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) and Schedule V, Para C, clause 10(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,  
The Members of  
AGS Transact Technologies Limited  
601-602 Trade World B-Wing,  
Kamala Mill Compound,  
Senapati Bapat Marg, Lower Parel,  
Mumbai - 400013

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of AGS Transact Technologies Limited, having CIN: L72200MH2002PLC138213 and having Registered Office at 601-602 Trade World B-Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013 (hereinafter referred to as “the Company”), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V, Para-C, clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Mr. Ravi Badrinarain Goyal	01374288	11 December 2002
2.	Mr. Sudip Bandyopadhyay	00007382	29 March 2023
3.	Mr. Sivanandhan Dhanushkodi	03607203	11 March 2023
4.	Mrs. Jhuma Guha	00007454	05 August 2022
5.	Mr. Rahul Narain Bhagat	02473708	07 June 2018
6.	Mr. Stanley Johnson Panacherry	08914900	09 June 2021
7.	Mr. Vinayak Ravi Goyal	09199173	09 June 2021
8.	Mr. Subrata Kumar Atindra Mitra	00029961	20 July 2021

Ensuring the eligibility of / for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Bhandari & Associates**

Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**

Partner  
ACS No: 30224; C P No.: 11031  
Mumbai | 26 May 2023  
UDIN: A030224E000364690

## ANNEXURE 2

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

To,  
The Members,  
AGS Transact Technologies Limited  
CIN: L72200MH2002PLC138213

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AGS Transact Technologies Limited (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2023 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings. The Company does not have any Foreign Direct Investment;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018\*;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SBEER Regulations");
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021\*;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 to the extent of provisions dealing with client and referring to the Companies Act, 2013;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021\* and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018\*.

#The Regulations or Guidelines, as the case may be, are not applicable for the period under review.

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

- i) Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable except in respect of the matters listed below:

1. The Company has disbursed/transferred the CSR funds under the statutory obligation laid down in Section 135 of the Act to the implementing agency (AGS Community Foundation, a Section 8 company and subsidiary of the Company). However, the amounts so transferred in the previous year (₹ 2.14 Crores) and the current year (₹ 1.11 Crores) remain unutilised by the implementing agency as at 31 March 2023. Further, the CSR funds disbursed/transferred in the FY 2020-21 (₹ 1.68 Crores) have been

### ANNEXURE 2 (Contd.)

partially utilised by the implementing agency as at 31 March 2023.

2. The Company did not have a woman independent director on its Board from 01 April 2022 to 04 August 2022 as required under Regulation 17 (1) (a) of the Listing Regulations. The Company has appointed a woman independent director on its Board with effect from 05 August 2022.

#### We further report that -

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors of the Company during the year under review were in accordance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the period under review, the Company has inter alia undertaken the following events/actions -

1. Member's approval has been obtained by way of a special resolution at the Annual General Meeting held on 30 August 2022, for ratification of AGS Employee Stock Option Scheme 2012, AGS Employee Stock Option Scheme 2015 and for granting extension of benefits under the said schemes to the employees of the subsidiary companies.
2. The Company has received in-principle approvals from BSE Limited and National Stock Exchange of India Limited on 23 November 2022 and 20 December 2022 respectively, for listing upto a maximum of 24,50,940 Equity shares of ₹ 10/- each to be issued under AGS Transact Technologies Limited Employee Stock Option Scheme 2015 and for listing of upto a maximum of 7,72,260 equity shares of ₹ 10/- each to be issued under AGS Transact Technologies Limited Employee Stock Option Scheme 2012.

For **Bhandari & Associates**

Company Secretaries

Firm Registration No: P1981MH043700

**Manisha Maheshwari**

Partner

ACS No.: 30224; C P No.: 11031

Mumbai | 26 May 2023

ICSI UDIN: A030224E000364558

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

**‘Annexure A’**

To,  
The Members,  
AGS Transact Technologies Limited  
CIN: L72200MH2002PLC138213

Our Secretarial Audit Report for the financial year ended 31 March 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained management representation on compliance with laws, rules and regulations and happening of events, etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**  
Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**  
Partner  
ACS No.: 30224; C P No.: 11031  
Mumbai | 26 May 2023  
ICSI UDIN: A030224E000364558

**“Annexure 2A”**
**SECRETARIAL AUDIT REPORT**

For the financial year ended 31 March 2023  
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
Securevalue India Limited  
CIN: U74120MH2012PLC230193

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by 'Securevalue India Limited' (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31 March 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31 March 2023 according to the provisions of:

- i. The Companies Act, 2013 ("the Act") and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the Rules made thereunder\*;
- iii. The Depositories Act, 1996 And the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment and External Commercial Borrowings\*;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011\*;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015\*;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018\*;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulation, 2021\*;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021\*;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, to the extent of provisions dealing with client and referring to the Companies Act, 2013;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021\*; and
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018\*.

# The Regulations or Guidelines, as the case may be were not applicable to the Company for the period under review.

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

- iii) Secretarial Standards issued by The Institute of Company Secretaries of India;
- ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015\*.

# Not applicable for the period under review.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable. However, the Company has disbursed/transferred the CSR funds under the statutory obligation laid down in section 135 of the Act to the implementing agency (AGS Community Foundation, a section 8 Company and a related party of the Company) and the amount so transferred remain unutilised by the implementing agency as at 31 March 2023.

## ANNEXURE 2A (Contd.)

**We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period, the Company has no specific events/actions, having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For **Bhandari & Associates**  
Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**  
Partner  
ACS No.: 30224; C P No.: 11031  
Mumbai | 26 May 2023  
ICSI UDIN: A030224E000372931

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

**'Annexure A'**

To  
The Members,  
Securevalue India Limited  
CIN: U74120MH2012PLC230193

Our Secretarial Audit Report for the financial year ended 31 March 2023 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**  
Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**  
Partner  
ACS No.: 30224; C P No.: 11031  
Mumbai | 26 May 2023  
ICSI UDIN: A030224E000372931



**“Annexure 2B”**
**SECRETARIAL AUDIT REPORT**

For the financial year ended March 31, 2023

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
India Transact Services Limited  
CIN: U72900MH2007PLC172249

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **‘India Transact Services Limited’** (hereinafter called “the Company”). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended **March 31, 2023** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended March 31, 2023 according to the provisions of:

- i. The Companies Act, 2013 (“the Act”) and the Rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 (“SCRA”) and the Rules made thereunder”;
- iii. The Depositories Act, 1996 And the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings”;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (“SEBI Act”):-
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011”;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations 2015”;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018”;
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulation, 2021”;
- e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Debt Securities) Regulations, 2021”;
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, to the extent of provisions dealing with client and referring to the Companies Act, 2013;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021”;
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018”;

*# The Regulations or Guidelines, as the case may be, were not applicable for the period under review.*

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

- vi) Secretarial Standards issued by The Institute of Company Secretaries of India.
- vii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, if applicable”.

*# Not applicable for the period under review.*

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, to the extent applicable except –

The Company has issued private placement offer cum application letter (PAS-4) on June 29, 2023 for issue of 1,00,00,000 Equity Shares of Rs. 10/- each on private placement basis, in lieu of conversion of loan to equity share capital to AGS Transact Technologies Limited and has filed Special Resolution in this respect with the Registrar of Companies in form MGT-14 on August 05, 2023. However, form MGT-14 was required to be filed prior to issue of PAS-4 pursuant to the Rule

## ANNEXURE 2B (Contd.)

14(8) of Companies (Prospectus and Allotment of Securities) Rules, 2014.

**We further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

**We further report that** during the audit period, the Company has undertaken following events/actions:

- a) Allotted 1,00,00,000 Equity Shares of Rs. 10 each aggregating Rs. 10 Crores to AGS Transact Technologies Limited on private placement basis.
- b) Members approval was obtained at the Extra-Ordinary General Meeting held on November 09, 2022 for:

- increasing borrowing limits under Section 180(1)(c) of the Act upto Rs. 200 Crores and to secure such borrowings of the Company in terms of Section 180(1)(a) of the Act subject to the overall limits approved under section 180(1)(c) of the Act.
  - making Investments/Extending Loans and giving Guarantees or providing Securities in connection with loans to Persons/Bodies Corporate under section 186 of the Act upto Rs. 180 Crores.
- c) Allotted 1,00,00,000 Equity Shares of Rs. 10/- each aggregating Rs. 10 Crores to existing shareholders on right issue basis.
  - d) Members approval was obtained at the Extra-Ordinary General Meeting held on February 08, 2023 for alteration of Object Clause of Memorandum of Association of the Company.

**For Bhandari & Associates**

Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**

Partner  
ACS No.: 30224; C P No.: 11031  
Mumbai | May 26, 2023  
UDIN: A030224E000372940

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

**'Annexure A'**

To  
The Members,  
India Transact Services Limited  
CIN: U72900MH2007PLC172249

Our Secretarial Audit Report for the financial year ended March 31, 2023 of even date is to be read along with this letter.

- Maintenance of secretarial records is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
- Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events, etc.
- The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Bhandari & Associates**  
Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**  
Partner  
ACS No.: 30224; C P No.: 11031  
Mumbai | May 26, 2023  
UDIN: A030224E000372940

**ANNEXURE 3**
**Form AOC-1**

Statement Containing Salient Features Of The Financial Statement Of Subsidiaries/ Associate Companies/ Joint Ventures  
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

**Part "A": Subsidiaries**

(₹ in Million, except exchange rate and % shareholding)

Name of the Subsidiary	India Transact Services Limited (ITSL)	Securevalue India Limited (SVIL)	AGS Community Foundation	Global Transact Services Pte. Limited (GTSL)	*Novus Technologies Pte. Limited (NTPL) (step-down subsidiary)	**Novus Technologies (Cambodia) Company Limited (Novus Cambodia)	**Novus Transact Philippines Corporation (Novus Philippines)	**Novustech Transact Lanka (Private) Limited
Reporting period	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023 <sup>§</sup>	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023	01 April 2022 to 31 March 2023
Date of acquisition	1 April 2010	24 April 2012	24 September 2019	6 March 2009	28 November 2013	29 August 2014	15 September 2014	23 September 2016
Country	India	India	India	Singapore	Singapore	Cambodia	Philippines	Sri Lanka
Reporting Currency	Indian Rupee (₹)	Indian Rupee (₹)	Indian Rupee (₹)	Singapore Dollar (SGD)	Singapore Dollar (SGD)	US Dollar (US\$)	Philippine Peso (PHP)	Lankan Rupee (LKR)
Exchange rate	N.A.	N.A.	N.A.	As mentioned in the notes below the table				
Share capital	1,350.00	260.49	0.10	877.48	68.68	154.87	17.02	103.04
Reserves & surplus	(1,109.53)	1,395.32	38.54	(7.26)	(709.79)	207.06	-34.86	149.32
Total Assets	1,397.76	4,024.01	38.83	872.05	615.48	363.61	84.06	542.02
Total Liabilities	1,397.76	4,024.01	38.83	872.05	615.48	363.61	84.06	542.02
Investments	0.01	0.01	N.A.	-	-	-	-	-
Turnover	1,883.47	4,744.26	12.64	-	134.00	3.55	86.29	361.04
Profit/(Loss) before taxation	(122.89)	462.58	(3.31)	(0.68)	18.53	6.68	21.23	4.28
#Provision for taxation	14.92	132.17	-	-	14.90	2.68	5.25	3.82
Profit/(Loss) after taxation	(137.81)	330.41	(3.31)	(0.68)	3.63	4.00	15.98	0.46
Proposed Dividend	NIL	100%	N.A.	NIL	NIL	NIL	NIL	NIL
% of shareholding held by the Company	100	100	60	100	NIL	NIL	NIL	NIL

#Provision for tax includes total tax expenses.

\*Novus Technologies Pte. Limited is a step down subsidiary of the Company through Global Transact Services Pte. Limited;

\*\*Novus Technologies (Cambodia) Company Limited, Novus Transact Philippines Corporation & Novustech Transact Lanka (Private) Limited are second generation step down subsidiaries of the Company through Novus Technologies Pte. Limited

AGS Community Foundation is a section 8 company i.e. non-profit organisation. Turnover in its case implies contribution received by AGS Community Foundation and profit after tax implies Surplus.

§ Not considered for the purpose of consolidation.

Notes:

- None of subsidiaries are yet to commence operations. GTSL is a holding overseas wholly owned subsidiary company;
- None of the subsidiaries have been liquidated or sold during the year;
- Investment refers to investments made in subsidiaries;
- Exchange rate as on 31 March 2023 are considered as follows:

Closing Rate: 1 SGD = ₹ 61.8089; 1 US\$ = ₹ 82.1708 ; 1 PHP = ₹ 1.5130 ; 1 IDR = ₹ 182.2465 & 1 LKR = ₹ 0.2497

Average Rate: 1 SGD = ₹ 58.4672; 1 US\$ = ₹ 80.2900; 1 PHP = ₹ 1.4521; 1 IDR = ₹ 187.6950 & 1 LKR = ₹ 0.2248

## ANNEXURE 3 (Contd.)

**Part "B":**

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

Name of Associates or Joint Ventures	P.T. Nova Digital Perkasa
1. *Latest audited Balance Sheet Date	31 December 2022
2. Date on which the Associate or Joint Venture was associated or acquired	31 January 2020
3. Shares of Associate or Joint Ventures held by the Company on the year end:	
Number of shares	112,500 Shares
Amount of Investment in Associates or Joint Venture	US\$ 450,000/-
Extent of Holding (in percentage)	45% (Indirectly)
4. Description of how there is significant influence	Associate (Indirectly holding of 45% stake through first level overseas step down subsidiary)
5. Reason why the associate/joint venture is not consolidated	N.A.
6. Net worth attributable to shareholding as per latest audited Balance Sheet	IDR (Indonesian Rupee) 4,267.13 Million [As per audited Balance sheet as on 31 December 2022]
7. Profit or (Loss) for the year	
i. Considered in Consolidation	N.A.
ii. Not Considered in Consolidation	N.A.

\*The financial year followed by the Associate entity is calendar year. Consolidation is done basis provisional numbers as on 31 March 2023.

- Names of associates or joint ventures which are yet to commence operations: N.A.
- Names of associates or joint ventures which have been liquidated or sold during the year: N.A.

For and on behalf of the Board of Directors  
**AGS Transact Technologies Limited**

**Ravi B. Goyal**  
 Chairman & Managing Director  
 (DIN: 01374288)

**Saurabh Lal**  
 Chief Financial Officer  
 (Mem No: 504653)

Place: Mumbai  
 Date: 29 August 2023

**Stanley Johnson P.**  
 Executive Director  
 (DIN: 08914900)

**Sneha Kadam**  
 Company Secretary  
 (Mem No: ACS 31215)

## ANNEXURE 4

**DECLARATION**

In accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I, Ravi B. Goyal, Chairman and Managing Director of the Company, hereby confirm that all the Directors and the Senior Management personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended 31 March, 2023.

For and on behalf of the Board of Directors  
**AGS Transact Technologies Limited**

**Ravi B. Goyal**  
 Chairman & Managing Director  
 (DIN: 01374288)

Date: 29 August, 2023  
 Place: Mumbai

## ANNEXURE 5

### PARTICULARS OF ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

#### I CONSERVATION OF ENERGY:

At AGS Transact Group, we strongly encourage initiatives that promote overall well-being of our environment which includes proactive implementation of industry-best processes and practices. Our manufacturing unit in Daman has been ISO 14001 certified since June 2016. We follow standards staunchly to protect the environment from adverse effects of production throughout the life cycle of the product. We have taken significant steps to promote responsible waste management by partnering with Ecyclear to collect and dispose of our e-waste nationwide. We actively encourage our clients to join us in adopting sustainable waste management practices. Additionally, we have implemented VRF AC units to reduce CO2 emissions at AGS House, Navi Mumbai and have incorporated solar energy into our operations at Daman plant, reflecting our commitment to environmental conservation. We educate & encourage our clients to drop the e-waste at nearest drop point or offer door-step collection facility through our logistics team or E-waste Solutions team and channelize the same to our e-waste partner plant for final processing. Additionally, to provide a safer and standardised quality of work at every site, we follow industry best practices like mandatory use of gloves, goggles, and facemask/face-shield etc. Extensive & regular reports are maintained to ensure the company remains compliant. By integrating solar energy into our operations, we aim to offset the GHG emissions associated with non-renewable energy sources, contributing to a more sustainable and environmentally friendly approach to energy consumption.

Our marquee AGS House building in Navi Mumbai, which is also the command centre is striving to evolve towards a "Green building". Many constructive practices have become a voluntary part of AGS Transact's day to day operations such as optimised use of resources like water, electricity, paper etc. For instance, we use recycled water for urinals, WC and for watering the garden as well as green plantation on the ground and on 4<sup>th</sup> floor of the building. As a part of our environment friendly initiatives, we have installed VRF AC units for reduced CO2 emissions, green DG to maintain quality of air & sound and a DGU glass façade to control/maintain internal temperature. AGS House has received 'Orange' clearance from the Pollution Control Board.

#### II TECHNOLOGY ABSORPTION, RESEARCH AND DEVELOPMENT, ADOPTIONS AND INNOVATION:

The Company has implemented processes and follow various methods to track latest technology trends in the industry. On this line, we are working towards developing a new feature in our ATMs for seamless card-less transactions.

#### III FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Earnings in Foreign Exchange were ₹ 11.52 Million (previous year ₹ 46.92 Million) as against Expenditure incurred in Foreign Currency of ₹ 1.44 Million (previous year ₹ 0.03 Million). This does not include repayment of external commercial borrowings (ECB) and interest thereto as it is fully hedged under cross currency swap.

For and on behalf of the Board of Directors  
**AGS Transact Technologies Limited**

**Ravi B. Goyal**  
 Chairman & Managing Director  
 (DIN: 01374288)

Place: Mumbai  
 Date: 29 August 2023

## ANNEXURE 6

### MD & CFO Certificate

To,  
 The Board of Directors,  
**AGS Transact Technologies Limited**

We the undersigned, in our respective capacities as the Managing Director and and Chief Financial Officer of AGS Transact Technologies Limited ("the Company") to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the year ended 31 March 2023 and that to the best of their knowledge and belief we state that:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
  - (2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions are entered into by the Company during the period, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee:
  - i. significant changes in internal control over financial reporting during the year;
  - ii. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of the Board of Directors  
**AGS Transact Technologies Limited**

**Ravi B. Goyal**  
 Chairman & Managing Director  
 (DIN: 01374288)

Place: Mumbai  
 Date: 29 August 2023

**Saurabh Lal**  
 Chief Financial Officer  
 (Mem No: 504653)



## ANNEXURE 7

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES

#### 1. BRIEF OUTLINE ON CSR POLICY OF THE COMPANY:

The Board of Directors at its meeting held on 11 March 2023 have approved the amended CSR Policy of your Company upon recommendation of the CSR Committee pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The objective of the CSR Policy is to set guiding principles for carrying out CSR activities by the Company and also to set up process of execution, implementation and monitoring of the CSR activities to be undertaken by the Company.

The CSR Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring implementation of the framework of 'corporate social responsibility policy', observe practices of Corporate Governance at all levels, and to suggest remedial measures wherever necessary.

The Committee's constitution and terms of reference meet with the requirements of the Companies Act, 2013.

AGS Transcat Technologies Group under Section 8 has set up AGS Community Foundation through which it undertakes various initiatives for social upliftment of under-privileged society and community. Below CSR Projects have been undertaken by the Company:

#### A. PROJECT AGS SHIKSHA

AGS Shiksha is a project/initiative by AGS Community foundation which aims to provide the underprivileged and special children an access to quality education by offering necessary financial, educational, and infrastructural assistance. In FY23, AGS Shiksha provided financial Assistance to underprivileged and specially-abled children belonging to different strata of the society. Further, we provided multiple SMART boards to Oxford School for boosting interactive classroom sessions, which is said to have a positive impact on overall learning and development of students. Additionally, under AGS Shiksha, we have provided financial assistance of INR 1.25 crores to RVG Educational Foundation which is being utilized to provide 'The First Home' facilities to the female migrant students/CA aspirants. This will fulfill their shelter needs and provide them with a cohesive atmosphere critical for their higher education and overall professional development.

#### B. PROJECT DIABETIC RETINOPATHY SCREENING

AGS Community Foundation provided financial assistance to Kamala Sundaram Foundation, an NGO working towards eradication of blinding diseases across Mumbai. This sum donated under this initiative is being utilised exclusively for providing accessible & affordable eye care services with special focus on diabetic screening across under-served areas in Mumbai such as the slums. Kamala Sundaram Foundation has signed an MOU with Brihanmumbai Municipal Corporation (BMC) to drive this initiative.

#### 2. THE COMPOSITION OF THE CSR COMMITTEE AS ON 31 MARCH 2023:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Vijay Chugh	Chairman of the Committee (retired from end of day 11 March 2023)	3	3
2.	Mr. Jhuma Guha	Chairperson of the Committee (Independent Director)	3	None*
3.	Mr. Ravi B. Goyal	Member	3	3
4.	Mr. Rahul N. Bhagat	Member (Independent Director)	3	3

#### Notes:

Mr. Vijay Chugh served as a Chairman of the CSR Committee and has attended all the meetings of the CSR Committee held during the financial year under review.

Mrs. Jhuma Guha was appointed as Chairperson of the CSR Committee w.e.f. 12 March 2023.

#### ANNEXURE 7 (Contd.)

#### 3. PROVIDE THE WEB-LINK WHERE COMPOSITION OF CSR COMMITTEE, CSR POLICY AND CSR PROJECTS APPROVED BY THE BOARD ARE DISCLOSED ON THE WEBSITE OF THE COMPANY:

The CSR Policy may be accessed on the Company's website at the link: <https://www.agsindia.com/corporate-social-responsibility-csr.aspx>

#### 4. PROVIDE THE EXECUTIVE SUMMARY ALONG WITH WEB-LINK(S) OF IMPACT ASSESSMENT OF CSR PROJECTS CARRIED OUT IN PURSUANCE OF SUB-RULE (3) OF RULE 8, IF APPLICABLE: Not Applicable

5. a. Average net profit of the company as per section 135(5): **Rs. 554.94 million**
- b. Two percent of average net profit of the company as per section 135(5): **Rs. 11.10 million**
- c. Surplus arising out of the CSR projects or programmed or activities of the previous financial years: **NIL**
- d. Amount required to be set off for the financial year, if any: **NIL**
- e. Total CSR obligation for the financial year (5b+5c- 5d): **Rs. 11.10 million**

6. a. Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): **Rs. 11.10 million**
- b. Amount spent in Administrative Overheads: **NIL**
- c. Amount spent on Impact Assessment, if applicable: **NIL**
- d. Total amount spent for the Financial Year [(a)+(b)+(c)]: **Rs. 11.10 million**

e. CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in Rs)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
11.10 Million (Through AGS Community Foundation)	None	NA	None	NIL	NA

\*The CSR contribution made to AGS Community Foundation (implementing agency) remains unutilised with the implementing agency as at 31 March 2023.

- f. Excess amount for set off, if any: **Not Applicable**

#### 7. DETAILS OF UNSPENT CORPORATE SOCIAL RESPONSIBILITY AMOUNT FOR THE PRECEDING THREE FINANCIAL YEARS :

Sl. No.	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under section 135 (6)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount spent in the Financial Year (in Rs. million)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub section (5) of Section 135, if any.	Amount remaining to be spent in succeeding financial years.	Deficiency, if any
1	FY 2021-22	NA	NA	21.40	NA	NA	NA
2	FY 2020-21	NA	NA	16.80	NA	NA	NA
3	FY 2019-20	NA	NA	NIL	NA	NA	NA

\*The CSR contribution made to AGS Community Foundation (implementing agency) remains unutilized with the implementing agency as at 31 March 2023.

## ANNEXURE 7 (Contd.)

8. **WHETHER ANY CAPITAL ASSETS HAVE BEEN CREATED OR ACQUIRED THROUGH CORPORATE SOCIAL RESPONSIBILITY AMOUNT SPENT IN THE FINANCIAL YEAR:** No
9. **SPECIFY THE REASON(S), IF THE COMPANY HAS FAILED TO SPEND TWO PER CENT OF THE AVERAGE NET PROFIT AS PER SECTION 135(5):** Not Applicable

For and on behalf of the Board of Directors  
**AGS Transact Technologies Limited**

**Ravi B. Goyal**  
Chairman and Managing Director  
(DIN: 01374288)

**Jhuma Guha**  
Chairperson of the CSR Committee  
(DIN: 00007454)

Place: Mumbai  
Date: 29 August 2023

## ANNEXURE 8

### CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members,  
**AGS Transact Technologies Limited**

We have examined the compliance of conditions of Corporate Governance by AGS Transact Technologies Limited ("the Company") for the year ended 31 March 2023, as stipulated in Chapter IV of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in Chapter IV of the Listing Regulations except that the Company did not have a woman independent director on its Board from 01 April 2022 to 04 August 2022 as required under Regulation 17 (1) (a) of the Listing Regulations. The Company has appointed a woman independent director on its Board with effect from 05 August 2022.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Bhandari & Associates**  
Company Secretaries  
Firm Registration No: P1981MH043700

**Manisha Maheshwari**  
Partner  
ACS No: 30224; C P No: 11031  
Mumbai | 26 May 2023  
UDIN: A030224E000364646

## ANNEXURE 9

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

#### SECTION A: GENERAL DISCLOSURES

##### I. Details of the listed entity:

1. Corporate Identity Number (CIN) of the Listed Entity	L72200MH2002PLC138213
2. Name of the Listed Entity	AGS Transact Technologies Limited
3. Year of incorporation	11 December 2002
4. Registered office address	601-602, Trade World, B-Wing, Kamala Mill Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India
5. Corporate address	14 <sup>th</sup> Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai – 400013, Maharashtra, India
6. E-mail	<a href="mailto:companysecretary@agsindia.com">companysecretary@agsindia.com</a>
7. Telephone	Registered Office: +91-22-6781-2000 Corporate Office: +91-22-7181-8181
8. Website	<a href="http://www.agsindia.com">www.agsindia.com</a>
9. Financial year for which reporting is being done	31 March 2023
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange of India Limited
11. Paid-up Capital	121,403,076 equity shares of ₹ 10/- each
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Ms. Sneha Kadam Company Secretary & Compliance Officer Contact No: +91-22-7181-8181 Email ID: <a href="mailto:companysecretary@agsindia.com">companysecretary@agsindia.com</a>
13. Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together).	The disclosures under this Report are made on a Standalone basis.

##### II. Products/services -

##### 14. Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	ATM and Management services, AMC Services and upgrades, Digital payment services	The Company is in the business of supplying, installing and managing technology-based payment solutions, automation products and providing related services to its customers in Banking, Petroleum, Colour and Retail sectors. The Company also provides complete ATM Outsourcing, Intelligent Cash Deposit (ICD), ATM Managed Services, Digital payment services which includes toll and transit solutions, services through point of sale (POS) machine, transaction switching and processing services to various banks, financial institutions and other companies.	91.35%

### BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

##### 15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

S. No.	Product/Service	NIC Code	% of total Turnover contributed
1.	ATM and Management services	82990	62.42%
2.	AMC Services and upgrades	82990	19.00%
3.	Digital payment services	82990	9.93%

##### III. Operations

##### 16. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	1	33	34
International	0	0	0

##### 17. Markets served by the entity:

##### a. Number of locations

Locations	Number
National (No. of States)	26
International (No. of Countries)	0

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

0.095

##### c. A brief on types of customers

AGS Transact is one of the largest integrated omni-channel payment solutions providers in India in terms of providing digital and cash-based solutions to banks and corporate clients. We provide customised products and services comprising ATM and Cash Recycler Machines (CRM) outsourcing, cash management and digital payment solutions including merchant solutions and transaction processing services. Our major customers include leading Banks, Financial Institutions, OMCs, Fintech/e-commerce players, and Retailers.

##### IV. Employees

##### 18. Details as at the end of Financial year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1299	1215	93.53%	84	6.47%
2.	Other than Permanent (E)	1485	1344	90.51%	141	9.49%
3.	Total employees (D + E)	2784	2559	91.92%	225	8.08%

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
6.	<b>Total workers(F + G)</b>	0	0	0	0	0

**b. Differently abled Employees and workers:**

S. No	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	1	0	0	1	100%
2.	Other than Permanent (E)	0	0	0	0	0
3.	<b>Total differently abled employees (D + E)</b>	1	0	0	1	100%
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than permanent (G)	0	0	0	0	0
6.	<b>Total differently abled workers (F + G)</b>	0	0	0	0	0

**19. Participation/Inclusion/Representation of women**

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
<b>Board of Directors</b>	8	1	12.50%
<b>Key Management Personnel*</b>	3	1	33.33%

\*Key Management Personnel are Managing Director (Chairman & MD), Chief Financial Officer (CFO) and Company Secretary (CS). Data as on 31 March 2023.

**20. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)**

	FY 2022-2023 (Turnover rate in current FY)			FY 2021-2022 (Turnover rate in previous FY)			FY 2020-2021 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
<b>Permanent Employees</b>	23.15%	30.58%	23.68%	20.66%	32.64%	21.61%	10.02%	15.04%	10.40%
<b>Permanent Workers</b>	0	0	0	0	0	0	0	0	0

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures:**

S. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Securevalue India Limited	Wholly owned subsidiary	100%	No
2.	India Transact Services Limited	Wholly owned subsidiary	100%	No
3.	Global Transact Services Pte. Limited (GTSL)	Wholly owned subsidiary	100%	No
4.	Novus Technologies Pte. Limited (NTPL)	First level step down subsidiary through GTSL	90.00%	No
5.	Novus Technologies (Cambodia) Company Limited	Second level step down subsidiary through NTPL	100%	No
6.	Novus Transact Philippines Corporation	Second level step down subsidiary through NTPL	99.99%	No
7.	Novustech Transact Lanka (Private) Limited	Second level step down subsidiary through NTPL	100%	No
8.	AGS Community Foundation	Subsidiary	60.00%	No
9.	P.T. Nova Digital Perkasa	Associate Company through its First level step down subsidiary (NTPL)	45.00%	No

**VI. CSR Details**

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: (Yes/No)	Yes
(ii) Turnover (₹ Million)	12,102.43 Million
(iii) Net worth (₹ Million)	5,757.11 Million

**VII. Transparency and Disclosures Compliances**
**23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:**

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
<b>Communities</b>	No	NA	NA	NA	NA	NA	NA
<b>Investors (other than Shareholders)</b>	Yes <a href="#">Web-link</a>	NIL	NIL	NA	NIL	NIL	NA



## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes <a href="#">Web-link</a>	8	NIL	NA	15	NIL	NA
Employees and workers	Yes <a href="#">Web-link</a>	NIL	NIL	NA	NIL	NIL	NA
Customers	Yes <a href="#">Web-link</a>	NIL	NIL	NA	NIL	NIL	NA
Value Chain Partners	Yes <a href="#">Web-link</a>	NIL	NIL	NA	NIL	NIL	NA
Other (please specify)	-	-	-	-	-	-	-

**24. Overview of the entity's material responsible business conduct issues:**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	GHG emissions and energy management	Risk	Focusing on GHG reduction and energy efficiency, the Company aims to minimise its environmental footprint, lower operational costs, enhance its reputation, and align with global sustainability goals. Recognising the significant energy consumption associated with manufacturing processes, adopting efficient technologies, implementing renewable energy sources, and optimising resource usage will not only decrease GHG emissions but also help optimise associated costs in long-term. By embracing GHG and energy management, the Company is committed to driving innovation, minimising environmental impact, and promoting a more sustainable future for both its operations and the larger community.	The company acknowledges the significance of monitoring and reducing emissions, and to offset carbon footprint, we have implemented solar energy solutions. We remain committed to promoting eco-friendly alternatives to minimise any adverse impact on the environment and ensure sustainability for our company.	Negative

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2.	Waste management	Risk	Improper disposal or mismanagement of waste can lead to soil, water, and air pollution, potentially causing legal and regulatory compliance issues, damaging the Company's reputation, and attracting penalties or fines. Inadequate waste management practices can also result in the loss of valuable resources, as electronic components and materials can be recycled or repurposed, leading to missed opportunities for cost savings and resource conservation. Effective waste management is crucial to mitigate environmental risks, ensuring compliance with regulations, safeguard public health, maintain a positive corporate image, and harness the potential economic and environmental benefits of waste reduction and recycling.	At AGS Transact, we place utmost importance on effective waste management. To achieve this, we meticulously store, manage, and dispose of waste through reputable and authorised vendors. Our commitment to environmental sustainability drives us to ensure that waste generated within our operations is handled responsibly and in compliance with all applicable regulations.	Negative
3.	Human capital development	Opportunity	Human capital development presents a significant opportunity for our company. By investing in our employees' skills and knowledge, we enhance their productivity, creativity, and adaptability. This not only improves our competitiveness but also fosters a culture of continuous improvement, innovation, and employee retention, vital for long-term success.	-	Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
4.	Customer satisfaction	Risk	In a highly competitive market, where consumers have a plethora of options, a dissatisfied customer can easily switch to a competitor, leading to customer churn and loss of market share. Failing to prioritise and achieve high levels of customer satisfaction can pose certain risks and challenges. Poor customer satisfaction can hinder the Company's ability to secure repeat business or establish long-term relationships with key clients, limiting opportunities for cross-selling, upselling, and revenue growth.		Negative
5.	Community development	Opportunity	Actively engaging in community development initiatives allows the Company to build positive relationships with local communities where it operates. This can enhance its reputation as a responsible corporate citizen, fostering goodwill and support from community members and stakeholders. Investing in community development can lead to a skilled and educated workforce.		Positive
6.	Health and safety	Opportunity	Health and safety is an opportunity for our company to prioritise the well-being of employees. It reduces workplace accidents, absenteeism, and insurance costs. A safe environment boosts morale, productivity, and enhances our reputation, attracting talent and clients who value a commitment to safety, ultimately contributing to sustainable growth.		Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)	
7.	Supply chain management	Risk	Supply chain disruptions can occur due to various factors such as natural disasters, trade disputes, or unexpected events like the COVID-19 pandemic. These disruptions can lead to delays in the procurement of raw materials, components, or finished goods, impacting production schedules, customer satisfaction, and overall business operations. Lack of contingency plans or alternative suppliers can exacerbate the impact of such disruptions.		Negative	
8.	Privacy and Data security	Risk	The company may collect and store customer data, including personal information, payment details, and usage patterns. Inadequate data protection measures or a data breach can expose this information to unauthorised access, leading to reputational damage, loss of customer trust, and potential legal and regulatory consequences. Breaches in data privacy can result in the loss of competitive advantage, compromised intellectual property, and potential litigation.	At AGS Transcat, we take privacy seriously and employ established and commercially reasonable security standards and procedures to safeguard your information. The Company continuously upgrade our technology to ensure the protection of customer data. Access to any personal information is limited to employees with legitimate business reasons, and we educate our staff on confidentiality and customer privacy through standard operating procedures, training programs, and internal policies. Personal and financial information on our website, is transmitted securely using Secure Sockets Layer (SSL) technology, preventing any potential misuse of the data during transmission between a user's computer and AGS Transcat.		Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
9.	Digital inclusion	Opportunity	Actively promoting digital inclusion, the Company can contribute to bridging the digital divide and ensuring equitable access to technology and digital resources. This helps create a more inclusive society by empowering marginalised communities, individuals with disabilities, and underserved populations with the tools and skills necessary to participate in the digital economy. By developing affordable and accessible products and services, the Company can tap into previously untapped markets, expanding its reach and customer engagement.		Positive
10.	Diversity, Equity and Inclusion	Risk	Failing to prioritise Diversity, Equity and Inclusion can lead to a lack of diversity within the Company's workforce. A homogeneous workforce may limit the Company's ability to innovate, adapt to changing market needs, and understand diverse customer perspectives. It can also hinder the Company's reputation and brand image, as stakeholders increasingly value diversity and inclusive practices.	Our company maintains a commitment to a fair and inclusive workplace, refraining from any form of discrimination. We advocate for a safe and healthy work environment where all individuals are treated equally.	Negative
11.	Employee engagement and well-being	Opportunity	Employee engagement and well-being are opportunities for our company as they directly impact productivity, innovation, and retention. When employees feel valued and supported, they perform at their best, driving company success. Moreover, a positive work environment attracts top talent and strengthens our reputation, fostering long-term growth.		Positive

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
12.	Business ethics	Risk	Instances of unethical behaviour, such as fraud, corruption, or environmental irresponsibility, can tarnish the Company's brand image, leading to customer boycotts, negative media coverage, and decreased market share. Non-compliance with ethical standards and legal regulations can result in legal and regulatory risks. Violations of anti-corruption laws, labour rights, data privacy, or environmental regulations can lead to legal penalties, fines, litigation, and potential damage to the Company's financial standing and legal reputation.	The company always aims to have a comprehensive mitigation approach toward business ethics involves fostering a culture of integrity, promoting ethical awareness through training and communication, establishing clear codes of conduct, implementing robust internal controls, conducting regular ethics audits, providing channels for anonymous reporting, and taking swift action in response to unethical behaviour. Emphasising ethical values and accountability ensures a strong ethical foundation within the organisation, safeguarding its reputation and long-term success.	Negative

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	<a href="https://www.agsindia.com/corporate-policies.aspx">https://www.agsindia.com/corporate-policies.aspx</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	The Company endeavours to implement and translate all the Policies into procedures and practices in true letter and spirit.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company encourages its value chain partners to uphold standards of ethics, fairness and transparency in all their dealings with the Company.								
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	-	ISO 9001: 2015	-	-	-	ISO 14001: 2015	-	-	ISO/IEC 27001: 2013, PCI-DSS, PA-DSS
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	AGS Transact is working towards establishing sustainability goals and targets for its technology to emphasise its commitment to environmental responsibility and sustainable practices. By setting these goals, AGS Transact aims to drive positive change and contribute towards a more sustainable future through its technological innovations.								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	Not applicable								

**Governance, leadership and oversight**

**7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)**

AGS Transact is one of the leading providers of Cash & digital payment solutions and automation technology in India offering online payment services for banks, OMCs, merchants, and fintech. At AGS Transact, we believe in adopting sustainable practices and have taken various measures to promote them.

Our commitment to sustainability remains unwavering, despite the numerous challenges encompassing ESG. We actively address and manage environmental impact, prioritise data privacy and security, uphold ethical business conduct, and implement responsible supply chain practices.

We have taken significant steps to promote responsible waste management by partnering with Ecyclear to collect and dispose of our e-waste nationwide. We actively encourage our clients to join us in adopting sustainable waste management practices. Additionally, we have implemented VRF AC units to reduce CO2 emissions at AGS House, Navi Mumbai and have incorporated solar energy into our operations at Daman plant, reflecting our commitment to environmental conservation. Notably, our marquee AGS House building in Navi Mumbai strives towards becoming a "Green building." At AGS Transact, we prioritise governance principles of full disclosure, fairness, equity, transparency, and accountability across all aspects of our operations to protect the interests of our stakeholders. We adhere to best industry practices and maintain comprehensive compliance reports to ensure the highest standards of safety and regulatory compliance. Our employees' safety and security are of utmost importance, and we implement right measures to maintain health and safety standards in all workplaces. AGS Transact is deeply committed to making a positive impact on society through various CSR initiatives defined by our CSR policy.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Moving forward, we will continue to strengthen our efforts in ESG practices, contributing to a brighter and more sustainable future for all stakeholders.

**8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).**

The Board of Directors are responsible for oversight and implementation.

**9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.**

We are presently in the process of identifying an appropriate committee, and in the future, we will establish one to oversee sustainability-related matters. The Company has a Corporate Social Responsibility (CSR) Policy which approves and oversees CSR projects in line with the Company's strategy to bring about a positive impact on the communities through various CSR programmes.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency (Annually/Half yearly/ Quarterly/ Any other - please specify)								
	Any other Committee									(Annually/Half yearly/Quarterly/ Any other - please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action	Board of Directors									Annually								
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Board of Directors									Quarterly								

**11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.**

P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
No	Yes We have a robust functional review mechanism complemented with a strong independent internal audit process that covers the working of all key policies. Indian Register Quality	No	No	No	Yes Indian Register Quality Systems (IRQS)	No	No	Yes Sisainfocsec Technologies



**12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated:**

Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the Principles material to its business (Yes/No)	<b>Not applicable</b>								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**
**PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**
**Essential Indicators**
**1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:**

Segment	Total number of training and awareness programmes held	Topics/ principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors	4	During the financial year 2022-23, the Company provided various updates in the Board and Committee meetings. Directors (including Independent Directors) as members of the various Committees were informed and kept abreast on the regulatory and statutory developments including but not limited to business, economics, operations, governance, technology and various risk indicators. Presentations were made to the Directors on company strategy, performance and growth covering the business activities, industry review, etc. The Board and various Committees are updated on compliance, risk and audit observations, impact and the action plans. A familiarisation programme was conducted for the Independent Directors covering the overview of the business and industry, Company strategy and its business model, operations, financials and risk management framework.	100%
Key Managerial Personnel	4	AGS Transact Technologies recognises the significance of continuous training and ensures its provision. Our ongoing training and awareness initiatives cover technical skills, company policy awareness, and workplace ethics, equipping employees with the knowledge and tools necessary for professional growth and ethical conduct. Following trainings/ awareness programmes were conducted: <ul style="list-style-type: none"> <li>Health &amp; Safety</li> <li>Code of Conduct</li> <li>Prevention of Sexual Harassment at the Workplace</li> </ul>	100%
Employees other than BoD and KMPs	4		
Workers	NA	NA	NA

**2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by Directors / KMPs) with regulators/ Law enforcement agencies/ judicial institutions, in the financial year, in the following format; Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI LODR and as disclosed in the entity's website):**
**Monetary**

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	NIL	-	-	-	-
Settlement	NIL	-	-	-	-
Compounding fee	NIL	-	-	-	-

**Non-Monetary**

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment				
Punishment				
		NIL		

**3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.**

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
Not applicable	

**4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.**

Yes. AGS Transact Technologies Limited adheres to highest ethical standards for conducting its business operations. This Policy serves as a comprehensive guide for AGS Transact, enabling the Company to uphold its esteemed ethical standing, safeguard its reputation, and mitigate any potential allegations of bribery and corruption.

This Policy applies to all the operations of AGS Transact Technologies, including all its subsidiaries, officers, directors, employees, agents, business partners and any other person acting on behalf of the Company.

AGS Transact firmly adopts a “zero tolerance” stance towards acts of bribery and corruption committed by any of its employees or representatives acting on behalf of the Company. Any employee or representative found to violate this Policy, either by engaging in such misconduct, instructing others to do so, or knowingly allowing subordinates to violate this Policy, will face appropriate disciplinary measures in line with company regulations.

The policy is available on the internal intranet platform of the Company.

**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:**

	FY 2022-23	FY 2021-22
Directors	None	None
KMPs	None	None
Employees	None	None
Workers	NA	NA

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

6. Details of complaints with regard to conflict of interest:

	FY 2022-2023 (Current Financial Year)		FY 2021-2022 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	0	-	0	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0	-	0	-

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

Not Applicable.

**PRINCIPLE 2: Businesses Should Provide Goods and Services In A Manner That Is Sustainable And Safe**

**Essential Indicators**

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year	Details of improvements in environmental and social impacts
R&D	NIL	NIL	-
Capex	NIL	NIL	-

2. a. Does the entity have procedures in place for sustainable sourcing?(Yes/No)

Yes AGS Transact has policies and robust processes to ensure sustainable sourcing from Business Associates. As the Company is ISO9001:2015 and ISO14001:2015 certified, the Company's Responsible Supply Chain Management governs all the engagements with Business Associates. The Company also evaluates Business Associates commitment to the Company's SCM policy during selection of any material contracts. The Business Associates share same commitment as enunciated in AGS Quality Policy, Environment policy. All the approved vendor performances are monitored by AGS-IQA (Inward Quality Assurance) through Supplier Quality Ratings (SQR) and vendor audits through vendor rating.

The terms and conditions of business are structured and uniform across divisions to ensure business process standardisation and governance. AGS Transact practices responsible sourcing with respect to environment, safety, human rights and ethics, apart from economic considerations. Strict conformation to labour principles and related laws are mandatory requirements for all suppliers to qualify. Work method and standards, along with performance of supply and services, form a critical part of technical evaluation. In addition, safety evaluation and qualification are an integral part for the vendor visit, vendor audits & finally vendor registration process in SAP.

b. If yes, what percentage of inputs were sourced sustainably?

The percentage of inputs procured sustainably is deemed immaterial and negligible in its quantitative significance.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

E-waste is applicable to AGS Transact. The company is ISO 9001:2015 and ISO 14001:2015 certified and follows a practice to inform all stakeholders including customers about "GUIDELINES FOR DISPOSAL OF WASTES GENERATED DURING PRODUCT LIFECYCLE" vide Doc.DD-OPR-SOP-039 Rev.00(04/02/18) through email and a printed version of the document through every finished good. Also, the Company in many cases, takes responsibility and ownership for picking up the Product from customer sites after its Lifecycle to the factory. Thereby a specialized team verifies its reusability for functional purposes and disposing off the defectives through approved e-waste recyclers as per the waste management policy.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

Yes, EPR is applicable. Yes, the waste collection plan is in line with EPR plan submitted.

**PRINCIPLE 3: Businesses Should Respect And Promote The Well-Being Of All Employees, Including Those In Their Value Chains**  
**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	Total (A)	% of employees covered by									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B / A)	Number ©	% C / A	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent employees</b>											
Male	1215	1215	100%	1215	100%	0	0	0	0	0	0
Female	84	84	100%	84	100%	84	100%	0	0	0	0
<b>Total</b>	<b>1299</b>	<b>1299</b>	<b>100%</b>	<b>1299</b>	<b>100%</b>	<b>84</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent employees</b>											
Male	1344	1344	100%	1344	100%	0	0	0	0	0	0
Female	141	141	100%	141	100%	141	100%	0	0	0	0
<b>Total</b>	<b>1485</b>	<b>1485</b>	<b>100%</b>	<b>1485</b>	<b>100%</b>	<b>141</b>	<b>100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

b. Details of measures for the well-being of workers:

Category	Total (A)	% of workers covered by - NOT APPLICABLE*									
		Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% B / A	Number ©	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
<b>Permanent workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*At AGS Transact, there is no worker category

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

## 2. Details of retirement benefits, for Current Financial Year and Previous Financial Year.

Benefits	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	N.A.	Y	100%	N.A.	Y
Gratuity	100%	N.A.	Y	100%	N.A.	Y
ESI*	100%	N.A.	Y	100%	N.A.	Y
Others – Please Specify	-	-	-	-	-	-

\*Note - The above represents benefits provided to all the employees who are eligible/have opted for the said retirement benefit.

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes. At AGS House, we prioritise accessibility and inclusivity by offering wheelchair-friendly slopes for easy movement and ensuring the availability of dedicated toilets for individuals with disabilities. These measures are in place to facilitate a barrier-free environment, enabling everyone to navigate our premises comfortably and with dignity.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

No. While a separate policy may not be in place, AGS Transact upholds the principles of diversity, equity, and inclusion, promoting a workplace that celebrates the unique contributions and perspectives of every employee. The company encourages workplace environment where skills, talent, and expertise are valued, ensuring equal opportunities for all individuals. AGS Transact takes pride in fostering a healthy and inclusive workplace culture that prioritises merit-based hiring, irrespective of a person's disabilities, gender, religion, caste/creed, or skin colour.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	0	0	0
Female	100%	63.64 %	0	0
Total	100%	63.64 %	0	0

## 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Category	Yes/No (If Yes, then give details of the mechanism in brief)
Permanent workers	NA
Other than Permanent workers	NA
Permanent employees	Yes. A grievance reporting mechanism is in place to address employee concerns effectively. Employees have the option to raise grievances with their reporting managers and/or HR, ensuring a transparent and accessible process for resolving issues within the organisation.
Other than Permanent Employees	

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

## 7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Total employees/workers in respective category (A)	No. of employees/workers irrespective of category, who are part of association(s) or Union (B)	% (B / A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association (s) or Union(D)	% (D / C)
Total Permanent Employees	1299	0	-	1424	0	-
Male	1215	0	-	1327	0	-
Female	84	0	-	97	0	-
Total Permanent Workers	NA	-	-	NA	-	-
Male	NA	-	-	NA	-	-
Female	NA	-	-	NA	-	-

## 8. Details of training given to employees and workers:

Category	FY 2022-2023 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	2559	2559	100%	202	7.89%	2697	2697	100%	53	1.97%
Female	225	225	100%	23	10.22%	238	238	100%	6	2.52%
Total	2784	2784	100%	225	8.08%	2935	2935	100%	59	2.01%
<b>Workers</b>										
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

## 9. Details of performance and career development reviews of employees and worker:

Category	FY 2022-2023 (Current Financial Year)			FY 2021-2022 Current Financial Year		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	2559	2100	82.06%	2697	2537	94.07%
Female	225	172	76.44%	238	188	78.99%
Total	2784	2272	81.61%	2935	2725	92.84%
<b>Workers</b>						
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

The Company carries out performance and career development reviews on a yearly basis during the performance appraisal cycle every year. The employees are evaluated as per their eligibility criteria based on their joining date and job position and thereafter as per the ratings and comments by the reporting manager, a development arch is formulated for each employee.

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

**10. Health and safety management system:**
**a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Yes. AGS Transcat is proud to be an ISO 14001:2015 certified company, reflecting our commitment to environmental management. We also prioritise employee health and safety and regularly monitor these aspects through internal process audits. Additionally, we undergo external audits conducted by various agencies, such as Indian Register Quality Systems (IRQS), across different time zones annually, ensuring comprehensive assessments of our practices.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

AGS Transcat has implemented robust processes to identify work-related hazards and regularly assess their associated risks. This assessment is conducted on a yearly basis through the Risk Register (Aspect Impact Register, Doc. No. EMS-F-01, Rev01, Date 12/02/2018). To ensure ongoing safety and compliance, internal process audits are conducted weekly, providing a thorough evaluation of our operation's safety practices.

**c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N) Yes**
**d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No) Yes**
**11. Details of safety related incidents, in the following format:**

Safety Incident/Number	Category	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	0	0
Total recordable work-related injuries	Employees	0	0
	Workers	0	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

AGS Transcat prioritises the safety and well-being of its employees at its plant at Daman by strictly adhering to the usage of Personal Protective Equipment (PPE) such as safety shoes, hand gloves, earplugs, masks, safety goggles, and safety helmets as required by specific processes. These PPEs are checked daily by team managers as part of Total Productive Maintenance (TPM) practices.

In addition, we emphasise lean practices including 5S, TPM, Gemba, Poke Yoke, Kaizens, and Kanban, creating a safe and healthy workplace environment. Regular trainings and daily morning meetings contribute to an agile work environment, fostering continuous improvement and employee engagement.

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

**13. Number of Complaints on the following made by employees and workers:**

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0	-	0	0	-
Health & Safety	0	0	-	0	0	-

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.**

Not applicable. As of now, no significant risks have arisen that require specific actions or measures to be implemented. AGS Transcat maintains a proactive approach to risk management and continuously monitors the workplace to identify and address any potential hazards promptly. Our commitment to maintaining a safe and healthy environment for our employees remains unwavering.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

**PRINCIPLE 4: Businesses Should Respect The Interests Of And Be Responsive To All Its Stakeholders**

**Essential Indicators**

**1. Describe the processes for identifying key stakeholder groups of the entity.**

AGS Transact Technologies has identified its stakeholders through careful consideration of factors such as regular engagement, their criticality to business sustainability, and the direct impact they have on the Company. Shareholders are engaged to foster transparency and provide updates on business performance, while employees are prioritised for a positive work environment and growth opportunities. Government and regulators are engaged to ensure compliance, suppliers are engaged to maintain strong relationships and efficient supply chains, customers are engaged to deliver quality products and services, and the community is engaged through initiatives that contribute to social development and betterment.

List of identified stakeholders:

1. Shareholders
2. Employees
3. Customers
4. Suppliers
5. Community
6. Government and regulators

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholders	No	<ul style="list-style-type: none"> <li>• Investor relations report like Annual report</li> <li>• Annual General meeting</li> <li>• Analyst calls</li> <li>• Stock exchange intimations</li> <li>• Newspaper</li> <li>• Emails</li> <li>• Website</li> </ul>	On a regular basis	The purpose and scope of our engagement with shareholders revolve around sharing essential information about our business operations and ensuring transparency regarding statutory approvals. We aim to keep our shareholders informed about the Company's performance, strategic decisions, and compliance with regulatory requirements. By providing timely updates and facilitating open communication, we foster a collaborative relationship with our shareholders, promoting trust and accountability.
Employees	No	<ul style="list-style-type: none"> <li>• Email,</li> <li>• Intranet</li> <li>• Website</li> <li>• CXO address</li> <li>• Team meetings</li> </ul>	On a regular basis	The purpose and scope of our engagement with employees encompass sharing crucial business information, including company policies, training and development initiatives, and performance management updates. Additionally, we aim to provide transparency regarding statutory approvals, ensuring our employees are well-informed about our compliance with regulatory requirements.

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (Contd.)

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly/others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	<ul style="list-style-type: none"> <li>• Telephone</li> <li>• Emails</li> <li>• Business meetings</li> <li>• Website</li> <li>• Social media engagement</li> </ul>	On a regular basis	The purpose and scope of our engagement with customers involve facilitating seamless onboarding, gathering valuable feedback, providing timely updates on new products/ services, and offering technical assistance when needed. Our aim is to ensure customer satisfaction by fostering effective communication channels and addressing their needs throughout their journey with us.
Suppliers	No	<ul style="list-style-type: none"> <li>• Telephone</li> <li>• Emails</li> <li>• Business meetings</li> <li>• Website</li> <li>• Social media engagement</li> </ul>	On a regular basis	The purpose and scope of our engagement with suppliers revolve around conveying the requirements for materials and services needed for our operations, while also providing technical assistance as necessary. We aim to establish collaborative relationships with our suppliers, ensuring clear communication and support to meet our procurement needs effectively.
Community	No	<ul style="list-style-type: none"> <li>• Community building through CSR initiatives</li> </ul>	On a regular basis	We strive to actively contribute to the betterment of the community by supporting educational programs, promoting healthcare initiatives, and participating in projects that enhance local infrastructure.
Government and regulators	No	<ul style="list-style-type: none"> <li>• Representations</li> <li>• Emails</li> <li>• Letters</li> <li>• Government platforms and meetings</li> </ul>	On a regular basis	The purpose and scope of our engagement with government and regulators involve obtaining necessary statutory approvals and ensuring compliance, as well as making timely payments to the exchequer. We maintain transparent and collaborative relationships with government bodies and regulatory authorities to fulfill our obligations and contribute to the overall economic framework.

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

**PRINCIPLE 5: Businesses Should Respect and Promote Human Rights**
**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Total (A)	No. employees workers covered (B)	% (B / A)	Total (C)	No. employees workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1299	1299	100%	1424	1424	100%
Other than permanent	1485	1485	100%	1511	1511	100%
Total Employees	2784	2784	100%	2935	2935	100%
<b>Workers</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
Total Workers	-	-	-	-	-	-

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY 2022-2023 Current Financial Year					FY 2021-2022 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No.(B)	% (B /A)	No. (C)	% (C /A)		No.(E)	% (E/D)	No.(F)	% (F/D)
<b>Employees</b>										
Permanent	1299	0	0	1299	100%	1424	143	10.04%	1281	89.96%
Male	1215	0	0	1215	100%	1327	124	9.34%	1203	90.66%
Female	84	0	0	84	100%	97	19	19.59%	78	80.41%
Other than permanent	1485	129	8.69%	1356	91.31%	1511	136	9.00%	1375	91.00%
Male	1344	121	9.00%	1223	91.00%	1370	96	7.01%	1274	92.99%
Female	141	8	5.67%	133	94.33%	141	40	28.37%	101	71.63%
<b>Workers</b>										
Permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-	-	-	-	-
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary / wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	7	5.70	1	3.10
Key Managerial Personnel	1*	16.90	1	2.33
Employees other than BoD and KMP	1211	0.47	83	0.50
Workers	NA	NA	NA	NA

\*Excluding Managing Director, as he is considered in the calculation of the median for the Board of Directors.

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes.

Employees can submit relevant complaints or grievances to HR committee and Internal Compliance Committee (ICC).

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

AGS Transcat is committed to upholding and respecting human rights practices throughout its operations. The company has implemented mechanisms such as a whistle-blower policy to encourage the reporting of any violations, ensuring a safe and secure environment for employees to raise concerns.

AGS Transcat encourages employees to submit complaints or grievances to the HR team through email or engage in one-on-one discussions. The Company is committed to maintaining open lines of communication and ensuring that employee concerns are heard and appropriately addressed.

Additionally, AGS Transcat has established a POSH (Prevention of Sexual Harassment) policy to promote a workplace culture that is free from harassment, discrimination, and ensures the well-being of all employees.

6. Number of Complaints on the following made by employees and workers:

Category	FY 2022-2023 Current Financial Year			FY 2021-2022 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	NIL	NIL	-	NIL	NIL	-
Discrimination at workplace	NIL	NIL	-	NIL	NIL	-
Child Labour	NIL	NIL	-	NIL	NIL	-
Forced Labour/Involuntary Labour	NIL	NIL	-	NIL	NIL	-
Wages	31	18	-	1	NIL	-
Other human rights related issues	NIL	NIL	-	NIL	NIL	-

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

AGS Transcat has implemented mechanisms to prevent adverse consequences to the complainant, ensuring their well-being and protection throughout the process. The company is committed to treating all complainants fairly by providing a supportive and impartial environment where their concerns are heard and addressed appropriately. AGS Transcat strives to create a culture that encourages open communication and safeguards the rights and dignity of every individual involved in the complaint resolution process.

8. Do human rights requirements form part of your business agreements and contracts?(Yes/No)

No

9. Assessments for the year:

	%age of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	100%
Forced/involuntary labour	100%
Sexual harassment	100%
Discrimination at workplace	100%
Wages	100%
Others – please specify	-

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

Not applicable. No significant risks/concerns have arisen and no corrective actions taken with respect to assessments at Question 9.

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

**PRINCIPLE 6: Businesses Should Respect and Make Efforts To Protect And Restore The Environment**
**Essential Indicators**
**1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	FY 2022-2023 (in GJ) (Current Financial Year)	FY 2021-2022 (in GJ) (Previous Financial Year)
Total electricity consumption (A)	1,36,215.21	1,44,632.68
Total fuel consumption (B)	172.86	58.48
Energy consumption through other sources (C)	-	-
Total energy consumption (A+B+C)	1,36,388.07	1,44,691.16
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1.13	1.10
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

Note: Energy intensity is per Million rupee of turnover

**2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

No

**3. Provide details of the following disclosures related to water, in the following format:**

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	1583.00	2004.00
(iii) Third party water	246.84	173.06
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	1829.84	2177.06
Total volume of water consumption (in kilolitres)	1829.84	2177.06
Water intensity per rupee of turnover (Water consumed / turnover)	1.51	1.65
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.		No

Note: Water intensity is per Million rupee of turnover

**4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Not applicable. At our plant, we do not use water for any industrial processes.

**5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Nox	mg/Nm3	20	20
Sox	mg/Nm3	24	24
Particulate matter (PM)	mg/Nm3	50	50
Persistent organic pollutants (POP)	-	-	-
Volatile organic compounds (VOC)	-	-	-
Hazardous air pollutants (HAP)	-	-	-
Others- please specify	-	-	-
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			Yes Unistar Environment and Research Labs Private Limited

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

**6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	10.98	3.71
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	30,627.70	32,521.13
Total Scope 1 and Scope 2 emissions per rupee of turnover		2.53	2.47
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.			No

**7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.**

Yes.

To reduce greenhouse gas (GHG) emissions, we have implemented a hybrid energy strategy at AGS Transact. One of our key initiatives includes the installation of solar capacity to generate renewable energy, which is utilised in our production process. By integrating solar energy into our operations, we aim to offset the GHG emissions associated with non-renewable energy sources, contributing to a more sustainable and environmentally friendly approach to energy consumption.

**8. Provide details related to waste management by the entity, in the following format:**

Parameter	FY 2022-2023 (Current Financial Year)	FY 2021-2022 (Previous Financial Year)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	0.35	0.38
E-waste (B)	191.38	34.00
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	147.85	409.75
Total (A+B + C + D + E + F + G + H)	339.58	444.13

For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)

Category of waste		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-

For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)

Category of waste		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	339.58	444.13
Total	339.58	444.13

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

AGS Transact is ISO 9001:2015 and ISO 14001:2015 certified and follows a practice to inform all stakeholders including customers about "GUIDELINES FOR DISPOSAL OF WASTES GENERATED DURING PRODUCT LIFECYCLE" vide Doc.DD-OPR-SOP-039 Rev.00 (04/02/18) through email and a printed version of the document through every Finished Goods. The Company has adopted efficient waste management practices in many cases and takes the responsibility and ownership for picking up the product from customer sites after its lifecycle to the Factory. A specialised team verifies for the reusability for functional use and disposing off the defectives through approved scrap vendors as per the e-waste (EPR) requirement. The company does not generate any harmful toxic chemical or hazardous waste.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval /clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
	NIL		

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Yes. AGS Transact is compliant to all applicable laws.

S. No.	Specify the law / regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties /action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
	Not applicable			

**Leadership Indicators**

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY 2022-2023 (in GJ) (Current Financial Year)	FY 2021-2022 (in GJ) (Previous Financial Year)
From renewable sources		
Total electricity consumption (A)	92.10	94.34
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	92.10	94.34
From non-renewable sources		
Total electricity consumption (D)	1,36,123.11	1,44,538.34
Total fuel consumption (E)	172.86	58.48
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	1,36,295.97	1,44,596.82
Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.	No	

## BUSINESS RESPONSIBILITY &amp; SUSTAINABILITY REPORT (Contd.)

- PRINCIPLE 7: Businesses, When Engaging in Influencing Public and Regulatory Policy, Should Do So In A Manner That Is Responsible And Transparent

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/ associations.

5

- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation Of ATM Industry (CATMI)	National
2	Currency Cycle Association (CCA)	National
3	Internet And Mobile Association Of India (IAMAI)	National
4	Indian Paint Association (IPA)	National
5	International Market Assessment (IMA) India	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
NIL		

- PRINCIPLE 8: Businesses Should Promote Inclusive Growth and Equitable Development

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes /No)	Results communicated in public domain (Yes / No)	Relevant Web link
Not applicable					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community. We do not currently have a specific mechanism for addressing community grievances; however, we are open to engaging and addressing any grievances or concerns that may impact them.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY 2022-2023 Current Financial Year	FY 2021-2022 Previous Financial Year
Directly sourced from MSMEs/ small producers	36.97%	7.06%
Sourced directly from within the district and neighbouring districts	63.03%	92.94%



**PRINCIPLE 9: Businesses Should Engage With and Provide Value To Their Consumers In A Responsible Manner**

**Essential Indicators**

**1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

At AGS Transcat, we highly prioritise customer feedback. To ensure timely resolution, we provide toll-free numbers and dedicated email addresses for first-level escalations. Moreover, we are committed to responding to grievances received on social media within 2-3 working days, directing them to the appropriate teams for timely and efficient resolutions. We value our customers' input and strive to provide them with the best possible support and service.

**2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	NIL
Safe and responsible usage	NIL
Recycling and/or safe disposal	NIL

**3. Number of consumer complaints in respect of the following:**

	FY 2022-2023 (Current Financial Year)			FY 2021-2022 (Previous Financial Year)		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber-security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade Practices	0	0	-	0	0	-
Unfair Trade Practices	0	0	-	0	0	-
Other	-	-	-	-	-	-

**4. Details of instances of product recalls on account of safety issues:**

	Number	Reasons for recall
Voluntary recalls	0	Not applicable
Forced recalls	0	Not applicable

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

AGS Transcat upholds customer privacy in the highest regard. The company assures of its unwavering commitment to maintaining privacy by adhering to the following standards in delivering our services: First, we prioritise the confidentiality of customers' personal information, treating it with the utmost care and privacy. Second, we maintain robust security measures to protect their personal information from unauthorised access, alteration, or destruction. Third, we take significant steps to protect the information exchanged online, utilising industry-standard security technologies and protocols. With these standards in place, AGS Transcat is dedicated to providing a secure and trustworthy experience while safeguarding its customers' personal information.

**6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

None

## MANAGEMENT DISCUSSION AND ANALYSIS

### ECONOMIC OUTLOOK

#### Global Economy:

The global economy has shown signs of recovery in the post-epidemic period, despite significant interruptions to economic activity. Major central banks worldwide played a crucial role in assisting policymakers to address rising living expenses and an adverse economic climate. Notably, advanced nations experienced most of the upside inflation surprises, while emerging and developing economies saw more varied outcomes.

This trend has been influenced by several factors, including supply chain bottlenecks, generous government expenditure, competitive labour markets, and a commodities shock brought on unrest globally. Financial markets have experienced notable swings as a result of the ongoing volatility brought on by high inflation, increased recession risks, and uncertainty in monetary policy. In response, major central banks have shifted from loose to tighter monetary policies in an attempt to control inflation. Although inflation is expected to gradually ease in 2023, interest rates will likely remain at peak levels for some time, with significant implications for GDP growth, bond yields, exchange rates, and economic risks. However, thanks to coordinated efforts, there are promising signs of improvement in both inflation and core inflation.

According to the International Monetary Fund (IMF), Global growth is expected to reach 3% in 2024 after a fall to 2.8% in 2023 from 3.4% in 2022. This is driven by a recovery in economic activity supported by strong labour markets, large consumer consumption, and increase in business investment. This impetus exists notwithstanding the turmoil brought on by trade disputes, incremental inflation, and geopolitical conflicts. On the supply side, fewer bottlenecks and falling transportation costs have relieved pressure on input prices and allowed for a recovery in formerly limited industries.

#### Outlook

The year 2023 is once again characterised by a significant degree of uncertainty. It is anticipated that advanced economies will experience a substantial reduction in the projected growth rate, decreasing from 2.7% in 2022 to 1.3% in 2023. By contrast, it is anticipated that emerging markets and developing economies will undergo a moderate increase in their growth rate, ascending from 3.9% in 2022 to 4.0% in 2023.

The calibration of macroeconomic policies is crucial for achieving a balance between the objectives of enhancing economic output and regulating inflation. It is anticipated that the efficient synchronisation of monetary and fiscal policies will alleviate the possibility of a prolonged and severe economic recession. Enhanced international cooperation is imperative for the optimal utilisation of resources and the

prevention of additional disruptions, thereby serving the best interests of all nations.

#### Indian Economy:

The FY 2022-23 witnessed India maintaining a steady trajectory of economic recovery, continued from 2021-22. The resilience of Indian economy owes it to a host of factors, such as an optimistic business environment and robust industrial output, that has provided a strong momentum for the growth of India's economy. Several indicators including total GST collections, digital transaction volume, electricity demand, rail & air passenger and freight traffic, petroleum product consumption, and coal production have pointed towards a positive recovery trajectory. Private consumption has rebounded, and overtaken export stimuli as the primary growth driver. This increase in private consumption has further augmented production activity, resulting in higher capacity utilisation across various sectors.

India has experienced notable growth rates for a period of approximately two decades. However, the convergence of various fundamental factors has only recently taken place within the past few years. These factors possess the capability to propel India towards becoming a USD 7 Trillion economy by the year 2030. In addition to the demographic advantage, the implementation of policy reforms aimed at fostering a favourable investment and entrepreneurial climate has played a crucial role in augmenting consumption, investments, and savings.

The consistent growth exhibited by India's GDP for FY23 not only reinforces the country's resilience but also positions it as an important player in the global economic landscape.

Within a span of less than ten years, almost the entire populace of the nation has been bestowed with a digital identity, which has subsequently facilitated a digital transformation, resulting in significant enhancements in efficacy across both public and private domains.

With the aforementioned trends serving as a catalyst, the extensive informal sector of the nation is presently undergoing a swift integration into the formal economy, resulting in a rise in asset financialisation. The various alterations in the structure have established a foundation for India to attain the position of the fourth largest economy globally by the conclusion of the current decade.

#### Outlook

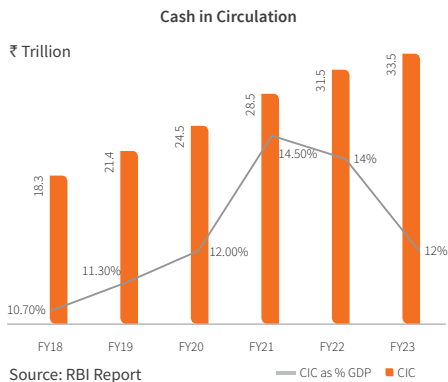
According to projections, India is expected to achieve the status of the world's fastest-growing major economy by 2023, with a growth rate ranging between 6.5% and 7.0%. India has sustained its status as the most rapidly expanding economy, not only in the FY 2022-23, but is anticipated to maintain

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

this position throughout the year 2023-24. India's economic prospects remain optimistic as a surge in investments has led to significant growth in factory production, bank loans, and consumer spending. Furthermore, it is anticipated that this economic growth will enhance the trust of businesses and function as a stimulant for amplified investment in the private sector. The prevailing positive outlook and eagerness exhibited by investors are poised to provide additional impetus to the expansion of the Indian economy.

**INDUSTRY OUTLOOK:**

India has emerged as a dynamic and thriving start-up ecosystem, currently ranking as the third-largest in the world. This remarkable growth and success can be attributed, in large part, to the widespread access to digital payments, digital information, data, and various platforms that have been developed and made available over time.



Source: RBI Report

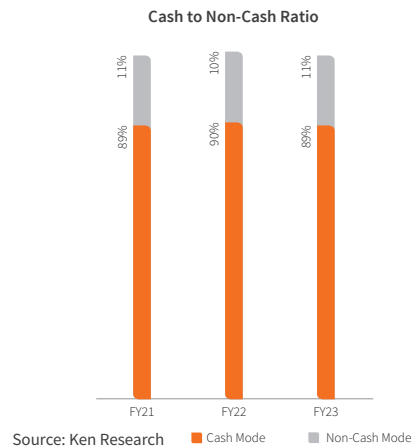
During FY23, the ATM/CRMs (Automated Teller Machines/Cash Recycler Machines) industry experienced a notable uptick in growth, primarily driven by a strong demand from leading banks. This growth was evident from the release of Requests for Proposals (RFPs) for more than 20,000+ ATM/CRMs by these prominent banks. The growth trajectory is expected to strengthen in the following year, FY24, with the introduction of a fresh RFP for an additional 15,000+ ATM/CRMs at the start of the fiscal year. This indicates that the industry is poised for further expansion and that leading banks remain committed to enhancing their ATM/CRM networks to better serve their customers.

**Cash in Circulation:**

The cash in circulation is defined as the total amount of cash kept with banks and currency with the public. Indian economy

Despite the stupendous growth of digital transactions led by digital India initiatives of the Government of India, Cash in circulation continues to rise. India's payment segment will continue to witness co-existence of cash and digital payments, together driving the growth of the overall payment sector.

Government of India's Pradhan Mantri Jan-Dhan Yojana (PMJDY) was introduced with the aim to achieve financial inclusion by providing all adult Indians with a bank account to realise the benefits of government's direct benefit schemes. So far, about 48.9cr Jan Dhan accounts have been created and have been instrumental in driving total ATM transactions and usage in rural areas. Historically, ATMs have been instrumental in expanding financial services, but their benefits were primarily limited to urban regions. However, with the widespread adoption of PMJDY and the subsequent rise in Jan Dhan accounts, the usage of ATMs has been extended to rural areas, promoting financial inclusion across the country.



Source: Ken Research

is highly dependent on cash-based transactions as compared to non-cash transactions or cashless transactions. However, in India usage of electronic payments (for instance, M-wallets, UPI, IMPS, NEFT and RTGS) coupled with increasing penetration of debit/credit/Prepaid cards have created a positive impact. After a dip to 13.5 Trillion in 2017 post demonetisation, CIC has grown rapidly and currently stands over 33.5 Trillion rupees as of March 2023.

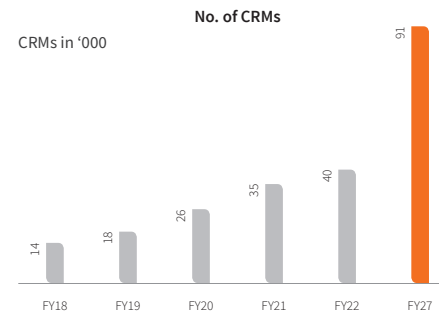
**Digital Banking Units or DBUs:**

The increasing internet penetration across India has accelerated the demand for digital banking. RBI had proposed to set up 75 Digital Banking Units (DBUs) in 75 districts of the country by Scheduled Commercial Banks to further financial

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

inclusion and enhance banking experience for citizens. While DBUs simplify the banking procedure they will also provide a robust and secure banking system. Overall, in the long run, setting up DBUs are more cost efficient for Banks than setting up a Bank branch.

DBUs or e-lobbies are allowing banks to offer customers all banking transactions, information and solutions round the clock through deployment of cash recyclers, cash dispensers and multi-functioning kiosks. E-lobbies deployed by banks provide self-service facilities including cash withdrawals, cash deposits, card-to-card transfers, passbook printing, NEFT, SMS alerts and many such banking services without the help of the physical staff of the bank.



Source: Ken Research

**CRM or Cash Recycler Machines:**

The Cash Recycler machine (CRM) is a self-service terminal that lets the customer make deposit and withdrawal transactions of cash. All successful transactions are immediately credited or debited in real time and customers are issued an acknowledgment slip confirming the transaction. CRMs in India have RBI supported note identification protocols and mechanisms. The deposited notes are then stored into separate cassettes in the machines automatically for dispensing to the customers.

It is anticipated that the quantity of Cash Recycling Machines will increase from 40,000 during the fiscal year 2022 to 90,595 by the end of the fiscal year 2027. The expansion of Cash Recycling Machines (CRMs) is expected to bolster the revenue

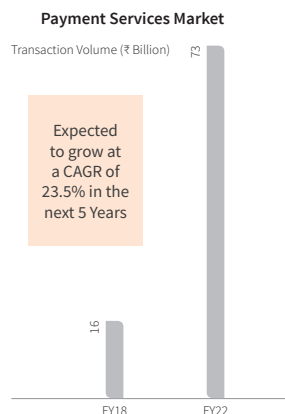
growth of the automated teller machine (ATM) supply market in India with the increased requirement in alignment with the automation initiatives at bank branches.

**Future Outlook & Projections:**

- It is anticipated that with the expansion of the banking services' reach to a larger population, there will be a subsequent rise in the volume of transactions conducted. It is anticipated that the ATM managed services will yield a revenue exceeding ₹ 149.8 Billion by the conclusion of the fiscal year 2027.
- It is anticipated that the revenue will experience growth over the course of the period due to the implementation of Financial Inclusion and Jan Dhan Yojana initiatives, as well as the heightened awareness among residents of semi-urban and rural regions within the country.
- The utilisation of automated teller machines (ATMs) is expected to increase in the future due to the emergence of advanced technologies such as bunch note acceptors and cash recyclers in the market. These machines offer a range of functionalities beyond cash withdrawal, including cash deposit, passbook updates, user KYC, and other features.
- The proliferation of debit cards and the rise in direct benefit transfers are anticipated to result in a notable escalation in cash withdrawals and a subsequent surge in demand for automated teller machines (ATMs) in the future. Consequently, banks may be compelled to outsource a greater number of ATMs to meet this demand.
- It is anticipated that the prevalence of ATM recycling machines will escalate in the future, with banks potentially opting to outsource these machines. Interoperability is expected to have a significant impact.
- In the future, the confidence of consumers is expected to increase with the implementation of a new circular by the Reserve Bank of India aimed at enhancing the security of ATMs.
- The adoption of Cassette swap, as mandated by the Reserve Bank of India, is expected to result in a rise in the revenues generated from Cash management.
- The banking industry is increasingly adopting a branchless banking model, which entails a greater deployment of Cash Recycler Machines or CRM in the near future.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

DIGITAL PAYMENTS INDUSTRY



Source: Ken Research

Overview of Digital Payments in India

Aided by its large and thriving information technology sector, the government has digitised not only most of its services, but also enabled stacks for vertical services like payments and e-commerce marketplaces.

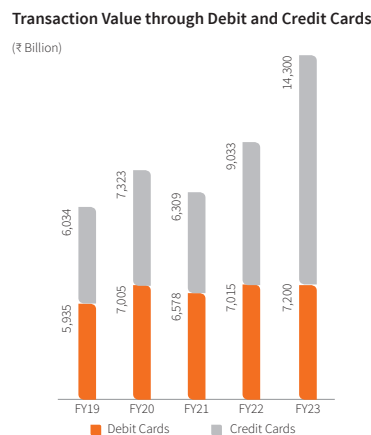
The UPI (Unified Payments Interface) is probably the most successful digital payments stack worldwide. Linking all banks and account holders through mobile numbers, it enables individuals to transfer money to each other or to businesses seamlessly. It has now the highest payment transaction volumes globally 2-10 times those of many developed nations.

UPI (Unified Payments Interface) has also been making remarkable strides in expanding its international presence, with successful implementations in Singapore, France, and the UAE.

The latest initiative ONDC (Open Network for Digital Commerce) aims to revolutionise e-commerce, by offering a network centric model for connecting buyers and sellers, irrespective of the platforms they originate from, a UPI for online marketplaces.

Each of these initiatives has boosted productivity, sharply reduced transaction costs and leapfrogged the country into a digital era in way unparalleled across the world.

The growth of the digital payments ecosystem has been supported by an expanding e-commerce marketplace and



Source: RBI Report

the wider availability of acceptance infrastructure at physical stores. With changing customer preferences, new use cases are being made a part of product offerings. New product offerings developed with technological and infrastructural advancements are ushering in an era of innovative and fast digital payments and nurturing the growth of retail payments.

India is one of the world's largest growing FinTech markets. Its overall FinTech market opportunity is estimated to be USD 1.3 Trillion by 2025. Banks and card networks are collaborating with FinTechs to redefine product offerings and enhance customer experience, in order to create effective solutions and thrive in the new payments landscape.

Some of the leading mobile-based payment applications, which till recently had UPI and wallets as the only modes, have enabled tokenisation of card details. This can be further leveraged for QR-based transactions where customers will get an additional payment option for cards.

As the number and usage of wearable devices across segments increase, tokenisation will help propel small-value transactions for in-store and transit payments. Also, use cases like IoT in retail, automotive and FMCG will need to leverage tokenisation for embedding card-based payments in the ecosystem.

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

COMPANY OVERVIEW:

AGS Transact Limited is one of the largest integrated omnichannel payment solutions providers in India, catering to banks & corporate clients across retail, petroleum, ecommerce and fintech sectors.

With approx. 483,561 customer touch points across ~2,200 cities and towns, it has established leadership position in the Indian ATM Industry: being the second largest ATM managed service & cash management company in India (Source: Ken Research).

Also, it is one of the largest deployers of PoS terminals at petroleum outlets in India. In addition to the physical presence, the Company has built digital payment platforms such as Ongo & Fastlane. To leverage these offerings and to stay ahead of the curve the Company has built a dedicated in-house infrastructure & technology capabilities with the ability to innovate and offer customised payment solutions.

Our payment solutions segment includes cash and digital solutions, wherein, the cash segment includes ATM/CRM Outsourcing Business and Cash Management Solutions.

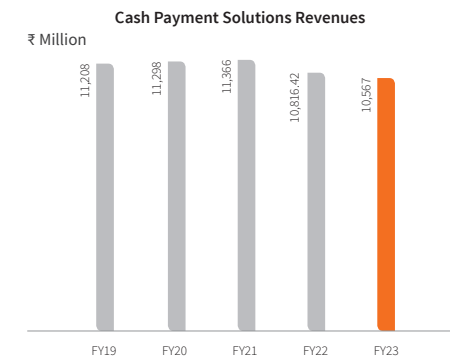
BUSINESS SEGMENT REVIEW

Payment Solutions (Cash):

Under our ATM/CRM Outsourcing Business we deploy ATMs on behalf of banks on a transaction or a fixed fee basis. This is fast becoming a preferred option for banks as they can outsource such an essential function to a professional third-party, scale up faster and more efficiently serve their customers. This business has contributed approximately 47% of our FY 2022-23 top line and will continue to grow.

We offer our Cash management services through our wholly owned subsidiary Securevalue India Limited. We manage approx. 42,426 ATMs in 1800+ locations through a fleet of 2485 secured Cash Vans. Our other cash management services include vaulting services, bullion management and cash processing. It is expected that the share of the outsourcing of currency chest to cash management companies will increase significantly as banks can save approximately 35% to 50% of their expenditure incurred on maintaining the currency chest. This business has contributed approximately 15.5% of our FY23 (revenue from operations) top line.

Cash payment solutions contributed 63% of revenue from operations in FY23. This growth is being largely driven by expansion in our overall cash management network.



Trends / Developments / Government Initiatives:

Implementation of Cassette Swapping in ATMs/CRMs

In a circular dated April 2018, RBI convened a committee on currency movement to review security of the treasury in transit. To mitigate risks involved in open cash replenishment/top-up, the committee advised that banks may consider using lockable cassettes in their ATMs which shall be swapped at the time of the cash replenishment.

Securevalue India Limited (SVIL) is one of the few providers to implement the cassette swapping system across multiple ATM locations in Mumbai, Pune and Bangalore.

RBI's MHA Guidelines for ATM Industry

The RBI released certain MHA guidelines in 2018 ("MHA Guidelines") to strengthen security in the cash management industry.

Our wholly-owned subsidiary SVIL is among the few cash management companies to follow complete MHA guidelines on a pan-India basis.

Currency Distribution and Exchange Scheme (CDES)

The RBI has formulated the Currency Distribution and Exchange Scheme (CDES) to ensure that all bank branches provide better customer services to members of the public.

Payment Solutions (Digital)

Our digital payments solutions comprise a payments platform, customised solutions and related managed services catering to end-users, merchants, banks, bank agents as well as other ecosystem partners. In addition, we provide a secure transaction switching platform for providing integrated payments processing, card management and merchant solutions and Fastlane – India's first mobile fuelling application which utilises advanced RFID technology to enable cashless, contactless, and paperless payment.

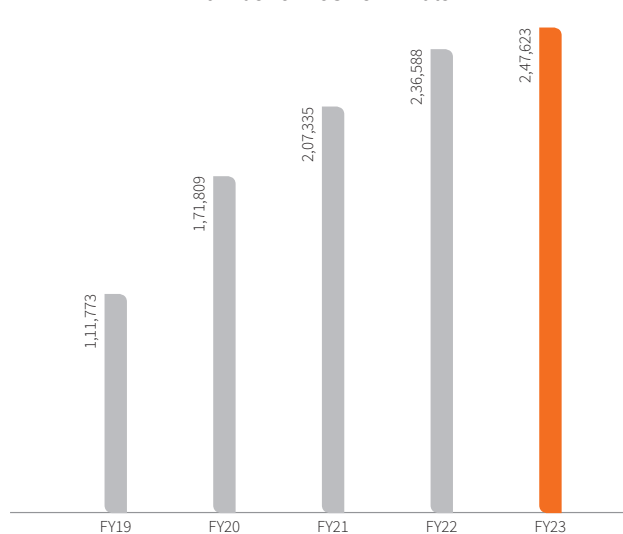
MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Offered on our Ongo digital payment platform, our merchant services include device-based and device-less payment solutions, issuance of co-branded prepaid cards, prepaid and loyalty programs, Cash@PoS, loans against card receivables and other value-added services. We powered the National Common Mobility Card or NCMC, an open-loop Prepaid Rupay Card issued by RBL Bank for Bangalore Metro Rail Corporation, country's second largest metro line. Additionally, we will soon be launching open-loop co-branded prepaid cards on our PPI license for a leading Indian FMCG conglomerate.

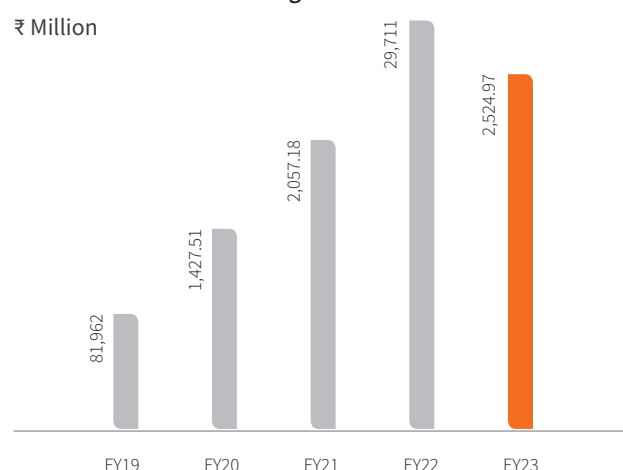
Further, with a focus on the OMC sector, we pioneered an Integrated Payment Solution (IPS) for OMCs. IPS provides us an opportunity to monetise Ongo PoS machines across OMC retail outlets. We have developed an integrated payments proposition for petroleum retail outlets where the PoS machine is connected with the existing fuel automation, to provide control over transactions on the PoS machine. According to Ken Research, in FY22, we were one of the largest deployer of PoS terminals across leading OMC retail outlets in India.

Our Digital solutions segment contributed 17% of the total revenues in FY23. This growth is driven by leveraging our existing presence in the consumer-oriented sectors and the acquisition of new merchants through the focused efforts of our sales and marketing team.

Number of PoS Terminals



GTV through PoS



Digital Payment Solution Revenues



Key Government initiatives

An initiative that has contributed significantly towards adoption of digital payments is the setting up of Payments Infrastructure Development Fund (PIDF). Through PIDF, the RBI has subsidised the deployment of PoS infrastructure (physical and digital modes) in tier-3 to tier-6 centres and north-eastern states as well as J&K and Ladakh regions of the country. According to the RBI report, approximately 1.87 Crores physical and digital payment acceptance devices were set up under the Payments Infrastructure Development Fund (PIDF) Scheme as of December 31, 2022.

MeitY has further alluded that the Government is committed to a multi-faceted approach by way of investing in digital

MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

infrastructure, collaborating with industry leaders and startups, and privatising digital skilling and education. Digital transformation would allow the country to optimise resource utilisation, reduce waste, and mitigate the environmental impact of activities.

The RBI has allowed interoperability on PPI instruments which enables wallet users to seamlessly transfer funds from one wallet to another (of another issuer) and from their wallets to bank accounts through the Unified Payments Interface (UPI) platform. This will provide better acceptability of PPI instruments by making them integral to a larger financial ecosystem. Further, The National Payments Corporation of India (NPCI) has recently introduced interchange fees of up to 1.1% on merchant UPI transactions done using prepaid payment instruments from 1 April 2023. This is expected to increase the scope and usability of PPI instruments such as wallets, as they can now be used to make UPI payments across QR codes and devices.

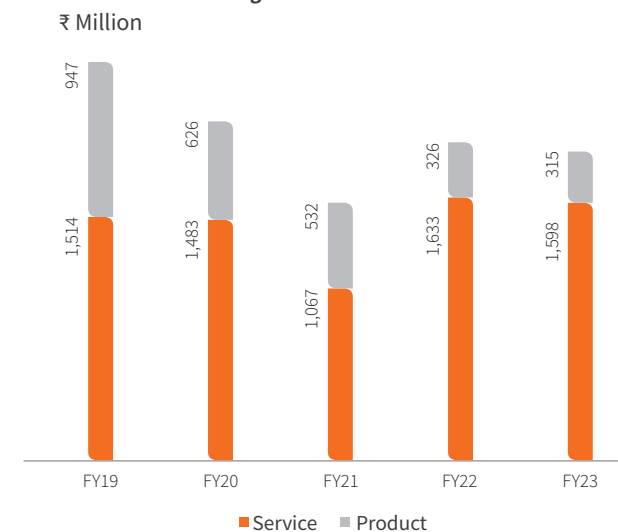
BUSINESS SEGMENT REVIEW

Banking Automation Solutions

Banking Automation Solutions segment covers sale of ATMs and Cash Recycling Machines or CRMs, currency technology products and self-service terminals and related services and upgrades.

We provide complete life-cycle management of ATMs & CRMs after their respective warranty periods have expired and Upgrades & Software for a fixed, one-time fee. Additionally, we stock spare parts for the repair of ATMs, CRMs and other automated banking hardware products.

Banking Automation Solutions Revenues



BUSINESS SEGMENT REVIEW

Other Automation Solutions

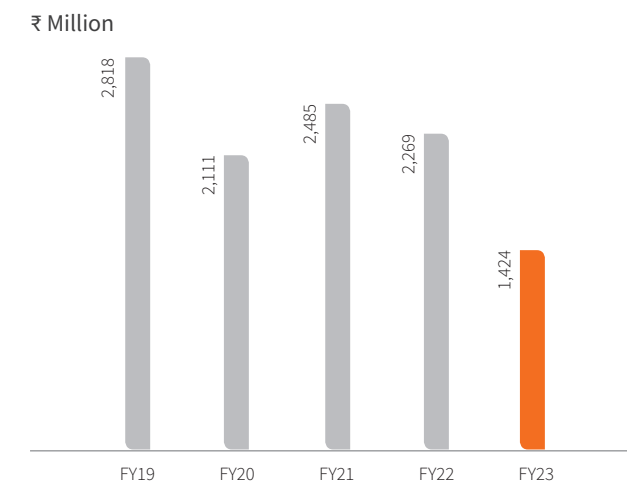
We provide technology solutions to customers in the retail, petroleum and colour sectors in our Other Automation Solutions business segment that enables them to provide technology driven automated payments and dispensing solutions to their end customers.

Our Retail Sector Operations include Cash billing terminals and digital signage & related software.

Our Petroleum Sector Operations involve the automation of downstream supply chain operations of petroleum companies, including outlet automation. Further, our service offerings to oil companies comprise operational, implementation and support services, maintenance support services, and remote support services, and software upgrade and customisation services.

Our Colour Sector Operations include automatic paint dispensers capable of delivering the right shade of colour, which we supply to paint companies. We manage the entire life cycle of these machines including deployment, implementation, and maintenance.

Other Automation Solutions Revenues



KEY FINANCIAL RATIOS

Key Financial Ratios as per SEBI (Listing Obligations and Disclosure requirements 2018) (Amendment) Regulations 2018 with Change of 25% or more as compared to the immediately previous financial year. For detailed ratios, please refer Financial Statements on Page No. 189 and 190.

Sources:

1. India Payments Handbook 2021-2026 (PwC),
2. Decoding India's credit card market (PwC),
3. RBI Data,
4. Ken Research Report,
5. Payment Systems in India – RBI Notebook,
6. Press Information Bureau (PIB),
7. Deutsche Bank report,
8. Media Reports



MANAGEMENT DISCUSSION AND ANALYSIS (Contd.)

Standalone Financial Ratios				
Ratios	FY2022-23	FY2021-22	Variance (%)	Reason for variance
Current ratio	1.5	1.2	26%	Reduction in current liabilities primarily led to improvement in Current Ratio
Debt Service Coverage ratio	1.4	1.1	32%	Movement in Debt Service Coverage Ratio during the year ended 31 March 2023 was primarily due to repayment of long-term borrowings
Return on Equity (ROE)	2.6%	-14.9%	118%	Company has reported profit during the year ended 31 March 2023 vis-à-vis loss during the year ended 31 March 2022 which has led to the variance in Return on Equity (ROE) and Net Profit ratio
Net capital turnover ratio	4.0	10.0	-60%	Increase in working capital has primarily led to movement in Net Capital Turnover Ratio
Net profit ratio	1.2%	-6.7%	118%	Company has reported profit during the year ended 31 March 2023 vis-à-vis loss during the year ended 31 March 2022 which has led to the variance in Return on Equity (ROE) and Net Profit ratio
Return on investment (ROI)	0.0%	3.4%	-100%	There is no investment in quoted instruments during the year ended 31 March 2023

**KEY OPPORTUNITIES AND THREATS**

The payment segment presents significant opportunities driven by the increasing digital adoption and government-led financial inclusion initiatives. As more individuals and businesses embrace digital payment methods, payment service providers such as AGS Transact, have a vast potential market to cater to. Demand for ATM/CRM is also witnessing a healthy uptick. This growth is being driven from non-urban regions especially Tier 3, 4 and so on.

However, the payment segment faces cybersecurity risks and potential data breaches due to the growing reliance on digital payments. Further, changes to the existing Regulations will impact payment service providers and could affect our business segments.

**INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

The Company has a proper and adequate system of internal controls to ensure that all the assets are safeguarded, protected against loss from unauthorised use or disposition, and that transactions are authorised, recorded, and reported correctly. The Company conducts audits of various departments based on an annual audit plan through an independent internal auditor and reports significant observations along with 'Action Taken Reports' to the Audit Committee from time to time. The Company regularly updates its risk management policy to protect the property, earnings, and personnel of the Company against losses and legal liabilities that might be incurred due to various risks.

**HUMAN RESOURCES**

As of 31 March 2023, AGS Transact has 10,000+ employees (including subcontracted and subsidiaries) across our offices pan India. As the Company is focused on overall growth & expansion of its various business segments, we emphasise on imparting specific skills to the employees across the value chain, through various offline & online training programs. For instance, our field engineers are imparted training on various soft skills as well as business requirements through our internal Learning & Development portal called Digital Smart Learning System (DSLS).

Aligning with the overall company's vision, select KMPs are chosen for specialised training programs/courses designed towards creating future-ready business/strategic leaders. The company strongly supports a diverse and inclusive workforce and is committed towards creating an environment that promotes equal work opportunities for all. The company encourages lateral movement through Internal Job Postings.

**CAUTIONARY STATEMENT**

This report contains statements that may include forward-looking remarks within the meaning of applicable Securities Law and Regulations. It is important to note that numerous factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements. Significant factors that could impact the Company's operations include changes in domestic and international economic conditions, alterations in Government regulations, changes to the tax regime and modifications to other statutes.

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of AGS Transact Technologies Limited  
Report on the Audit of the Standalone Financial Statements**

**OPINION**

We have audited the standalone financial statements of AGS Transact Technologies Limited (the "Company") (in which are included financial information from an Employee Stock Option Plan (ESOP) trust) which comprise the standalone balance sheet as at 31 March 2023, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

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

**Going concern assessment**

See Note 52 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
While the Company has earned profit after tax for the year ended 31 March 2023 of ₹ 148.77 million, the Company has incurred a loss of ₹ 153.72 million for the quarter ended 31 March 2023. Further, revenue related to Payment solutions business has largely been consistent during the year, increased receivable days lead to increased working capital cycle and borrowings.	Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern included the following audit procedures to obtain sufficient and appropriate audit evidence:
Note 52 to the standalone financial statements explains that management has concluded that the going concern basis is appropriate in preparing the standalone financial statements of the Company. The Company evaluated its ability to continue as a concern based on estimated future cash flows, forecasted results and margins from operations, The estimates are based on assumptions, including expectations regarding future developments in the economy and the market This required the exercise of significant judgement, particularly in forecasting the Company's future revenues, profitability and cash flows.	<ul style="list-style-type: none"> <li>Gaining an understanding of the Company's business planning process and assessing the design, implementation and operating effectiveness of management's key internal controls over preparation of cash flow forecasts to assess its liquidity.</li> <li>Evaluating the key assumptions in the cash flow forecasts (including future revenue, profitability and cash flows) with reference to historical information, current performance, future plans, and market and other external available information;</li> <li>Performing sensitivity analysis on the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Company.</li> <li>Performed a retrospective analysis to assess the reasonableness of Company's past projections by comparing historical forecast to actual results;</li> <li>Assessing the availability of undrawn banking and other financing facilities and history of actual rollover of facilities by inspecting underlying documentation.</li> <li>We also considered the adequacy of the required disclosure in the standalone financial statements.</li> </ul>
Based on this assessment, the Company concluded that there is no material uncertainty related to events or conditions which, individually or collectively, may cast doubt on the Company's ability to continue as a going concern.	
Considering the significance of the area to the overall financial statements, this was significant to our audit.	



INDEPENDENT AUDITOR'S REPORT (Contd.)

**Impairment of Investments**

See Note 5 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company has investments in subsidiaries and associate (collectively "the investments") aggregating ₹ 2,903.95 million as at 31 March 2023. The Company records the investments at cost less any provision for impairment loss. Changes in business environment, including the economic uncertainty created by the novel corona virus (COVID-19), could have a significant impact on the valuation of these investments. As such, the investments are tested for any triggers for impairment. If triggers are identified, the recoverable amounts of the investments are determined and if the amount is lower than the carrying value of the investments, impairment loss is recognised in the statement of profit and loss.</p> <p>The impairment assessment involves the use of estimates and judgements. The identification of impairment event and the determination of an impairment charge also require the application of significant judgement by the Company. The judgement, in particular, is with respect to the timing, quantity and estimation of projected cash flows.</p> <p>This annual impairment test is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the key assumptions, including estimates of future revenues from contracts, operating costs, terminal value growth rates, capital expenditure and the weighted-average cost of capital (discount rate), to be used to estimate the recoverable amount.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Evaluating design, implementation and operating effectiveness of key controls in respect of the Company's impairment assessment process, including the approval of forecasts and valuation models;</li> <li>Evaluated the key assumptions used in estimating future cash flows such as sales volumes and prices, operating costs, inflation and growth rates by comparing these inputs with externally derived data, past performances, consistency with the Board approved investment plans and knowledge of the industry;</li> <li>Involved our internal valuation specialists to evaluate the assumptions including the discount rates used in the calculations, through external market data;</li> <li>Evaluated past performances where relevant, and assessed historical accuracy of the forecast used in the calculations;</li> <li>Assessed the adequacy of disclosures in the financial statements on key judgements, assumptions and quantitative data with respect to impairment losses;</li> <li>Performing a sensitivity analysis to evaluate the impact of change in key assumptions individually or collectively on the recoverable value; and</li> <li>Assessing the adequacy of the Company's disclosures in respect of its impairment testing.</li> </ul>

**Revenue recognition**

See Note 27 to standalone financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue from rendering of services net of service level agreement adjustments/credits is recognised when the Company satisfies performance obligation by transferring the services to the customers.</p> <p>The revenue from ATM management services is disclosed net of service level agreement adjustments/credits, one-time upfront fees and premium on purchase of property, plant and equipment. Revenue from maintenance contracts is recognised pro-rata over the period of the contract as and when services are rendered.</p> <p>Revenue from sales of goods is measured at fair value of the consideration received or receivable, net of returns, service level agreement adjustments/credits, non-current warranties, trade discounts, goods and service tax and volume rebates, where applicable.</p> <p>Revenue is recognised when the Company satisfies performance obligation by transferring the goods to the customers. The Company 'transfers' goods to the customers when the customers obtains control of that goods, which may be transferred either at a point in time or over time.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Obtaining and understanding of the systems, processes and controls implemented by the Company for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li> <li>Performing walkthrough, testing the design, implementation and operating effectiveness of Company's general IT controls, key manual and application controls over the Company's IT systems;</li> <li>Assessing the appropriateness of the policies in respect of revenue recognition by comparing with the applicable accounting standards and their consistent application to the significant sales contracts;</li> <li>Inspecting on a sample basis, key customer contracts. Based on the terms and conditions defined in the contracts, we assessed the Company's revenue recognition policies with reference to the requirements of the applicable accounting standards;</li> </ul>

INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
<p>We identified revenue recognition as a Key Audit Matter since there is an element of inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised. Further, overstatement of revenue is considered to be a significant audit risk as it is the key driver of returns to investors and incentives linked to performance for a reporting period.</p> <p>Due to judgments involved in the estimate of total revenue and significant audit risk of overstatement, we have considered measurement of revenue as a key audit matter.</p>	<ul style="list-style-type: none"> <li>Testing timeliness of revenue recognition by comparing individual sample sales transactions to underlying contracts;</li> <li>Performing substantive testing by selecting samples of revenue transactions recorded during the year and matching the parameters used in the computation with the relevant source documents;</li> <li>Scrutinising the revenue journal entries raised throughout the reporting period and comparing details of sample of these journals, which met certain risk-based criteria, with relevant underlying documentation;</li> <li>Checking completeness and accuracy of the data used by the Company for revenue recognition by performing specific cut off procedures on revenue. On a sample basis, we evaluated the revenue being recognized in the correct accounting period.</li> <li>Evaluating the adequacy of the disclosures in the standalone financial statements in accordance with Ind AS 115 - Revenue from Contracts with Customers.</li> </ul>

**OTHER INFORMATION**

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the relevant laws and regulations.

**MANAGEMENT'S AND BOARD OF DIRECTORS'/BOARD OF TRUSTEES' RESPONSIBILITIES FOR THE STANDALONE FINANCIAL STATEMENTS**

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including

the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. The respective Management and Board of Directors of the company/Board of Trustees of the Employee Stock Option Plan (ESOP) trust ("Trust") are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of each company/trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

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

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

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

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors,

## INDEPENDENT AUDITOR'S REPORT (Contd.)

none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.

- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
  - a. The Company has disclosed the impact of pending litigations as at 31 March 2023 on its financial position in its standalone financial statements - Refer Note 40 to the standalone financial statements.
  - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts - Refer Notes 20 and 26 to the standalone financial statements.
  - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - d. (i) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 55 to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (ii) The management of the Company represented to us that, to the best of its knowledge and belief, as disclosed in the Note 55 to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - (iii) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
  - e. The Company has neither declared nor paid any dividend during the year.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:
 

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

Place: Mumbai  
Date: 26 May 2023

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

**Rajesh Mehra**  
Partner  
Membership No.: 103145  
ICAI UDIN:23103145BGXWWR9148

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSCAT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (i) (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee) disclosed in the standalone financial statements are held in the name of the Company. In respect of immovable properties where the Company is the lessee, the leases agreements are duly executed in favour of the lessee (including cases where the lease contract is in the process of being renewed).
- (d) According to the information and explanations given to us and on the basis of our examination

of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained, and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSCAT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in million)	Amount as reported in the quarterly return/statement (₹ in million)	Amount of difference (₹ in million)	Whether return/s statement subsequently rectified
Q1-June 2022	- ICICI Bank - Standard Chartered Bank - Citi Bank - HDFC Bank - Axis Bank - Bajaj Finance Limited - Federal Bank - Dhanlakshmi Bank - IDFC First Bank Ltd - Indusind Bank - QNB Bank	Inventory, Trade receivables and payables	6,516.14	6,557.66	41.52	No
Q4-March 2023	- ICICI Bank - Standard Chartered Bank - Citi Bank - HDFC Bank - Axis Bank - Bajaj Finance Limited - Federal Bank - Dhanlakshmi Bank - Indusind Bank - QNB Bank	Inventory, Trade receivables and payables	4,638.29	Not filed as on date	NA	NA

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

Particulars	Guarantees (₹ in million)	Security	Loans (₹ in millions) in	Advances in nature of loans
Aggregate amount during the year				
Subsidiaries*	400.00	-	-	-
Joint ventures*	-	-	-	-

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Particulars	Guarantees (₹ in million)	Security	Loans (₹ in millions) in	Advances in nature of loans
Associates*	-	-	-	-
Others	-	-	-	-
Balance outstanding as at balance sheet date				
Subsidiaries*	480.35	-	-	-
Joint ventures*	-	-	-	-
Associates*	-	-	-	-
Others*	-	-	47.37	-

\*As per the Companies Act, 2013

- (b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made, guarantees provided, security given during the year and the terms and conditions of the grant of loans and advances in the nature of loans and guarantees provided during the year are, prima facie, not prejudicial to the interest of the Company.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.
- (f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.
- (iv) According to the information and explanations given to us and on the basis of our examination of records of the Company, in respect of investments made and loans, guarantees and security given by the Company, in our opinion the provisions of Section 185 and 186 of the Companies Act, 2013 ("the Act") have been complied with.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods (and/or services provided by it) and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Income-Tax, Cess and Labour welfare fund have not been regularly deposited by the Company with the appropriate authorities and there have been serious delays in a large number of cases. According to the information and explanations given to us and on the basis of our

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Provident fund and Employees' State Insurance have been generally regularly deposited by the Company with the appropriate authorities though there have been delays in some months.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Duty of Customs and other statutory dues have been

generally regularly deposited by the Company with the appropriate authorities.

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

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Due date	Date of payment	Remarks, if any
Income Tax Act, 1961	Tax Deducted at source-interest	2.11	FY 2021- 22	7 <sup>th</sup> of next month	Not paid	
The Employee s' Provident Funds And Miscellaneous Provisions Act, 1952	Provident Fund	0.56	FY 2021-22	15 <sup>th</sup> of next month	Not paid	
The Employee s' Provident Funds And Miscellaneous Provisions Act, 1952	Interest on Provident Fund	4.6	FY 2020-23	15 <sup>th</sup> of next month	Not paid	

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

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Central Excise Act, 1944	CENVAT Credit	1,127.00	March 2014 to November 2015	Customs, Excise & Service Tax Appellate Tribunal	
The Central Excise Act, 1944	CENVAT Credit	1,402.25	December 2015 to June 2017	Commissioner	
The Customs Act, 1962	Customs Duty	302.36	F.Y. 2005- 06 to 2008- 09	Customs, Excise and Service Tax Appellate Tribunal	
The Odisha VAT Act, 2004	Value Added Tax and penalty	16.65	F.Y. 2011-13	Orissa High Court	
The Central Excise Act, 1944	Excise Duty	5.35	F.Y. 2010-11	Tribunal	

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Name of the statute	Nature of the dues	Amount (₹ in million)	Period to which the amount relates	Forum where dispute is pending	Remarks, if any
The Central Excise Act, 1944	Excise Duty	0.43	F. Y. 2014-15	Customs, Excise & Service Tax Appellate Tribunal	
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	2.54	F.Y. 2007- 08	Tribunal	
The Odisha Entry Tax Act, 1999	Entry Tax	1.46	F.Y. 2011-13	Orissa High Court	
The Madhya Pradesh VAT Act, 2002	Valued Added Tax	0.66	F.Y. 2010-11	Tribunal	
The Haryana VAT Act, 2003	Value Added Tax and penalty	0.69	F.Y. 2012-13	High Court of Punjab and Haryana	
West Bengal VAT Act, 2003	Value Added Tax	26.03	F.Y. 2014-15 and 2016-17	West Bengal Sales Tax Appellate Board	
The Customs Act, 1962	Customs Duty	11.44	F.Y. 2011-12 and 2015-16	Commissioner Appeal	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	0.78	F.Y. 2018-19	Commissioner Appeals	
The Central Excise Act, 1944	Excise Duty	1.04	F.Y. 2017-18	Commissioner Appeals	
Finance Act, 1994	Service Tax	5.82	F.Y. 2017-18	Commissioner Appeals	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	12.68	F.Y. 2017-18	Bombay High Court	
The Andhra Pradesh VAT Act, 2005	Value Added Tax	43.23	F.Y. 2016-17	Andhra Pradesh High Court	
The Income Tax Act, 1961	Income tax, Tax deducted at source	1.29	F.Y. 2017-18	CIT (Appeals)	
The Income Tax Act, 1961	Income tax, Tax deducted at source	66.43	F.Y. 2016-17	CIT (Appeals)	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	1.95	F. Y. 2018-19	Appellate Authority	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	548.33	F.Y. 2017-18 and 2019-20	Directorate General of Goods & Services Tax Intelligence, Surat	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	5.82	F.Y. 2017-18	Commissioner Appeals	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	12.68	F.Y. 2017-18	Bombay High Court	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	4.85	F.Y. 2019-20	Commissioner Appeals	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	1.02	F.Y. 2021-2022	Commissioner Appeals	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	5.26	F.Y. 2022-2023	Commissioner Appeals	
The Central Goods and Services Tax Act, 2017	Goods and Service Tax	2.16	F.Y. 2022-2023	Commissioner Appeals	
The Customs Act, 1962	Entry Tax	2.71	F.Y. 2022-23	Commissioner Appeals	

## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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

(ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.

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

(c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained including in respect of External Commercial Borrowings where Rs 581 million was utilized for payment of lease obligations related to 'right to use assets' reported under IND AS 116 "Leases" and considered by management as capital in nature and Rs 42 million which remain unutilised as at 31 March 2023 (included fixed deposits in the standalone financial statements).

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

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

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

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

(b) According to the information and explanations given to us and on the basis of our examination

of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x) (b) of the Order is not applicable.

(xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year except that we have been informed that there have been 11 instances of cash loss/embezzlements on account of theft/burglary in ATMs managed by the Company amounting to Rs 14.68 million during the year under audit by the employees and others. The Company has filed complaints with the police and has also filed insurance claims for the recovery of amounts involved. Of the above, the Company has recovered Rs 10.06 million, Rs 0.4 million is pending settlement and balance ₹ 4.2 million debited to the statement of profit and loss during the year.

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

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

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

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

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

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

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



**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)**

- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of the Core Investment Companies (Reserve Bank) Directions, 2016) does not have any CIC.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) We draw attention to Note 52 to the standalone financial statements.

While the Company has earned profit after tax for the year ended 31 March 2023 of ₹ 148.77 million, the Company has incurred a loss of ₹ 153.77 million for the quarter ended 31 March 2023. Further, revenue related to Payment solutions business has largely been consistent during the year, increased receivable days lead to increased working capital cycle and borrowings. Management has assessed its business forecasts and cash forecasts and expects an increase in transaction levels from existing customers and contracts with new customers based on existing pipeline. The Company expects it will generate sufficient cashflows from operating activities through reduction in receivables outstanding days and through other source of borrowings (including undrawn commitments on existing borrowing facilities) to meet its liabilities and provide additional support to its subsidiaries as required in the foreseeable future. The Company also expects to finance its acquisition of property, plant and equipment through internal accruals / debt financing as has been the case in past years.

Based on the aforesaid assessment, management believes the Company will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets.

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

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

- (xx) (a) In our opinion and according to the information and explanations given to us, the Company has transferred amounts as required under Section 135 of the Act to the implementing agency. However, the amounts so transferred in the previous year of ₹ 21.40 million remain unutilised by the implementing agency as at 31 March 2023. There is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any other than ongoing project.
- (b) In our opinion and according to the information and explanations given to us, the Company has transferred amounts as required under Section 135 of the Act to the implementing agency. However, the amounts so transferred in the current year of ₹11.10 million remain unutilised by the implementing agency as at 31 March 2023. There is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project.

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

Chartered Accountants

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

**Rajesh Mehra**

Partner

Membership No.: 103145

ICAI UDIN:23103145BGXWWR9148

Place: Mumbai  
Date: 26 May 2023

**ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE STANDALONE FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023**
**Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

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

**OPINION**

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

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

**MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS**

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

**AUDITOR'S RESPONSIBILITY**

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

Place: Mumbai  
Date: 26 May 2023

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

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

**MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

**INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS**

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

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

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

**Rajesh Mehra**

Partner

Membership No.: 103145

ICAI UDIN:23103145BGXWWR9148

## STANDALONE BALANCE SHEET

AS AT 31 MARCH 2023

Particulars	Note	₹ in Million	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	3,268.11	3,488.56
Right-of-use assets	3 (b)	2,397.07	3,030.66
Capital work-in-progress	3 (c)	298.12	373.41
Intangible assets	4 (a)	318.94	416.21
Intangible assets under development	4 (b)	47.28	-
Financial assets			
Investments	5	2,904.01	2,661.93
Loans	6	-	249.20
Other financial assets	7	535.24	613.93
Deferred tax assets (net)	8 (d)	144.59	174.89
Other non-current assets	9	318.64	162.97
Other tax assets (net)	8 (e)	682.06	359.06
<b>Total non-current assets</b>		<b>10,914.06</b>	<b>11,530.82</b>
<b>Current assets</b>			
Inventories	10	726.05	640.47
Financial assets			
Trade receivables	11		
Billed receivables		6,014.70	6,432.07
Unbilled receivables		1,165.80	1,257.90
Cash and cash equivalents	12 (a)	65.52	208.72
Bank balances other than 12(a) above	12 (b)	536.14	269.85
Loans	13	306.86	110.83
Other financial assets	14	251.31	167.21
Other current assets	15	582.97	746.87
<b>Total current assets</b>		<b>9,649.35</b>	<b>9,833.92</b>
<b>Total assets</b>		<b>20,563.41</b>	<b>21,364.74</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,204.91	1,201.71
Other equity	17	4,552.20	4,317.04
<b>Total equity</b>		<b>5,757.11</b>	<b>5,518.75</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18 (a)	4,863.10	3,955.16
Lease liabilities	18 (b)	2,002.78	2,410.04
Other financial liabilities	19	-	5.04
Provisions	20	133.73	155.77
Other non-current liabilities	21	17.87	16.63
<b>Total non-current liabilities</b>		<b>7,017.48</b>	<b>6,542.64</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings			
- Borrowings from banks and others	22 (a)	1,849.34	1,971.97
- Reverse factoring	22 (b)	651.78	-
Lease liabilities	22 (c)	1,225.27	1,226.84
Trade payables due to:	23		
- Micro enterprises and small enterprises		274.35	435.16
- Other than micro enterprises and small enterprises		2,993.92	4,152.86
Other financial liabilities	24	572.59	624.71
Other current liabilities	25	118.46	777.95
Provisions	26	103.11	113.86
<b>Total current liabilities</b>		<b>7,788.82</b>	<b>9,303.35</b>
<b>Total equity and liabilities</b>		<b>20,563.41</b>	<b>21,364.74</b>

Significant accounting policies

The accompanying notes are an integral part of the standalone financial statements. 1-55

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

For and on behalf of the Board of Directors of  
**AGS Transact Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

Place: Mumbai  
 Date : 26 May 2023

## STANDALONE STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

Particulars	Note	₹ in Million	
		Year ended 31 March 2023	Year ended 31 March 2022
<b>REVENUE</b>			
Revenue from operations	27	12,102.43	13,170.19
Other income	28	285.40	150.17
<b>Total income</b>		<b>12,387.83</b>	<b>13,320.36</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	29	1,620.98	2,019.23
Purchase of stock-in-trade	30	155.44	186.80
Changes in inventories of finished goods and stock-in-trade	31	(3.72)	67.45
Employee benefit expenses	32	1,290.74	1,391.89
Other expenses	33	6,202.71	6,288.97
<b>Total expenses before interest, depreciation and amortisation and tax</b>		<b>9,266.15</b>	<b>9,954.34</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>3,121.68</b>	<b>3,366.02</b>
Finance costs	34	1,215.57	2,309.86
Depreciation and amortisation expense	38&4	1,724.60	1,870.69
<b>Profit / (loss) before tax</b>		<b>181.51</b>	<b>(814.53)</b>
<b>Tax expense</b>			
Current tax	8 (a)	3.33	41.80
Deferred tax	8 (d)	29.41	29.91
<b>Total tax expense</b>		<b>32.74</b>	<b>71.71</b>
<b>Profit / (loss) for the year</b>		<b>148.77</b>	<b>(886.24)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to Profit and Loss in subsequent years (net of tax)</b>			
Remeasurements of defined benefit plans	36	3.58	3.35
Income tax relating to the above	8	(0.90)	(0.84)
<b>Other comprehensive income (net of tax) for the year</b>		<b>2.68</b>	<b>2.51</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>151.45</b>	<b>(883.73)</b>
<b>Earnings per equity share (Nominal value of equity shares of ₹ 10 each, fully paid up)</b>			
Basic earnings per share (₹)	35	1.24	(7.45)
Diluted earnings per share (₹)	35	1.21	(7.45)
Significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements. 1-55

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

For and on behalf of the Board of Directors of  
**AGS Transact Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

Place: Mumbai  
 Date : 26 May 2023

## STANDALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

### EQUITY SHARE CAPITAL

Particulars	₹ in Million	
	31 March 2023	31 March 2022
Balance at the beginning of the year	1,214.03	1,203.93
Add: Shares issued during the year	-	10.10
Less: Treasury shares*	(9.12)	(12.32)
<b>Balance at the end of the year</b>	<b>1,204.91</b>	<b>1,201.71</b>
<b>* Movement of treasury shares</b>		
Balance at the beginning of the year	(12.32)	(18.12)
Add: Treasury shares issued during the year	-	(10.10)
Share options exercised during the year	3.20	15.90
<b>Balance at the end of the year</b>	<b>(9.12)</b>	<b>(12.32)</b>

### OTHER EQUITY

Particulars	Reserves and surplus					Total other equity
	Securities premium	Employee stock options reserve	Debenture redemption reserve	General reserve	Retained earnings	
<b>Balance as at 01 April 2021</b>	<b>2,299.93</b>	<b>137.34</b>	-	<b>10.00</b>	<b>2,714.31</b>	<b>5,161.58</b>
Loss for the year	-	-	-	-	(886.24)	(886.24)
Other comprehensive income / (loss) for the year	-	-	-	-	2.51	2.51
Dividend paid	-	-	-	-	(120.39)	(120.39)
Employee compensation expenses recognised during the year	-	113.25	-	-	-	113.25
ESOP cost on share options exercised during the year	64.28	(64.28)	-	-	-	-
Transfer from retained earnings	-	-	550.00	-	(550.00)	-
Transfer to general reserve	-	-	(550.00)	550.00	-	-
Premium on share options exercised during the year	46.33	-	-	-	-	46.33
<b>Balance as at 01 April 2022</b>	<b>2,410.54</b>	<b>186.31</b>	-	<b>560.00</b>	<b>1,160.19</b>	<b>4,317.04</b>
Profit for the year	-	-	-	-	148.77	148.77
Other comprehensive income for the year	-	-	-	-	2.68	2.68
Employee compensation expenses recognised during the year	-	74.39	-	-	-	74.39
ESOP cost on share options exercised during the year	14.02	(14.02)	-	-	-	-
Premium on share options exercised during the year	9.32	-	-	-	-	9.32
<b>Balance as at 31 March 2023</b>	<b>2,433.88</b>	<b>246.68</b>	-	<b>560.00</b>	<b>1,311.64</b>	<b>4,552.20</b>

The accompanying notes are an integral part of the standalone 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

**Rajesh Mehra**  
 Partner  
 Membership No. 103145

 For and on behalf of the Board of Directors of  
**AGS Transcript Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

## STANDALONE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Net Profit / (loss) before tax</b>	<b>181.51</b>	(814.53)
<b>Adjustments for:</b>		
Finance costs	1,215.57	2,309.86
Interest income	(115.97)	(58.71)
Write back of lease liabilities (net) and rent concession (refer note 38)	(61.66)	(48.56)
Corporate guarantee income	(2.50)	(0.99)
Depreciation and amortisation expense	1,724.60	1,870.69
Loss on sale/retirement of Property, plant and equipment (net)	14.46	3.15
Fair value gain on financial assets measured at Fair Value through Profit or Loss (net)	-	(2.09)
Provision for warranty (net)	(12.05)	(5.45)
Inventories written off	5.11	23.32
Employee stock option scheme expense	60.13	87.71
Loss allowance on trade receivables	387.43	118.76
Other Income - balance written back	(44.32)	-
Unrealised foreign exchange (gain) / loss	(1.94)	0.80
	<b>3,350.37</b>	<b>3,483.96</b>
<b>Changes in working capital :</b>		
(Increase) / Decrease in inventories	(90.70)	38.09
Decrease / (Increase) in trade receivables	130.77	(735.10)
Decrease in loans and other financial assets	52.40	21.45
Decrease / (Increase) in other current assets	202.39	(224.39)
Decrease in other non-current assets	5.97	9.25
(Decrease) / Increase in trade payables	(637.73)	371.54
(Decrease) in other current liabilities	(707.23)	(259.17)
(Decrease) in other non-current liabilities	(3.80)	(18.83)
(Decrease) in provisions	(17.16)	(18.47)
<b>Cash generated from operations</b>	<b>2,285.28</b>	<b>2,668.33</b>
Direct taxes paid (net)	(326.34)	(299.05)
<b>Net cash flows from operating activities (A)</b>	<b>1,958.94</b>	<b>2,369.28</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital advances and work-in-progress	(691.38)	(516.51)
Proceeds from sale of property, plant and equipment	11.55	29.69
Investment in subsidiaries	(239.59)	-
Investment in compulsorily convertible preference shares	-	(6,500.00)
Proceeds from sale of investments in compulsorily convertible preference shares	-	6,500.00
Sale of current investments	-	99.00
Interest received	80.32	16.75
Loan given to subsidiary company	-	(68.93)
Repayment of loan by subsidiary company	-	93.98
Fixed deposits placed during the year	(385.27)	(263.89)
Proceeds from maturity of fixed deposits	130.48	908.20
<b>Net cash (used in) / generated from investing activities (B)</b>	<b>(1,093.89)</b>	<b>298.29</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	3.20	15.91
Proceeds from issuance of equity share - securities premium	9.32	46.33
Redemption of non convertible debentures (refer note 5 below)	-	(5,500.00)
Proceeds from long-term borrowings	2,254.00	4,302.54
Repayment of long-term borrowings (refer note 5 below)	(929.39)	(3,454.41)

STANDALONE STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Repayment of short-term borrowings - secured (net)	(509.11)	(230.44)
Payment of lease liabilities	(1,284.17)	(1,383.94)
Proceeds from leasing transaction	352.85	-
Dividend paid	-	(120.39)
Interest paid	(684.57)	(1,706.38)
Other finance charges paid	(220.38)	(264.85)
<b>Net cash used in financing activities (C)</b>	<b>(1,008.25)</b>	<b>(8,295.63)</b>
<b>Net decrease in cash and cash equivalents (A)+(B)+(C)</b>	<b>(143.20)</b>	<b>(5,628.06)</b>
Cash and cash equivalents at the beginning of the year	208.72	5,836.78
<b>Cash and cash equivalents at the end of the year (refer note 12a)</b>	<b>65.52</b>	<b>208.72</b>

**Notes:**

1 The above Statement of Cash Flows 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 as per Ind AS 7 is as follows:**

	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Opening borrowings	5,927.13	10,875.38
Redemption of Non Convertible Debentures	-	(5,500.00)
Proceeds from long-term borrowings	2,254.00	4,302.54
Repayment of long-term borrowings	(929.39)	(3,454.41)
Repayment of short-term borrowings - secured (net)	(509.11)	(230.44)
Non-cash adjustments	(30.19)	(65.94)
<b>Closing borrowings</b>	<b>6,712.44</b>	<b>5,927.13</b>

3 **Reconciliation of cash and cash equivalents**

	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Cash on hand	25.67	29.15
Balance with banks		
Current accounts	39.85	179.57
Less: Current account balances held in trust for customers	-	-
Total current account balances	39.85	179.57
<b>Cash and cash equivalents as per statement of cash flows (refer note 12a)</b>	<b>65.52</b>	<b>208.72</b>

4 Cash credit is treated as a borrowings and hence not included as a part of cash and cash equivalents for the purpose of the Statement of Cash Flows.

5 This includes pre-payment of long-term borrowings including NCDs amounting to ₹ Nil (31 March 2022: ₹ 6,705.70 Million).

The accompanying notes are an integral part of the standalone 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

**Rajesh Mehra**  
 Partner  
 Membership No. 103145

For and on behalf of the Board of Directors of  
**AGS Transcat Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

Place: Mumbai  
 Date : 26 May 2023

**NOTES TO THE STANDALONE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2023

**SIGNIFICANT ACCOUNTING POLICIES**
**1. REPORTING ENTITY**

AGS Transcat Technologies Limited (the 'Company') is a company domiciled in India with its registered office situated at Lower Parel, Mumbai. The Company is in the business of supplying, installing and managing technology-based payment solutions, automation products and providing related services to its customers in Banking, Petroleum, Colour and Retail sectors. The Company also provides complete ATM Outsourcing, Intelligent Cash Deposit (ICD), ATM Managed Services, Digital payment services which includes toll and transit solutions, services through point of sale (POS) machine, transaction switching and processing services to various banks, financial institutions and other companies.

The Non-Convertible Debentures ('NCD') of the Company were listed on National Stock Exchange ('NSE') from 26 March 2021 and were delisted on 05 February 2022.

The Equity Shares of the Company were listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') on 31 January 2022.

**2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**
**A. Basis of preparation of Financial Statements**

The standalone financial statements have been prepared in accordance with the generally accepted accounting principles in India under the historical cost convention (except for certain financial instruments, ESOP and employee benefit obligation 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 Act.

The standalone financial statements have been prepared on accrual and going concern basis.

The Company has prepared these standalone financial statements which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 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 'Standalone Financial Statements').

The standalone financial statements of the Company for year ended 31 March 2023 were approved by the Board of Directors of the Company on 26 May 2023.

**B. Functional and presentation currency**

These standalone 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 million with two decimals, unless otherwise indicated.

**C. Basis of measurement**

The Standalone 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 assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- ESOP
- 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 standalone 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 Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop exactly 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:

**Revenue recognition**

The Company's contracts with customers include promises to transfer multiple products and services to a customer. Judgment is required to determine the transaction price for the contract. The transaction price could be variable consideration with elements such as net of returns, service level agreement adjustments /

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

credits, non-current warranties, trade discounts, volume rebates, where applicable.

**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 Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company 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 Company concludes 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 Company's incremental borrowing rate.

**Fair value of financial instruments**

Derivatives are carried at fair value. Derivatives include foreign currency forward contracts. Fair value of foreign currency forward contracts is determined using the fair value reports provided by respective bankers. The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with foreign currency borrowings arising from changes in foreign exchange rates and interest rates.

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

The Company 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.

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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 Company 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 Company 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. Investments in subsidiaries and associates**

Investments in subsidiaries and associates are carried at cost less accumulated impairment losses, if any. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries and associates, the difference between net disposal proceeds and the carrying amounts are recognised in the Statement of Profit and Loss.

**G. Financial assets**
**(i) Initial recognition and measurement**

Financial assets are recognised when the Company 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 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 Company 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 or 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
- 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 interests forms part of finance income in the Statement of Profit and Loss. Any impairment loss arising from these assets is recognised in the 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 Statement of Profit and Loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

Equity investments at FVOCI: These assets are subsequently measured at fair value. Dividends



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are not reclassified to Statement of Profit and Loss. On de-recognition, gains and losses accumulated in OCI are reclassified to Statement of Profit and Loss.

(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 amortized cost or 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 Statement of Profit and Loss.

(iii) **Trade receivables**

Trade receivables are recognised on origination at transaction price. 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) **De-recognition**

The Company 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 Assets**

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 Company 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 Company's historical experience and informed credit assessment and including forward looking information.

For trade receivables, the Company 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 the Statement of Profit and Loss.

**H. Financial liabilities**

(i) **Initial recognition and measurement**

A financial liability is recognised when the Company becomes a party to the contractual provisions of the instrument. Financial liabilities are classified as measured at fair value less any directly attributable transaction cost or FVTPL. 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 of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the EIR method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

(iii) **De-recognition**

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

**I. 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.

**J. Derivative financial instruments**

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

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

foreign exchange loss or gain arising from the hedged transaction.

**K. Share capital**

(i) **Ordinary equity shares**

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

(ii) **Treasury shares**

The Company has created an AGS Transact Employees Welfare Trust (Trust) for providing share-based payment to its employees and those of its subsidiaries. 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 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.

**L. 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, and there are future economic benefits associated with the items and cost can be measured reliably

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, 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 include 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 Statement of Profit and Loss.

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.

Freehold land is carried at historical cost less any accumulated impairment losses.

(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 and cost can be measure reliably

(iii) **Depreciation**

**Depreciation on property, plant and equipment**

Depreciation is provided on the cost of the assets less residual value using 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/till the date the asset is disposed off.

Freehold land is not depreciated.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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/CRM machines*#	SLM	5 - 10
Others assets at ATM Sites*#	SLM	7
Demo assets#	SLM	2 - 5
Stores and spares#	SLM	5
Plant and machinery	WDV	15
Furniture and fixtures	WDV	10
Office equipment, electrical installation and air conditioners	WDV	5 - 10
Computers	WDV	3 - 6
Vehicles	WDV	8

\* ATM/CRM machines and others assets at ATM sites are depreciated over the estimated useful lives of 10 years and 7 years respectively, whereas life as per Schedule II is 15 years .

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

Leasehold improvements are amortised over the primary period of lease i.e. lease period which ranges from 3 to 8 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.

**M. 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.

**N. 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 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. All other expenditure is recognised in profit and loss as incurred.

**(iii) Service concession arrangements**

The Company 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**

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)
Technical know-how	7
Software	4

The estimated useful life of an intangible asset in a service concession arrangement is the period of the 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 the 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,

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in 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 Statement of Profit and Loss.

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

**O. Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached 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 Company recognises as expenses the related costs for which the grants are intended to compensate.

**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 and other costs incurred in bringing the inventories to their present location and condition.

**Q. Impairment of non-financial assets**

The Company'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 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 Company 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.

**R. Revenue**
**(i) Sale of goods**

Revenue from sale of goods is measured at transaction price allocated to that performance obligation of the consideration received or receivable, net of returns, service level adjustment/credits, non-current warranties, trade discounts, goods and service tax and volume rebates, where applicable.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Revenue is recognised when the Company satisfies performance obligation by transferring the goods to the customers. The Company 'transfers' goods to the customers when the customer obtains control of that goods which generally coincides with the delivery of the goods (i.e. at a point in time).

**(ii) Rendering of services**

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

The revenue from ATM and management services is disclosed net of service level adjustment/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 respective contract period.

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

The Company collects goods and service tax on behalf of the government and therefore, these are not economic benefits flowing to the Company.

**(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 Company.

**(iv) Multiple deliverable arrangements**

At contract inception, the Company assesses the goods or services explicitly or implicitly promised in a contract and identify 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 Company, at contract inception, allocates the transaction price to each performance obligation on the basis of relative stand-alone selling price.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

With effect from 01 April 2018, the Company has adopted Ind AS 115 Revenue from contracts with customers.

**S. 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 Statement of Profit and Loss on the date on which the Company's right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, 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 Statement of Profit and Loss.

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

**T. 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

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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 Statement of Profit and Loss in the period in which they arise.

**(iii) Fair value gains / (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.

**U. 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 Company recognises 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 Company makes specified monthly contributions towards Government administered Provident Fund Scheme and Employee State Insurance Corporations. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the Statement of Profit and Loss in the periods during which the related services are rendered by employees.

**(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 Company.

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 Company, 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').

Re-measurements 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 Company 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 the 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 the Statement of Profit and Loss. The Company 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 Statement of Profit and Loss.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

The Company 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.

**V. Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company 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.

**W. 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 Company, 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 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 Financial Statements where an inflow of economic benefit is probable.

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

**X. Leases**

The Company 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 Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

**As a lessee**

The Company 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 re-measurements 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 Company's incremental borrowing rate. Generally, the Company 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.

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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 Company recognised a right-of-use asset and a lease liability for the sale and leaseback transaction, 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 Company has used number of practical expedients when applying Ind AS 116: - Short-term leases, leases of low-value assets and single discount rate

The Company 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 Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date. The Company 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.

Lease liability and ROU assets have been separately presented in Balance Sheet and lease payments have been classified as financing cash flows.

**Y. Income tax**

Income tax comprises current and deferred tax. It is recognised in the 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 tax base of assets and liabilities. 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 Company 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.

**Z. Finance Cost**

Finance costs include interest and other borrowing costs incurred in connection with the borrowing of funds. Interest cost on financial liabilities is measured at amortized cost such as borrowings from banks and others or bonds or similar instruments etc. calculated as per the effective interest method. Interest and other dues on statutory liabilities that are compensatory in nature are measured at the interest rates as applicable under the Statute. Other borrowing cost includes processing fees, bill discounting charges, commission or charges paid for letter of credit and bank guarantees, exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs etc.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**AA. 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 Company's other components and for which discrete financial information is available. Such decision is taken by chief operating decision maker (CODM).

**(ii) Business segment**

The Company'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 Company has identified 'Payment Solutions', 'Banking Automation Solutions' and 'Other Automation Solutions' segments as the primary reportable segments.

**(iii) Geographical segment**

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

**(iv) Segment information**

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

**AB. Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and

attributable taxes) by the weighted average number of equity shares outstanding during the year. 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 year 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 year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

**AC. Dividend**

The Company recognises a liability for any dividend declared but not distributed at the end of the reporting period when the distribution is authorised and the distribution is no longer at the discretion of the Company on or before the end of the reporting period. A corresponding amount is recognised directly in equity.

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

The Company has opted to present earnings before interest (Finance Cost), tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measures EBITDA on the basis of profit/loss from continuing operations including other income.

**AE. 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.

**AF. 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:

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

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- 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:

- it is expected to be settled in, the entity's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting 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 Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

**AG. Recent amendments/ pronouncements**

Ministry of Corporate Affairs (MCA), on 31 March 31, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 01<sup>st</sup> April 2023. Following are few key amendments relevant to the Company:

- Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting –  
Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.
- Ind AS 12 – Income Taxes –

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Company does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 3 (A)**  
**PROPERTY, PLANT AND EQUIPMENT**  
**Reconciliation of carrying amount**

Description	(₹ in Million)										Total	
	Freehold Land	Building	Leasehold improvements	Plant and machinery	ATM Sites	Vehicles	Furniture and fixtures	Electrical installations and equipment	Stores and spares	Demo assets		Computers
Gross carrying amount as at 01 April 2021	53.75	499.74	31.57	246.75	5,029.09	0.70	110.43	157.66	814.01	86.22	198.39	7,228.91
Additions	-	-	0.59	15.82	287.66	0.58	0.60	1.27	50.66	1.74	19.01	377.93
On disposals	-	-	0.19	35.37	240.13	-	7.46	14.70	-	-	11.48	309.33
<b>Gross carrying amount as at 31 March 2022</b>	<b>53.75</b>	<b>499.74</b>	<b>31.97</b>	<b>227.20</b>	<b>5,076.62</b>	<b>1.28</b>	<b>103.57</b>	<b>144.23</b>	<b>864.67</b>	<b>87.96</b>	<b>206.52</b>	<b>7,297.51</b>
Accumulated depreciation as at 01 April 2021	-	48.37	15.85	69.63	2,108.66	0.51	79.87	121.30	559.89	77.02	146.68	3,227.78
Depreciation for the year	-	9.11	6.45	28.68	554.42	0.09	7.49	9.84	114.34	5.90	25.99	762.31
On disposals	-	-	0.19	12.12	138.23	-	5.90	13.25	-	-	11.25	181.14
<b>Accumulated depreciation as at 31 March 2022</b>	<b>-</b>	<b>57.48</b>	<b>22.11</b>	<b>86.19</b>	<b>2,524.85</b>	<b>0.60</b>	<b>81.46</b>	<b>117.69</b>	<b>674.23</b>	<b>82.92</b>	<b>161.42</b>	<b>3,808.95</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>53.75</b>	<b>442.26</b>	<b>9.86</b>	<b>141.01</b>	<b>2,551.77</b>	<b>0.68</b>	<b>22.11</b>	<b>26.54</b>	<b>190.44</b>	<b>5.04</b>	<b>45.10</b>	<b>3,488.56</b>
Gross carrying amount as at 01 April 2022	53.75	499.74	31.97	227.20	5,076.62	1.28	103.57	144.23	864.67	87.96	206.52	7,297.51
Additions	-	-	0.90	83.00	526.91	-	10.70	7.05	42.78	11.58	14.30	697.22
On disposals	-	-	12.32	91.40	362.70	-	8.49	13.34	-	-	11.02	499.27
<b>Gross carrying amount as at 31 March 2023</b>	<b>53.75</b>	<b>499.74</b>	<b>20.55</b>	<b>218.80</b>	<b>5,240.83</b>	<b>1.28</b>	<b>105.78</b>	<b>137.94</b>	<b>907.45</b>	<b>99.54</b>	<b>209.80</b>	<b>7,495.46</b>
Accumulated depreciation as at 01 April 2022	-	57.48	22.11	86.19	2,524.85	0.60	81.46	117.69	674.23	82.92	161.42	3,808.95
Depreciation for the year	-	9.53	3.72	19.94	561.21	0.26	6.68	7.99	86.95	5.10	23.67	725.05
On disposals	-	-	7.19	35.54	238.94	-	5.53	8.48	-	-	10.97	306.65
<b>Accumulated depreciation as at 31 March 2023</b>	<b>-</b>	<b>67.01</b>	<b>18.64</b>	<b>70.59</b>	<b>2,847.12</b>	<b>0.86</b>	<b>82.61</b>	<b>117.20</b>	<b>761.18</b>	<b>88.02</b>	<b>174.12</b>	<b>4,227.35</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>53.75</b>	<b>432.73</b>	<b>1.91</b>	<b>148.21</b>	<b>2,393.71</b>	<b>0.42</b>	<b>23.17</b>	<b>20.74</b>	<b>146.27</b>	<b>11.52</b>	<b>35.68</b>	<b>3,268.11</b>

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

(ii) During the year ended 31 March 2023, assets of ATM sites and Plant and machinery having written down value of ₹ 166.61 Million (31 March 2022: ₹95.35 Million) and included in disposals were subsequently added to inventory for future use/sale. These are generally modified per customer requirements prior to such use/sale.

(iii) Certain property, plant and equipment are hypothecated against borrowings, the details relating to which have been described in Note 18 (a)

(iv) The Company has followed the cost model for accounting for its property, plant and equipment and accordingly no revaluation of the assets has been carried out

(v) No impairment loss or reversal of impairment loss in respect of any property, plant and equipment was recognised in the standalone financial statements during the year.

(vi) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 3 (B)**
**RIGHT-OF-USE ASSET**

Particulars	(₹ in Million)		
	Building	Plant and Machinery	Total
<b>Balance as at 01 April 2021</b>	<b>2,929.62</b>	<b>88.67</b>	<b>3,018.29</b>
Additions	1,069.32	73.84	1,143.16
Depreciation for the year	(896.66)	(89.96)	(986.62)
De-recognition of right-of-use asset	(144.17)	-	(144.17)
<b>Balance as at 31 March 2022</b>	<b>2,958.11</b>	<b>72.55</b>	<b>3,030.66</b>
<b>Balance as at 01 April 2022</b>	<b>2,958.11</b>	<b>72.55</b>	<b>3,030.66</b>
Additions	490.14	4.43	494.57
Depreciation for the year	(849.96)	(26.52)	(876.48)
De-recognition of right-of-use asset (refer note 38)	(251.68)	-	(251.68)
<b>Balance as at 31 March 2023</b>	<b>2,346.61</b>	<b>50.46</b>	<b>2,397.07</b>

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

**NOTE 3 (C)**
**CAPITAL WORK-IN-PROGRESS ("CWIP")**
**i. CWIP Schedule**

Particulars	(₹ in Million)				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
<b>Project in Progress</b>					
31 March 2022	342.58	30.83	-	-	373.41
31 March 2023	269.04	29.08	-	-	298.12
<b>Project temporary suspended</b>					
31 March 2022	-	-	-	-	-
31 March 2023	-	-	-	-	-

**ii. There are no material capital-work-in progress for the which the completion is overdue or has exceeded its cost compared to its original budget.**
**NOTE 4 (A)**
**INTANGIBLE ASSETS**
**Reconciliation of carrying amount**

Description	(₹ in Million)			
	Licenses and technical knowhow fees	Software	Other intangible assets*	Total
Gross carrying amount as at 01 April 2021	90.30	529.71	279.91	899.92
Additions	-	166.81	-	166.81
On disposals	-	-	-	-
<b>Gross carrying amount as at 31 March 2022</b>	<b>90.30</b>	<b>696.52</b>	<b>279.91</b>	<b>1,066.73</b>
Accumulated amortisation as at 01 April 2021	74.02	378.43	76.31	528.76
Amortisation for the year	8.15	85.62	27.99	121.76
On disposals	-	-	-	-
<b>Accumulated amortisation as at 31 March 2022</b>	<b>82.17</b>	<b>464.05</b>	<b>104.30</b>	<b>650.52</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>8.13</b>	<b>232.47</b>	<b>175.61</b>	<b>416.21</b>
Gross carrying amount as at 01 April 2022	90.30	696.52	279.91	1,066.73
Additions	-	12.29	13.51	25.80

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

(₹ in Million)				
Description	Licenses and technical knowhow fees	Software	Other intangible assets*	Total
On disposals	-	-	-	-
<b>Gross carrying amount as at 31 March 2023</b>	<b>90.30</b>	<b>708.81</b>	<b>293.42</b>	<b>1,092.53</b>
Accumulated amortisation as at 01 April 2022	82.17	464.05	104.30	650.52
Amortisation for the year	8.13	86.16	28.78	123.07
On disposals	-	-	-	-
<b>Accumulated amortisation as at 31 March 2023</b>	<b>90.30</b>	<b>550.21</b>	<b>133.08</b>	<b>773.59</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>(0.00)</b>	<b>158.60</b>	<b>160.34</b>	<b>318.94</b>

\* The Company had entered into a public private arrangement which meets the definition of a Service Concession Arrangement (SCA) as per Appendix C to Ind AS 115 -Revenue from Contracts with Customers (Ind AS 115). Based on the requirements of Appendix C to Ind AS 115, the consideration in relation to such arrangement has been recognised as other intangible assets - refer note 39.

- (i) The Company has followed the cost model for accounting for its intangible assets and accordingly no revaluation of the assets has been carried out.
- (ii) No impairment loss or reversal of impairment loss in respect of items of intangible assets was recognised in the financial statements during the year.

**Note:**

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

**NOTE 4 (B)**
**INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD) AGEING SCHEDULE**

(₹ in Million)					
Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
<b>Project in Progress</b>					
31 March 2022	-	-	-	-	-
<b>31 March 2023</b>	<b>47.28</b>	-	-	-	<b>47.28</b>
<b>Project temporary suspended</b>					
31 March 2022	-	-	-	-	-
<b>31 March 2023</b>	-	-	-	-	-

There are no material intangible assets under development for which the completion is overdue or has exceeded its cost compared to its original budget.

**NOTE 5**
**NON CURRENT INVESTMENTS**

(₹ in Million)		
	31 March 2023	31 March 2022
<b>Investments in subsidiaries</b>		
<i>(At cost or deemed cost)</i>		
Investment in equity instruments (Fully paid up unless stated otherwise)		
<b>Unquoted</b>		
14,196,630 equity shares (31 March 2022: 13,504,850 equity shares) of SGD 1 each of Global Transact Services Pte Limited	<b>698.27</b>	658.69
1,350,000,000 equity shares (31 March 2022: 115,000,000 equity shares) of ₹ 10 each of India Transact Services Limited (refer note (i) below)	<b>1,353.79</b>	1,153.45
26,049,000 equity shares (31 March 2022: 26,049,000 equity shares) of ₹ 10 each of Securevalue India Limited (refer note (ii) below)	<b>851.89</b>	849.73
6,000 equity shares (31 March 2022: 6,000 equity shares) ₹ 10 each of AGS Community Foundation	<b>0.06</b>	0.06
	<b>2,904.01</b>	<b>2,661.93</b>

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

## Notes:

- (i) It includes aggregate corporate guarantee commission amounting to ₹ 3.79 Million (31 March 2022: ₹3.45 Million).
- (ii) It includes aggregate corporate guarantee commission amounting to ₹ 17.43 Million (31 March 2022: ₹15.27 Million).

Aggregate value of impairment of investment	Nil	Nil
Aggregate market value of investment	NA	NA

**NOTE 6**
**NON-CURRENT FINANCIAL ASSETS - LOANS**

(₹ in Million)		
	31 March 2023	31 March 2022
<b>Unsecured</b>		
Loans and advances to other than related parties (refer note below (i))	-	249.20
	-	<b>249.20</b>

- (i) The Company had entered into a contract for purchase of certain technology assets pursuant to which an advance aggregating ₹ 359 Million (net) was given. The parties subsequently mutually agreed to terminate the contract and the Company agreed to receive the refund of the Advance Purchase Price along with interest at the rate of 11% per annum as per the repayment schedule. Management has assessed this amount as fully recoverable and the refund is not prejudicial to the interest of the Company.

**NOTE 7**
**OTHER NON-CURRENT FINANCIAL ASSETS**

(₹ in Million)		
	31 March 2023	31 March 2022
<i>Unsecured, considered good</i>		
Security deposits	<b>224.48</b>	250.11
Margin money with maturity of more than twelve months (refer notes (i) and (ii) below)	<b>121.35</b>	123.47
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	<b>189.41</b>	240.35
	<b>535.24</b>	<b>613.93</b>

## Note:

- (i). Includes interest accrued amounting to ₹ 16.74 Million (31 March 2022: ₹14.61 Million) on margin money with maturity more than twelve months.
- (ii). Includes fixed deposits placed as lien towards term loans.

**NOTE 8**
**TAXES**
**(a) Amounts recognised in the Standalone Statement of Profit and Loss**

(₹ in Million)		
Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Current tax</b>		
Current year	<b>3.33</b>	41.80
Changes in estimates related to prior period	-	-
	<b>3.33</b>	<b>41.80</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>29.41</b>	29.91
	<b>29.41</b>	<b>29.91</b>
<b>Tax expense for the year</b>	<b>32.74</b>	<b>71.71</b>

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**(b) Amounts recognised in other comprehensive income**

Particulars	Year ended 31 March 2023			Year ended 31 March 2022		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
(₹ in Million)						
<b>Items that will not be reclassified to the Statement of Profit and Loss</b>						
Remeasurements of the defined benefit plans	3.58	(0.90)	2.68	3.35	(0.84)	2.51
	<b>3.58</b>	<b>(0.90)</b>	<b>2.68</b>	<b>3.35</b>	<b>(0.84)</b>	<b>2.51</b>

**(c) Reconciliation of effective tax rate**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
	(₹ in Million)	
Profit / (loss) before tax	181.51	(814.53)
Company's domestic tax rate	25.17%	25.17%
<b>Tax using the Company's statutory tax rate</b>	<b>45.68</b>	<b>(205.00)</b>
<b>Tax effect of:</b>		
Expenses not allowed under tax	19.82	284.64
Change in estimates related to prior years	(13.07)	-
Others	(19.69)	(7.93)
<b>Total tax expense</b>	<b>32.74</b>	<b>71.71</b>

Note: There are no uncertain tax position that may impact financial statements.

**(d) Movement in deferred tax balances for the year ended 31 March 2023**

Particulars	Net asset / (liability) 01 April 2022	Recognised in profit or loss - credit/(charge)	Recognised in OCI	Net asset / liability 31 March 2023
	(₹ in Million)			
Property, plant and equipment	(93.08)	(3.74)	-	(96.82)
Impact of Ind AS 116 (refer note 38)	188.28	(21.91)	-	166.37
Intangible assets	54.40	5.00	-	59.40
Provision for employee benefits	59.39	(4.32)	(0.90)	54.17
Trade receivables	0.77	8.37	-	9.14
Borrowings	3.72	4.92	-	8.64
Provision for warranties	12.66	(2.72)	-	9.94
Loans	(50.75)	(6.61)	-	(57.36)
Others	(0.50)	(8.40)	-	(8.89)
<b>Deferred tax asset/(liabilities)</b>	<b>174.89</b>	<b>(29.41)</b>	<b>(0.90)</b>	<b>144.59</b>

**Movement in deferred tax balances for the year ended 31 March 2022**

Particulars	Net asset / (liability) 01 April 2021	Recognised in profit or loss - credit/(charge)	Recognised in OCI	Net asset / liability 31 March 2022
	(₹ in Million)			
Property, plant and equipment	(78.08)	(15.00)	-	(93.08)
Impact of Ind AS 116 (refer note 38)	196.02	(7.74)	-	188.28
Intangible assets	52.87	1.53	-	54.40
Provision for employee benefits	64.88	(4.65)	(0.84)	59.39
Trade receivables	(6.74)	7.51	-	0.77
Borrowings	5.32	(1.60)	-	3.72
Provision for warranties	13.87	(1.21)	-	12.66
Loans	(42.25)	(8.50)	-	(50.75)
Others	(0.25)	(0.25)	-	(0.50)
<b>Deferred tax asset/(liabilities)</b>	<b>205.64</b>	<b>(29.91)</b>	<b>(0.84)</b>	<b>174.89</b>

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. 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 relevant 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.

Note: As the Company does not have any intention to dispose investments in unlisted subsidiaries and associates in the foreseeable future, deferred tax asset on indexation benefit in relation to such investments has not been recognised.

**(e) Other tax assets (net)**

	31 March 2023	31 March 2022
(₹ in Million)		
Advance tax paid (net of provision for tax)*	682.06	359.06

\* Net of provision for tax 31 March 2023 ₹ 3.33 Million (31 March 2022: ₹ 41.80 Million)

**NOTE 9**
**OTHER NON-CURRENT ASSETS**

Particulars	31 March 2023	31 March 2022
	(₹ in Million)	
Balances with government authorities	79.45	73.74
One time upfront fees	-	9.09
Capital advances	206.27	11.99
Premium on purchase of property, plant and equipment (refer note 44)	18.74	50.53
Other prepaid expenses	14.18	17.62
	<b>318.64</b>	<b>162.97</b>

**NOTE 10**
**INVENTORIES**

(valued at lower of cost and net realisable value)

Particulars	31 March 2023	31 March 2022
	(₹ in Million)	
Raw materials and components (refer note (i) below)	497.93	416.07
Finished goods	195.91	169.34
Stock-in-trade	32.21	55.06
	<b>726.05</b>	<b>640.47</b>

Notes:

- Inventories includes goods in transit ₹ 77.63 Million (31 March 2022: ₹ 8.89 Million)
- All inventories are hypothecated against borrowings, the details relating to which have been described in Note 22 (a)
- Inventories are net of net realisable value adjustment ₹ 1.75 Million.

**NOTE 11**
**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

Particulars	31 March 2023	31 March 2022
	(₹ in Million)	
Trade receivables - Unsecured, considered good (refer note 18 (a) and 47 (B))	6,014.70	6,432.07
Unbilled receivables - Unsecured, considered good (refer note 47 (B))	1,165.80	1,257.90
	<b>7,180.50</b>	<b>7,689.97</b>

Note: For dues from related parties (unsecured consider good) refer note 49.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**Billed receivables ageing schedule**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,987.10	1,015.95	715.66	173.82	105.27	5,997.80
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	-	16.90	-	-	16.90
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

**Unbilled receivables ageing analysis**

As at 31 March 2023

Particulars	Unbilled receivables (not due)
(i) Undisputed Unbilled receivables – considered good	1,165.80
(ii) Undisputed Unbilled receivables – which have significant increase in credit risk	-
(iii) Undisputed Unbilled receivables – credit impaired	-
(iv) Disputed Unbilled receivables–considered good	-
(v) Disputed Unbilled receivables – which have significant increase in credit risk	-
(vi) Disputed Unbilled receivables– credit impaired	-

**Billed receivables ageing schedule**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	3,998.92	1,236.47	713.90	253.57	212.31	6,415.17
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables– considered good	-	16.90	-	-	-	16.90
(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**Unbilled receivables ageing analysis**

As at 31 March 2022

Particulars	Unbilled receivables (not due)
(i) Undisputed Unbilled receivables – considered good	1,257.90
(ii) Undisputed Unbilled receivables – which have significant increase in credit risk	-
(iii) Undisputed Unbilled receivables – credit impaired	-
(iv) Disputed Unbilled receivables–considered good	-
(v) Disputed Unbilled receivables – which have significant increase in credit risk	-
(vi) Disputed Unbilled receivables– credit impaired	-

**\* Movement of unbilled revenue:**

Particulars	31 March 2023	31 March 2022
Opening unbilled revenue	1,257.90	2,434.77
Add: Addition during the year	1,103.64	1,182.79
Less: Invoiced during the year	(1,195.74)	(2,359.66)
<b>Closing unbilled revenue</b>	<b>1,165.80</b>	<b>1,257.90</b>

**NOTE 12 (A)**
**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

Particulars	31 March 2023	31 March 2022
Cash on hand (refer note (i) below)	25.67	29.15
Balance with banks in current accounts	39.85	179.57
	<b>65.52</b>	<b>208.72</b>

Notes:

- (i) Cash on hand as at 31 March 2023 includes ₹ 13.08 Million (31 March 2022: ₹15.98 Million) held by the Company at locations and includes ₹ Nil (31 March 2022: ₹ 0.25 Million) lying in vaults on behalf of Toll and Transit business and ₹11.99 Million (31 March 2022: ₹11.99 Million) lying in vaults for cash burial business.

**NOTE 12 (B)**
**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN 12A ABOVE**

Particulars	31 March 2023	31 March 2022
Margin money with maturity of less than three months (refer note (i) below)	130.24	107.80
Margin money with maturity more than three months but less than twelve months (refer note (ii) below)	405.90	162.05
	<b>536.14</b>	<b>269.85</b>

Notes:

- (i) Includes interest accrued amounting to ₹4.83 Million (31 March 2022: ₹ 4.35 Million) on margin money with maturity of less than three months.
- (ii) Includes interest accrued amounting to ₹ 10.41 Million (31 March 2022: ₹ 3.64 Million) on margin money with maturity more than three months but less than twelve months.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 13**
**CURRENT FINANCIAL ASSETS - LOANS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Unsecured</b>		
Loans and advances to related parties (refer note below)	0.83	0.83
Loans and advances to other than related parties (refer note 6)	306.03	110.00
	<b>306.86</b>	<b>110.83</b>

Note:

The loans given to subsidiaries are interest free, the same is given for business purposes and are repayable on demand.

**NOTE 14**
**OTHER CURRENT FINANCIAL ASSETS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	61.11	60.97
Security deposits	184.21	104.17
Other receivables	5.99	2.07
	<b>251.31</b>	<b>167.21</b>

**NOTE 15**
**OTHER CURRENT ASSETS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Premium on purchase of property, plant and equipment (refer note 44)	31.80	58.40
Other prepaid expenses	175.35	70.11
One time upfront fees	9.37	14.91
Balances with government authorities	39.10	-
Advance to employees	6.32	12.85
Other advances (refer note below)	321.03	590.60
	<b>582.97</b>	<b>746.87</b>

Note:

It includes amounts recoverable from the selling shareholders pursuant to the successful completion of the IPO (refer notes 49 and 53).

**NOTE 16**
**EQUITY SHARE CAPITAL**

Details of authorised, issued and subscribed and fully paid up share capital are as follows

	(₹ in Million)			
	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
<b>Authorised capital</b>				
Equity shares of ₹ 10/- each	160,000,000	1,600.00	160,000,000	1,600.00
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10/- each fully paid up	121,403,076	1,214.03	121,403,076	1,214.03
Less: Treasury shares*	(911,880)	(9.12)	(1,231,900)	(12.32)
	<b>120,491,196</b>	<b>1,204.91</b>	<b>120,171,176</b>	<b>1,201.71</b>

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**Reconciliation of number of shares at the beginning and at the end of the year**

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	121,403,076	1,214.03	120,392,576	1,203.93
Add: Treasury shares issued during the year	-	-	1,010,500	10.10
Less: Treasury shares* (refer note (g) below)	(911,880)	(9.12)	(1,231,900)	(12.32)
<b>Shares outstanding at the end of the year</b>	<b>120,491,196</b>	<b>1,204.91</b>	<b>120,171,176</b>	<b>1,201.71</b>

\* The treasury shares of the Company includes the shares held by the AGS Transact Employees Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2023, the Trust held 9,11,880 shares of the Company.

**Particulars of shareholders holding more than 5% of equity shares**

Name of Shareholder	31 March 2023		31 March 2022	
	No. of shares	Percentage	No. of shares	Percentage
Ravi B. Goyal #	27,741,455	22.85%	27,741,455	22.85%
Vineha Enterprises Private Limited *	51,054,264	42.05%	51,054,264	42.05%

# During the year ended 31 March 2023, 10,155,000 Equity Shares held by Ravi B. Goyal were pledged as security in respect of his personal borrowing.

\* As at 01 April 2021, 117,514,576 Equity Shares held by the Promoters, were pledged with Catalyst Trusteeship Limited as security in respect of secured redeemable non-convertible debentures issued by Vineha Enterprises Private Limited (Vineha NCDs). The Vineha NCDs were redeemed on 03 April 2021 and pledge on the Equity Shares of the Company held by the Promoters was released on 05 April 2021.

**Terms / rights attached to equity shares**

The Company has equity shares having a par value of ₹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.

**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.

**Shareholding of Promoters**

Name of Promoter	31 March 2023			31 March 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Ravi B. Goyal	27,741,455	22.85%	Nil	27,741,455	22.85%	58%
Vineha Enterprises Private Limited	51,054,264	42.05%	Nil	51,054,264	42.05%	Nil
	<b>78,795,719</b>			<b>78,795,719</b>		

Note:

(i) Promoter means promoter as defined in Section 2 (69) of the Companies Act, 2013

(ii) Percentage change shall be computed with respect to the number at the beginning of the year (also refer note 53).

On 29 March 2022, the Company had issued 1,010,500 equity shares to AGS Transact Employees Welfare Trust under the approved ESOP schemes and the same were disclosed as treasury shares. The Company was required to obtain prior in-principle approval from Stock Exchanges, which was not complied with and the shares were allotted. The Company has made an application seeking condonation from SEBI in this regard and were granted the condonation on 22 November 2022. Thereafter, pursuant to receipt of in-principle approvals from the Stock Exchanges, these 1,010,500 equity shares were listed and admitted for trading on the Stock Exchanges with effect from 27 December 2022.

Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil



NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 17**
**OTHER EQUITY**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Securities premium</b>		
<b>Gross balance at the beginning of the year</b>	2,457.95	2,364.23
Less: Securities premium on treasury shares* (refer note below)	(38.09)	(47.41)
<b>Net balance at the beginning of the year</b>	2,419.86	2,316.82
Add : Issue of equity shares for cash	-	29.44
Add : Premium on share options exercised during the year	14.02	64.28
<b>Balance at the end of the year</b>	2,433.88	2,410.54
<b>* Movement of securities premium on treasury shares</b>		
Balance at the beginning of the year	(47.41)	(64.30)
Add : Issue of equity shares for cash	-	(29.44)
Less: Share options exercised during the year	9.32	46.33
<b>Balance at the end of the year</b>	(38.09)	(47.41)
<b>Employee stock options reserve</b>		
Balance at the beginning of the year	186.31	137.34
Add : ESOP cost for the year	74.39	113.25
Less : Premium on share options exercised during the year	(14.02)	(64.28)
<b>Balance at the end of the year</b>	246.68	186.31
<b>Debenture redemption reserve</b>		
Balance at the beginning of the year	-	-
Add : Transfer from retained earnings	-	550.00
Less : Transfer to general reserve	-	(550.00)
<b>Balance at the end of the year</b>	-	-
<b>General reserve</b>		
Gross balance at the beginning of the year	560.00	10.00
Add : Transfer from Debenture redemption reserve	-	550.00
<b>Balance at the end of the year</b>	560.00	560.00
<b>Retained earnings</b>		
Balance at the beginning of the year	1,160.19	2,714.31
Profit / (loss) for the year	148.77	(886.24)
Dividend paid	-	(120.39)
Remeasurements of defined benefit plans for the year (net of tax)	2.68	2.51
Transfer to Debenture redemption reserve	-	(550.00)
<b>Balance at the end of the year</b>	1,311.64	1,160.19
<b>Total Other equity</b>	4,552.20	4,317.04

Note:

The treasury shares of the Company includes the shares held by the AGS Transcat Employee Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2023, the Trust held 911,880 shares (31 March 2022: 1,812,000) of the Company. 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 Company 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."

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**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. Further transfer has been made from Debenture redemption reserve to General reserve upon redemption of Non Convertible Debentures.

**Debenture redemption reserve**

Debenture redemption reserve is a statutory reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to General reserve.

**Retained earnings**

Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, debenture redemption reserve, dividends or other distributions paid to shareholders."

**Dividend**

Dividend of ₹ 120.39 Million (Re. 1 per equity share), including ₹ 1.81 Million on treasury shares, was recommended by the Board of Directors for FY 2020-21 and was approved by shareholders at the Annual General Meeting held on 21 September 2021. The same was subsequently paid on 21 October 2021. In respect of the dividend paid during the previous year by the Company, except for not transferring amount of dividend to separate bank account within the timeline specified in sub-section (4) of section 123 of the Act, the payment of dividend was in accordance with section 123 of the Companies Act, 2013.

**NOTE 18 (A)**
**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Term loans - Secured</b>		
<b>Borrowings in India</b>		
Indian rupee term loan from banks (refer note (i) below)	2,602.30	2,637.12
	2,602.30	2,637.12
<b>Borrowings outside India</b>	2,260.80	1,318.04
Term loan- ECB (refer note (ii) below)	2,260.80	1,318.04
	4,863.10	3,955.16

Notes:

- (i) Indian rupee term loan from banks carry an interest rate in the range of 9.30% p.a. to 11.75% p.a. The loans are repayable as per the balance amortisation schedule spread over from 47 months to 69 months. Loans are secured by charge on specific assets comprising of ATMs, specific receivables and other related equipments of assigned contract. Out of this, two of the loans are also secured by charge on specific assets comprising of land and building,
- (ii) Loan in the form of External Commercial Borrowings (ECB) outside India carry an interest rate in the range of 1 month Term SOFR plus 300 bps to 360 bps. The loans are repayable as per the balance amortisation schedule spread over from 18 months to 51 months. Loans are secured by charge on specific assets comprising of ATMs and specific receivables.
- (iii) There are no material breaches of the covenants associated with the borrowings (refer to above(i) to (iii)) and none of the borrowings were called back during the year.
- (iv) The borrowings have been utilised for the purpose for which it was taken including towards lease obligations relating to Right-of-use assets and hence considered capital in nature.
- (v) Refer note 22(a) for current maturities of long term borrowings.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 18 (B)**
**NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Unsecured</b>		
Lease liabilities (refer note 38)	2,002.78	2,410.04
	<b>2,002.78</b>	<b>2,410.04</b>

**NOTE 19**
**OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Payables related to Service Concession Arrangement projects (refer note 39)	-	5.04
	-	<b>5.04</b>

**NOTE 20**
**NON-CURRENT - PROVISIONS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Provision for employee benefits</b>		
Gratuity (refer note 36)	133.73	155.77
	<b>133.73</b>	<b>155.77</b>

**NOTE 21**
**OTHER NON-CURRENT LIABILITIES**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Deferred revenue (refer note 26)	17.87	16.63
	<b>17.87</b>	<b>16.63</b>

**NOTE 22 (A)**
**CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Secured</b>		
<b>From banks (refer note (ii) and (v) below)</b>		
Working capital loans (refer note (i) below)	108.94	600.06
Cash credit and other facilities	29.24	30.13
<b>From others</b>		
Working capital loans (refer note (iii) and (iv) below)	536.06	552.32
	<b>674.24</b>	<b>1,182.51</b>
Current maturities of long term borrowings (refer note (v) below)	1,175.10	789.46
	<b>1,849.34</b>	<b>1,971.97</b>

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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## Note:

- (i) Includes interest accrued amounting to ₹ 0.90 Million (31 March 2022: ₹ 0.06 Million).
- (ii) Working capital loans from Banks are secured by hypothecation of current assets and are repayable on demand. These loans carry an interest rate as mentioned below:
- |                                  |                           |
|----------------------------------|---------------------------|
| Working capital loans            | 9.50% p.a. to 10.60% p.a. |
| Cash credit and other facilities | 9.50% p.a.                |
- (iii) The working capital loans from others are secured by hypothecation of current assets and are repayable on demand. These loans carry an interest rate ranging from 10.10% p.a. to 11.50% p.a.
- (iv) Working capital loans from others includes factored receivables which is secured by factored invoices and second charge on current assets (refer note 47 (B)).
- (v) Includes interest accrued amounting to ₹ 24.85 Million (31 March 2022: ₹ 20.38 Million).
- (vi) The Company has availed short term borrowings from banks or financial institutions on the basis of security of current assets. The Company is required to file periodic returns with banks, including those related to current assets. The returns are extracted from audited / unaudited financial information provided by the Company, summary of which are tabulated below:

Quarter	Name of bank	Particulars	Amounts as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	(₹ in Million)
						Whether return/statement subsequently rectified
Q 1 – June 2022	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited Qatar National Bank	Inventories, Trade receivables and payables	6,516.14	6,557.66	(41.52)	Refer note below
Q 2 – September 2022	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited Qatar National Bank	Inventories, Trade receivables and payables	7,174.74	7,174.74	-	Not required
Q 3 – December 2022	Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited Qatar National Bank	Inventories, Trade receivables and payables	7,678.70	7,678.70	-	Not required

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(₹ in Million)						
Quarter	Name of bank	Particulars	Amounts as per books of account	Amount as reported in the quarterly return/ statement	Amount of difference	Whether return/ statement subsequently rectified
Q 4 – March 2023	Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited	Inventories, Trade receivables and payables	7,389.44	NA	NA	Not required
Q 1 – June 2021	ICICI Bank Limited Standard Chartered Bank Citibank N.A. Yes Bank Limited HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited	Inventories, Trade receivables and payables	5,335.34	5,380.11	(44.77)	Refer note below
Q 2 – September 2021	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited	Inventories, Trade receivables and payables	6,345.14	6,441.11	(95.97)	Refer note below
Q 3 – December 2021	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited	Inventories, Trade receivables and payables	6,741.87	6,030.01	711.86	Refer note below
Q 4 – March 2022	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited	Inventories, Trade receivables and payables	6,834.36	6,849.89	(15.53)	Refer note below

Note: Primarily due to year/ period end closing adjustment.

**NOTE 22 (B)**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
<b>Unsecured</b>		
Reverse factoring	651.78	-
	651.78	-

Note: Average period upto 180 days, rate of interest 7.5% to 8.7%.

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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**NOTE 22 (C)**
**CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
<b>Unsecured</b>		
Lease liabilities (refer note 38)	1,225.27	1,226.84
	1,225.27	1,226.84

**NOTE 23**
**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES DUE TO:**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
- Micro enterprises and small enterprises	274.35	435.16
- Other than micro enterprises and small enterprises	2,993.92	4,152.86
	3,268.27	4,588.02

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

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
The principal amount remaining unpaid to any supplier as at the end of each accounting year	274.35	435.16
Interest due thereon	16.49	8.94
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 each accounting year.	-	-
The amount of interest due and payable for the year 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 accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding year, 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	-	-

**Trade payables ageing schedule**
**As at 31 March 2023**

(₹ in Million)						
Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	262.93	10.52	0.32	0.58	274.35
(ii) Others	1,332.55	1,169.53	288.83	37.14	94.30	2,922.35
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	1.16	3.14	-	67.27	71.57

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

As at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	423.83	7.48	1.93	1.92	435.16
(ii) Others	1,293.79	2,612.60	53.33	88.84	90.30	4,138.86
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	14.00	14.00

(₹ in Million)

**NOTE 24**
**OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	31 March 2023	31 March 2022
Accrued employee cost	498.73	561.45
Payable for capital goods	42.76	11.48
Security deposit from vendors	25.53	29.48
Payables related to Service Concession Arrangement projects (refer note 39)	5.57	22.30
	572.59	624.71

(₹ in Million)

**NOTE 25**
**OTHER CURRENT LIABILITIES**

Particulars	31 March 2023	31 March 2022
Deferred revenue	2.24	1.70
Balances due to government authorities (refer note below)	113.68	776.25
Others	2.54	-
	118.46	777.95

(₹ in Million)

Note: Includes dues towards Tax deduction at source, Good and service tax, Provident fund, Employee state insurance contribution and others and interest thereon.

Particulars	31 March 2023	31 March 2022
<b>Movement of deferred revenue</b>		
Opening deferred revenue	1.70	2.78
Add: Addition during the year	2.24	1.70
Less: recognised during the year	(1.70)	(2.78)
<b>Closing deferred revenue</b>	2.24	1.70

(₹ in Million)

**NOTE 26**
**CURRENT - PROVISIONS**

Particulars	31 March 2023	31 March 2022
<b>Provision for employee benefits:</b>		
Gratuity (refer note 36)	34.48	28.85
Compensated absences (refer note 36)	47.01	51.33
<b>Other provision for:</b>		
Warranties*	21.62	33.68
	103.11	113.86

(₹ in Million)

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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Provision for warranties represents management's best estimate of the liability for warranties granted on products. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

\*Provision for warranty is recognised for machines sold to customers:-

Movement of warranty (Non-current and current classification)

Particulars	31 March 2023	31 March 2022
<b>Opening balance</b>	50.31	39.13
Charge during the year	10.43	16.73
Utilisation during the year	(21.25)	(5.55)
<b>Closing balance</b>	39.49	50.31

(₹ in Million)

**NOTE 27**
**REVENUE FROM OPERATIONS**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Sale of traded goods</b>		
Automation products	200.10	232.10
<b>Sale of manufactured goods</b>		
Automation products	560.95	1,245.42
ATM and ATM sites	286.05	322.33
	1,047.10	1,799.85
<b>Sales of services</b>		
ATM and management services	7,596.37	7,767.54
Less: Amortisation of one time upfront fee and premium on purchase of property, plant and equipment (refer note 44)	(42.29)	(42.29)
	7,554.08	7,725.25
AMC services and upgrades	2,299.83	2,458.88
Digital payment services	1,201.42	1,186.21
	11,055.33	11,370.34
<b>Total revenue from operations (net) (refer note 42)</b>	12,102.43	13,170.19

(₹ in Million)

**NOTE 28**
**OTHER INCOME**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from instruments measured at amortised cost:		
Deposits with banks	27.81	24.81
Security deposits	26.28	33.78
Others	61.88	0.12
Insurance claim	44.80	29.65
Write back of lease liabilities (net) and rent concession (refer note 38)	61.66	48.56
Corporate guarantee income	2.50	0.99
Foreign exchange gain (net)	-	0.78
Reversal of provision for warranty (net)	12.05	5.45
Realised gain on investment in quoted mutual fund measured at Fair Value through Profit or Loss	-	2.09
Others	48.42	3.94
	285.40	150.17

(₹ in Million)

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 29**
**COST OF RAW MATERIALS AND COMPONENTS CONSUMED**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year	416.07	410.03
Add: Purchases during the year	1,702.84	2,025.27
Less: Inventories at the end of the year	(497.93)	(416.07)
	<b>1,620.98</b>	<b>2,019.23</b>

**NOTE 30**
**PURCHASE OF STOCK-IN-TRADE**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
	155.44	186.80
	<b>155.44</b>	<b>186.80</b>

**NOTE 31**
**CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
<i>Finished goods</i>		
Inventories at the beginning of the year	169.34	222.75
Inventories at the end of the year	195.91	169.34
	<b>(26.57)</b>	<b>53.41</b>
<i>Stock-in-trade</i>		
Inventories at the beginning of the year	55.06	69.10
Inventories at the end of the year	32.21	55.06
	<b>22.85</b>	<b>14.04</b>
Changes in inventories	<b>(3.72)</b>	<b>67.45</b>

**NOTE 32**
**EMPLOYEE BENEFIT EXPENSES**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages (refer note 41)	1,158.21	1,222.23
Employee Stock Option scheme expense (net) (refer note 37 and 49)	60.13	87.71
Contributions to provident fund and other funds (refer note 36)	31.41	36.16
Gratuity expenses (refer note 36)	31.44	31.59
Staff welfare expenses	9.55	14.20
	<b>1,290.74</b>	<b>1,391.89</b>

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 33**
**OTHER EXPENSES**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Cash management expenses	2,431.79	2,449.67
Rent expenses (refer note 38)	128.55	18.39
Caretaker and housekeeping expenses	396.00	567.82
Electricity expenses	303.53	313.69
Subcontracting expenses	877.58	1,127.68
Repairs and maintenance		
- Plant and machinery	704.65	707.72
- Others	77.56	79.29
Travelling and conveyance expenses	192.19	182.31
Communication expenses	71.23	57.19
Corporate social responsibility expenses (refer note 45)	11.10	21.40
Foreign exchange loss (net)	1.85	-
Tools and equipments	81.46	80.80
Postage and courier	85.12	94.23
Loss allowance on trade receivables	387.43	118.76
Legal and professional charges	205.60	175.07
Insurance charges	74.95	82.43
Loss on sale / retirement of property, plant and equipment (net)	14.46	3.15
Rates and taxes	2.13	27.31
Payment to auditors (refer note 43)	10.17	7.86
Directors' sitting fees	8.45	10.90
Commission to directors	16.10	8.88
Miscellaneous expenses	120.81	154.42
	<b>6,202.71</b>	<b>6,288.97</b>

**NOTE 34**
**FINANCE COSTS**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on measured at amortised cost on:		
- financial liabilities	678.46	1,676.69
- lease liabilities (refer note 38)	348.92	415.14
- Others	80.52	113.09
Other borrowing costs	107.67	104.94
	<b>1,215.57</b>	<b>2,309.86</b>

## Notes:

- (i) Interest expense on financial liabilities for previous year includes interest on Listed, rated, secured, Non Convertible Debentures ("NCD") issued on a private placement basis.
- (ii) Other borrowing costs include bill discounting and reverse factoring charges.



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FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 35**
**EARNINGS PER SHARE (EPS)**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>1 Profit / (Loss) attributable to equity shareholders</b>		
<b>Profit / (Loss) for the year, attributable to equity shareholders (₹ in Million)</b>	<b>148.77</b>	<b>(886.24)</b>
<b>2 Calculation of weighted average number of equity shares - Basic</b>		
Number of shares at the end of the year	121,403,076	121,403,076
Less: Weighted average number of treasury shares	(911,880)	(1,231,900)
Less: Effect of share options exercised	(254,406)	(1,210,616)
<b>Weighted average number of equity shares for the year</b>	<b>120,236,790</b>	<b>118,960,560</b>
<b>3 Calculation of weighted average number of equity shares - Diluted</b>		
Number of shares at the end of the year	121,403,076	121,403,076
Less: Weighted average number of treasury shares	(911,880)	(1,231,900)
Less: Effect of share options exercised	(254,406)	(1,210,616)
Add : Effect of share options dilution	2,523,610	2,238,558
<b>Weighted average number of equity shares for the year</b>	<b>122,760,400</b>	<b>121,199,118</b>
<b>4 Earning per share</b>		
Basic (₹)	1.24	(7.45)
Diluted (₹) *	1.21	(7.45)
* Since the Earnings per share computation based on diluted weighted average number of equity shares is anti-dilutive, the basic and diluted Earnings per share is the same.		
<b>5 Nominal value of shares (₹)</b>	<b>10.00</b>	<b>10.00</b>

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 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 ₹ 31.41 Million (31 March 2022: ₹ 36.16 Million) is recognised as an expense and included in "Employee benefit expenses" (refer note 32) in the Statement of Profit and Loss.

**B. Defined benefit plans**
**Gratuity**

The gratuity benefit payable to the employees of the Company 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 Company does not have a fund plan for gratuity liability.

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

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**i. Reconciliation of present value of defined benefit obligation**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Defined benefit obligation at the beginning of the year	184.62	183.10
Current service cost	20.38	22.62
Interest cost	11.06	11.06
Actuarial (gains) / losses recognised in Other Comprehensive Income		
arising from changes in financial assumptions	(7.40)	-
arising from changes in demographic assumptions	0.14	(0.67)
arising on account of experience changes	3.68	(2.68)
Benefits paid directly by the Company	(44.28)	(28.81)
<b>Defined benefit obligation at the end of the year</b>	<b>168.20</b>	<b>184.62</b>

**ii. Amount recognised in Balance Sheet**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Defined benefit obligation	168.20	184.62
Fair value of plan assets	-	-
<b>Net defined benefit obligation</b>	<b>168.20</b>	<b>184.62</b>

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>(i) Expense recognised in the Statement of Profit and Loss</b>		
Current service cost	20.38	22.62
Interest cost	11.06	11.06
	<b>31.44</b>	<b>33.68</b>
<b>(ii) Expense recognised in the Other Comprehensive Income</b>		
Actuarial (gains) losses on defined benefit obligations		
- arising from changes in financial assumptions	(7.40)	-
- arising from changes in demographic assumptions	0.14	(0.67)
- arising on account of experience changes	3.68	(2.68)
	<b>(3.58)</b>	<b>(3.35)</b>

**iv. Actuarial assumptions**

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Financial assumptions</b>		
Discount rate	7.30%	6.50%
Salary escalation	7%	7%
<b>Attrition rate Employee Age Bracket</b>		
21 - 30 years	26%	25%
31 - 40 years	20%	17%
41 - 50 years	13%	10%
51 - 59 years	14%	11%

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 Company expects ₹ 34.48 Million contribution to be paid to its defined benefit plan in the next year.

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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**v. Sensitivity analysis**

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

Particulars	31 March 2023		31 March 2022	
	Percentage increase	Percentage decrease	Percentage increase	Percentage decrease
(₹ in Million)				
<b>Gratuity Plan</b>				
Discount rate 50 bps on defined benefit plans	(2.58)%	2.71%	(3.19)%	3.39%
Future salary growth 50 bps on defined benefit plans	2.35%	(2.29)%	2.90%	(2.81)%

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 2023 based on actuarial valuation amounted to ₹ 47.01 Million (31 March 2022 : ₹ 51.33 Million).

Amount of ₹ 15.29 Million (31 March 2022 : ₹ (7.22) Million) is recognised as an expense / (released) and included in "Employee benefit expenses" in the 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 the plan 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 Tranche 6: 12 August 2021
Fair Value at Grant Date	₹ 39.13 to ₹ 176.10
Exercise Price	₹ 39.13 to ₹ 111.13
Vesting period	1 to 3 years from the respective date of grant
Exercise period*	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of vesting)
Expected Life	1.5 to 3.5 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	31 March 2023	31 March 2022
	(No. of options)	(No. of options)
	ESOS 2012	ESOS 2012
Outstanding at the beginning of the year	994,760	1,960,000
Granted during the year	-	129,740
Exercised during the year	267,300	938,200
Lapsed during the year	184,000	156,780
Outstanding at the end of the year	543,460	994,760
Exercisable at the end of the year	483,288	881,800
Weighted average remaining contractual life (years)	0 to 2.50	0 to 3.50
Weighted average fair value of options granted (₹)	7.77 to 140.66	7.77 to 140.66
Weighted average exercise price (₹)	39.13 to 111.13	39.13 to 111.13

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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	Tranche 6
Dividend yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%
Expected volatility	0.00%	0.00%	0.00%	0.00%	33.39%	11.20%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%	7.87%	5.74%
Weighted average share price (₹)	39.13	50.00	152.46	152.46	93.00	176.10
Exercise price (₹)	39.13	39.13	39.13	111.13	39.13	39.13
Expected life of options granted (in years)	3.04	2.91	2.50	2.31	4.51	3.50

Of the ESOS 2012 above, 254,708 options are reserved for issue of equity shares of the Company.

The Company has instituted the Equity-Settled Employee Stock Option Scheme (ESOS 2015) on 30 January 2015 pursuant to resolutions dated 30 January 2015 and 03 February 2015 passed by the Board and Shareholders, respectively comprising of 1,216,000 options convertible into one equity share each. The Company has not granted any options under the said scheme.

On 03 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.

On 04 August 2021, the Board of Directors increased the existing ESOP Pool by 2,200,000 options.

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 Tranche 2: 12 August 2021
Fair Value at Grant Date	₹ 93.00 to ₹ 176.10
Exercise Price	₹ 39.13
Vesting period	1 to 3 years from the respective date of grant
Exercise period	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of vesting)
Expected Life	3.5 to 5.5 years

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

Particulars	31 March 2023	31 March 2022
	(No. of options)	(No. of options)
	ESOS 2015	ESOS 2015
Outstanding at the beginning of the year	2,485,660	1,024,500
Granted during the year	-	2,402,920
Exercised during the year	52,720	652,400
Lapsed during the year	514,140	289,360
Outstanding at the end of the year	1,918,800	2,485,660
Exercisable at the end of the year	772,060	343,100
Weighted average remaining contractual life (year)	0.51 to 2.50	1.51 to 3.50
Weighted average fair value of options granted (₹)	93.00 to 176.10	93.00 to 176.10
Weighted average exercise price (₹)	39.13	39.13

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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
Dividend yield	0.00%	0.57%
Expected volatility	33.39%	11.20%
Risk free interest rate	7.87%	5.74%
Weighted average share price (₹)	93.00	176.10
Exercise price (₹)	39.13	39.13
Expected life of options granted in year	4.51	3.50

Of the ESOS 2015 above, 792,080 options are reserved for issue of equity shares of the Company.

**Effect of employee share based payment plans on the Standalone Statement of Profit and Loss and on its financial position.**

The Company has granted options to the employees of its subsidiary companies and the related expense amounting to ₹14.26 Million (31 March 2022: ₹25.54 Million) has been charged to the respective subsidiary companies (refer note 49).

**NOTE 38**
**LEASES**
**Company as a Lessee**

Effective 01 April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 April 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application.

The following is the break-up of current and non-current lease liabilities:

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Current lease liabilities	1,225.27	1,226.84
Non-current lease liabilities	2,002.78	2,410.04
<b>Total</b>	<b>3,228.05</b>	<b>3,636.88</b>

The following is the movement in lease liabilities during the year:

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Opening Balance	3,636.88	3,672.12
Additions	839.76	1,126.29
Finance costs accrued during the year	348.92	415.14
Payment of lease liabilities	(1,284.17)	(1,383.94)
Write back of lease liabilities	(313.34)	(192.73)
<b>Closing Balance (refer note 18b and 22b)</b>	<b>3,228.05</b>	<b>3,636.88</b>

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Less than one year	1,114.24	1,226.84
One to five years	2,183.51	2,923.55
More than five years	263.32	401.73
<b>Total</b>	<b>3,561.07</b>	<b>4,552.12</b>

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The following is the movement in Right-of-use assets during the year:

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Opening Balance	3,030.66	3,018.29
Additions	494.57	1,143.16
Depreciation for the year	(876.48)	(986.62)
De-recognition of right-of-use asset	(251.68)	(144.17)
<b>Closing Balance</b>	<b>2,397.07</b>	<b>3,030.66</b>

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Depreciation on Right-of-use assets	876.48	986.62
Interest on lease liabilities	348.92	415.14
Expenses related to short term leases and leases not covered under Ind AS 116 (refer note 33)	128.55	18.39
Write back of lease liabilities (net)	(61.66)	(48.56)
	<b>1,292.29</b>	<b>1,371.59</b>

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

The weighted average incremental borrowing rate applied to lease liabilities for the year ended 31 March 2023 is 9.84% (31 March 2022: 9.57%).

The average tenure of leases covered under Ind AS 116 is ranging from 1 to 8 years.

The outflow on account of lease liabilities for the year ended 31 March 2023 is ₹ 1,284.17 Million (31 March 2022; ₹ 1,383.94 Million).

**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 period 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 2023, to the extent the installation and consequent deployment of 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 Standalone Balance Sheet. The useful life is assessed based on the go live date.

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**NOTE 40**
**CONTINGENT LIABILITIES AND COMMITMENTS**

(to the extent not provided for)

**A. Contingent liabilities**

		(₹ in Million)	
Particulars	31 March 2023	31 March 2022	
I	Claims against the Company not acknowledged as debts:	17.26	17.88
II	Matters in dispute under appeal		
	(i) Sales tax	73.16	73.16
	(ii) Excise duty*	0.43	5.77
	(iii) Custom duty	3.03	3.03
	(iv) Goods and service tax	5.63	0.78
III	Other tax matters	-	2.90
	<b>Total</b>	<b>99.51</b>	<b>103.52</b>

\* Excludes interest amount which would be finalised during the course of assessment.

Against the above pending tax and other litigation, the Company has paid ₹ 4.52 Million under protest (31 March 2022: ₹ 4.16 Million).

The Company's pending litigations comprise of claims against the Company and pertaining to proceedings pending with Indirect tax authorities. The Company 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 standalone financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its standalone financial statements.

For the Assessment Year 2017-18, the Company has received demand of ₹ 66.43 Million of which ₹ 13.29 Million has been adjusted against the refund. The Company has filed an appeal for the same.

For the Assessment Year 2016-17, the Company has received demand of ₹ 71.66 Million. The Company has filed an application for rectification for the same and is in the process of filing application u/s 264 before CIT.

The Company has received a notice for the delayed payments of TDS for the financial year 2012-13 which has been closed during the previous year.

The Company has received a notice for the delayed payments of TDS for the financial year 2019-20 & 2021-22. Matter is pending before CIT-TDS.

There has been a Supreme Court (SC) judgement dated 28 February 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. In view of the management, the liability for the year from date of the SC order to 31 March 2019 is not significant and has been provided in the books of account. Company has incorporated the effect of changes in the books of accounts since 01 April 2019. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any. Further, pending directions from the EPFO, the impact for the past year, if any, was not ascertainable and consequently no effect was given in the accounts.

The Code on Social Security, 2020 (code) relating to employee benefits received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Company will assess the impact of the code when it comes into effect and will record any related impact in the year the codes become effective.

The Company has received a show cause cum demand notice amounting to ₹ 548.33 Million, excluding interest and penalty thereon, with respect to transfer of GST on services provided by the Head office to its branches. The issue is presently contentious and the amount of present obligation cannot be measured with sufficient reliability.

The amount of the contingent liability is based on the best possible estimate which in turn is based on likelihood of possible outcomes of proceedings by the regulators.

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**B. Capital and other commitments**

		(₹ in Million)	
Particulars	31 March 2023	31 March 2022	
Estimated amount of contracts remaining to be executed on capital account and other commitments not provided for	849.64	1,221.44	

**NOTE 41**
**CAPITALISATION OF EXPENDITURE**

The Company has developed certain software wherein the following development expenses have been capitalised / under development by the Company

		(₹ in Million)	
Particulars	31 March 2023	31 March 2022	
Salaries and wages	41.18	32.89	
	<b>41.18</b>	<b>32.89</b>	

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

		(₹ in Million)	
Particulars	31 March 2023	31 March 2022	
Salaries and wages	21.93	20.37	
	<b>21.93</b>	<b>20.37</b>	

**NOTE 42**
**CAPITALISATION OF EXPENDITURE**
**(A) Disclosure under Ind AS 115, Revenue from Contracts with Customers**
**(i) Sale of product and manufactured goods**

The Company 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 Company 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 Company does not disclose information of remaining performance obligation of such contracts.

**(B) Disaggregation of revenue from contracts with customers**

Revenue from contracts with customers is disaggregated by primary business segment. Disaggregated revenue with the Company's reportable segments is given in the note 50.

**(C) Reconciliation of revenue recognised with contracted price**

		(₹ in Million)	
Particulars	31 March 2023	31 March 2022	
Contracted Price	12,433.74	13,527.49	
Reduction towards service level credits, trade discounts, etc.	(331.31)	(357.30)	
<b>Revenue recognised</b>	<b>12,102.43</b>	<b>13,170.19</b>	

Management has made an assessment of recoverability of its certain aged trade receivables and assessed that pendency of certain service level credits discussion (including reconciliations) with the customers being banks, government and large corporates with low credit risk, have provided for a 'loss allowance on trade receivables' of ₹ 387.43 Million in the statement of profit and loss (Refer Note 33).

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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(D) The Company has entered into certain contract with a customer amounting to ₹ 1,599.95 Million, wherein revenue amounting to ₹ 146.85 Million has been recognised for the year ended 31 March 2023 (revenue recognised as at 31 March 2022: ₹ 447.47 Million) and balance will be recognised as and when it satisfies a performance obligation by transferring a good or service to a customer over time (Estimated remaining contract period: 5 years).

**NOTE 43**
**PAYMENT TO AUDITORS (EXCLUDING TAX)**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
As Auditor		
Audit fees	9.20	7.50
Certification fees and other services*	0.90	14.14
Reimbursement of expenses	0.07	1.27
	<b>10.17</b>	<b>22.92</b>

\*Out of above expenditure, ₹ Nil (31 March 2022: ₹9.83 Million) pertaining to initial public offer is included in Legal and professional charges.

**NOTE 44**

During the year ended 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 ₹926.25 Million. Further, an interest free security deposit of ₹ 880.00 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 ₹649.64 Million and the difference of ₹ 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 ₹ 58.40 Million (31 March 2022: ₹58.40 Million). The Company is depreciating the property, plant and equipment acquired over the remaining useful life.

**NOTE 45**
**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
(a) Amount required to be spent by the Company during the year	11.10	21.40
(b) Amount approved by the Board to be spent during the year	11.10	21.40
(c) Amount spent during the year		
(i) Construction/ acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	11.10	21.40
(d) Details of related party transactions	11.10	21.40

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(e) Details of unspent obligations:

**Details of ongoing project and other than ongoing project**

Particulars (Ongoing project)	(₹ in Million)	
	31 March 2023	31 March 2022
Opening Balance		
- With Company	-	-
- In separate CSR Unspent account	-	-
Amount required to be spent during the year	11.10	-
Amount spent during the year		
- From Company's bank account*	11.10	-
- From separate CSR Unspent account	-	-
Closing Balance		
- With Company	-	-
- In separate CSR Unspent account	-	-

Particulars (Other than ongoing project)	(₹ in Million)	
	31 March 2023	31 March 2022
Opening Balance	-	-
Amount deposited in specified fund of Schedule VII within 6 months	-	-
Amount required to be spent during the year	-	21.40
Amount spent during the year*	-	21.40
Closing Balance	-	-

\* The aforesaid amounts remains unutilised with the implementing agency as at 31 March 2023.

**NOTE 46**
**INVESTMENT IN SUBSIDIARIES**

As at 31 March 2023, the Company has investment amounting to ₹2,904.01 Million (31 March 2022: ₹2,661.93 Million) in its wholly owned subsidiaries namely "Global Transact Services Pte. Limited", "India Transact Services Limited" and "Securevalue India Limited". The Company has also provided loans amounting to ₹0.83 Million (31 March 2022: ₹0.83 Million) to fund the operations of its subsidiaries and the loans are considered recoverable (refer note 49).

Letters of support are provided in respect of subsidiaries namely Novus Technologies Pte. Limited. and India Transact Services Limited. The Company consider its investments in subsidiaries as strategic and long-term in nature. The Company is committed to operationally, technically and financially support the operations of its subsidiaries.

**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. 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.

As at 31 March 2023	Carrying Amount				Fair Value				
	Particulars	Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>									
Investments in subsidiaries	2,904.01	-	-	2,904.01	-	-	-	-	
Loans	-	-	-	-	-	-	-	-	
Other non-current financial assets	535.24	-	-	535.24	-	-	-	-	
<b>Current financial assets</b>									
Trade receivables	7,180.50	-	-	7,180.50	-	-	-	-	



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As at 31 March 2023	Carrying Amount			Fair Value				
	Amortised Cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
<b>Particulars</b>								
Cash and cash equivalents	65.52	-	-	65.52	-	-	-	-
Bank balances other than above	536.14	-	-	536.14	-	-	-	-
Loans	306.86	-	-	306.86	-	-	-	-
Other financial assets	251.31	-	-	251.31	-	-	-	-
	<b>11,779.58</b>	-	-	<b>11,779.58</b>	-	-	-	-
<b>Non-current financial liabilities</b>								
Borrowings (including current maturities of long term borrowings)	6,038.20	-	-	6,038.20	-	-	-	-
Lease liabilities	2,002.78	-	-	2,002.78	-	-	-	-
Other non-current financial liabilities	-	-	-	-	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings								
- Borrowings from banks and others (excluding current maturities of long term borrowings)	674.24	-	-	674.24	-	-	-	-
- Reverse factoring	651.78	-	-	651.78	-	-	-	-
Lease liabilities	1,225.27	-	-	1,225.27	-	1,225.27	-	1,225.27
Trade payables	3,268.27	-	-	3,268.27	-	-	-	-
Other financial liabilities	572.59	-	-	572.59	-	-	-	-
	<b>14,433.13</b>	-	-	<b>14,433.13</b>	-	<b>1,225.27</b>	-	<b>1,225.27</b>
<b>As at 31 March 2022</b>								
<b>Particulars</b>								
<b>Non-current financial assets</b>								
Investments in subsidiaries	2,661.93	-	-	2,661.93	-	-	-	-
Loans	249.20	-	-	249.20	-	-	-	-
Other non-current financial assets	613.93	-	-	613.93	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	7,689.97	-	-	7,689.97	-	-	-	-
Cash and cash equivalents	208.72	-	-	208.72	-	-	-	-
Bank balances other than above	269.85	-	-	269.85	-	-	-	-
Loans	110.83	-	-	110.83	-	-	-	-
Other financial assets	167.21	-	-	167.21	-	-	-	-
	<b>11,971.64</b>	-	-	<b>11,971.64</b>	-	-	-	-
<b>Non-current financial liabilities</b>								
Borrowings (including current maturities of long term borrowings)	4,744.62	-	-	4,744.62	-	-	-	-
Lease liabilities	2,410.04	-	-	2,410.04	-	-	-	-
Other non-current financial liabilities	5.04	-	-	5.04	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings								
- Borrowings from banks and others (excluding current maturities of long term borrowings)	1,182.51	-	-	1,182.51	-	-	-	-
- Reverse factoring	-	-	-	-	-	-	-	-
Lease liabilities	1,226.84	-	-	1,226.84	-	-	-	-
Trade payables	4,588.02	-	-	4,588.02	-	-	-	-
Other financial liabilities	624.71	-	-	624.71	-	-	-	-
	<b>14,781.78</b>	-	-	<b>14,781.78</b>	-	-	-	-

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**Notes:**

- 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.
- Measurement of fair values : The Company 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 tables show 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
Investments in CCPS	The fair value of the investment in CCPS is based on the fair value of the underlying investments held by the investee company. Certain investments are valued following the income approach valued by using the discounted cash flows method and other investments valued by using the market approach using the valuation multiple of comparable global listed companies with similar business operations.

**B. Financial risk management**

The Company 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 Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, 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 Company's activities.

**ii. Credit risk**

Credit risk is the risk of financial loss to the Company, if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers and investments. The carrying amounts of financial assets represent the maximum credit risk exposure. In respect of guarantees, refer note (ii) to liquidity risk below.

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**a. Trade receivables**

The Company has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery / service terms and conditions. The Company makes specific provisions against such trade receivables wherever required and monitors the same at periodical intervals.

Credit risk from trade receivables is managed through the Company'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 Company 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 the Company 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:

Particulars (Other than ongoing project)	Gross carrying amount	
	₹ in Million	
	31 March 2023	31 March 2022
Not due / Past due 0-180 days	5,152.90	5,256.82
More than 180 days	2,027.60	2,433.15
	<b>7,180.50</b>	<b>7,689.97</b>

The carrying amounts of the trade receivables include receivables which are subject to factoring arrangement aggregating to ₹419.35 Million (31 March 2022: ₹405.96 Million). The amount repayable under the factoring arrangement is presented in secured borrowings.

Loss allowance on trade receivables of ₹ 387.43 Million (31 March 2022: ₹ 118.76 Million) has been debited in Standalone Statement of Profit and Loss.

The amounts reflected in the table above are not impaired as at the Balance Sheet date. The allowance for expected credit loss is nil and there are no trade receivables which have significant increase in credit risk.

**b. Cash, cash equivalents and other bank balances**

The Company held cash and cash equivalents and other bank balances of ₹601.66 Million (31 March 2022: ₹478.57 Million) The cash and cash equivalents are held with bank and financial institution counterparties with good credit ratings.

**c. Derivatives**

The derivatives are entered into with banks with good credit ratings.

**iii. Liquidity risk**

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

The Company 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 Company 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.

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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.

31 March 2023	Contractual Cashflows				
	Gross carrying amount	Total	Up to 1 year	1 - 5 years	More than 5 years
<b>Non derivative financial liabilities</b>					
Term loans from banks and others (including current maturities of long term borrowings)	6,038.20	7,766.50	1,811.80	5,673.52	281.18
Short-term loans/working capital loans	674.24	674.24	674.24	-	-
Reverse factoring	651.78	651.78	651.78	-	-
Lease liabilities	3,228.05	3,561.07	1,114.24	2,183.51	263.32
Trade payables	3,268.27	3,268.27	3,268.27	-	-
Other financial liabilities	572.59	572.59	572.59	-	-
<b>Total</b>	<b>14,433.13</b>	<b>16,494.45</b>	<b>8,092.92</b>	<b>7,857.03</b>	<b>544.50</b>

31 March 2022	Contractual Cashflows				
	Gross carrying amount	Total	Up to 1 year	1 - 5 years	More than 5 years
<b>Non derivative financial liabilities</b>					
Term loans from banks and others (including current maturities of long term borrowings)	4,744.62	6,141.26	1,262.65	4,090.87	787.74
Short-term loans/working capital loans	1,182.51	1,182.51	1,182.51	-	-
Reverse factoring	-	-	-	-	-
Lease liabilities	3,636.88	4,552.12	1,226.84	2,923.55	401.73
Trade payables	4,588.02	4,588.02	4,588.02	-	-
Other financial liabilities	629.75	630.29	624.71	5.58	-
<b>Total</b>	<b>14,781.78</b>	<b>17,094.20</b>	<b>8,884.73</b>	<b>7,020.00</b>	<b>1,189.47</b>

- (i) 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.
- (ii) Guarantees issued by the Company on behalf of subsidiaries are with respect to borrowings / financial assistance by the respective subsidiaries. These amounts will be payable on default by the concerned parties. As of the reporting date, none of the subsidiaries have defaulted and hence, the Company does not have any present obligation to third parties in relation to such guarantees.
- (iii) The carrying amounts of the reverse factoring include payables which are subject to reverse factoring arrangement aggregating to ₹651.78 Million (31 March 2022: ₹Nil). The amount repayable under the reverse factoring arrangement is presented in current borrowings.

**iv. Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates etc.- will affect the Company'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 Company uses derivatives to manage market risks.

**a. Currency risk**

The functional currency of the Company is Indian rupees. The Company 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 Company uses forward exchange contracts to hedge its currency risk on borrowings, mostly with a maturity of less than one year from the reporting date. Exposure on trade receivables and trade payables is unhedged. The Company manages itself against currency risk of External Commercial Borrowings by entering into cross-currency swaps.

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

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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	(Amount in Million)		
31 March 2023	USD	EUR	SGD
<b>Financial assets (A)</b>			
Trade and other receivables	1.58	0.06	0.58
Loan to subsidiaries	-	-	0.02
	1.58	0.06	0.60
<b>Financial liabilities (B)</b>			
Trade and other payables	0.36	0.68	-
Term loan ('ECB')	38.30	-	-
Interest and other charges on term loan ('ECB')	0.13	-	-
Less : Hedged through cross currency swaps	(38.43)	-	-
	0.36	0.68	-
<b>Net exposure (A - B)</b>	<b>1.22</b>	<b>(0.62)</b>	<b>0.60</b>

	(Amount in Million)		
31 March 2022	USD	EUR	SGD
<b>Financial assets (A)</b>			
Trade and other receivables	1.50	0.01	-
Loan to subsidiaries	-	-	0.02
	1.50	0.01	0.02
<b>Financial liabilities (B)</b>			
Trade and other payables	0.63	0.68	0.54
Term loan ('ECB')	23.60	-	-
Interest and other charges on term loan ('ECB')	0.05	-	-
Less : Hedged through cross currency swaps	(23.65)	-	-
	0.63	0.68	0.54
<b>Net exposure (A - B)</b>	<b>0.87</b>	<b>(0.67)</b>	<b>(0.52)</b>

The following significant exchange rates have been applied for the year:

Currency	31 March 2023	31 March 2022
USD	82.22	75.81
EUR	89.61	84.66
SGD	61.76	56.06

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, EUR, SGD and JPY at the reporting date would have affected the measurement of financial instruments denominated in foreign currencies and affected 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.

Effect in INR- (increase) / decrease in profit	(₹ in Million)			
	31 March 2023		31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
<b>5% movement</b>				
₹	(5.00)	5.00	(3.30)	3.30
EUR	2.80	(2.80)	2.84	(2.84)
SGD	(1.86)	1.86	1.46	(1.46)
	<b>(4.06)</b>	<b>4.06</b>	<b>1.00</b>	<b>(1.00)</b>

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 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**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 Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable, competitive, cost of funding. The Company uses cross-currency swaps to hedge the Interest rate of External Commercial Borrowings.

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	-
	-	-
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(6,712.44)	(5,927.13)
	<b>(6,712.44)</b>	<b>(5,927.13)</b>

**Fair value sensitivity analysis for fixed-rate instruments**

The entity does not account for any fixed-rate financial liabilities at fair value through profit or loss. Therefore, a change in interest rates at the reporting date would not affect the Statement of Profit and Loss.

**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 reporting 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.

Effect in INR- (increase) / decrease in profit	(₹ in Million)	
	Profit or (Loss)	
	100 bps increase	100 bps decrease
<b>31 March 2023</b>		
Variable rate instruments	(67.12)	67.12
Cash flow sensitivity	(67.12)	67.12
<b>31 March 2022</b>		
Variable rate instruments	(59.27)	59.27
Cash flow sensitivity	(59.27)	59.27

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 48**
**CAPITAL MANAGEMENT**

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

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

Particulars	₹ in Million	
	31 March 2023	31 March 2022
Non-current borrowings	4,863.10	3,955.16
Current borrowings*	1,849.34	1,971.97
Non-current lease liabilities	2,002.78	2,410.04
Current lease liabilities	1,225.27	1,226.84
<b>Gross debt</b>	<b>9,940.49</b>	<b>9,564.01</b>
Less - Cash, cash equivalents and Other bank balances	(601.66)	(478.57)
Less - Margin money (non-current)	(121.35)	(123.47)
<b>Adjusted net debt</b>	<b>9,217.48</b>	<b>8,961.97</b>
<b>Total equity</b>	<b>5,757.11</b>	<b>5,518.75</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.60</b>	<b>1.62</b>

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

\* - Borrowings excludes reverse factoring for the purpose of calculating above ratios.

**NOTE 49**
**RELATED PARTY TRANSACTIONS**
**A. Related Parties and their relationship**
**a) Subsidiaries**

Subsidiaries	Country of Incorporation	Ownership interest
India Transact Services Limited	India	100%
Securevalue India Limited	India	100%
Global Transact Services Pte. Limited	Singapore	100%
Novus Technologies Pte. Limited	Singapore	90%
Novus Technologies (Cambodia) Company Limited	Cambodia	90%
Novus Transact Philippines Corporation	Philippines	90%
Novustech Transact Lanka (Private) Limited	Sri Lanka	90%
AGS Community Foundation	India	60%

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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**b) Name of the associates**

	Country of Incorporation	Ownership interest
PT.Nova Digital Perkasa	Indonesia	45%

**c) Key Management Personnel and relatives**

Mr. Ravi B. Goyal	Executive, Chairman & Managing Director
Mr. Vijay Chugh	Non-executive, Independent Director (retired on 11 March 2023)
Mr. Sudip Bandyopadhyay	Non-executive, Independent Director (retired on 11 March 2023)
Mr. Rahul N. Bhagat	Non-executive, Independent Director
Mr. Subrata Kumar Mitra	Non-executive, Independent Director (w.e.f. 20 July 2021)
Mrs. Jhuma Guha	Non-executive, Independent Director (w.e.f. 05 August 2022)
Mr. Sivanandhan Dhanushkodi	Non-executive, Independent Director (w.e.f. 11 March 2023)
Mr. Sudip Bandyopadhyay	Non-executive, Non Independent Director (w.e.f. 29 March 2023)
Mr. Badrinarain K. Goyal	Non-executive, Non Independent Director / Father of Mr. Ravi B Goyal (till 09 June 2021)
Mrs. Anupama R. Goyal	Non-executive, Non Independent Director / Wife of Mr. Ravi B. Goyal (till 29 March 2023)
Mr. Stanley Johnson P.	Executive Director (w.e.f. 09 June 2021)
Mr. Vinayak R. Goyal	Executive Director (w.e.f. 09 June 2021) / Son of Mr Ravi B Goyal
Mr. Kiran B. Goyal	Brother of Mr. Ravi B. Goyal

**d) Enterprises owned or significantly influenced by Key Management Personnel or their relatives**

Advanced Graphic Systems
Instrument Research Associates Private Limited
Fillon Technologies India Private Limited
Vineha Enterprises Private Limited
AGS Transact Employees Welfare Trust
Ravi Goyal Family Trust
Anupama Goyal Family Trust
Vinayak Goyal Family Trust
Kiran Goyal Family Trust

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

Particulars	₹ in Million			
	Transactions for the year ended		Amount receivable / (payable) As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Sales of goods, software license and services</b>				
Instruments Research Associates Private Limited	1.50	1.50	0.89	0.45
Fillon Technologies India Private Limited	5.17	5.28	1.50	1.53
Securevalue India Limited	5.47	13.30	31.04	113.75
India Transact Services Limited	141.39	28.19	100.93	-
Novus Technologies Pte. Limited	3.88	17.74	3.43	3.17
Novus Technologies (Cambodia) Company Limited	0.25	-	-	-
<b>Purchase of goods and services</b>				
Instrument Research Associates Private Limited	0.63	0.39	1.21	-
Fillon Technologies India Private Limited	1.71	1.54	(1.07)	(0.19)
Securevalue India Limited	2,147.33	2,217.65	(778.53)	(894.51)

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FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
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Particulars	(₹ in Million)			
	Transactions for the year ended		Amount receivable / (payable) As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
India Transact Services Limited	303.97	521.49	(209.08)	(433.28)
<b>Corporate social responsibilities expenses</b>				
AGS Community Foundation	11.10	21.40	-	(38.20)
<b>Dividend Paid</b>				
Mr. Ravi B. Goyal	-	66.46	-	-
Vineha Enterprises Private Limited	-	51.05	-	-
AGS Transact Employees Welfare Trust	-	1.81	-	-
Mr. Sudip Bandyopadhyay	-	0.75	-	-
Mrs. Anupama R. Goyal	-	0.00	-	-
Ravi Goyal Family Trust	-	0.00	-	-
Anupama Goyal Family Trust	-	0.00	-	-
Kiran Goyal Family Trust	-	0.00	-	-
Vinayak Goyal Family Trust	-	0.00	-	-
<b>Re-imbursments of expenses incurred by the Company</b>				
Securevalue India Limited	17.41	17.58	-	-
India Transact Services Limited	7.13	8.78	-	-
Fillon Technologies India Private Limited	0.07	0.06	-	-
Advanced Graphic Systems	0.22	0.24	1.85	1.63
<b>Deposit given/(repaid)</b>				
Mr. Ravi B. Goyal	-	-	25.00	25.00
Mrs. Anupama R. Goyal	-	-	2.00	2.00
<b>Remuneration (refer note 1 below)</b>				
Mr. Ravi B. Goyal	24.00	24.00	-	(4.96)
Mr. Vinayak R. Goyal	7.68	6.23	(1.57)	(4.31)
Mr. Stanley Johnson P.	24.14	30.66	(9.99)	(10.08)
<b>Director's sitting fees</b>				
Mr. Sudip Bandyopadhyay	1.85	3.10	(0.54)	-
Mr. Vijay Chugh	1.75	2.95	(0.45)	-
Mr. Subrata Kumar Mitra	1.45	1.75	(0.54)	-
Mr. Rahul N. Bhagat	2.20	3.10	(0.72)	-
Mrs. Jhuma Guha	0.80	-	(0.45)	-
Mr. Sivanandhan Dhanushkodi	0.40	-	(0.36)	-
<b>Commission to directors</b>				
Mr. Sudip Bandyopadhyay	3.31	2.40	(5.14)	(2.40)
Mr. Vijay Chugh	3.31	2.40	(5.14)	(2.40)
Mr. Rahul N. Bhagat	3.50	2.40	(5.31)	(2.40)
Mr. Subrata Kumar Mitra	3.50	1.68	(4.66)	(1.68)
Mrs. Jhuma Guha	2.30	-	(2.07)	-
Mr. Sivanandhan Dhanushkodi	0.19	-	(0.17)	-
<b>Reimbursement of IPO expense</b>				
Mr. Ravi B. Goyal	-	116.09	-	-
<b>Other receivables</b>				
Mr. Ravi B. Goyal	-	-	5.99	92.84
<b>Rent expenses</b>				
Mrs. Anupama R. Goyal	2.10	2.10	(1.32)	(0.57)
<b>Interest income</b>				
India Transact Services Limited	0.48	0.12	-	-
<b>Professional fees</b>				
Mr. Kiran B. Goyal	7.20	6.60	(3.66)	(4.33)
<b>Investments purchased</b>				
Global Transact Services Pte. Limited	39.59	-	-	-

Particulars	(₹ in Million)			
	Transactions for the year ended		Amount receivable / (payable) As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
India Transact Services Limited#	200.34	0.37	-	-
Securevalue India Limited	2.16	0.62	-	-
Vineha Enterprises Private Limited	-	6,500.00	-	-
<b>Sale of investments</b>				
Mr. Ravi B. Goyal	-	6,500.00	-	-
<b>Loan given</b>				
India Transact Services Limited	-	68.93	-	-
Global Transact Services Pte. Limited	-	-	0.83	0.83
AGS Transact Employees Welfare Trust	-	39.54	47.30	59.78
<b>Repayment of Loan given</b>				
India Transact Services Limited	-	93.98	-	-
AGS Transact Employees Welfare Trust	12.48	62.24	-	-
<b>Corporate Guarantee Commission payable</b>				
India Transact Services Limited	2.54	-	(2.54)	-
<b>Employee Stock Option scheme expense</b>				
India Transact Services Limited	2.33	11.92	-	-
Securevalue India Limited	11.93	12.62	-	-
Novustech Transact Lanka (Private) Limited	-	0.24	0.24	0.51
Novus Technologies Pte. Limited	-	0.77	-	-

# Out of the same, 10 Million shares of ₹10 each was issued by conversion of loan of ₹ 100 Million

Notes:

- The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.
- Guarantees outstanding as on 31 March 2023 aggregating to ₹480.35 Million (31 March 2022: ₹207.41 Million) is given by the Company on behalf of subsidiaries for acquiring property, plant and equipment and meeting the working capital requirements. While the Company has not charged any commission in relation to such guarantees, the amount represents accounting adjustments recognised in accordance with requirements of Ind AS 109 "Financial Instruments". The movement in Guarantees outstanding are as below:

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Guarantee outstanding at the beginning of the year	207.41	166.45
Guarantee issued during the year	400.00	100.00
Guarantee released during the year	(127.06)	(59.04)
<b>Guarantee outstanding at the end of the year</b>	<b>480.35</b>	<b>207.41</b>

- Guarantees outstanding as on 31 March 2023 aggregating to ₹1,654.00 Million (31 March 2022: ₹Nil) is given by one of the Subsidiary Company on behalf of the Company for extending financial assistance. While the Subsidiary Company has not charged any commission in relation to such guarantee, the amount reflected above represents accounting adjustments recognised in accordance with requirements of Ind AS 109 "Financial Instruments":

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Guarantee outstanding at the beginning of the year	-	-
Guarantee received during the year	1,654.00	-
Guarantee released during the year	-	-
<b>Guarantee outstanding at the end of the year</b>	<b>1,654.00</b>	<b>-</b>



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- During the year ended 31 March 2023, the Company has received Government cashless incentive amounting to ₹62.46 Million (31 March 2022: ₹712.58 Million). Subsequently, the same has been passed to one of its subsidiary India Transcat Services Limited as per the contract.
- Terms and conditions of transactions with related parties-** All the transactions with related parties are at the arm's length price and all the outstanding balances are unsecured.

**NOTE 50**
**SEGMENT REPORTING**

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates the resources based on the analysis of various performance indicators by business segments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker (CODM). Segment results is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm length's basis.

Segment results is segment revenue less segment expenses. Segment expense is the aggregate of the expense resulting from the operating activities of a segment that is directly attributable to the segment, including expenses that can be allocated on a reasonable basis.

Operating profit is Earnings before Interest and tax excluding other income.

The Company's business segments have been divided into three business verticals - Payment Solutions, Banking Automation Solutions and Other Automation Solutions.

**Payment Solutions** – Comprises of ATM / cash recyclers outsourcing and managed services, intelligent cash deposit machines (iCDs), transaction switching and Fastlane and toll & transit solutions.

**Banking Automation Solutions** – Comprises of sale of ATM machines and cash recyclers, currency technology products and self service terminals and services and upgrades related to such sales.

**Other Automation Solutions** - Comprises of sale of machines and related services and upgrades to customers in the Retail, Petroleum and Colour sectors.

**Segment information based on business segment as at and for the year ended 31 March 2023**

(₹ in Million)

Particulars	31 March 2023				31 March 2022			
	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total
<b>Revenue</b>								
Total Revenue	8,755.50	1,918.74	1,428.19	12,102.43	8,911.46	1,972.20	2,286.53	13,170.19
<b>Revenue from operations (net)</b>	<b>8,755.50</b>	<b>1,918.74</b>	<b>1,428.19</b>	<b>12,102.43</b>	<b>8,911.46</b>	<b>1,972.20</b>	<b>2,286.53</b>	<b>13,170.19</b>
				-				-
Segment results	1,801.35	440.76	67.58	2,309.69	1,938.03	544.88	78.77	2,561.68
Less: unallocated expenses				1,198.01				1,216.52
<b>Operating profit</b>				<b>1,111.68</b>				<b>1,345.16</b>
Add: other income				285.40				150.17
Less: finance costs				1,215.57				2,309.86
<b>Profit / (loss) before tax</b>				<b>181.51</b>				<b>(814.53)</b>
Less: tax expense				32.74				71.71

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(₹ in Million)

Particulars	31 March 2023				31 March 2022			
	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total	Payment Solutions	Banking Automation Solutions	Other Automation Solutions	Total
<b>Profit / (loss) for the year</b>				<b>148.77</b>				<b>(886.24)</b>
Segment assets	10,336.28	2,466.87	1,558.31	14,361.46	12,095.58	2,189.83	1,415.87	15,701.28
Unallocated assets	-	-	-	6,201.95	-	-	-	5,663.46
<b>Total assets</b>	<b>10,336.28</b>	<b>2,466.87</b>	<b>1,558.31</b>	<b>20,563.41</b>	<b>12,095.58</b>	<b>2,189.83</b>	<b>1,415.87</b>	<b>21,364.74</b>
Segment liabilities	5,233.23	817.12	423.31	6,473.66	6,684.81	543.48	904.02	8,132.31
Unallocated liabilities				8,332.64				7,713.68
<b>Total liabilities</b>	<b>5,233.23</b>	<b>817.12</b>	<b>423.31</b>	<b>14,806.30</b>	<b>6,684.81</b>	<b>543.48</b>	<b>904.02</b>	<b>15,845.99</b>

**Information about major customers**

Revenue from two external customers based in India, covered across segments aggregating to ₹ 2,357.99 Million (31 March 2022: ₹ 2,449.73 Million) and ₹ 1,987.71 Million (31 March 2022: ₹ 2,401.83 Million) respectively represented more than 10% of the Company's total revenue.

The Company has provided the definition of "Segment results" because it is alternative performance measure and is not defined in Ind AS.

**NOTE 51**
**The following are analytical ratios for the year ended 31 March 2023 and 31 March 2022.**

Particulars	Note	31 March 2023	31 March 2022	Variance
Current ratio	(a) and (l)	1.5	1.2	26%
Debt / Equity ratio	(b)	1.2	1.1	9%
Debt Service Coverage ratio	(c) and (m)	1.4	1.1	32%
Return on Equity (ROE)	(d) and (n)	2.6%	(14.9)%	118%
Inventory turnover ratio	(e)	17.7	19.6	(10)%
Trade receivables turnover ratio	(f)	1.6	1.8	(9)%
Trade payables turnover ratio	(g)	1.9	1.9	(4)%
Net capital turnover ratio	(h) and (o)	4.0	10.0	(60)%
Net profit ratio	(i) and (n)	1.2%	(6.7)%	118%
Return on capital employed (ROCE)	(j)	9.6%	10.7%	(10)%
Return on investment (ROI)	(k) and (p)	0.0%	3.4%	(100)%

**Note:**
**(I) Formula used for calculation :**

- Current Ratio = Current assets / (Current liabilities\* - Current maturities of long term borrowings)
- Debt / Equity Ratio = (Non-current borrowings + Current borrowings\*) / Total equity
- Debt Service Coverage Ratio (DSCR) = (EBITDA - Current taxes + non-cash items + cash and cash equivalents) / (Interest on financial liabilities + Other borrowing costs + Principal repayments of long-term borrowings + Payment of lease liabilities)
- Return on Equity (RoE) = Net profit / (loss) after taxes / Average Equity
- Inventory turnover ratio = Revenue from operations / Average Inventories
- Trade receivables turnover ratio = Revenue from operations / Average Trade and unbilled receivables
- Trade payables turnover ratio = Total expenses excluding Employee benefit expenses / Average Trade payables\*
- Net capital turnover ratio = Revenue from operations / Working capital where Working capital = Current Assets - (Current liabilities\* - Current maturities of long term borrowings)
- Net profit ratio = Net profit / (loss) after taxes / Total income

NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

- (j) Return on capital employed (ROCE) = (Earnings before interest, tax, depreciation and amortisation (EBITDA) - Depreciation and amortisation expense - Interest on lease liabilities) / Average Capital employed where Capital employed = (Total Equity - Intangible Assets - Intangible Assets under development + Net Debt\*) and Net Debt\* = (Non-current borrowings + Current borrowings - (Cash, cash equivalents and Other bank balances + Margin money (non-current) + Investment in Quoted Mutual Funds + Amount held as margin money against borrowings))
- (k) Return on investment (ROI) = Income from current investments / Time weighted average investments

**(II) Reason for variances :**

- (l) Reduction in current liabilities primarily led to improvement in Current Ratio
- (m) Movement in Debt Service Coverage Ratio during the year ended 31 March 2023 was primarily due to repayment of long-term borrowings
- (n) Company has reported profit during the year ended 31 March 2023 vis-à-vis loss during the year ended 31 March 2022 which has led to the variance in Return on Equity (ROE) and Net Profit ratio
- (o) Increase in working capital has primarily led to movement in Net Capital Turnover Ratio
- (p) There is no investment in quoted instruments during the year ended 31 March 2023

\* - Borrowings excludes reverse factoring which is included in current liabilities for the purpose of calculating above ratios.

**NOTE 52**

The Company has earned profit after tax for the year ended 31 March 2023 of ₹ 148.77 Million. While revenue related to Payment solutions business has largely been consistent during the year, increased receivable days lead to increased working capital cycle and borrowings. Management has assessed its business forecasts and cash forecasts and expects an increase in transaction levels from existing customers and contracts with new customers based on existing pipeline. The Company expects it will generate sufficient cashflows from operating activities through reduction in receivables outstanding days and through other source of borrowings (including undrawn commitments on existing borrowing facilities) to meet its liabilities and provide additional support to its subsidiaries as required in the foreseeable future. The Company also expects to finance its acquisition of property, plant and equipment through internal accruals / debt financing as has been the case in past years. Based on the aforesaid assessment, management believes the Company will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets.

**NOTE 53**

The Company had issued listed NCDs during the year ended 31 March 2021 and the proceeds thereof were utilised towards purchase of Compulsorily Convertible Preference Shares ("CCPS") of Vineha Enterprises Private Limited. On 31 January 2022, the Company completed its Initial Public offer ("IPO"), comprising of an offer for sale of 38,857,141 equity shares of face value of ₹10 each at an issue price of ₹ 175 per share by the Selling Shareholders. As per the objects of the issue defined in RHP and the terms of the Share Purchase Agreement, the offer proceeds received by Mr Ravi B. Goyal for the sale of his portion of the offered shares were utilised for the purchase of Compulsorily Convertible Preference Shares ("CCPS") of Vineha Enterprises Private Limited held by the Company for a consideration of ₹ 6,500 Million on 28 January 2022, upon receipt of the listing and trading approvals from the Stock exchange. Such amount received by the Company was utilised to redeem the listed NCDs on 29 January 2022. Also, consequent to the redemption of the NCDs, these had been de-listed from the NSE. Pursuant to the IPO, the equity shares of the Company were listed on NSE and BSE on 31 January 2022.

**NOTE 54**

There are no significant events subsequent to 31 March 2023 and upto 26 May 2023 that would require adjustment or disclosures in the standalone financial statements.

The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.

 NOTES TO THE STANDALONE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 55**
**Other matters**

- a. No proceeding has been initiated or pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- b. The Company has not been declared wilful defaulter (in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India) by any bank or financial Institution or other lender.
- c. The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or Section 560 of Companies Act, 1956.
- d. The Company has not traded or invested in Crypto currency or Virtual Currency during the year.
- e. The Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries, other than those disclosed in notes to the Standalone Financial Statements.
- f. The Company does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income tax Act, 1961 and there is no previously unrecorded income and related assets that are required to be recorded in the books of accounts during the year.
- g. There are no charges or satisfaction yet to be registered with ROC beyond the statutory period.
- h. The Company is in compliance with the number of layers prescribed under clause (87) of section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017

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

For and on behalf of the Board of Directors of  
**AGS Transact Technologies Limited**  
 CIN : L72200MH2002PLC138213  
**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

Place: Mumbai  
 Date : 26 May 2023

## INDEPENDENT AUDITOR'S REPORT

### To the Members of AGS Transact Technologies Limited

#### Report on the Audit of the Consolidated Financial Statements

#### OPINION

We have audited the consolidated financial statements of AGS Transact Technologies Limited (hereinafter referred to as the "Holding Company") (in which is included financial information from an Employee Stock Option plan (ESOP) trust) and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associate, which comprise the consolidated balance sheet as at 31 March 2023, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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

#### Going concern assessment

See Note 52 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>While the Group has earned profit after tax for the year ended 31 March 2023 of Rs. 369.62 million, the Group has incurred a loss of Rs. 153.61 million for the quarter ended 31 March 2023. While revenue related to Payment solutions business has largely been consistent during the year, increased receivable days led to increased working capital cycle and borrowings.</p> <p>Note 52 to the consolidated financial statements explains that management has concluded that the going concern basis is appropriate in preparing the consolidated financial statements of the Group. The Group evaluated its ability to continue as a concern based on estimated future cash flows, forecasted results and margins from operations. The estimates are based on assumptions, including expectations regarding future developments in the economy and the market. This required the exercise of significant judgement, particularly in forecasting the Group's future revenues, profitability and cash flows.</p>	<p>Our audit procedures to assess the going concern assumption and whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern included the following auditing procedures to obtain sufficient and appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Gaining an understanding of the Group's business planning process and assessing the design, implementation and operating effectiveness of management's key internal controls over preparation of cash flow forecasts to assess its liquidity.</li> <li>Evaluating the key assumptions in the cash flow forecasts (including future revenue, profitability and cash flows) with reference to historical information, current performance, future plans, and market and other external available information;</li> <li>Performing sensitivity analysis on the forecasted statement of profit and loss and cash flows by considering plausible changes to the key assumptions adopted by the Group.</li> </ul>

other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

#### BASIS FOR OPINION

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

#### KEY AUDIT MATTERS

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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

The key audit matter	How the matter was addressed in our audit
<p>Based on this assessment, the Group concluded that there is no material uncertainty related to events or conditions which, individually or collectively, may cast doubt on the Group's ability to continue as a going concern.</p> <p>Considering the significance of the area to the overall financial statements, this was significant to our audit.</p>	<ul style="list-style-type: none"> <li>Performed a retrospective analysis to assess the reasonableness of Group's past projections by comparing historical forecast to actual results;</li> <li>Assessing the availability of undrawn banking and other financing facilities and history of actual rollover of facilities by inspecting underlying documentation.</li> <li>We also considered the adequacy of the required disclosure in the consolidated financial statements.</li> </ul>

#### Revenue recognition

See Note 27 to consolidated financial statements

The key audit matter	How the matter was addressed in our audit
<p>Revenue from rendering of services net of service level agreement adjustments/credits is recognised when the Group satisfies performance obligation by transferring the services to the customers.</p> <p>The revenue from ATM management services is disclosed net of service level agreement adjustments/credits, one-time upfront fees and premium on purchase of property, plant and equipment. Revenue from maintenance contracts is recognised pro-rata over the period of the contract as and when services are rendered.</p> <p>Revenue from sales of goods is measured at fair value of the consideration received or receivable, net of returns, service level agreement adjustments/credits, non-current warranties, trade discounts, goods and service tax and volume rebates, where applicable.</p> <p>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, which may be transferred either at a point in time or over time.</p> <p>We identified revenue recognition as a Key Audit Matter since there is an element of inherent risk and presumed fraud risk around the accuracy and existence of revenues recognised. Further, overstatement of revenue is considered to be a significant audit risk as it is the key driver of returns to investors and incentives linked to performance for a reporting period.</p> <p>Due to judgments involved in the estimate of total revenue and significant audit risk of overstatement, we have considered measurement of revenue as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Obtaining and understanding of the systems, processes and controls implemented by the Group for recording and computing revenue and the associated contract assets, unearned and deferred revenue balances.</li> <li>Performing walkthrough, testing the design, implementation and operating effectiveness of Group's general IT controls, key manual and application controls over the Group's IT systems;</li> <li>Assessing the appropriateness of the policies in respect of revenue recognition by comparing with the applicable accounting standards and their consistent application to the significant sales contracts;</li> <li>Inspecting on a sample basis, key customer contracts. Based on the terms and conditions defined in the contracts, we assessed the Group's revenue recognition policies with reference to the requirements of the applicable accounting standards;</li> <li>Testing timeliness of revenue recognition by comparing individual sample sales transactions to underlying contracts;</li> <li>Performing substantive testing by selecting samples of revenue transactions recorded during the year and matching the parameters used in the computation with the relevant source documents;</li> <li>Scrutinising the revenue journal entries raised throughout the reporting period and comparing details of sample of these journals, which met certain risk-based criteria, with relevant underlying documentation;</li> <li>Checking completeness and accuracy of the data used by the Group for revenue recognition by performing specific cut off procedures on revenue. On a sample basis, we evaluated the revenue being recognized in the correct accounting period.</li> <li>Evaluating the adequacy of the disclosures in the standalone financial statements in accordance with Ind AS 115 - Revenue from Contracts with Customers.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

**OTHER INFORMATION**

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

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

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

When we read the Company's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions applicable under the applicable laws and regulations.

**MANAGEMENT'S AND BOARD OF DIRECTORS'/ BOARD OF TRUSTEE RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

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

or error, which have been used for the purpose of preparation of the consolidated financial statements by the Management and Board of Directors of the Holding Company, as aforesaid.

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

The respective Board of Directors of the companies/ Board of Trustees and included in the Group and of its associate are responsible for overseeing the financial reporting process of each company/trust.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS**

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial statements of such entities or business activities within the Group and its associate to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph

- (a) of the section titled "Other Matters" in this audit report.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate

with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

**OTHER MATTERS**

- a. We did not audit the financial statements of five subsidiaries, whose financial statements reflects total assets (before consolidation adjustments) of Rs. 1,013.37 million as at 31 March 2023, total revenues (before consolidation adjustments) of Rs. 586.91 million and net cash inflows (before consolidation adjustments) amounting to Rs. 7.90 million for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

These subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements of such subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the reports of other auditors and the conversion adjustments prepared by the management of the Holding Company and audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters

## INDEPENDENT AUDITOR'S REPORT (Contd.)

with respect to our reliance on the work done and the reports of the other auditors.

- b. The consolidated financial statements also include the Group's share of net loss (and other comprehensive income) of Rs. Nil for the year ended 31 March 2023 (Rs. 21.72 million till date), as considered in the consolidated financial statements, in respect of one associate, whose financial statements have not been audited by us or by other auditors. These unaudited financial statements/ financial information have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this associate, and our report in terms of sub-section (3) of Section 143 of the Act in so far as it relates to the aforesaid associate, is based solely on such unaudited financial statements / financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/this financial information is not material to the Group.

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

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries, as were audited by other auditors, as noted in the "Other Matters" paragraph, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those and the reports of the other auditors.

- c. The consolidated balance sheet, the consolidated statement of profit and loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- d. In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31 March 2023 taken on record by the Board of Directors of the Holding Company and subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, as noted in the "Other Matters" paragraph:
- a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2023 on the consolidated financial position of the Group and its associate. Refer Note 40 to the consolidated financial statements.
  - b. Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts. Refer Note 20 and 26 to the consolidated financial statements in respect of such items as it relates to the Group and its associate.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- c. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2023.
- d. (i) The management has represented to us that, to the best of its knowledge and belief, as disclosed in the Note 55 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies incorporated in India to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or its subsidiary companies incorporated in India ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (ii) The management has represented to us that, to the best of its knowledge and belief, other than as disclosed in the Note 55 to the consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies incorporated in India from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or its subsidiary companies incorporated in India shall directly or indirectly, lend or invest in other persons or entities identified

in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our or [the branch auditors / other auditors] notice that has caused us or the [branch auditor/branch auditors/other auditor/other auditors] to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The Holding Company and its subsidiary companies incorporated in India have neither declared nor paid any dividend during the year.
- f. As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Holding Company or its subsidiary companies incorporated in India only with effect from 1 April 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 is not applicable.
- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

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

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

**Rajesh Mehra**  
Partner

Membership No.: 103145  
ICAI UDIN: 23103145BGXWWS9644

Place: Mumbai  
Date: 26 May 2023



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

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

Sr. No.	Name of the entities	CIN	Holding Company/ Sub subsidiary/ JV/ Associate	Clause number of the CARO report which is unfavourable or qualified or adverse
1	AGS Transact Technologies Limited	L72200MH2002PLC138213	Holding Company	Clause (ii)(b), (vii)(a),(xi)(a),(xix),(xx)
2	Securevalue India Limited	U74120MH2012PLC230193	Subsidiary	Clause (ii)(b), (xi)(a),
3	India Transact Services Limited	U72900MH2007PLC172249	Subsidiary	Clause (xix)

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

**Rajesh Mehra**  
Partner  
Membership No.: 103145  
ICAI UDIN:23103145BGXWWS9644

Place: Mumbai  
Date: 26 May 2023

## ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF AGS TRANSACT TECHNOLOGIES LIMITED FOR THE YEAR ENDED 31 MARCH 2023

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

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

### OPINION

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

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

### MANAGEMENT'S AND BOARD OF DIRECTORS' RESPONSIBILITIES FOR INTERNAL FINANCIAL CONTROLS

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

### AUDITOR'S RESPONSIBILITY

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

financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

### MEANING OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

### INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

**Rajesh Mehra**  
Partner  
Membership No.: 103145  
ICAI UDIN:23103145BGXWWS9644

Place: Mumbai  
Date: 26 May 2023

## CONSOLIDATED BALANCE SHEET

AS AT 31 MARCH 2023

Particulars	Note	₹ in Million	
		31 March 2023	31 March 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3 (a)	4,975.09	5,424.69
Right-of-use assets	3 (b)	2,618.68	3,210.16
Capital work-in-progress	3 (c)	344.83	434.52
Goodwill	4 (a)	29.43	26.58
Other intangible assets	4 (b)	416.99	439.05
Intangible assets under development	4 (c)	50.70	3.38
Financial assets			
Investments	5(a)	0.08	0.08
Loans	6	-	249.20
Other financial assets	7	626.76	698.32
Deferred tax assets (net)	8 (d)	504.35	550.55
Other non-current assets	9	434.22	219.32
Other tax assets (net)	8 (e)	673.86	431.40
<b>Total non-current assets</b>		<b>10,674.99</b>	<b>11,687.25</b>
<b>Current assets</b>			
Inventories	10	740.30	648.90
Financial assets			
Investments	5 (b)	8.67	-
Trade receivables	11		
Billed receivables		7,029.88	7,223.82
Unbilled receivables		2,008.16	1,923.41
Cash and cash equivalents	12(a)	157.74	300.16
Bank balances other than 12(a) above	12(b)	782.38	506.33
Loans	13	306.03	
Other financial assets	14	289.44	201.90
Other current assets	15	836.07	925.25
<b>Total current assets</b>		<b>12,158.67</b>	<b>11,839.77</b>
<b>Total assets</b>		<b>22,833.66</b>	<b>23,527.02</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	1,204.91	1,201.71
Other equity	17	4,145.67	3,615.97
<b>Equity attributable to owners of the Company</b>		<b>5,350.58</b>	<b>4,817.68</b>
Non-controlling interests		-	-
<b>Total equity</b>		<b>5,350.58</b>	<b>4,817.68</b>
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18 (a)	5,494.24	4,596.76
Lease liabilities	18 (b)	2,188.05	2,575.85
Other financial liabilities	19	-	5.04
Provisions	20	244.58	264.77
Other non-current liabilities	21	17.87	26.14
<b>Total non-current liabilities</b>		<b>7,944.74</b>	<b>7,468.56</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings			
- Borrowings from banks and others	22 (a)	2,374.51	2,523.27
- Reverse factoring	22 (b)	916.13	-
Lease liabilities	22 (c)	1,335.95	1,344.93
Trade payables due to:	23		
- Micro enterprises and small enterprises		322.46	497.18
- Other than micro enterprises and small enterprises		3,348.01	4,605.27
Other financial liabilities	24	809.33	910.33
Other current liabilities	25	273.67	1,192.51
Provisions	26	158.28	167.29
<b>Total current liabilities</b>		<b>9,538.34</b>	<b>11,240.78</b>
<b>Total equity and liabilities</b>		<b>22,833.66</b>	<b>23,527.02</b>
Significant accounting policies	2		

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

1-55

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

For and on behalf of the Board of Directors of

**AGS Transact Technologies Limited**

CIN : L72200MH2002PLC138213

**Ravi Goyal**

Managing Director

DIN: 01374288

**Stanley Johnson P.**

Executive Director

DIN: 08914900

**Saurabh Lal**

Chief Financial Officer

Membership No.: 504653

Place: Mumbai

Date : 26 May 2023

**Sneha Kadam**

Company Secretary

Membership No.: 31215

Place: Mumbai

Date : 26 May 2023

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED 31 MARCH 2023

Particulars	Note	₹ in Million	
		Year ended 31 March 2023	Year ended 31 March 2022
<b>INCOME</b>			
Revenue from operations	27	16,712.73	17,718.72
Other income	28	362.39	253.93
<b>Total income</b>		<b>17,075.12</b>	<b>17,972.65</b>
<b>EXPENSES</b>			
Cost of raw materials and components consumed	29	1,621.58	2,013.75
Purchase of stock-in-trade	30	164.00	195.69
Changes in inventories of finished goods and stock-in-trade	31	(3.24)	70.48
Employee benefit expenses	32	2,403.84	2,660.24
Other expenses	33	8,570.19	8,669.50
<b>Total expenses before interest, depreciation and amortisation and tax</b>		<b>12,756.37</b>	<b>13,609.66</b>
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>		<b>4,318.75</b>	<b>4,362.99</b>
Finance costs	34	1,436.96	2,502.09
Depreciation and amortisation expense	38.4	2,306.49	2,518.73
<b>Profit / (loss) for the year before share of profit/(loss) of associate</b>		<b>575.30</b>	<b>(657.83)</b>
Share of net loss of associate (net of income tax)		-	(7.94)
<b>Profit / (loss) before tax</b>		<b>575.30</b>	<b>(665.77)</b>
<b>Tax expense:</b>			
Current tax	8 (d)	164.61	154.25
-Adjustment of tax relating to previous year		(3.26)	-
Deferred tax	8 (d)	44.33	4.66
<b>Total tax expense</b>		<b>205.68</b>	<b>158.91</b>
<b>Profit / (loss) for the year</b>		<b>369.62</b>	<b>(824.68)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to Profit and Loss in subsequent year (net of tax)</b>			
Remeasurements gain / (loss) of defined benefit plans	36	7.29	14.30
Income tax relating to the above	8	(1.87)	(3.60)
<b>Items that will be reclassified to Profit and Loss in subsequent year (net of tax)</b>			
Exchange differences on translating of financial statements of foreign operations		70.95	(10.05)
<b>Other comprehensive income (net of tax) for the year</b>		<b>76.37</b>	<b>0.65</b>
<b>Total comprehensive income / (loss) for the year</b>		<b>445.99</b>	<b>(824.03)</b>
<b>Profit / (loss) for the year attributable to :</b>			
Equity holders of the parent		369.62	(824.68)
Non-controlling interests		-	-
<b>Other comprehensive income attributable to :</b>			
Equity holders of the parent		76.37	0.65
Non-controlling interests		-	-
<b>Total comprehensive income / (loss) attributable to :</b>			
Equity holders of the parent		445.99	(824.03)
Non-controlling interests		-	-
<b>Earnings per equity share (Nominal value of equity shares of ₹ 10 each, fully paid up)</b>			
Basic earnings per share (₹)	35	3.07	(6.93)
Diluted earnings per share (₹)	35	3.01	(6.93)
Significant accounting policies	2		

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

1-55

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

For and on behalf of the Board of Directors of

**AGS Transact Technologies Limited**

CIN : L72200MH2002PLC138213

**Ravi Goyal**

Managing Director

DIN: 01374288

**Stanley Johnson P.**

Executive Director

DIN: 08914900

**Saurabh Lal**

Chief Financial Officer

Membership No.: 504653

Place: Mumbai

Date : 26 May 2023

**Sneha Kadam**

Company Secretary

Membership No.: 31215

Place: Mumbai

Date : 26 May 2023

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

### EQUITY SHARE CAPITAL

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Balance at the beginning of the year	1,214.03	1,203.93
Add: Shares issued during the year*	-	10.10
Less: Treasury shares*	(9.12)	(12.32)
<b>Balance at the end of the year</b>	<b>1,204.91</b>	<b>1,201.71</b>
<b>* Movement of treasury shares</b>		
Balance at the beginning of the year	(12.32)	(18.12)
Add: Treasury shares issued during the year	-	(10.10)
Share options exercised during the year	3.20	15.90
<b>Balance at the end of the year</b>	<b>(9.12)</b>	<b>(12.32)</b>

### OTHER EQUITY

Particulars	(₹ in Million)						Total attributable to owners of the Company	Attributable to NCI	Total
	Securities premium	Employee stock options reserve	Debt redemption reserve	General reserve	Retained earnings	Foreign currency translation reserve			
<b>Balance at 01 April 2021</b>	<b>2,299.93</b>	<b>137.34</b>	-	<b>10.00</b>	<b>1,874.77</b>	<b>78.77</b>	<b>4,400.81</b>	-	<b>4,400.81</b>
Loss for the year	-	-	-	-	(824.68)	-	(824.68)	-	(824.68)
Other comprehensive income / (loss) for the year	-	-	-	-	10.70	(10.05)	0.65	-	0.65
Dividend paid	-	-	-	-	(120.39)	-	(120.39)	-	(120.39)
Employee compensation expenses recognised during the year	-	113.25	-	-	-	-	113.25	-	113.25
ESOP cost on share options exercised during the year	64.28	(64.28)	-	-	-	-	-	-	-
Transfers from retained earnings	-	-	550.00	-	(550.00)	-	-	-	-
Transfer to general reserve	-	-	(550.00)	550.00	-	-	-	-	-
Premium on share options exercised during the year	46.33	-	-	-	-	-	46.33	-	46.33
<b>Balance at 1 April 2022</b>	<b>2,410.54</b>	<b>186.31</b>	-	<b>560.00</b>	<b>390.40</b>	<b>68.72</b>	<b>3,615.97</b>	-	<b>3,615.97</b>
Profit for the year	-	-	-	-	369.62	-	369.62	-	369.62
Other comprehensive income for the year	-	-	-	-	5.42	70.95	76.37	-	76.37
Employee compensation expenses recognised during the year	-	74.39	-	-	-	-	74.39	-	74.39
ESOP cost on share options exercised during the year	14.02	(14.02)	-	-	-	-	-	-	-
Premium on share options exercised during the year	9.32	-	-	-	-	-	9.32	-	9.32
<b>Balance as at 31 March 2023</b>	<b>2,433.88</b>	<b>246.68</b>	-	<b>560.00</b>	<b>765.44</b>	<b>139.67</b>	<b>4,145.67</b>	-	<b>4,145.67</b>

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

**Rajesh Mehra**  
 Partner  
 Membership No. 103145

 For and on behalf of the Board of Directors of  
**AGS Transcript Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

 Place: Mumbai  
 Date : 26 May 2023

## CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

Particulars	(₹ in Million)	
	Year ended 31 March 2023	Year ended 31 March 2022
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit / (loss) before tax</b>	<b>575.30</b>	(665.77)
<b>Adjustments for :</b>		
Finance cost	1,436.96	2,502.09
Interest income	(133.36)	(74.77)
Write back of lease liabilities (net) and rent concession (refer note 38)	(63.47)	(53.47)
Share of loss of associate	-	7.94
Depreciation and amortisation expense	2,306.49	2,518.73
Loss / (gain) on sale / retirement of Property, plant and equipment (net)	26.57	10.32
Fair value gain on financial assets measured at Fair Value through Profit or Loss (net)	(0.47)	(2.09)
Provision for warranty (net)	(12.05)	(5.45)
Employee stock option scheme expense	74.39	113.25
Inventories written off	5.11	23.32
Loss allowance on trade receivables	387.43	118.76
Other Income - balance written back	(44.32)	-
Unrealised foreign exchange (gain) / loss	(1.94)	0.80
	<b>4,556.64</b>	<b>4,493.66</b>
<b>Changes in working capital :</b>		
(Increase) / Decrease in inventories	(95.83)	47.78
(Increase) in trade receivables	(256.21)	(1,174.52)
Decrease in loans and other financial assets	113.50	55.56
Decrease / (Increase) in other current assets	127.69	(268.78)
Decrease in other non-current assets	10.40	22.24
(Decrease) / Increase in trade payables	(473.30)	828.00
(Decrease) in other current liabilities	(1,063.31)	(317.56)
(Decrease) in other non-current liabilities	(13.31)	(61.94)
(Decrease) in provisions	(9.86)	(16.80)
<b>Cash generated from operations</b>	<b>2,896.41</b>	3,607.64
Direct taxes paid (net)	(403.81)	(362.24)
<b>Net cash flows generated from operating activities (A)</b>	<b>2,492.60</b>	<b>3,245.40</b>
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment including capital advances and work-in-progress	(1,093.93)	(866.26)
Proceeds from sale of property, plant and equipment	12.85	33.68
Investment in compulsorily convertible preference shares	-	(6,500.00)
Proceeds from sale of investments in compulsorily convertible preference shares	-	6,500.00
Purchase of current investments	(8.20)	-
Proceeds from sale of current investments	-	99.00
Interest received	98.96	27.00
Fixed deposits placed during the year	(410.28)	(327.74)
Proceeds from maturity of fixed deposits	138.81	913.57
<b>Net cash used in investing activities (B)</b>	<b>(1,261.79)</b>	<b>(120.75)</b>
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of equity share capital	3.20	15.91
Proceeds from issuance of equity share - securities premium	9.32	46.33
Redemption of non convertible debentures (refer note 5 below)	-	(5,500.00)
Proceeds from long-term borrowings	2,654.00	4,385.48
Repayment of long-term borrowings (refer note 5 below)	(1,349.04)	(3,842.48)
Repayment of short-term borrowings - secured (net)	(522.37)	(187.32)
Proceeds from leasing transaction	352.85	94.50
Dividend paid	-	(120.39)
Payment of lease liabilities	(1,416.26)	(1,502.69)
Interest paid	(868.55)	(1,863.57)

CONSOLIDATED STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Particulars	(` in Million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Other finance charges paid	(236.38)	(273.49)
<b>Net cash (used in) / generated from financing activities (C)</b>	<b>(1,373.23)</b>	<b>(8,747.72)</b>
<b>Net (decrease) / increase in cash and cash equivalents (A)+(B)+(C)</b>	<b>(142.42)</b>	<b>(5,623.07)</b>
Cash and cash equivalents at the beginning of the year	300.16	5,923.23
Effect of Exchange rate fluctuations on cash held*	0.00*	0.00*
<b>Cash and cash equivalents at the end of the year (refer note 12(a))</b>	<b>157.74</b>	<b>300.16</b>

**Notes:**

- 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".
- The movement of borrowings as per Ind AS 7 is as follows:**

	(` in Million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Opening borrowings	7,120.03	12,330.03
Redemption of Non Convertible Debentures	-	(5,500.00)
Proceeds from long-term borrowings	2,654.00	4,385.48
Repayment of long-term borrowings	(1,349.04)	(3,842.48)
Repayment of short-term borrowings (net)	(522.37)	(187.32)
Non-cash adjustments	(33.87)	(65.68)
Effect of Exchange rate fluctuations on cash held*	0.00*	0.00*
<b>Closing borrowings</b>	<b>7,868.75</b>	<b>7,120.03</b>

\* Exchange differences on translation of foreign currency cash and cash equivalents is less than ₹0.01 Million.

**3. Reconciliation of cash and cash equivalents:**

	(` in Million)	
	Year ended 31 March 2023	Year ended 31 March 2022
Cash on hand	25.72	29.33
Balance with banks		
- Current accounts	132.02	270.83
Less : current account balances held in trust for customers	-	-
<b>Cash and cash equivalents as per consolidated statement of cash flows (refer note 12 (a))</b>	<b>157.74</b>	<b>300.16</b>

- 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.

- This includes pre-payment of long-term borrowings including NCDs amounting to ₹ Nil (31 March 2022 ₹6,705.70 Million).

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

Summary of significant accounting policies 2

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

For and on behalf of the Board of Directors of  
**AGS Transact Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

Place: Mumbai  
 Date : 26 May 2023

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 MARCH 2023

**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 and associate namely Securevalue India Limited ('SVIL'), India Transact Services Limited ('ITSL'), Global Transact Services Pte. Limited ('GTSL'), Novus Technologies Pte. Limited, Novus Technologies (Cambodia) Company Limited, Novus Transact Philippines Corporation, Novustech Transact Lanka (Private) Limited (together 'the Group') and its associate, PT Nova Digital Perkasa is in the business of supplying, installing and managing technology-based payment solutions, 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, ATM Managed Services, Intelligent Cash deposit (ICD), cash management, cash replenishment, door step banking to various banks and other service providers and supplying of self-service terminals and related software to financial institutions, Digital payment services which includes toll and transit solutions, transaction switching service, services through point of sale (POS) machine and other payment channels.

The Non-Convertible Debentures ('NCD') of the Company were listed on National Stock Exchange ('NSE') on 26 March 2021 and were delisted on 05 February 2022.

The Equity Shares of the Company are listed on National Stock Exchange ('NSE') and Bombay Stock Exchange ('BSE') from 31 January 2022.

**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, ESOP and employee benefit obligation 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 Act.

Accordingly, the Group has prepared these Consolidated Financial Statements which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss for the year ended 31 March 2023, the Statement of Cash Flows for the year ended 31 March 2023 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')

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.

The Board of Directors approved and adopted the Consolidated Financial Statements of the Group for the ended 31 March 2023 in their meeting held on 26 May 2023.

**B. Functional and presentation currency**

These Consolidated Financial Statements are presented in Indian Rupees (₹), 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)

- ESOP

- 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, disclosure of contingent liabilities at the Balance Sheet date and the reported amount of income and expenses for the reporting period. Future events rarely develop as forecasted and the best

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 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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:

#### Revenue recognition

The Group's contracts with customers include promises to transfer multiple products and services to a customer. Judgment is required to determine the transaction price for the contract. The transaction price could be variable consideration with elements such as net of returns, service level agreement adjustments / credits, non-current warranties, trade discounts, volume rebates, where applicable.

#### 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 valuation. 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 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.

#### 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. The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with foreign currency borrowings arising from changes in foreign exchange rates and interest rates.

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.

Certain unquoted investments are carried at fair value. The fair value of these instruments is measured using valuation techniques such as discounted cash flows and information from other comparable companies in the market. The information about the assumptions made in measuring the fair values is included in the note on financial instruments.

#### Taxes

Significant management judgment is required in determining provision for income tax, deferred income tax assets and liabilities and recoverability of deferred

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income tax assets. The recoverability of deferred income tax assets is based on estimates of taxable income in the jurisdiction 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 Group 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 Statements. 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:



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- 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 subsidiaries considered in the preparation of the consolidated financial statements and the shareholding of the Group in these companies as of 31 March 2023 is as follows:

Subsidiaries	Holding Company	Country of Incorporation	Ownership interest
India Transact Services Limited (w.e.f. 01 April 2010)	Company	India	100%
Securevalue India Limited (w.e.f. 24 April 2012)	Company	India	100%
Global Transact Services Pte. Limited ('GTSL') (w.e.f. 06 March 2009)	Company	Singapore	100%
Novus Technologies Pte. Limited ('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%

\*Not considered for consolidation purposes.

**Associate**

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies. Interests in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction cost. Subsequent to initial recognition the consolidated financial statements include the Group's share of profit and loss and OCI of equity accounted investees until the date on which significant influence ceases.

Associates	Country of Incorporation	Ownership interest
PT.Nova Digital Perkasa	Indonesia	45%

**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

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.

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;

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- 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 or 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. On derecognition, gains and losses accumulated in OCI are reclassified to Consolidated Statement of Profit and Loss.

**(iii) Trade receivables**

Trade receivables are recognised on origination at transaction price. 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 financial 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

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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.

**I. Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated 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.

**J. 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.

**K. 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 AGS Transact 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.

**L. 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, and there are future economic benefits associated with the items and cost can be measured reliably.

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,, 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

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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.

Freehold land is carried at historical cost less any accumulated impairment losses.

POS machines which are removed/de-installed from a particular location are included under 'Deletions'.

**(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 and cost can be measure reliably

**(iii) Depreciation**

Depreciation on property, plant and equipment

Depreciation is provided on the cost of the assets less residual value using 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/till the date the asset is disposed off.

**Freehold land is not depreciated.**

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/CRM machines <sup>*^</sup>	SLM	5 - 10
Others assets at ATM Sites <sup>*^</sup>	SLM	7
POS machines <sup>*^</sup>	SLM	3 - 5
Demo assets <sup>#</sup>	SLM	2 - 5
Stores and spares <sup>#</sup>	SLM	5
Plant and machinery <sup>*</sup>	WDV	10 - 15
Furniture and fixtures <sup>^</sup>	WDV	2 - 10
Office equipment, electrical installation and air conditioners <sup>^</sup>	WDV	2 - 10
Computers <sup>^</sup>	WDV	1 - 6
Vehicles for office purposes	WDV	8
Vehicles for cash management <sup>*</sup>	SLM	7

\* ATM/CRM 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. Useful life as per Schedule II is 15 years for Plant and Machinery and 8 years for vehicles for cash management.

# 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, 3-5 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.

**M. 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 and fair value less cost to sell.

**N. 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.

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Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the consolidated statement of profit and loss as incurred.

**(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 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.

**O. Government Grants**

Government grants including non-monetary grants at fair value are not recognised until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognised in the consolidated 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.

**P. 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

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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.

**Q. 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 as applicable and other costs incurred in bringing the inventories to their present location and condition.

**R. Revenue**

**(i) Sale of goods**

Revenue from sale of goods is measured at transaction price allocated to that performance obligation of the consideration received or receivable, is net of returns, service level adjustment/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 the goods which generally coincides with the delivery of the goods (i.e. at a point in time).

**(ii) Rendering of services**

Revenue from contracts with customers, net of service level adjustment/credits is recognised when the Group satisfies performance obligation by transferring the services to the customers and recognises unclaimed amounts when no pending performance obligation exists.

The revenue from ATM and management services is disclosed net of service level adjustment/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 upgrades and digital payment services is recognised 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:

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- 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.

Contract assets are recognised when there are excess of revenues earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Deferred revenue ("contract liability") is recognised when there are billings in excess of revenues.

**S. Recognition of insurance claim, dividend income, interest income or expense**

The Group recognises the claims in the books, when the amount thereof can be measured reliably and ultimate collection is reasonably certain. As and when claims are finally received from the Insurance Company, the difference, if any, between the claim receivable from insurance company and the claims received is adjusted to the Consolidated Statement of Profit and Loss. All other claims and provisions are accounted on the merits of each case.

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 Consolidated Statement carrying amount of the financial asset or liability. Interest income is included in Other income in the Consolidated Statement of Profit and Loss.

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

**T. 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.

**U. Employee benefits**
**(i) Short-term employee benefits**

All employee benefits payable wholly within twelve months of rendering the service are classified short-

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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,



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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.

**V. 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.

**W. 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.

**X. Leases**

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 contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset throughout the period of the lease and (iii) the Group has the right to direct the use of the asset.

**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, 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 applies the requirements of Ind AS 115 for determining whether the transfer of an asset should be accounted as a sale of that asset. If control of underlying asset passes to the buyer-lessor, the transaction is accounted for as a sale of the asset and a lease. However, if control is not transferred, then both seller-lessee and buyer-lessor account for the transaction as a financing

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transaction. The Group uses judgement to determine whether the transferred asset to buyer-lessor constitutes sale (i.e., transfer of control) or not. Management considers the nature and commercial substance of the arrangement, option to extend a lease for substantially all of the remaining economic life of the underlying asset or option to repurchase the asset after end of the lease term at nominal value, if any and other parameters of determining control in applying judgement.

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.

Lease liability and ROU assets have been separately presented in Balance Sheet and lease payments have been classified as financing cash flows.

**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.

**Y. 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 tax base of assets and liabilities. 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



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asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

**Z. Finance cost**

Finance costs includes interest and other borrowing costs incurred in connection with the borrowing of funds. Interest cost on financial liabilities are measured at amortised cost such as borrowings from banks and others or bonds or similar instruments etc. calculated as per the effective interest method. Interest and other dues on statutory liabilities that are compensatory in nature are measured at the interest rates as applicable under the statute. Other borrowing cost includes processing fees, commission or charges paid for letter of credit and bank guarantees, exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs etc.

**AA. 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. No separate geographical disclosure is considered necessary as the operations, revenue from customers and assets held outside India are not material.

**(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.

**AB. 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.

**AC. Dividend**

The Group recognises a liability for any dividend declared but not distributed at the end of the reporting period when the distribution is authorised and the distribution is no longer at the discretion of the Group on or before the end of the reporting period. A corresponding amount is recognised directly in equity.

**AD. 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, share of Profit/ (Loss) of associate (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

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basis of profit/loss from continuing operations including other income.

**AE. 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.

**AF. 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.

**AG. Recent amendments/ pronouncements (standards issued but not effective)**

Ministry of Corporate Affairs (MCA), on 31 March, 2023, through the Companies (Indian Accounting Standards (Ind AS)) Amendment Rules, 2023 amended certain existing Ind ASs on miscellaneous issues with effect from 01 April 2023. Following are few key amendments relevant to the Group:

- i. Ind AS 1 – Presentation of Financial Statements & Ind AS 34 – Interim Financial Reporting –  
Material accounting policy information (including focus on how an entity applied the requirements of Ind AS) shall be disclosed instead of significant accounting policies as part of financial statements.
- ii. Ind AS 107 – Financial Instruments: Disclosures – Information about the measurement basis for financial instruments shall be disclosed as part of material accounting policy information.
- iii. Ind AS 8 – Accounting policies, changes in accounting estimate and errors-Clarification on what constitutes an accounting estimate provided.
- iv. Ind AS 12 – Income Taxes –

This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences.

The Group does not expect the effect of this on the financial statements to be material, based on preliminary evaluation.

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 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 3 (A)**  
**PROPERTY, PLANT AND EQUIPMENT**  
**Reconciliation of carrying amount**

Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM sites	POS machines/ terminals*	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
<b>Gross carrying amount as at 01 April 2021</b>	53.75	499.73	163.39	392.02	6,096.09	687.22	1,454.94	149.70	291.75	814.01	86.22	247.41	10,936.23
Additions	-	-	10.69	22.54	380.00	286.13	122.81	2.77	15.41	50.66	1.74	20.62	913.37
Disposals	-	-	1.09	36.21	242.42	104.07	53.61	7.71	16.47	-	-	16.68	478.26
<b>Gross carrying amount as at 31 March 2022</b>	<b>53.75</b>	<b>499.73</b>	<b>172.99</b>	<b>378.35</b>	<b>6,233.67</b>	<b>869.28</b>	<b>1,524.14</b>	<b>144.76</b>	<b>290.69</b>	<b>864.67</b>	<b>87.96</b>	<b>251.35</b>	<b>11,371.34</b>
Accumulated depreciation as at 01 April 2021	-	48.37	82.38	116.60	2,595.67	223.91	694.14	106.25	210.69	559.89	77.02	189.30	4,904.22
Depreciation for the year	-	9.11	22.42	44.04	698.12	166.57	192.50	11.21	32.11	114.34	5.90	29.45	1,325.77
Disposals	-	-	0.52	12.62	138.24	44.55	49.97	6.09	14.92	-	-	16.43	283.34
<b>Accumulated depreciation as at 31 March 2022</b>	-	<b>57.48</b>	<b>104.28</b>	<b>148.02</b>	<b>3,155.55</b>	<b>345.93</b>	<b>836.67</b>	<b>111.37</b>	<b>227.88</b>	<b>674.23</b>	<b>82.92</b>	<b>202.32</b>	<b>5,946.65</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>53.75</b>	<b>442.25</b>	<b>68.71</b>	<b>230.33</b>	<b>3,078.12</b>	<b>523.35</b>	<b>687.47</b>	<b>33.39</b>	<b>62.81</b>	<b>190.44</b>	<b>5.04</b>	<b>49.03</b>	<b>5,424.69</b>
Gross carrying amount as at 01 April 2022	53.75	499.73	172.99	378.35	6,233.67	869.28	1,524.14	144.76	290.69	864.67	87.96	251.35	11,371.34
Additions	-	-	5.06	86.45	667.76	145.22	17.50	25.61	17.66	42.78	11.58	17.49	1,037.11
Disposals	-	-	12.38	91.69	362.70	139.88	16.36	9.03	16.57	-	-	11.02	659.63
<b>Gross carrying amount as at 31 March 2023</b>	<b>53.75</b>	<b>499.73</b>	<b>165.67</b>	<b>373.11</b>	<b>6,538.73</b>	<b>874.62</b>	<b>1,525.28</b>	<b>161.34</b>	<b>291.78</b>	<b>907.45</b>	<b>99.54</b>	<b>257.82</b>	<b>11,748.82</b>

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Particulars	Freehold land	Building	Leasehold improvements	Plant and machinery	ATM sites	POS machines/ terminals*	Vehicles	Furniture and fixtures	Electrical installations and equipments	Stores and spares	Demo assets	Computers	Total
<b>Accumulated depreciation as at 01 April 2022</b>	-	57.48	104.28	148.02	3,155.55	345.93	836.67	111.37	227.88	674.23	82.92	202.32	5,946.65
Depreciation for the year	-	9.53	19.38	35.61	646.32	191.23	167.33	10.93	24.35	86.95	5.10	27.14	1,223.87
Disposals	-	-	7.23	35.77	238.95	71.45	15.11	5.93	11.38	-	-	10.97	396.79
<b>Accumulated depreciation as at 31 March 2023</b>	-	<b>67.01</b>	<b>116.43</b>	<b>147.86</b>	<b>3,562.92</b>	<b>465.71</b>	<b>988.89</b>	<b>116.37</b>	<b>240.85</b>	<b>761.18</b>	<b>88.02</b>	<b>218.49</b>	<b>6,773.73</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>53.75</b>	<b>432.72</b>	<b>49.24</b>	<b>225.25</b>	<b>2,975.81</b>	<b>408.91</b>	<b>536.39</b>	<b>44.97</b>	<b>50.93</b>	<b>146.27</b>	<b>11.52</b>	<b>39.33</b>	<b>4,975.09</b>

\*Includes Demo assets of WDV amounting to ₹ Nil Million. (31 March 2022: ₹ 0.48 Million)

- Refer note 41 for expenses capitalised as part of the cost of the property, plant and equipment.
- During the year ended 31 March 2023, assets of ATM sites and Plant and machinery having written down value of ₹ 166.61 Million (31 March 2022: ₹95.35 Million) and included in disposals were subsequently added to inventory for future use/sale. These are generally modified per customer requirements prior to such use/sale.
- During the year ended 31 March 2023, assets of POS machines / terminals having written down value of ₹ 56.81 Million (31 March 2022: ₹53.19 Million) are included in disposals were subsequently re-deployed and added back in POS machines / terminals.
- Certain property, plant and equipment are hypothecated against borrowings, the details relating to which have been described in Note 18(a).
- The Group has followed the cost model for accounting for its property, plant and equipment and accordingly no revaluation of the assets has been carried out
- No impairment loss or reversal of impairment loss in respect of any property, plant and equipment was recognised in the consolidated financial statements during the year.
- The title deeds of all the immovable properties (other than properties where the Group is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Group. In respect of immovable properties where the Group is the lessee, the lease agreements are duly executed in favour of the lessee (including cases where the lease contract is in the process of being renewed).
- Effect of exchange differences on translation of foreign operations is less than ₹ 0.01 Million.

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**NOTE 3 (B)**
**RIGHT-OF-USE ASSET**

Following are the changes in the carrying value of right-of-use asset:

Particulars	(₹ in Million)		
	Building	Plant and Machinery	Total
<b>Balance as at 01 April 2021</b>	3,024.06	182.97	3,207.03
Additions	1,149.21	72.95	1,222.16
Depreciation for the year	(1,028.84)	(36.43)	(1,065.27)
De-recognition of right-of-use asset (refer note 38)	(153.76)	-	(153.76)
<b>Balance as at 31 March 2022</b>	<b>2,990.67</b>	<b>219.49</b>	<b>3,210.16</b>
<b>Balance as at 01 April 2022</b>	<b>2,990.67</b>	<b>219.49</b>	<b>3,210.16</b>
Additions	616.35	4.43	620.78
Depreciation for the year	(926.60)	(26.52)	(953.12)
De-recognition of right-of-use asset (refer note 38)	(259.14)	-	(259.14)
<b>Balance as at 31 March 2023</b>	<b>2,421.28</b>	<b>197.40</b>	<b>2,618.68</b>

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

**NOTE 3 (C)**
**CAPITAL WORK-IN-PROGRESS**

## i. CWIP Schedule

Particulars	(₹ in Million)				Total
	Amount in CWIP for a period of				
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
<b>Project in Progress</b>					
31 March 2022	403.69	30.83	-	-	434.52
<b>31 March 2023</b>	<b>309.74</b>	<b>35.09</b>	<b>-</b>	<b>-</b>	<b>344.83</b>
<b>Project temporary suspended</b>					
31 March 2022	-	-	-	-	-
<b>31 March 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

ii. There are no material capital-work-in progress for the which the completion is overdue or has exceeded its cost compared to its original budget.

**NOTE 4 (A)**
**GOODWILL**
**Reconciliation of carrying amount**

Goodwill on consolidation amounting to ₹29.43 Million (31 March 2022: ₹ 26.58 Million) pertains to acquisition of Novus Technologies Pte. Limited ('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 2023.

Description	(₹ in Million)	
	Goodwill on Consolidation	
<b>Carrying amount as at 01 April 2021</b>	25.20	
Exchange differences on translation of foreign operations	1.38	

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Description	(₹ in Million)	
	Goodwill on Consolidation	
<b>Carrying amount as at 01 April 2022</b>	26.58	
Exchange differences on translation of foreign operations	2.85	
<b>Carrying amount as at 31 March 2023</b>	<b>29.43</b>	

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 2023	31 March 2022
Discount rate	18.00%	18.00%
Long-term growth rate beyond 5 years	3%	3%

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.

**NOTE 4 (B)**
**OTHER INTANGIBLE ASSETS**
**Reconciliation of carrying amount**

Particulars	(₹ in Million)			
	Licenses and technical knowhow fees	Software	Other intangible asset*	Total
<b>Deemed cost as at 01 April 2021</b>	<b>90.30</b>	<b>567.00</b>	<b>279.91</b>	<b>937.21</b>
Additions	-	183.50	-	183.50
Disposals	-	-	-	-
<b>Gross carrying amount as at 31 March 2022</b>	<b>90.30</b>	<b>750.50</b>	<b>279.91</b>	<b>1,120.71</b>
<b>Accumulated amortisation as at 01 April 2021</b>	<b>74.02</b>	<b>403.64</b>	<b>76.31</b>	<b>553.97</b>
Amortisation for the year	8.15	91.55	27.99	127.69
Disposals	-	-	-	-
<b>Accumulated amortisation as at 31 March 2022</b>	<b>82.17</b>	<b>495.19</b>	<b>104.30</b>	<b>681.66</b>
<b>Net carrying amount as at 31 March 2022</b>	<b>8.13</b>	<b>255.31</b>	<b>175.61</b>	<b>439.05</b>
<b>Gross carrying amount as at 01 April 2022</b>	<b>90.30</b>	<b>750.50</b>	<b>279.91</b>	<b>1,120.71</b>
Additions	-	93.93	13.51	107.44
Disposals	-	-	-	-
<b>Gross carrying amount as at 31 March 2023</b>	<b>90.30</b>	<b>844.43</b>	<b>293.42</b>	<b>1,228.15</b>
<b>Accumulated amortisation as at 01 April 2022</b>	<b>82.17</b>	<b>495.19</b>	<b>104.30</b>	<b>681.66</b>
Amortisation for the year	8.13	92.59	28.78	129.50
Disposals	-	-	-	-
<b>Accumulated amortisation as at 31 March 2023</b>	<b>90.30</b>	<b>587.78</b>	<b>133.08</b>	<b>811.16</b>
<b>Net carrying amount as at 31 March 2023</b>	<b>0.00</b>	<b>256.65</b>	<b>160.34</b>	<b>416.99</b>

\* The Group had entered into a public private arrangement which meets the definition of a Service Concession Arrangement (SCA) as per Appendix C to Ind AS 115 -Revenue from Contracts with Customers (Ind AS 115). Based on the requirements of Appendix C to Ind AS 115, the consideration in relation to such arrangement has been recognised as other intangible assets - refer note 39.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

The Service Concession Arrangement (SCA) with the carrying value of ₹ 160.34 Million as at 31 March 2023 (31 March 2022: ₹ 175.61 Million) have a remaining estimated amortisation period of 5 to 8 years.

The Software with the carrying value of ₹256.65 Million as at 31 March 2023 (31 March 2021: ₹ 255.31 Million) have a remaining estimated amortisation period of 1 to 4 years.

- (i) The Group has followed the cost model for accounting for its intangible assets and accordingly no revaluation of the assets has been carried out.
- (ii) No impairment loss or reversal of impairment loss in respect of items of intangible assets was recognised in the consolidated financial statements during the year.

**Note:**

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

**NOTE 4 (C)**
**INTANGIBLE ASSETS UNDER DEVELOPMENT (IAUD) AGEING SCHEDULE**
**i. Intangible under development ageing schedule**

Particulars	Amount in IAUD for a period of				Total
	Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(₹ in Million)					
<b>Project in Progress</b>					
31 March 2022	3.38	-	-	-	3.38
31 March 2023	50.70	-	-	-	50.70
<b>Project temporary suspended</b>					
31 March 2022	-	-	-	-	-
31 March 2023	-	-	-	-	-

- ii. There are no material Intangible assets under development for which the completion is overdue or has exceeded its cost compared to its original budget.

**NOTE 5 (A)**
**NON-CURRENT INVESTMENTS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
(At cost or deemed cost)		
8,000 equity shares (31 March 2022: 8,000 equity shares) ₹ 10 each of AGS Community Foundation (refer note 50)	0.08	0.08
450,000 equity shares (31 March 2022:450,000 equity shares) IDR 13,995 each of PT Nova Digital Perkasa, associate (refer note 50)*	-	-
	0.08	0.08
Aggregate value of impairment of investment	Nil	Nil
Aggregate Market Value of investment	Nil	Nil

\*The Group has ceased recognising share of losses in equity accounted associate. The unrecognised share of losses of the Group amount to ₹21.72 Million (31 March 2022: 10.99 Million). There are no investments in Associate that are individually material.

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 5 (B)**
**CURRENT INVESTMENTS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Investments in Quoted Mutual Funds carried at Fair Value through Profit or Loss		
23,889,428 units (31 March 2022 : Nil units) of Aditya Birla Sun Life Liquid Fund - Growth Direct Plan (refer note below)	8.67	-
	8.67	-
Aggregate book value of quoted investments	8.67	-
Aggregate market value of quoted investments	8.67	-

Note: Investment in quoted mutual funds are held as margin money in relation to one of the long term borrowings.

**NOTE 6**
**NON-CURRENT FINANCIAL ASSETS - LOANS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Unsecured		
Loans and advances to other than related parties (refer note (i) below)	-	249.20
	-	249.20

Note:

- (i) The Group had entered into a contract for purchase of certain technology assets pursuant to which an advance aggregating ₹ 359.00 Million (net) was given. The parties subsequently mutually agreed to terminate the contract and the Company agreed to receive the refund of the Advance Purchase Price along with interest at the rate of 11% per annum as per the repayment schedule. Management has assessed this amount as fully recoverable and concluded that the refund is not prejudicial to the interest of the Group.

**NOTE 7**
**OTHER NON-CURRENT FINANCIAL ASSETS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Unsecured, considered good		
Margin money with maturity of more than twelve months (refer notes (i) and (ii) below)	151.06	149.83
Security deposits	286.29	308.14
Deposit given for acquisition of ATMs and ATM Sites (refer note 44)	189.41	240.35
	626.76	698.32

Note:

- (i). Includes interest accrued amounting to ₹ 17.41 Million (31 March 2022: ₹ 17.17 Million) on margin money with maturity more than twelve months.
- (ii). Includes fixed deposits placed as lien towards term loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 8**
**TAXES**
**(a) Amounts recognised in Consolidated Statement of Profit and Loss**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
<b>Current tax</b>		
Current year	164.61	154.25
Changes in estimates related to prior year	(3.26)	-
	<b>161.35</b>	<b>154.25</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	44.33	4.66
	<b>44.33</b>	<b>4.66</b>
<b>Tax expense for the year</b>	<b>205.68</b>	<b>158.91</b>

**(b) Amounts recognised in other comprehensive income**

Items that will not be reclassified to Consolidated Statement Profit and Loss	₹ in Million	
	31 March 2023	31 March 2022
Tax effect on remeasurements of the defined benefit plans	(1.87)	(3.60)
	<b>(1.87)</b>	<b>(3.60)</b>

**(c) Reconciliation of effective tax rate**

	₹ in Million	
	31 March 2023	31 March 2022
Profit / (loss) before tax and share of loss of associate	575.30	(657.83)
Statutory income tax rate in India	25.17%	25.17%
<b>Tax using the statutory tax rate in India</b>	<b>144.79</b>	<b>(165.56)</b>
<b>Tax effect of:</b>		
Differences in tax rates in subsidiaries	(8.57)	(5.73)
Expenses not allowed under tax	20.50	288.09
Deferred tax assets not recognised because realisation is not probable	32.51	-
Deferred tax recognised on unabsorbed losses and depreciation of subsidiary	30.39	28.40
Others	(18.48)	13.71
Change in estimates related to prior years	4.54	-
<b>Total tax expense</b>	<b>205.68</b>	<b>158.91</b>

Note:

- There are no uncertain tax position that may impact financial statements.
- 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 and one of its Indian subsidiary would continue to avail the option for concessional tax rate for financial year 2021-22 (Assessment year 2022-23).

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**(d) Movement in deferred tax balances**
**Movement in deferred tax balances for the year ended 31 March 2023**

Particulars	Net asset / (liability) 01 April 2022	Recognised in profit or loss - credit / (charge)	Recognised in OCI	₹ in Million
				Net asset / (liability) 31 March 2023
Property, plant and equipment	32.00	(30.66)	-	1.34
Impact of Ind AS 116 (refer note 38)	196.91	(23.02)	-	173.89
Employee benefits	101.58	(7.85)	(1.87)	91.86
Trade receivables	10.25	8.37	-	18.62
Borrowings	3.72	5.03	-	8.75
Provision for warranties	12.66	(2.72)	-	9.94
Loans	(50.81)	(6.43)	-	(57.24)
Derivative contracts	-	0.00	-	0.00
Brought forward loss	244.68	21.34	-	266.02
Others	(0.44)	(8.39)	-	(8.83)
<b>Deferred tax credit</b>	<b>550.55</b>	<b>(44.33)</b>	<b>(1.87)</b>	<b>504.35</b>

**Movement in deferred tax balances for the year ended 31 March 2022**

Particulars	Net asset / (liability) 01 April 2021	Recognised in profit or loss - credit / (charge)	Recognised in OCI	₹ in Million
				Net asset / (liability) 31 March 2022
Property, plant and equipment	27.01	4.99	-	32.00
Impact of Ind AS 116 (refer note 38)	205.73	(8.82)	-	196.91
Employee benefits	108.89	(3.71)	(3.60)	101.58
Trade receivables	(6.74)	16.99	-	10.25
Borrowings	5.35	(1.63)	-	3.72
Provision for warranties	13.87	(1.21)	-	12.66
Loans	(42.10)	(8.71)	-	(50.81)
Derivative contracts	(0.21)	0.21	-	-
Brought forward loss	247.21	(2.53)	-	244.68
Others	(0.18)	(0.24)	-	(0.44)
<b>Deferred tax asset / (liability)</b>	<b>558.82</b>	<b>(4.66)</b>	<b>(3.60)</b>	<b>550.55</b>

- 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.
- Deferred tax liability on undistributed earnings of subsidiaries was not recognised because the Holding Company is able to control the timing of the reversal of temporary differences associated with such undistributed profits and is probable that such differences will not reverse in the foreseeable future.

**Carried Forward Losses of India Transact Services Limited**

Assessment Year	Business Loss	₹ in Million
		Unabsorbed Depreciation
2014-15	-	0.51
2015-16	-	0.50
2016-17	159.49	7.82
2017-18	146.29	19.04
2018-19	131.04	20.68
2020-21	97.89	74.32
2021-22	86.58	95.66
2022-23	-	89.28
2023-24	-	46.88
<b>Total</b>	<b>621.29</b>	<b>354.69</b>



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**(e) Other tax assets (net)**

	(₹ in Million)	
	31 March 2023	31 March 2022
Advance tax paid (net of provision for tax)*	673.86	431.40
* Net of provision for tax ₹ 161.35 Million (31 March 2022: ₹ 154.25 Million)		

**NOTE 9**
**OTHER NON-CURRENT ASSETS**

	(₹ in Million)	
Particulars	31 March 2023	31 March 2022
<i>Unsecured, considered good</i>		
Balances with government authorities	85.97	79.76
One time upfront fees	-	9.09
Capital advances	314.42	56.49
Premium on purchase of property, plant and equipment (refer note 44)	18.74	50.53
Other prepaid expenses	15.09	23.45
	<b>434.22</b>	<b>219.32</b>

**NOTE 10**
**INVENTORIES**

(valued at lower of cost and net realisable value)

	(₹ in Million)	
Particulars	31 March 2023	31 March 2022
Raw materials and components (refer note (i) below)	503.71	416.07
Finished goods	195.91	169.34
Stock-in-trade	37.31	60.64
Stores and spares	3.37	2.85
	<b>740.30</b>	<b>648.90</b>

Notes:

- (i) Inventories includes goods in transit ₹ 77.63 Million (31 March 2022: ₹ 8.89 Million)
- (ii) All inventories are hypothecated against borrowings, the details relating to which have been described in Note 22 (a)
- (iii) Inventories are net of net realisable value adjustment ₹ 1.75 Million.

**NOTE 11**
**CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES**

	(₹ in Million)	
Particulars	31 March 2023	31 March 2022
Billed receivables - Unsecured, considered good (refer note 18 (a) and 47 (B))	7,029.88	7,223.82
Unbilled receivables (refer note 47 (B))	2,008.16	1,923.41
	<b>9,038.04</b>	<b>9,147.23</b>

Note: For dues from related parties (unsecured consider good) refer note 50.

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**Billed receivables ageing schedule**

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,705.05	1,139.73	889.11	173.82	105.27	<b>7,012.98</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	-	16.90	-	-	<b>16.90</b>
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

**Unbilled receivables ageing schedule**

As at 31 March 2023

Particulars	Unbilled receivables not due
(i) Undisputed Unbilled receivables - considered good	<b>2,008.16</b>
(ii) Undisputed Unbilled receivables - which have significant increase in credit risk	-
(iii) Undisputed Unbilled receivables - credit impaired	-
(iv) Disputed Unbilled receivables-considered good	-
(v) Disputed Unbilled receivables - which have significant increase in credit risk	-
(vi) Disputed Unbilled receivables- credit impaired	-

**Billed receivables ageing schedule**

As at 31 March 2022

Particulars	Outstanding for following periods from due date of payment					Total
	Less than 6 months	6 months to 1 year	1-2 Years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables - considered good	4,459.81	1,563.80	717.43	253.57	212.31	<b>7,206.92</b>
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-
(iv) Disputed Trade Receivables- considered good	-	16.90	-	-	-	<b>16.90</b>
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed Trade Receivables - credit impaired	-	-	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**Unbilled receivables ageing schedule**

As at 31 March 2022

Particulars	(₹ in Million)	
	Unbilled receivables not due	
(i) Undisputed Unbilled receivables – considered good	1,923.41	
(ii) Undisputed Unbilled receivables – which have significant increase in credit risk	-	
(iii) Undisputed Unbilled receivables – credit impaired	-	
(iv) Disputed Unbilled receivables – considered good	-	
(v) Disputed Unbilled receivables – which have significant increase in credit risk	-	
(vi) Disputed Unbilled receivables – credit impaired	-	

**\* Movement of unbilled revenue**

Particulars	31 March 2023	31 March 2022
Opening unbilled revenue	1,923.41	3,182.95
Add: Addition during the year	1,837.56	1,845.36
Less: Invoiced during the year	(1,752.81)	(3,104.90)
<b>Closing unbilled revenue</b>	<b>2,008.16</b>	<b>1,923.41</b>

**NOTE 12 (A)**
**CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Cash on hand (refer note (i) below)	25.72	29.33
Current accounts	132.02	270.83
	<b>157.74</b>	<b>300.16</b>

Note:

- (i) Cash on hand as at 31 March 2023 includes ₹ 13.08 Million (31 March 2022: ₹ 15.98 Million) held by the Group at locations and includes ₹ Nil (31 March 2022: ₹ 0.25 Million) lying in vaults on behalf of Toll and Transit business and ₹ 11.99 Million (31 March 2022: ₹ 11.99 Million) lying in vaults for cash burial business.
- (ii) One of the subsidiary has nodal accounts with RBL Bank, IndusInd Bank and Axis Bank having a balance of ₹ 42.82 Million (31 March 2022: ₹ 27.66 Million) which is used for merchant payment for transactions done on POS machines. Hence, the same is not considered as part of cash and bank balances.

**NOTE 12 (B)**
**CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN 12 (A) ABOVE**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Margin money with maturity of less than three months (refer note (i) below)	165.80	163.04
Margin money with maturity of more than three months but less than twelve months (refer note (ii) and (iii) below)	612.40	334.50
Balance with banks - On escrow account (refer note (iv) below)	4.18	8.79
	<b>782.38</b>	<b>506.33</b>

Note:

- (i) Includes interest accrued amounting to ₹ 5.93 Million (31 March 2022 : ₹ 6.03 Million) on margin money with original maturity of less than three months.
- (ii) Includes interest accrued of ₹ 13.60 Million (31 March 2022 : ₹ 6.26 Million) on margin money with maturity more than three months but less than twelve months.
- (iii) Margin money includes amount of ₹ 10.38 Million (31 March 2022: ₹ 9.81 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.

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 13**
**CURRENT FINANCIAL ASSETS - LOANS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Unsecured, considered good		
Loans and advances to other than related parties (refer note 6 (i))	306.03	110.00
	<b>306.03</b>	<b>110.00</b>

**NOTE 14**
**OTHER CURRENT FINANCIAL ASSETS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Deposit given for acquisition of ATMs and ATM sites (refer note 44)	61.11	60.97
Security deposits	192.63	116.92
Insurance claim receivable	17.00	13.74
Other receivable	18.70	10.27
	<b>289.44</b>	<b>201.90</b>

**NOTE 15**
**OTHER CURRENT ASSETS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Unsecured, considered good		
Premium on purchase of property, plant and equipment (refer note 44)	31.80	58.40
Prepaid rent	-	0.14
Other prepaid expenses	253.06	116.69
One time upfront fees	9.37	14.91
Balances with government authorities	170.52	74.23
Advance to employees	6.58	14.17
Other advances (refer note below)	364.74	646.71
	<b>836.07</b>	<b>925.25</b>

Note:

It includes amounts recoverable from the selling shareholders pursuant to the successful completion of the IPO (refer notes 49 and 53).

**NOTE 16**
**EQUITY SHARE CAPITAL**
**a. Details or authorised, issued and subscribed and fully paid up share capital are as follows:**

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
<b>Authorised capital</b>				
Equity Shares of ₹ 10/- each	160,000,000	1,600.00	160,000,000	1,600.00
<b>Issued, subscribed and fully paid up</b>				
Equity Shares of ₹ 10/- each fully paid up	121,403,076	1,214.03	121,403,076	1,214.03
Less: Treasury shares*	(911,880)	(9.12)	(1,231,900)	(12.32)
	<b>120,491,196</b>	<b>1,204.91</b>	<b>120,171,176</b>	<b>1,201.71</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

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

(₹ in Million)

	31 March 2023		31 March 2022	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	121,403,076	1,214.03	120,392,576	1,203.93
Add: Shares issued during the year	-	-	1,010,500	10.10
Less: Treasury shares* (refer note (g) below)	(911,880)	(9.12)	(1,231,900)	(12.32)
<b>Shares outstanding at the end of the year</b>	<b>120,491,196</b>	<b>1,204.91</b>	<b>120,171,176</b>	<b>1,201.71</b>

\* The treasury shares of the Company includes the shares held by the AGS Transact Employees Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2023, the Trust held 9,11,880 shares (31 March 2022: 12,31,900) of the Company.

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

Name of Shareholder	31 March 2023		31 March 2022	
	No. of shares	Percentage	No. of shares	Percentage
Ravi B. Goyal#	27,741,455	22.85%	27,741,455	22.85%
Vineha Enterprises Private Limited*	51,054,264	42.05%	51,054,264	42.05%

# During the year ended 31 March 2023, 10,155,000 Equity Shares held by Ravi B. Goyal were pledged as security in respect of his personal borrowing.

\* As at 01 April 2021, 117,514,576 Equity Shares held by the Promoters, were pledged with Catalyst Trusteeship Limited as security in respect of secured redeemable non-convertible debentures issued by Vineha Enterprises Private Limited (Vineha NCDs). The Vineha NCDs were redeemed on 03 April 2021 and pledge on the Equity Shares of the Company held by the Promoters was released on 05 April 2021.

**d. Terms / rights attached to equity shares**

The Company has equity shares having a par value of ₹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.

**f. Shareholding of Promoters**

Name of Promoter	31 March 2023			31 March 2022		
	Number of shares	% of total shares	% Change during the year	Number of shares	% of total shares	% Change during the year
Ravi B. Goyal	27,741,455	22.85%	Nil	27,741,455	22.85%	58%
Vineha Enterprises Private Limited	51,054,264	42.05%	Nil	51,054,264	42.05%	Nil
	<b>78,795,719</b>			<b>78,795,719</b>		

Note:

(i) Promoter means promoter as defined in Section 2 (69) of the Companies Act, 2013

(ii) Percentage change shall be computed with respect to the number at the beginning of the year (also refer note 53).

g. On 29 March 2022, the Company had issued 1,010,500 equity shares to AGS Transact Employees Welfare Trust under the approved ESOP schemes and the same were disclosed as treasury shares. The Company was required to obtain prior in-principle approval from Stock Exchanges, which was not complied with and the shares were allotted. The Company has made an application seeking condonation from SEBI in this regard and were granted the condonation on 22 November, 2022. Thereafter, pursuant to receipt of in-principle approvals from the Stock Exchanges, these 1,010,500 equity shares were listed and admitted for trading on the Stock Exchanges with effect from December 27, 2022.

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h. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: Nil

**NOTE 17**
**OTHER EQUITY**

(₹ in Million)

Particulars	31 March 2023	31 March 2022
<b>Securities premium</b>		
<b>Gross balance at the beginning of the year</b>	<b>2,457.95</b>	2,364.23
Less: Securities premium on treasury shares* (refer note below)	(38.09)	(47.41)
<b>Net balance at the beginning of the year</b>	<b>2,419.86</b>	2,316.82
Add : Issue of equity shares for cash	-	29.44
Add : Premium on share options exercised during the year	14.02	64.28
<b>Balance at the end of the year</b>	<b>2,433.88</b>	<b>2,410.54</b>
<b>* Movement of securities premium on treasury shares</b>		
Balance at the beginning of the year	(47.41)	(64.30)
Add : Issue of equity shares for cash	-	(29.44)
Less: Share options exercised during the year	9.32	46.33
<b>Balance at the end of the year</b>	<b>(38.09)</b>	<b>(47.41)</b>
<b>General reserve</b>		
Balance at the beginning of the year	560.00	10.00
Add: Transfer from Debenture redemption reserve	-	550.00
<b>Balance at the end of the year</b>	<b>560.00</b>	<b>560.00</b>
<b>Employee stock options reserve (refer note 37)</b>		
Balance at the beginning of the year	186.31	137.34
Add : ESOP cost for the year	74.39	113.25
Less : Premium on share options exercised during the year	(14.02)	(64.28)
<b>Balance at the end of the year</b>	<b>246.68</b>	<b>186.31</b>
<b>Debenture redemption reserve</b>		
Balance at the beginning of the year	-	-
Add : Transfer from retained earnings	-	550.00
Less : Transfer to general reserve	-	(550.00)
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>
<b>Foreign currency translation reserve</b>		
Balance at the beginning of the year	68.72	78.77
Add : Movement during the year	70.95	(10.05)
<b>Balance at the end of the year</b>	<b>139.67</b>	<b>68.72</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	390.40	1,874.77
Profit / (loss) for the year	369.62	(824.68)
Dividend paid	-	(120.39)
Remeasurements of defined benefit plans for the year (net of tax)	5.42	10.70
Transfer to Debenture redemption reserve	-	(550.00)
<b>Balance at the end of the year</b>	<b>765.44</b>	<b>390.40</b>
<b>Total other equity</b>	<b>4,145.67</b>	<b>3,615.97</b>

Note:

The treasury shares of the Company includes the shares held by the AGS Transact Employee Welfare Trust ("Trust", considered as a branch of the Company). As at 31 March 2023, the Trust held 911,880 shares (31 March 2022: 1,812,000) of the Company. 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**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.

**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. Further transfer has been made from Debenture redemption reserve to General reserve upon redemption of Non Convertible Debentures.

**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.

**Debenture redemption reserve**

Debenture redemption reserve is a statutory reserve (as per Companies Act, 2013) created out of profits of the Company available for payment of dividend for the purpose of redemption of Debentures issued by the Company. On completion of redemption, the reserve is transferred to General reserve.

**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, debenture redemption reserve, dividends or other distributions paid to shareholders.

It includes Remeasurements of defined benefit plans also disclosed under Other Comprehensive Income.

**Dividend**

Dividend of ₹ 120.39 Million (Re. 1 per equity share), including ₹ 1.81 Million on treasury shares, was recommended by the Board of Directors for FY 2020-21 and was approved by shareholders at the Annual General Meeting held on 21 September 2021. The same was subsequently paid on 21 October 2021. In respect of the dividend paid during the previous year by the Company, except for not transferring amount of dividend to separate bank account within the timeline specified in sub-section (4) of section 123 of the Act, the payment of dividend was in accordance with section 123 of the Companies Act, 2013.

**NOTE 18 (A)**
**NON-CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	₹ in Million	
	31 March 2023	31 March 2022
<b>Term loans - Secured</b>		
<b>Borrowings In India</b>		
Foreign currency term loan from banks (refer note (viii) below)	-	18.07
Indian rupee term loan from banks (refer note (i) below)	2,680.12	2,739.75
Indian rupee vehicle loan from banks (refer note (ii) below)	135.64	266.66
Indian rupee vehicle loan from others (refer note (iii) below)	116.42	191.70
Indian rupee term loan from others (refer note (iv) below)	301.26	62.54
	<b>3,233.44</b>	<b>3,278.72</b>
<b>Borrowings Outside India</b>	<b>2,260.80</b>	<b>1,318.04</b>
Term loan- ECB (refer note (v) below)	2,260.80	1,318.04
	<b>5,494.24</b>	<b>4,596.76</b>

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**Notes:**

- (i) Indian rupee term loan from banks carry an interest rate in the range of 9.25% p.a. to 11.75% p.a. The loans are repayable as per the balance amortisation schedule spread over from 33 months to 69 months. Loans are secured by charge on specific assets comprising of ATMs, specific receivables and other related equipments of assigned contract. Further, few of the term loans from banks availed by one of the subsidiary company are secured by way of second charge on the vehicles funded by respective lenders. Out of this, two Loans are also secured by charge on specific assets comprising of land and building.
- (ii) Indian rupee vehicle loan from banks for purchase of vehicles carries a rate of interest in the range of 8.40% to 9.80% p.a. The loans have repayment year in range of 18 to 38 months. The loans are secured by a hypothecation of the vehicles.
- (iii) 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 8 to 46 months. The loans are secured by a hypothecation of the vehicles.
- (iv) Indian rupee term loan from others carry an interest rate in the range of 9.25% p.a. to 11.65% p.a. The loans are repayable as per the amortisation schedule spread over from 4 months to 37 months. Loans from others availed by one of the subsidiary company is secured by way of second charge on the vehicles funded by respective lender and one of the term loan from others availed by one of the subsidiary company is secured by hypothecation of plant and machinery and two of the term loan from others are secured by charge on specific receivables and corporate guarantee given by the Holding Company
- (v) Loan in the form of External Commercial Borrowings (ECB) outside India carry an interest rate in the range of 1 month Term SOFR plus 300 bps to 360 bps. The loans are repayable as per the balance amortisation schedule spread over from 18 months to 51 months. Loans are secured by charge on specific assets comprising of ATMs and specific receivables.
- (vi) There are no material breaches of the covenants associated with the borrowings (refer to above (i) to (vi)) and none of the borrowings were called back during the year.
- (vii) The borrowings have been utilised for the purpose for which it was taken including towards lease obligations relating to Right-of-use assets and hence considered capital in nature.
- (viii) Foreign currency term loan from banks carrying an interest rate in the range from 20% p.a. to 23% p.a. Loans were secured by charge on specific assets comprising of building, ATMs, specific receivables and other related equipments of assigned contract.
- (ix) Refer note 22(a) for current maturities of long term borrowings.

**NOTE 18 (B)**
**NON-CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

Particulars	₹ in Million	
	31 March 2023	31 March 2022
<b>Unsecured</b>		
Lease liabilities (refer note 38)	2,188.05	2,575.85
	<b>2,188.05</b>	<b>2,575.85</b>

**NOTE 19**
**OTHER NON-CURRENT FINANCIAL LIABILITIES**

Particulars	₹ in Million	
	31 March 2023	31 March 2022
Payables related to Service Concession Arrangement projects (refer note 39)	-	5.04
	<b>-</b>	<b>5.04</b>

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 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 20**
**NON-CURRENT - PROVISIONS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Provision for employee benefits</b>		
Gratuity (refer note 36)	244.58	264.77
	<b>244.58</b>	<b>264.77</b>

**NOTE 21**
**OTHER NON-CURRENT LIABILITIES**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Deferred revenue	17.87	26.14
	<b>17.87</b>	<b>26.14</b>

**NOTE 22 (A)**
**CURRENT FINANCIAL LIABILITIES - BORROWINGS**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Secured</b>		
<b>From banks (refer note (ii) below)</b>		
Working capital loans (refer note (i) and (viii) below)	108.94	600.06
Cash credit and other facilities (refer note (vii) and (viii) below)	68.21	71.04
<b>From others</b>		
Working capital loans (refer note (iii), (iv) and (viii) below)	611.06	627.34
Current maturities of long term borrowings (refer note (v) below)	1,506.83	1,134.07
<b>Unsecured</b>		
Loan from director of a subsidiary company (refer note (vi) below)	79.47	90.76
	<b>2,374.51</b>	<b>2,523.27</b>

Note:

- (i) Includes interest accrued amounting to ₹ 0.90 Million (31 March 2022: ₹ 0.06 Million)
- (ii) Working capital loans, cash credit and other facilities from Banks are secured by hypothecation of current assets and are repayable on demand. These loans carry an interest rate as mentioned below:  
Working capital loans 9.50% p.a. to 10.60% p.a.  
Cash credit and other facilities 9.50% p.a.
- (iii) The working capital loans from others 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 ranging from 10.10% p.a. to 11.50% p.a.
- (iv) Working capital loans includes factored receivables which is secured by factored invoices and second charge on current assets (refer note 47 (B)).
- (v) Includes interest accrued amounting to ₹ 35.20 Million (31 March 2022: ₹ 32.38 Million).
- (vi) The loan from director of a subsidiary company is interest free and repayable on demand.
- (vii) Facilities taken from bank towards merchant settlement carrying interest rate of 7.35% to 7.63% and is repayable on demand.

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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- (viii) The Group has availed short term borrowings from banks or financial institutions on the basis of security of current assets. The Group is required to file periodic returns with banks, including those related to current assets. The returns are extracted from audited / unaudited financial information provided by the Group, summary of which are tabulated below:

**AGS Transcat Technologies Limited**

Quarter	Name of bank	Particulars	(₹ in Million)			
			Amounts as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Q 1 – June 2022	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited Qatar National Bank	Inventories, Trade receivables and payables	6,516.14	6,557.66	(41.52)	Refer note below
Q 2 – September 2022	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited Qatar National Bank	Inventories, Trade receivables and payables	7,174.74	7,174.74	-	Not required
Q 3 – December 2022	Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited Qatar National Bank	Inventories, Trade receivables and payables	7,678.70	7,678.70	-	Not required
Q 4 – March 2023	Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanlaxmi Bank Limited IDFC First Bank Limited IndusInd Bank Limited	Inventories, Trade receivables and payables	7,389.44	NA	NA	Not yet filed
Q 1 – June 2021	ICICI Bank Limited Standard Chartered Bank Citibank N.A. Yes Bank Limited HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited	Inventories, Trade receivables and payables	5,335.34	5,380.11	(44.77)	Refer note below



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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(₹ in Million)						
Quarter	Name of bank	Particulars	Amounts as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Q 2 – September 2021	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited	Inventories, Trade receivables and payables	6,345.14	6,441.11	(95.97)	Refer note below
Q 3 – December 2021	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited	Inventories, Trade receivables and payables	6,741.87	6,030.01	711.86	Refer note below
Q 4 – March 2022	ICICI Bank Limited Standard Chartered Bank Citibank N.A. HDFC Bank Limited Axis Bank Limited Federal Bank Limited Bajaj Finance Limited Dhanalaxmi Bank Limited IDFC First Bank Limited	Inventories, Trade receivables and payables	6,834.36	6,849.89	(15.53)	Refer note below

**Securevalue India Limited**

(₹ in Million)						
Quarter	Name of bank	Particulars	Amounts as per books of account	Amount as reported in the quarterly return/statement	Amount of difference	Reason for material discrepancies
Q 1 – June 2022	Bajaj Finance Limited	Trade receivables and payables	2,350.86	2,371.81	(20.95)	Refer note below
Q 2 – September 2022	Bajaj Finance Limited	Trade receivables and payables	2,522.66	2,522.66	-	Not Required
Q 3 – December 2022	Bajaj Finance Limited	Trade receivables and payables	2,167.60	2,167.60	-	Not Required
Q 4 – March 2023	Bajaj Finance Limited	Trade receivables and payables	2,185.21	NA	NA	Not yet filed
Q 1 – June 2021	Bajaj Finance Limited	Trade receivables and payables	1,839.34	1,716.79	122.55	Refer note below
Q 2 – September 2021	Bajaj Finance Limited	Trade receivables and payables	2,249.03	1,912.95	336.08	Refer note below
Q 3 – December 2021	Bajaj Finance Limited	Trade receivables and payables	2,193.78	2,327.70	(133.92)	Refer note below
Q 4 – March 2022	Bajaj Finance Limited	Trade receivables and payables	1,886.09	2,152.42	(266.33)	Refer note below

Note: Primarily due to year/ period end closing adjustment.

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 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 22 (B)**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
<b>Unsecured</b>		
Reverse factoring	916.13	-
	<b>916.13</b>	<b>-</b>

Note: Average period upto 180 days, rate of interest 7.5% to 8.7%.

**NOTE 22 (C)**
**CURRENT FINANCIAL LIABILITIES - LEASE LIABILITIES**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
<b>Unsecured</b>		
Lease liabilities (refer note 38)	1,335.95	1,344.93
	<b>1,335.95</b>	<b>1,344.93</b>

**NOTE 23**
**CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES DUE TO:**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
- Micro enterprises and small enterprises	322.46	497.18
- Other than micro enterprises and small enterprises	3,348.01	4,605.27
	<b>3,670.47</b>	<b>5,102.45</b>

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

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
The principal amount remaining unpaid to any supplier as at the end of each accounting year	322.46	497.18
Interest due thereon	20.16	10.20
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 each accounting year.	-	-
The amount of interest due and payable for the year 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 accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding year, 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	-	-

**Trade payables and accrued expenses ageing schedule**
**As at 31 March 2023**

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	310.00	11.25	0.63	0.58	322.46
(ii) Others	1,366.37	1,311.72	352.51	73.41	172.43	3,276.44
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	1.16	3.14	-	67.27	71.57

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As at 31 March 2022

Particulars	Not due	Outstanding for following periods from due date of payment				Total
		(₹ in Million)				
		Less than 1 year	1-2 Years	2-3 years	More than 3 years	
(i) MSME	-	482.24	10.66	2.36	1.92	497.18
(ii) Others	2,312.99	1,912.26	108.23	141.79	116.00	4,591.27
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	14.00	14.00

**NOTE 24**
**OTHER CURRENT FINANCIAL LIABILITIES**

Particulars	31 March 2023	31 March 2022
Accrued employee cost	695.81	777.66
Payable for capital goods	81.21	79.66
Security deposit vendor	26.74	30.71
Payables related to Service Concession Arrangement projects (refer note 39)	5.57	22.30
	809.33	910.33

**NOTE 25**
**OTHER CURRENT LIABILITIES**

Particulars	31 March 2023	31 March 2022
Deferred revenue	24.00	46.26
Balances due to government authorities (refer note below)	224.35	1,120.80
Others	2.54	-
Advance from Customers	22.78	25.45
	273.67	1,192.51

Note:

Includes dues towards Tax deduction at source, Goods and service tax, Provident fund, Employee state insurance contribution and others and interest thereon.

Particulars	31 March 2023	31 March 2022
<b>* Movement of deferred revenue</b>		
Opening deferred revenue	46.26	88.16
Add: Addition during the year	14.93	46.38
Less: recognised during the year	(37.19)	(88.28)
<b>Closing deferred revenue</b>	24.00	46.26

**NOTE 26**
**CURRENT - PROVISIONS**

Particulars	31 March 2023	31 March 2022
<b>Provision for employee benefits:</b>		
Gratuity (refer note 36)	55.25	45.53
Compensated absences (refer note 36)	81.41	88.09
<b>Others provision for:</b>		
Warranties*	21.62	33.67
	158.28	167.29

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Provision for warranties represents management's best estimate of the liability for warranties granted on products. The estimate has been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

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

Movement of warranty (Non-current and current classification)

Particulars	31 March 2023	31 March 2022
Opening balance	59.81	99.78
Charge during the year	10.45	16.72
Utilisation during the year	(30.77)	(56.69)
<b>Closing balance</b>	39.49	59.81

**NOTE 27**
**REVENUE FROM OPERATIONS**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
<b>Sale of traded goods</b>		
- Automation products	218.32	253.64
<b>Sale of manufactured goods</b>		
- Automation products	559.09	1,238.84
- ATM and ATM sites	286.05	322.33
	1,063.46	1,814.81
<b>Revenue from services</b>		
ATM and management services	7,973.10	8,401.40
Less: Amortisation of one time upfront fee and premium on purchase of property, plant and equipment (refer note 44)	(42.29)	(42.29)
	7,930.81	8,359.11
AMC services and upgrades	2,321.97	2,476.34
Digital payment services	2,799.57	2,674.60
Cash management services	2,596.92	2,393.86
	15,649.27	15,903.91
<b>Total revenue from operations (net) (refer note 42)</b>	16,712.73	17,718.72

**NOTE 28**
**OTHER INCOME**

Particulars	Year ended 31 March 2023	Year ended 31 March 2022
Interest income from instruments measured at amortised cost :		
Deposits with banks	40.52	38.08
Security deposits	28.59	36.45
Others	64.25	0.24
Insurance claim	61.49	109.20
Scrap sale	0.41	-
Write back of lease liabilities (net) and rent concession (refer note 38)	63.47	53.47
Foreign exchange gain (net)	-	0.78
Reversal of provision for warranty (net)	12.05	5.45
Realised/unrealised gain on investment in quoted mutual fund at Fair Value through Profit or Loss	0.47	2.09
Government grant (refer note below)	42.70	3.23
Others	48.44	4.94
	362.39	253.93

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Note -

Government grants have been received towards operationalisation of payments Infrastructure Development Fund (PIDF) Scheme intended to subsidise deployment of payment acceptance infrastructure in Tier-1 to Tier-6 centres done by the Group. There are no unfulfilled conditions or contingencies attached to these grants.

**NOTE 29**
**COST OF RAW MATERIALS AND COMPONENTS CONSUMED**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Inventories at the beginning of the year	416.07	410.03
Add: Purchases during the year	1,709.22	2,019.79
Less: Inventories at the end of the year	(503.71)	(416.07)
	<b>1,621.58</b>	<b>2,013.75</b>

**NOTE 30**
**PURCHASE OF STOCK-IN-TRADE**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
	164.00	195.69
	<b>164.00</b>	<b>195.69</b>

**NOTE 31**
**CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK-IN-TRADE**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
<i>Finished goods</i>		
Inventories at the beginning of the year	169.34	222.75
Inventories at the end of the year	195.91	169.34
	<b>(26.57)</b>	<b>53.41</b>
<i>Stock-in-trade</i>		
Inventories at the beginning of the year	60.64	77.71
Inventories at the end of the year	37.31	60.64
	<b>23.33</b>	<b>17.07</b>
<b>Changes in inventories</b>	<b>(3.24)</b>	<b>70.48</b>

**NOTE 32**
**EMPLOYEE BENEFIT EXPENSES**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Salaries and wages (refer note 41)	2,146.33	2,342.61
Employee stock option scheme expense net (refer note 37 and 50)	74.39	113.25
Contributions to provident and other funds (refer note 36)	109.54	126.79
Gratuity expenses (refer note 36)	62.57	61.44
Staff welfare expenses	11.01	16.15
	<b>2,403.84</b>	<b>2,660.24</b>

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**NOTE 33**
**OTHER EXPENSES**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Cash management expenses	284.46	232.02
Transaction expenses	1,262.93	1,301.87
Rent expenses (refer note 38)	147.85	71.04
Caretaker and housekeeping expenses	396.49	568.41
Power and fuel expenses	905.96	918.52
Subcontracting expenses	2,458.58	2,638.83
Communication expenses	139.03	176.18
	<b>12.64</b>	<b>23.11</b>
Transaction settlement expenses	143.02	86.18
Repairs and maintenance		
- Plant and machinery	866.74	882.83
- Others	160.28	93.13
Travelling and conveyance expenses	297.39	286.76
Consumables	43.31	46.10
Legal and professional charges	328.36	400.68
Insurance charges	230.09	207.33
Tools and equipments	88.19	89.70
Postage and courier	104.86	139.70
Foreign exchange loss (net)	8.19	54.23
Loss allowance on trade receivables	387.43	118.76
Loss on sale / retirement of property, plant and equipment (net)	26.57	10.32
Printing and stationery	23.71	26.38
Rates and taxes	4.79	28.88
Payment to auditors (refer note 43)	16.57	13.10
Fees for increase in authorised share capital	1.90	-
Sales promotion expenses	5.75	8.92
Directors' sitting fees	10.57	12.70
Commission to directors	16.10	8.88
Office expenses	41.50	40.37
Electronic Collection Charges	0.53	1.87
Miscellaneous expenses	156.40	182.70
	<b>8,570.19</b>	<b>8,669.50</b>

**NOTE 34**
**FINANCE COSTS**

Particulars	₹ in Million	
	Year ended 31 March 2023	Year ended 31 March 2022
Interest expense on measured at amortised cost on:		
- financial liabilities	811.29	1,800.94
- lease liabilities (refer note 38)	376.56	440.29
- Others	131.32	146.22
Other borrowing costs	117.79	114.64
	<b>1,436.96</b>	<b>2,502.09</b>

Notes:

- Interest expense on financial liabilities for previous year includes interest on Listed, rated, secured, Non Convertible Debentures ("NCD") issued on a private placement basis.
- Other borrowing costs include bill discounting and reverse factoring charges.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**NOTE 35**
**EARNINGS PER SHARE (EPS)**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>1 Profit / (Loss) attributable to equity shareholders</b>		
<b>Profit / (Loss) for the year, attributable to equity shareholders (₹ in Million)</b>	<b>369.62</b>	<b>(824.68)</b>
<b>2 Calculation of weighted average number of equity shares - Basic</b>		
Number of shares at the end of the year	121,403,076	121,403,076
Less: Treasury shares	(911,880)	(1,231,900)
Less: Effect of share options exercised	(254,406)	(1,210,616)
Weighted average number of equity shares for the year	120,236,790	118,960,560
<b>3 Calculation of weighted average number of equity shares - Diluted</b>		
Number of shares at the end of the year	121,403,076	121,403,076
Less: Treasury shares	(911,880)	(1,231,900)
Less: Effect of share options exercised	(254,406)	(1,210,616)
Add : Effect of share options dilution	2,523,610	2,238,558
Weighted average number of potential equity shares for the year	122,760,400	121,199,118
<b>4 Earnings Per Share</b>		
Basic (₹)	3.07	(6.93)
Diluted (₹) *	3.01	(6.93)
* Since the Earnings per share computation based on diluted weighted average number of equity shares is anti-dilutive, the basic and diluted Earnings per share is the same.		
<b>5 Nominal value of shares (₹)</b>	<b>10.00</b>	<b>10.00</b>

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 ₹ 109.54 Million (31 March 2022: ₹126.79 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:

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**i. Reconciliation of present value of defined benefit obligation**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Defined benefit obligation at the beginning of the year	310.30	304.28
Current service cost	43.64	45.33
Past service cost	-	-
Interest cost	18.93	18.21
Actuarial (gains) losses recognised in Other Comprehensive Income		
- arising from changes in financial assumptions	(12.10)	(4.12)
- arising from changes in demographic assumptions	2.82	(2.04)
- arising on account of experience changes	1.99	(8.14)
Benefits paid directly by the Group	(65.75)	(43.22)
<b>Defined benefit obligation at the end of the year</b>	<b>299.83</b>	<b>310.30</b>

**ii. Amount recognised in Consolidated Balance Sheet**

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
Defined benefit obligation	299.83	310.30
Fair value of plan assets	-	-
<b>Net defined benefit obligation</b>	<b>299.83</b>	<b>310.30</b>

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>(i) Expense recognised in the Consolidated Statement of Profit and Loss</b>		
Current service cost	43.64	45.33
Past service cost	-	-
Interest cost	18.93	18.21
	<b>62.57</b>	<b>63.54</b>
<b>(ii) Expense recognised in the Consolidated Other Comprehensive Income</b>		
Actuarial (gains) / losses on defined benefit obligations		
- arising from changes in financial assumptions	(12.10)	(4.12)
- arising from changes in demographic assumptions	2.82	(2.04)
- arising on account of experience changes	1.99	(8.14)
	<b>(7.29)</b>	<b>(14.30)</b>

**iv. Actuarial assumptions**

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

Particulars	(₹ in Million)	
	31 March 2023	31 March 2022
<b>Financial assumptions</b>		
Discount rate	7.30% - 7.40%	4.25% - 6.95%
Salary escalation	5% - 7.00%	5% - 7%
<b>Attrition rate Employee Age Bracket</b>		
21 - 30 years	13.40% - 79%	10.50% - 60%
31 - 40 years	9.90% - 77%	7.70% - 60%
41 - 50 years	7.30% - 55%	5.90% - 45%
51 - 59 years	9.50% - 35%	0% - 11%

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 ₹ 55.05 Million in contribution to be paid to its defined benefit plan in the next year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**v. Sensitivity analysis**

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

Particulars	(₹ in Million)			
	31 March 2023		31 March 2022	
	Increase	Decrease	Increase	Decrease
<b>Gratuity Plan</b>				
Discount rate 50 bps on defined benefit plans	(0.03)	3.13%	(0)	3.77%
Future salary growth 50 bps on defined benefit plans	2.95%	(0.03)	3.48%	(0)

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 2023 based on actuarial valuation using the projected accrued benefit method amounted to ₹81.41 Million (31 March 2022: ₹ 88.09 Million).

Amount of ₹ 21.19 Million (31 March 2022: ₹(14.19) Million) is recognised as an expense / (released) 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 the plan 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 Tranche 6: 12 August 2021
Fair Value at Grant Date	₹ 39.13 to ₹ 176.10
Exercise Price	₹ 39.13 to ₹ 111.13
Vesting period	1 to 3 years from the respective date of grant
Exercise period*	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of vesting)
Expected Life	1.5 to 3.5 years

\* There has been an amendment to the exercise year of the ESOP schemes in the earlier years.

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

Particulars	Including bonus issue (refer note below)	
	31 March 2023 (No. of options)	31 March 2022 (No. of options)
	ESOS 2012	ESOS 2012
Outstanding at the beginning of the year	994,760	1,960,000
Granted during the year	-	129,740
Exercised during the year	267,300	938,200
Lapsed during the year	184,000	156,780
Outstanding at the end of the year	543,460	994,760
Exercisable at the end of the year	483,288	881,800
Weighted average remaining contractual life (years)	0 to 2.50	0 to 3.50
Weighted average fair value of options granted (₹)	7.77 to 140.66	7.77 to 140.66
Weighted average exercise price (₹)	39.13 to 111.13	39.13 to 111.13

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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 on the date of grant:

Particulars	Tranche 1	Tranche 2	Tranche 3	Tranche 4	Tranche 5	Tranche 6
Dividend Yield	0.00%	0.00%	0.00%	0.00%	0.00%	0.57%
Expected Volatility	0.00%	0.00%	0.00%	0.00%	33.39%	11.20%
Risk free interest rate	8.30%	7.93%	9.05%	9.05%	7.87%	5.74%
Weighted average share price (₹)	39.13	50.00	152.46	152.46	93.00	176.10
Exercise Price (₹)	39.13	39.13	39.13	111.13	39.13	39.13
Expected life of options granted (in years)	3.04	2.91	2.50	2.31	4.51	3.50

Of the ESOS 2012 above, 254,708 options are reserved for issue of equity shares of the Company.

On 03 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.

On 04 August 2021, the Board of Directors increased the existing ESOP Pool by 2,200,000 options.

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 Tranche 2: 12 August 2021
Fair Value at Grant Date	₹ 93.00 to ₹ 176.10
Exercise Price	₹ 39.13
Vesting period	1 to 3 years from the respective date of grant
Exercise period*	5 years or 1 year from the date of listing whichever is later (to be reckoned from date of vesting)
Expected Life	3.5 to 5.5 years

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

Particulars	31 March 2023 (No. of options)	31 March 2022 (No. of options)
	ESOS 2015	ESOS 2015
Outstanding at the beginning of the year	2,485,660	1,024,500
Granted during the year	-	2,402,920
Exercised during the year	52,720	652,400
Lapsed during the year	514,140	289,360
Outstanding at the end of the year	1,918,800	2,485,660
Exercisable at the end of the year	772,060	343,100
Weighted average remaining contractual life (year)	0.51 to 2.50	1.51 to 3.50
Weighted average fair value of options granted (₹)	93.00 to 176.10	93.00 to 176.10
Weighted average exercise price (₹)	39.13	39.13

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

Particulars	Tranche 1	Tranche 2
Dividend yield	0.00%	0.57%
Expected volatility	33.39%	11.20%
Risk free interest rate	7.87%	5.74%
Weighted average share price (₹)	93.00	176.10
Exercise price (₹)	39.13	39.13
Expected life of options granted in year	4.51	3.50

Of the ESOS 2015 above, 792,080 options are reserved for issue of equity shares of the Company.



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ESOS 2012 and ESOS 2015 are in compliance with the requirements of Securities and Exchange Board of India and had been ratified in Board meeting dated 22 November 2021.

**NOTE 38**
**LEASES**
**Group as a Lessee**

The Group had entered into the operating lease for POS terminals. Further minimum lease rentals payable under non-cancellable operating leases are as follows:

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Less than one year	-	11.90
Between one and five years	-	-
More than five years	-	-
<b>Total</b>	<b>-</b>	<b>11.90</b>

Effective 01 April, 2019, the Group adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 01 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:

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Current lease liabilities	1,335.95	1,344.93
Non-current lease liabilities	2,188.05	2,575.85
<b>Total</b>	<b>3,524.00</b>	<b>3,920.78</b>

The following is the movement in lease liabilities during the year:

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Opening Balance	3,920.78	3,893.38
Additions	965.53	1,297.03
Finance costs accrued during the year	376.56	440.29
Payment of lease liabilities	(1,416.26)	(1,502.69)
Write back of lease liabilities	(322.61)	(207.23)
<b>Closing Balance (refer note 18b and 22b)</b>	<b>3,524.00</b>	<b>3,920.78</b>

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

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Less than one year	1,194.25	1,308.14
One to five years	2,386.59	3,083.80
More than five years	308.91	422.79
<b>Total</b>	<b>3,889.75</b>	<b>4,814.73</b>

The following is the movement in Right-of-use assets during the year:

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
<b>Opening Balance</b>	<b>3,210.16</b>	<b>3,207.03</b>
Additions	620.78	1,222.16
Depreciation for the year	(953.12)	(1,065.27)
De-recognition of right-of-use asset	(259.14)	(153.76)
<b>Closing Balance</b>	<b>2,618.68</b>	<b>3,210.16</b>

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The table below provides details of amounts recognised in the Consolidated Statement of Profit and Loss:

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Depreciation on Right-of-use assets	953.12	1,065.27
Interest on lease liabilities	376.56	440.29
Expenses related to short term leases and leases not covered under Ind AS 116	147.85	71.04
Write back of lease liabilities (net)	(63.47)	(53.47)
	<b>1,414.06</b>	<b>1,523.13</b>

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

	31 March 2023	31 March 2022
Weighted average incremental borrowing rate applied to lease liabilities	9.84% - 22.60%	9.03% - 10.23%

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

The outflow on account of lease liabilities for the year ended 31 March 2023 is ₹ 1,416.26 Million (31 March 2022: ₹ 1,502.69 Million).

**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 period 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 2023, to the extent the installation and consequent deployment of 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 Consolidated Balance Sheet. The useful life is assessed based on the go live date.

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**NOTE 40**
**CONTINGENT LIABILITIES, COMMITMENTS AND OTHERS**

(to the extent not provided for)

**A. Contingent liabilities**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
I Claims against the Group not acknowledged as debts:	18.38	28.43
II Matters in dispute under appeal		
(i) Sales tax	73.16	73.16
(ii) Excise duty*	0.43	5.77
(iii) Custom duty	3.03	3.03
(iv) Duty entitlement pass book	-	-
(v) Goods and service tax	5.63	0.78
III Other tax matters	40.14	43.93
<b>Total</b>	<b>140.77</b>	<b>155.10</b>

\* Excludes, interest amount which would be finalised during the course of assessment.

Against the above pending tax and other litigation, the Company has paid ₹ 4.52 Million under protest (31 March 2022: ₹4.16 Million).

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.

For the Assessment Year 2017-18, the Group has received demand of ₹ 66.43 Million of which ₹ 13.29 Million has been adjusted against the refund. The Group has filed an appeal for the same.

For the Assessment Year 2016-17, the Group has received demand of ₹ 71.66 Million. The Group has filed an application for rectification for the same and in process of filing application u/s 264 before CIT.

The Company has received a notice for the delayed payments of TDS for the financial year 2012-13 which has been closed during the previous year.

The Company has received a notice for the delayed payments of TDS for the financial year 2019-20 & 2021-22. Matter is pending before CIT-TDS.

There has been a Supreme Court (SC) judgement dated 28 February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the EPF Act. There are interpretative aspects related to the Judgement including the effective date of application. In view of the management, the liability for the year from date of the SC order to 31 March, 2019 is not significant and has been provided in the books of account. During the year ended 31 March, 2020, Group has incorporated the effect of changes in the books of accounts. The Group will continue to assess any further developments in this matter for the implications on consolidated financial statements, if any. Further, pending directions from the EPFO, the impact for the past year, if any, was not ascertainable and consequently no effect was given in the accounts.

The Code on Social Security, 2020 (code) relating to employee benefits received presidential assent in September 2020. The code has been published in the Gazette of India. However, the date on which the code will come into effect has not been notified. The Group will assess the impact of the code when it comes into effect and will record any related impact in the year the codes become effective.

In the previous year, the Group has received a show cause cum demand notice amounting to ₹ 548.33 Million, excluding interest and penalty thereon, with respect to transfer of GST on services provided by the Head office to its branches. The issue is presently contentious and the amount of present obligation cannot be measured with sufficient reliability.

The amount of the contingent liability is based on the best possible estimate which in turn is based on likelihood of possible outcomes of proceedings by the regulators.

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**B. Capital and other commitments**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Estimated amount of contracts remaining to be executed on capital and other commitments account and not provided for	955.89	1,594.66

**NOTE 41**
**CAPITALISATION OF EXPENDITURE**

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

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Salaries and wages	41.18	32.89

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

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Salaries and wages	21.93	20.37
Transport expenses	0.97	4.18
	<b>22.90</b>	<b>24.55</b>

**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 contracts 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.

**iii. Timing of revenue recognition**

Setup & other one time revenue' and 'Service revenue' are services recognised over a year of time. 'Sale of traded goods', 'Sale of manufactured goods', 'ATM and management services', Transaction revenue and others are recognised at a point in time when performance obligations are transferred to the customers.

**B. Changes in accounting policies**

The accounting policies adopted are consistent with those of the previous financial year, except for the estimation of income tax for the purpose of interim reporting.

**C. Disaggregation 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 49.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
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**D. Reconciliation of revenue recognised with contracted price**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Contracted Price	17,140.97	18,305.23
Reduction towards service level credits, trade discounts, etc.	(428.24)	(586.51)
<b>Revenue from operations</b>	<b>16,712.73</b>	<b>17,718.72</b>

Management has made an assessment of recoverability of its certain aged trade receivables and assessed that pendency of certain service level credits discussion (including reconciliations) with the customers being banks, government and large corporates with low credit risk, have provided for a 'loss allowance on trade receivables' of ₹ 387.43 Million in the statement of profit and loss (Refer Note 33).

- E. The Company has entered into certain contract with a customer amounting to ₹ 1,599.95 Million, wherein revenue amounting to ₹ 146.85 Million has been recognised for the year ended 31 March 2023 (31 March 2022: ₹ 447.47 Million) and balance will be recognised as and when it satisfies a performance obligation by transferring a good or service to a customer over time (Estimated remaining contract period: 5 years).

Transaction price allocation to remaining performance obligations:

The following revenue is expected to be recognised in the future related to performance obligations that are unsatisfied or partially unsatisfied at the reporting date. The revenue expected is ₹ 7.86 Million (31 March 2022: ₹ 20.82 Million) upto 6 months; ₹ 1.65 Million (31 March 2022: ₹ 14.32 Million) between 6 months and 1 year and ₹ Nil (31 March 2022: ₹ 9.52 Million) between 1 year and 2 years.

**NOTE 43**
**PAYMENT TO AUDITORS (EXCLUDING TAX)**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
Audit fees	15.37	12.63
Certification fees and other services*	0.90	14.26
Out of pocket expenses*	0.30	1.27
	<b>16.57</b>	<b>28.16</b>

\*Out of above expenditure, ₹ Nil (31 March 2022: ₹ 9.83 Million) pertaining to initial public offer is included in Legal and professional charges.

**NOTE 44**

During the year ended 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 ₹926.25 Million. Further, an interest free security deposit of ₹ 880.00 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 ₹649.64 Million and the difference of ₹ 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 ₹ 58.40 Million (31 March 2022: ₹58.40 Million).

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

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**NOTE 45**
**CORPORATE SOCIAL RESPONSIBILITY EXPENSES**

(₹ in Million)		
Particulars	31 March 2023	31 March 2022
(a) Amount required to be spent by the Company during the year	12.64	23.11
(b) Amount approved by the Board to be spent during the year	12.64	23.11
(c) Amount spent during the year		
(i) Construction/ acquisition of any asset	NIL	NIL
(ii) On purposes other than (i) above	12.64	23.11
(d) Details of related party transactions	12.64	23.11

- (e) Details of unspent obligations:

**Details of ongoing project and other than ongoing project**

(₹ in Million)		
Particulars (Ongoing project)	31 March 2023	31 March 2022
Opening Balance		
- With Company	-	-
- In separate CSR Unspent account	-	-
Amount required to be spent during the year	12.64	-
Amount spent during the year		
- From Company's bank account*	12.64	-
- From separate CSR Unspent account	-	-
Closing Balance		
- With Company	-	-
- In separate CSR Unspent account	-	-

(₹ in Million)		
Particulars (Other than ongoing project)	31 March 2023	31 March 2022
Opening Balance	-	-
Amount deposited in specified fund of Schedule VII within 6 months	-	-
Amount required to be spent during the year	-	23.11
Amount spent during the year*	-	23.11
Closing Balance	-	-

\* The aforesaid amounts remains unutilised with the implementing agency as at 31 March 2023.

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**NOTE 46**
**ADDITIONAL INFORMATION REQUIRED BY SCHEDULE III TO THE ACT**

Particulars	31 March 2023							
	Net assets i.e., total assets minus total liabilities		Share in profit / ( loss)		Share in OCI		Share in total comprehensive income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated other comprehensive income	Amount	As a % consolidated total comprehensive income	Amount
<b>Parent :</b>								
AGS Transact Technologies Limited	107.60%	5,757.11	40.25%	148.77	3.51%	2.68	33.96%	151.45
<b>Indian Subsidiaries:</b>								
Securevalue India Limited	30.95%	1,655.81	89.39%	330.41	2.87%	2.19	74.58%	332.60
India Transact Services Limited	4.49%	240.47	-37.98%	(137.81)	0.72%	0.55	-30.78%	(137.26)
<b>Foreign Subsidiary:</b>								
Global Transact Services Pte. Limited	16.26%	870.22	-0.18%	(0.68)	0.00%	-	-0.15%	(0.68)
<b>Indirect Foreign Subsidiaries:</b>								
Novus Technologies Pte. Limited	11.98%	(641.11)	0.98%	3.63	0.00%	-	0.81%	3.63
Novus Transact Philippines Corporation	-0.28%	(14.74)	4.34%	16.04	0.00%	-	3.60%	16.04
Novus Technologies (Cambodia) Company Limited	6.79%	363.39	1.08%	4.01	0.00%	-	0.90%	4.01
Novustech Transact Lanka (Private) Limited	10.47%	560.44	0.08%	0.30	0.00%	-	0.07%	0.30
<b>Non-controlling interests</b>	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Associate:</b>								
PT.Nova Digital Perkasa	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustments (including Exchange differences in translation of financial statements of foreign operations)	64.30%	(3,441.01)	1.34%	4.95	92.90%	70.95	17.02%	75.90
<b>Total</b>	<b>100.00%</b>	<b>5,350.58</b>	<b>100.00%</b>	<b>369.62</b>	<b>100.00%</b>	<b>76.37</b>	<b>100.00%</b>	<b>445.99</b>

(₹ in Million)

Particulars	31 March 2022							
	Net assets i.e., total assets minus total liabilities		Share in profit / ( loss)		Share in OCI		Share in total comprehensive income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated profit and loss	Amount	As a % consolidated total comprehensive income	Amount
<b>Parent :</b>								
AGS Transact Technologies Limited	114.55%	5,518.75	107.46%	(886.24)	386.15%	2.51	107.24%	(883.73)
<b>Indian Subsidiaries:</b>								
Securevalue India Limited	27.42%	1,321.05	22.42%	184.90	1244.62%	8.09	-23.42%	192.99
India Transact Services Limited	3.68%	177.39	15.55%	(128.20)	15.38%	0.10	15.55%	(128.10)
<b>Foreign Subsidiary:</b>								
Global Transact Services Pte. Limited	15.53%	748.02	0.08%	(0.64)	0.00%	-	0.08%	(0.64)
<b>Indirect Foreign Subsidiaries:</b>								
Novus Technologies Pte. Limited	-12.09%	(582.53)	7.53%	(62.11)	0.00%	-	7.54%	(62.11)
Novus Transact Philippines Corporation	-0.68%	(32.86)	-0.27%	2.20	0.00%	-	-0.27%	2.20
Novus Technologies (Cambodia) Company Limited	6.81%	328.03	-0.42%	3.43	0.00%	-	-0.42%	3.43
Novustech Transact Lanka (Private) Limited	10.25%	493.84	(0.04)	36.13	0.00%	-	(0.04)	36.13

(₹ in Million)

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(₹ in Million)

Particulars	31 March 2022							
	Net assets i.e., total assets minus total liabilities		Share in profit / ( loss)		Share in OCI		Share in total comprehensive income	
	As a % consolidated assets	Amount	As a % consolidated profit and loss	Amount	As a % consolidated profit and loss	Amount	As a % consolidated total comprehensive income	Amount
<b>Non-controlling interests</b>	0.00%	-	0.00%	-	0.00%	-	0.00%	-
<b>Associate:</b>								
PT.Nova Digital Perkasa	0.00%	-	0.96%	(7.94)	0.00%	-	0.96%	(7.94)
Consolidation Adjustments (including Exchange differences in translation of financial statements of foreign operations)	-65.47%	(3,154.01)	-4.10%	33.79	-1546.15%	(10.05)	-2.88%	23.74
<b>Total</b>	<b>100.00%</b>	<b>4,817.68</b>	<b>100.00%</b>	<b>(824.68)</b>	<b>100.00%</b>	<b>0.65</b>	<b>100.00%</b>	<b>(824.03)</b>

**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. 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.

(₹ in Million)

31 March 2023	Carrying amount			Fair value				
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments	0.08	-	-	0.08	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Other non-current financial assets	626.76	-	-	626.76	-	-	-	-
<b>Current financial assets</b>								
Investments	-	8.67	-	8.67	8.67	-	-	-
Trade receivables	9,038.04	-	-	9,038.04	-	-	-	-
Cash, cash equivalents and other bank balances	940.12	-	-	940.12	-	-	-	-
Loans	306.03	-	-	306.03	-	-	-	-
Other financial assets	289.44	-	-	289.44	-	-	-	-
	<b>11,200.47</b>	<b>8.67</b>	<b>-</b>	<b>11,209.14</b>	<b>8.67</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Non-current financial liabilities</b>								
Borrowings (including current maturities of long term borrowings)	7,001.07	-	-	7,001.07	-	-	-	-
Lease liabilities	2,188.05	-	-	2,188.05	-	-	-	-
Other financial liabilities	-	-	-	-	-	-	-	-
<b>Current financial liabilities</b>								
Borrowings	-	-	-	-	-	-	-	-
- Borrowings from banks and others (excluding current maturities of long term borrowings)	867.68	-	-	867.68	-	-	-	-
- Reverse factoring	916.13	-	-	916.13	-	-	-	-
Lease liabilities	1,335.95	-	-	1,335.95	-	-	-	-
Trade payables	3,670.47	-	-	3,670.47	-	-	-	-
Other financial liabilities	809.33	-	-	809.33	-	-	-	-
	<b>16,788.68</b>	<b>-</b>	<b>-</b>	<b>16,788.68</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

31 March 2022	Carrying amount				Fair value			
	Amortised cost	FVTPL	FVOCI	Total	Level 1	Level 2	Level 3	Total
<b>Non-current financial assets</b>								
Investments	0.08	-	-	0.08	-	-	-	-
Loans	249.20	-	-	249.20	-	-	-	-
Other non-current financial assets	698.32	-	-	698.32	-	-	-	-
<b>Current financial assets</b>								
Trade receivables	9,147.23	-	-	9,147.23	-	-	-	-
Cash, cash equivalents and other bank balances	806.49	-	-	806.49	-	-	-	-
Loans	110.00	-	-	110.00	-	-	-	-
Other financial assets	201.90	-	-	201.90	-	-	-	-
	<b>11,213.22</b>	-	-	<b>11,213.22</b>	-	-	-	-
<b>Non-current financial liabilities</b>								
Borrowings (including current maturities of long term borrowings)	5,730.83	-	-	5,730.83	-	-	-	-
Lease liabilities	2,575.85	-	-	2,575.85	-	-	-	-
Other financial liabilities	5.04	-	-	5.04	-	-	-	-
<b>Borrowings</b>								
- Borrowings from banks and others (excluding current maturities of long term borrowings)	1,389.20	-	-	1,389.20	-	-	-	-
- Reverse factoring	-	-	-	-	-	-	-	-
Lease liabilities	1,344.93	-	-	1,344.93	-	-	-	-
Trade payables	5,102.45	-	-	5,102.45	-	-	-	-
Other financial liabilities	910.33	-	-	910.33	-	-	-	-
	<b>17,058.63</b>	-	-	<b>17,058.63</b>	-	-	-	-

Notes:

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

**B. Financial risk management**

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

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**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 and unbilled receivables**

The Group has a policy under which each new customer is analysed individually for creditworthiness before offering credit period and delivery / service terms and conditions. The Group makes specific provisions against such trade receivables wherever required and monitors the same at yearical 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:

Particulars (Other than ongoing project)	Gross carrying amount	
	31 March 2023	31 March 2022
Not due / Past due 0-180 days	6,713.21	6,383.22
More than 180 days	2,324.83	2,764.01
	<b>9,038.04</b>	<b>9,147.23</b>

The carrying amounts of the trade receivables include receivables which are subject to factoring arrangement aggregating to ₹ 419.35 Million (31 March 2022: ₹405.96 Million). The amount repayable under the factoring arrangement is presented in secured borrowings.

Impairment loss on trade receivables of ₹ 387.43 Million (31 March 2022: ₹ 118.76 Million) has been debited in Consolidated Statement of Profit and Loss.

The amounts reflected in the table above are not impaired as at the Balance Sheet dates. The allowance for expected credit loss is nil and there are no trade receivables which have significant increase in credit risk.

**b. Cash, cash equivalents and other bank balances**

The Group held cash and cash equivalents and other bank balances of ₹ 940.12 Million (31 March 2022: ₹ 806.49 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 risk 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.



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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.

(₹ in Million)

31 March 2023	Contractual cash flows				
	Carrying amount	Total	Up to 1 year	1 - 5 years	More than 5 years
<b>Non derivative financial liabilities</b>					
Term loans from banks and others (including current maturities of long term borrowings)	7,001.07	8,886.82	2,215.83	6,389.81	281.18
Short-term loans/working capital loans	867.68	867.68	867.68	-	-
Reverse factoring	916.13	916.13	916.13	-	-
Lease liabilities	3,524.00	3,889.75	1,194.25	2,386.59	308.91
Trade payables	3,670.47	3,670.47	3,670.47	-	-
Other financial liabilities	809.33	809.33	809.33	-	-
<b>Total</b>	<b>16,788.68</b>	<b>19,040.18</b>	<b>9,673.69</b>	<b>8,776.40</b>	<b>590.09</b>

(₹ in Million)

31 March 2022	Contractual cash flows				
	Gross carrying amount	Total	Up to 1 year	1 - 5 years	More than 5 years
<b>Non derivative financial liabilities</b>					
Term loans from banks and others (including current maturities of long term borrowings)	5,730.83	7,284.00	1,672.65	4,820.00	791.35
Short-term loans/working capital loans	1,389.20	1,389.20	1,389.20	-	-
Reverse factoring	-	1,389.20	1,389.20	-	-
Lease liabilities	3,920.78	4,814.73	1,308.14	3,083.80	422.79
Trade payables	5,102.45	5,102.45	5,102.45	-	-
Other financial liabilities	915.37	915.91	910.33	5.58	-
<b>Total</b>	<b>17,058.63</b>	<b>20,895.49</b>	<b>11,771.97</b>	<b>7,909.38</b>	<b>1,214.14</b>

The Group has secured bank loans that contain loan covenants. A future breach of covenant may require the Group to repay the loan earlier than indicated in the above table

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.

(iii) The carrying amounts of the reverse factoring include payables which are subject to reverse factoring arrangement aggregating to ₹ 916.13 Million (31 March 2022: ₹Nil). The amount repayable under the reverse factoring arrangement is presented in current borrowings.

**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 market risks.

**a. Currency risk**

The functional currency of the Group is ₹. 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, mostly with a maturity of less than one year from the reporting date.

Exposure on trade receivables and trade payables is unhedged. The Group manages itself against currency risk of External Commercial Borrowings by entering into cross-currency swaps.

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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 2023	USD	EUR	SGD
<b>Financial assets (A)</b>			
Trade and other receivables	1.58	0.06	0.58
	1.58	0.06	0.58
<b>Financial liabilities (B)</b>			
Trade and other payables	0.36	0.68	-
Term loan ( 'ECB' )	38.30	-	-
Interest and other charges on term loan ( 'ECB' )	0.13	-	-
Less : Hedged through cross currency swaps	(38.43)	-	-
	0.36	0.68	-
<b>Net exposure (A - B)</b>	<b>1.22</b>	<b>(0.62)</b>	<b>0.58</b>

(in Million)

31 March 2022	USD	EUR	SGD
<b>Financial assets (A)</b>			
Trade and other receivables	1.50	0.01	-
	1.50	0.01	-
<b>Financial liabilities (B)</b>			
Trade and other payables	0.63	0.68	0.54
Term loan ( 'ECB' )	23.60	-	-
Interest and other charges on term loan ( 'ECB' )	0.05	-	-
Less : Hedged through cross currency swaps	(23.65)	-	-
	0.63	0.68	0.54
<b>Net exposure (A - B)</b>	<b>0.87</b>	<b>(0.67)</b>	<b>(0.54)</b>

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

Currency	31 March 2023	31 March 2022
USD	82.22	75.81
EUR	89.61	84.66
SGD	61.76	56.06

**Sensitivity analysis**

A reasonably possible strengthening (weakening) of the Indian Rupee against USD, EUR and SGD 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)

Effect in ₹- (increase) / decrease in profit	31 March 2023		31 March 2022	
	Strengthening	Weakening	Strengthening	Weakening
<b>5% movement</b>				
US\$	(5.00)	5.00	(3.30)	3.30
EUR	2.78	(2.78)	2.84	(2.84)
SGD	(1.80)	1.80	1.51	(1.51)
	<b>(4.02)</b>	<b>4.02</b>	<b>1.05</b>	<b>(1.05)</b>

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**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 instruments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing instruments 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. The Group uses cross-currency swaps to hedge the Interest rate of External Commercial Borrowings.

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

Particulars	₹ in Million	
	31 March 2023	31 March 2022
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	(489.72)	(762.93)
	(489.72)	(762.93)
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	(7,379.03)	(6,357.10)
	(7,379.03)	(6,357.10)

**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.

Effect in INR- (increase) / decrease in profit	₹ in Million	
	Profit or (Loss)	
	100bps increase	100bps decrease
<b>31 March 2023</b>		
Variable rate instruments		
Cash flow sensitivity	(73.79)	73.79
	(73.79)	73.79
<b>31 March 2022</b>		
Variable rate instruments	(63.57)	63.57
Cash flow sensitivity	(63.57)	63.57

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**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, non-current margin money, Investment in Quoted Mutual Funds and current investment. Total equity comprises of all components of equity.

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

Particulars	₹ in Million	
	31 March 2023	31 March 2022
Non-current borrowings	5,494.24	4,596.76
Current borrowings*	2,374.51	2,523.27
Non-current lease liabilities	2,188.05	2,575.85
Current lease liabilities	1,335.95	1,344.93
<b>Gross debt</b>	<b>11,392.75</b>	<b>11,040.81</b>
Less : Cash, cash equivalents and other bank balances	(940.12)	(806.49)
Less : Margin money (non-current)	(151.06)	(149.83)
Less - Investment in Quoted Mutual Funds	(8.67)	-
<b>Adjusted net debt</b>	<b>10,292.90</b>	<b>10,084.49</b>
<b>Total equity</b>	<b>5,350.58</b>	<b>4,817.68</b>
<b>Adjusted net debt to equity ratio</b>	<b>1.92</b>	<b>2.09</b>

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.

\* - Borrowings excludes reverse factoring for the purpose of calculating above ratios.

**NOTE 49**
**SEGMENT INFORMATION**

Ind AS 108 establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services and major customers. Based on the 'management approach' as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Group's performance and allocates the resources based on the analysis of various performance indicators by business segments.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment results, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker (CODM). Segment results is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on an arm length's basis.

Segment results is segment revenue less segment expenses. Segment expense is the aggregate of the expense resulting from the operating activities of a segment that is directly attributable to the segment, including expenses that can be allocated on a reasonable basis.

The Group's business segment have been divided into three business verticals - Payment Solutions, Banking Automation Solutions and Other Automation Solutions.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

**Payment Solutions** – Comprises of ATM / cash recyclers outsourcing and managed services, cash management services, intelligent cash deposit machines (ICDs), DCV, transaction switching and digital payment solutions, merchant solutions, agency banking, Fastlane and toll & transit solutions.

**Banking Automation Solutions** – Comprises of sale of ATM machines and cash recyclers, currency technology products and self service terminals and services and upgrades related to such sales.

**Other Automation Solutions** – Comprises of sale of machines and related services and upgrades to customers in the Retail, Petroleum and Colour sectors.

**Segment information based on business segment as at and for the year ended 31 March 2023**

(₹ in Million)

Particulars	31 March 2023				31 March 2022			
	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total	Payment Solutions	Banking Automation Solutions	Others Automation Solution	Total
<b>Revenue</b>								
External revenue	13,375.39	1,918.74	1,428.20	16,722.33	13,491.02	1,965.49	2,268.80	17,725.31
Inter Segment Revenue	-	(5.47)	(4.13)	(9.60)	-	(6.59)	-	(6.59)
<b>Total revenue</b>	<b>13,375.39</b>	<b>1,913.27</b>	<b>1,424.07</b>	<b>16,712.73</b>	<b>13,491.02</b>	<b>1,958.90</b>	<b>2,268.80</b>	<b>17,718.72</b>
Segment results	2,613.85	436.30	63.45	3,113.60	2,603.77	537.07	61.03	3,201.87
Less: unallocated expenses				1,463.73				1,611.54
Add: other income				362.39				253.93
Less: finance cost				1,436.96				2,502.09
Less: share of net loss from associate				-				7.94
<b>Profit / (loss) before tax</b>				<b>575.30</b>				<b>(665.77)</b>
Less: tax expense				205.68				158.91
<b>Profit / (loss) for the year</b>				<b>369.62</b>				<b>(824.68)</b>
Segment assets	14,633.02	2,435.83	1,558.31	18,627.16	16,019.96	2,066.09	1,409.48	19,495.53
Unallocated assets				4,206.50				4,031.49
<b>Total assets</b>	<b>14,633.02</b>	<b>2,435.83</b>	<b>1,558.31</b>	<b>22,833.66</b>	<b>16,019.96</b>	<b>2,066.09</b>	<b>1,409.48</b>	<b>23,527.02</b>
Segment liabilities	6,553.52	817.12	423.31	7,793.95	7,746.37	543.49	904.03	9,193.89
Unallocated liabilities				9,689.13				9,515.45
<b>Total liabilities</b>	<b>6,553.52</b>	<b>817.12</b>	<b>423.31</b>	<b>17,483.08</b>	<b>7,746.37</b>	<b>543.49</b>	<b>904.03</b>	<b>18,709.34</b>

**Information about major customers**

Revenue from three external customers based in India, covered across segments aggregating to ₹ 2,358.02 Million (31 March 2022: ₹ 2,536.46 Million) and ₹ 1,991.03 Million (31 March 2022: ₹ 2,402.01 Million) and ₹ 1,032.24 Million (31 March 2022: ₹ 995.22 Million) respectively represented more than 10% of the Group's total revenue.

The Group has provided the definition of "Segment results" because it is alternative performance measure and is not defined in Ind AS.

**NOTE 50**
**RELATED PARTY TRANSACTIONS**
**A. Related parties**
**Key Management Personnel and Relatives**

Mr. Ravi B. Goyal	Executive, Chairman & Managing Director
Mr. Vijay Chugh	Non-executive, Independent Director (retired on 11 March 2023)
Mr. Sudip Bandyopadhyay	Non-executive, Independent Director (retired on 11 March 2023)
Mr. Rahul N. Bhagat	Non-executive, Independent Director

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Mr. Subrata Kumar Mitra	Non-executive, Independent Director (w.e.f. 20 July 2021)
Mrs. Jhuma Guha	Non-executive Independent Director (w.e.f. 5 Aug 2022)
Mr. Sivanandhan Dhanushkodi	Non-executive Independent Director (w.e.f. 11 March 2023)
Mr. Ceasar Evasco	Independent Director Novus Transact Philippines Corporation (w.e.f. 28 April 2022)
Mr. Sudip Bandyopadhyay	Non-executive, Non Independent Director (w.e.f. 29 March 2023)
Mr. Badrinarain K. Goyal	Non-executive, Non Independent Director / Father of Mr. Ravi B Goyal (till 09 June 2021)
Mrs. Anupama R. Goyal	Non-executive, Non Independent Director / Wife of Mr. Ravi B. Goyal (till 29 March 2023)
Mr. Stanley Johnson P	Executive Director (w.e.f. 09 June 2021)
Mr. Vinayak R. Goyal	Executive Director (w.e.f. 09 June 2021) / Son of Mr. Ravi B Goyal
Mr. Shailesh Shetty	Managing Director Securevalue India Limited
Mr. Mehernosh Parekh	Executive Director Securevalue India Limited (w.e.f. 31 October 2017 till 31 January 2022)
Mr. El Khoury Ricardos	Director and Chief Executive Officer of Novus Technologies Pte. Limited
Mr. Ariel Gumabao	Director of Novus Transact Philippines Corporation
Mr. Lahan Gajasinghaarachchi	Director of Novustech Transact Lanka (Private) Limited
Mr. Antonio Hilario Jr.	Director of Novus Transact Philippines Corporation (w.e.f. 21 March 2022)
Mr. Ryan Mamac	Director of Novus Transact Philippines Corporation (w.e.f. 21 March 2022)
Mr. Kiran B. Goyal	Brother of Mr. Ravi B. Goyal

**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. Limited (Singapore)

Vineha Enterprises Private Limited

PT.Nova Digital Perkasa (Associate) (Indonesia)

AGS Community Foundation

Ravi Goyal Family Trust

Anupama Goyal Family Trust

Kiran Goyal Family Trust

Vinayak Goyal Family Trust

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

(₹ in Million)

Particulars	Transactions for the year ended		Amount receivable/(payable) As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
<b>Sales of goods, software license and services</b>				
Instruments Research Associates Private Limited	1.50	1.50	0.89	0.45
Fillon Technologies India Private Limited	5.17	5.28	1.50	1.53
PT.Nova Digital Perkasa	9.57	27.80	6.28	27.80
<b>Purchase of goods and services</b>				
Instruments Research Associates Private Limited	0.63	0.39	1.21	-
Fillon Technologies India Private Limited	1.71	1.54	(1.07)	(0.19)
<b>Corporate social responsibilities expenses</b>				
AGS Community Foundation	12.64	23.11	-	(41.99)
<b>Dividend Paid</b>				
Mr. Ravi B. Goyal	-	66.46	-	-
Vineha Enterprises Private Limited	-	51.05	-	-
Mr. Badrinarain K. Goyal	-	0.75	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

 NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 MARCH 2023 (Contd.)

Particulars	Transactions for the year ended		Amount receivable/(payable) As at	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
(₹ in Million)				
Mrs.Anupama R. Goyal	-	0.00*	-	-
Ravi Goyal Family Trust	-	0.00*	-	-
Anupama Goyal Family Trust	-	0.00*	-	-
Kiran Goyal Family Trust	-	0.00*	-	-
Vinayak Goyal Family Trust	-	0.00*	-	-
<b>Re-imburements of expenses incurred by the Company</b>				
Fillon Technologies India Private Limited	0.07	0.06	-	-
Advanced Graphic Systems	0.22	0.24	1.85	1.63
<b>Remuneration (refer note 1 below)</b>				
Mr. Ravi B. Goyal	24.00	24.00	-	(4.96)
Mr. Vinayak R. Goyal	7.68	6.23	(1.57)	(4.31)
Mr. Stanley Johnson P.	24.14	30.66	(9.99)	(10.08)
Mr. El Khoury Ricardos	38.76	36.60	-	(15.42)
Mr. Ariel Gumabao	3.92	4.44	-	-
Mr. Shailesh Shetty	10.98	14.13	(3.66)	(3.91)
Mr. Mehernosh Parekh	-	14.19	-	-
Mr. Lahan Gajasinghaarachchi	2.05	-	-	-
Mr. Antonio Hilario Jr.	3.07	-	-	-
Mr. Ryan Mamac	1.46	-	-	-
<b>Deposits given/(repaid)</b>				
Mr. Ravi B. Goyal	-	-	25.00	25.00
Mrs. Anupama R. Goyal	-	-	2.00	2.00
Mr. Lahan Gajasinghaarachchi	0.29	0.65	0.12	0.46
<b>Rent expenses</b>				
Mrs. Anupama R. Goyal	2.10	2.10	(1.32)	(0.57)
<b>Professional fees</b>				
Mr. Kiran B. Goyal	7.20	6.60	(3.66)	(4.33)
<b>Loan taken/(repaid)</b>				
Mr. El Khoury Ricardos	(19.88)	28.16	(79.47)	(90.76)
<b>Investments purchased</b>				
Vineha Enterprises Private Limited	-	6,500.00	-	-
<b>Investments sold</b>				
Mr. Ravi B. Goyal	-	6,500.00	-	-
<b>Reimbursement of IPO expense</b>				
Mr. Ravi B. Goyal	-	116.09	-	-
<b>Other current assets</b>				
Mr. Ravi B. Goyal	-	-	5.99	92.84
<b>Director's sitting fees</b>				
Mr. Sudip Bandyopadhyay	2.48	3.78	(1.01)	-
Mr. Vijay Chugh	2.28	3.63	(0.81)	-
Mrs. Jhuma Guha	1.10	-	(0.63)	-
Mr. Subrata Kumar Mitra	1.45	1.75	(0.54)	-
Mr. Rahul N. Bhagat	2.65	3.48	(1.08)	-
Mr. Sivanandhan Dhanushkodi	0.40	-	(0.36)	-
Mr. Ceasar Evasco	0.22	-	-	-
<b>Commission to directors</b>				
Mr. Sudip Bandyopadhyay	3.31	2.40	(5.14)	(2.40)
Mr. Vijay Chugh	3.31	2.40	(5.14)	(2.40)
Mr. Subrata Kumar Mitra	3.50	1.68	(5.31)	(1.68)
Mr. Rahul N. Bhagat	3.50	2.40	(4.66)	(2.40)
Mrs Jhuma Guha	2.30	-	(2.07)	-
Mr. Sivanandhan Dhanushkodi	0.19	-	(0.17)	-

\* Amount less than ₹0.01 Million.

**Note:**

- The above remuneration excludes gratuity, leave encashment and other benefits for which separate actuarial valuation is not available.
- Guarantees outstanding as on 31 March 2023 aggregating to ₹480.35 Million (31 March 2022: ₹207.41 Million) is given by the Company on behalf of subsidiaries (India Transact Services Limited and Securevalue India Limited) for acquiring property, plant and equipment and meeting the working capital requirements. While the Company has not charged any commission in relation to such guarantees, the amount represents accounting adjustments recognised in accordance with requirements of Ind AS 109 "Financial Instruments".
- Guarantees outstanding as on 31 March 2023 aggregating to ₹1,654.00 Million (31 March 2022: ₹Nil) is given by one of the subsidiary on behalf of the Company for extending financial assistance.. While the Subsidiary Company has not charged any commission in relation to such guarantees, the amount represents accounting adjustments recognised in accordance with requirements of Ind AS 109 "Financial Instruments".
- Terms and condition of transaction with related parties- all the transactions with related parties are at the arm's length price and all the outstanding balances are unsecured.
- Transactions and balances with its own subsidiaries are eliminated on consolidation.

**NOTE 51**

There are no significant events subsequent to 31 March 2023 and upto 26 May 2023 that would require adjustment or disclosures in the consolidated financial statements.

**NOTE 52**

The Group has earned profit after tax for the year ended 31 March 2023 of ₹ 369.62 Million. While revenue related to Payment solutions business has largely been consistent during the year, increased receivable days lead to increased working capital cycle and borrowings. Management has assessed its business forecasts and cash forecasts and expects an increase in transaction levels from existing customers and contracts with new customers based on existing pipeline. The Group expects it will generate sufficient cashflows from operating activities through reduction in receivables outstanding days and through other source of borrowings (including undrawn commitments on existing borrowing facilities) to meet its liabilities and provide additional support to its subsidiaries as required in the foreseeable future. The Group also expects to finance its acquisition of property, plant and equipment through internal accruals / debt financing as has been the case in past years. Based on the aforesaid assessment, management believes the Group will continue to operate as a going concern i.e., continue its operations and will be able to discharge its liabilities and realise the carrying amount of its assets.

**NOTE 53**

The Company had issued listed NCDs during the year ended 31 March 2021 and the proceeds thereof were utilised towards purchase of Compulsorily Convertible Preference Shares ("CCPS") of Vineha Enterprises Private Limited. On 31 January 2022, the Company completed its Initial Public offer ("IPO"), comprising of an offer for sale of 38,857,141 equity shares of face value of ₹10 each at an issue price of ₹ 175 per share by the Selling Shareholders. As per the objects of the issue defined in RHP and the terms of the Share Purchase Agreement, the offer proceeds received by Mr. Ravi B. Goyal for the sale of his portion of the offered shares were utilised for the purchase of Compulsorily Convertible Preference Shares ("CCPS") of Vineha Enterprises Private Limited held by the Company for a consideration of ₹ 6,500 Million on 28 January 2022, upon receipt of the listing and trading approvals from the Stock exchange. Such amount received by the Company was utilised to redeem the listed NCDs on 29 January 2022. Also, consequent to the redemption of the NCDs, these had been de-listed from the NSE. Pursuant to the IPO, the equity shares of the Company were listed on NSE and BSE on 31 January 2022.

**NOTE 54**

- The group has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- Final dividend of ₹ 10 per equity share amounting to ₹ 260.49 Million has been recommended by the Board of Directors of "Securevalue India Limited" for FY 2022-23 and the same shall be declared subject to the approval of the shareholders at the ensuing Annual General Meeting.

**NOTE 55**
**Other matters**

- No proceeding has been initiated or pending against the Group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The Group has not been declared wilful defaulter (in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India) by any bank or financial Institution or other lender.
- The Group does not have any transactions with companies struck off under Section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- The Group has not traded or invested in crypto currency or virtual currency during the year.
- The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:
  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries, other than those disclosed in notes to the Standalone Financial Statements.

The Company has not received any funds from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

  - directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
  - provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries, other than those disclosed in notes to the Standalone Financial Statements.
- The Group does not have any transaction not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 and there is no previously unrecorded income and related assets that are required to be recorded in the books of account during the year.
- There are no charges or satisfaction yet to be registered with ROC beyond the statutory year.

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

For and on behalf of the Board of Directors of  
**AGS Transact Technologies Limited**  
 CIN : L72200MH2002PLC138213

**Ravi Goyal**  
 Managing Director  
 DIN: 01374288

**Saurabh Lal**  
 Chief Financial Officer  
 Membership No.: 504653  
 Place: Mumbai  
 Date : 26 May 2023

**Stanley Johnson P.**  
 Executive Director  
 DIN: 08914900

**Sneha Kadam**  
 Company Secretary  
 Membership No.: 31215

Place: Mumbai  
 Date : 26 May 2023

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twentieth (20<sup>th</sup>) Annual General Meeting (AGM) of the Members of **AGS Transact Technologies Limited ("Company")** will be held on Monday, 25 September 2023 at 11:00 a.m. through Video Conferencing (VC) or Other Audio Visual Means (OAVM) to transact the following business:

**ORDINARY BUSINESS:**

- To consider and adopt the audited Standalone and Consolidated financial statements of the Company for the financial year ended 31 March 2023, together with the reports of the Board of Directors and the Auditors thereon and other reports.
- To appoint a Director in place of Mr. Vinayak R. Goyal (DIN: 09199173), who retires by rotation, and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESS:**

- Ratification of the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants, appointed by the Board of Directors as Cost Auditors:**

To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of section 148 & other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 and Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable to M/s. Kishore Bhatia & Associates, Cost Accountants (Firm Registration No. 00294), appointed by the Board of Directors on recommendation of the Audit Committee, as Cost Auditors of the Company to conduct the audit of the cost records of the Company for the financial year ending March 31, 2024, amounting to ₹ 3,50,000 (Rupees Three Lakh Fifty Thousand only) exclusive of applicable taxes and reimbursement for out of pocket expenses incurred in connection with the aforesaid audit, be and is hereby ratified."

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- Approval for payment of Commission to the Non-Executive Directors for FY 2022-2023:**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 197, 198 and 152 and any other applicable provisions, if any, read with Schedule V of the Companies Act, 2013 ("the Act")

and the rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and provisions of Regulation 17(6) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members of the Company be and is hereby accorded to pay a remuneration by way of commission as stated under for FY 2022-23 to the Non-Executive Directors of the Company viz., Mr. Rahul N. Bhagat (DIN:02473708), Mr. Subrata Kumar Mitra (DIN: 00029961), Mrs. Jhuma Guha (DIN: 00007454), Mr. Sudip Bandyopadhyay (DIN: 00007382), Mr. Vijay Chugh (DIN: 07112794) and Mr. Sivanandhan Dhanushkodi (DIN: 03607203) as recommended by the Nomination and Remuneration Committee and by the Board of Directors of the Company:

Sr No.	Name of the Non-Executive Director	Commission (in ₹)
1	Mr. Rahul N. Bhagat	35,00,000
2	Mr. Subrata Kumar Mitra	35,00,000
3	Mr. Sudip Bandyopadhyay	33,05,556
4	Mr. Vijay Chugh	33,05,556
5	Mrs. Jhuma Guha	22,96,575
6	Mr. Sivanandhan Dhanushkodi	1,91,781

**RESOLVED FURTHER THAT** for the Financial Year 2022-2023, since the Company has inadequate profits, the aforementioned remuneration shall be in accordance with the provisions of Schedule V.

**RESOLVED FURTHER THAT** the above remuneration shall be in addition to the sitting fees, if any, payable to the Director for attending the meetings of the Board or any Committee thereof as may be decided by the Board of Directors and reimbursement of expenses for participation in such Board and Committee meetings.

**RESOLVED FURTHER THAT** any Director or the Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

- Appointment of Ms. Preeti Malhotra (DIN: 00189958) as a Non-Executive Independent Director of the Company**

To consider and, if thought fit, to pass the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") (including any statutory amendment(s), modification(s) or re-enactment(s) thereof for the time being in force) read with rules made thereunder and Schedule IV of the Act and any other applicable provisions of the Act and the



## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 17 and 25 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) (including any statutory amendment(s), modification(s) or re-enactment(s) thereof, for the time being in force), recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors of the Company, Ms. Preeti Malhotra (DIN: 00189958), who was appointed as an Additional Director of the Company, pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company and being eligible offers herself for appointment and in respect of whom the Company has received a Notice in writing from her under section 160 of the Act, proposing her candidature for the office of the Director of the Company and who has also submitted a declaration that she meets the criteria of Independence as provided under the Act and the SEBI Listing Regulations, the consent of the Members of the Company be and is hereby accorded to appoint Ms. Preeti Malhotra (DIN: 00189958) as a Non-Executive Independent Director of the Company, who shall hold office for a period of five (5) years with effect from June 28, 2023 to June 27, 2028, not liable to retire by rotation.

**RESOLVED FURTHER THAT** pursuant to the provisions of Sections 149, 197, 198 and any other applicable provisions, if any, of the Act read with the rules, regulations, directions and notifications issued/ framed thereunder and Schedule V thereto, pursuant to the approval of the Board on the basis of recommendation of Nomination and Remuneration Committee, the consent of Members of the Company be and is hereby accorded for payment to Ms. Preeti Malhotra (DIN: 00189958), sitting fees of ₹ 1,00,000/- (Rupees One Lakh) only for attending each meeting of the Board and ₹ 50,000/- (Rupees Fifty Thousand only) for attending each meeting of the Committee of Board, profit related commission

of upto ₹ 35,00,000 (Rupees Thirty Five Lakhs only) per annum [as approved by the Board and shareholders] and reimbursement of actual out of pocket expenses incurred for attending the meetings of the Board (including Board Committees) and such other terms and conditions as per appointment letter approved and issued by the Board.

**RESOLVED FURTHER THAT** the total overall remuneration payable to Ms. Preeti Malhotra (DIN: 00189958), in any financial year shall not exceed the limits prescribed under Section 197 and other applicable provisions of the Act.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all acts, deeds, matters and things and take all such steps as may be necessary, proper or expedient in relation to appointment of aforesaid person as a Non-Executive, Independent Director of the Company including but not limited to delegate any powers to any officials of the Company conferred upon the Board by this resolution and to settle all questions / doubts / queries / difficulties that may arise in this regard, at any stage without being required to seek any further consent or approval of the Members of the Company to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

By Order of the Board

**For AGS Transact Technologies Limited**

**Sneha Kadam**

Company Secretary

(Mem No: ACS31215)

Date: 29 August, 2023

Place: Mumbai

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**NOTES:**

- In view of the pandemic caused by COVID-19 and restrictions imposed on the movement of the people, Ministry of Corporate Affairs (“MCA”) vide Circular No. 14/2020 dated 08 April 2020, Circular No.17/2020 dated 13 April 2020, Circular No. 20/2020 dated 05 May 2020, Circular No. 02/2021 dated 13 January 2021, Circular No. 02/2022 dated 05 May 2022 and Circular No. 11/2022 dated 28 December 2022 (collectively referred to as “MCA Circulars”) and the Securities and Exchange Board of India (“SEBI”) vide its Circular No. SEBI/ HO/CFD/CMD1/ CIR/P/2020/79 dated 12 May 2020 and Circular No. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated 15 January 2021 (collectively referred to as “SEBI Circulars”), have permitted the holding of the Annual General Meeting (“AGM”) of a company through Video Conferencing (“VC”)/Other Audio Visual means (“OAVM”), without the physical presence of the Members at a common venue. Therefore, the 20<sup>th</sup> Annual General Meeting (“AGM”) of the Company is being conducted through VC/OAVM. The procedure for participating in the AGM through VC/OAVM is explained in below Notes.
- The AGM shall be deemed to be held at the Corporate office of the Company at 14<sup>th</sup> Floor, Tower 3, One International Center, Senapati Bapat Marg, Prabhadevi (West), Mumbai-400013, Maharashtra.
- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated 08 April 2020, 13 April 2020 and 05 May 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorised e-Voting’s agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
- Pursuant to the Circular No. 14/2020 dated 08 April 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates and Non-individual Members are entitled to appoint authorised representatives to attend the AGM through VC / OAVM and participate there at and cast their votes through e-voting to the Company at [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com).
- The Members can join the AGM in the VC / OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC / OAVM will be made available for 1,000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- As the AGM shall be conducted through VC/ OAVM and physical attendance of Members has been dispensed with, the facility for appointment of Proxy by Members is not available for this AGM. Accordingly, proxy form and attendance slip including route map have not been annexed with this notice.
- In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated 13 April 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.agsindia.com](http://www.agsindia.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
- The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circulars and SEBI Circulars.
- Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) and Secretarial Standard – 2 on General Meetings issued by the Institute of Company Secretaries of India (“ICSI”) for special business under Item Nos. 3 to 5 of the Notice is annexed hereto.
- Information required pursuant to Regulation 36(3) of the SEBI Listing Regulations read with the applicable provisions of Secretarial Standards-2, in respect of the Directors seeking appointment/ re-appointment, is provided as “Annexure 1” of this Notice.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

12. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has availed the services of Central Depository Services (India) Limited ("CDSL") for conducting the AGM through VC/OAVM and enabling participation of members at the meeting thereto and for providing services of remote e-voting and e-voting during the AGM. The procedure for participating in the meeting through VC/OAVM is explained at Note No. 24 below.
13. Non-individual Members (i.e., Institutional / Corporate Members) intending to participate through their Authorised Representatives are requested to send a scanned copy (in JPEG/PDF format) of a duly certified Board Resolution authorising their representative(s) to participate and vote on their behalf at the AGM (through e-voting), pursuant to Section 113 of the Act, to the Company's Registrar and Share Transfer Agent at [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
14. In case of joint holders participating at the AGM together, only such joint holder whose name appears higher in the order of names will be entitled to vote.
15. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com) from **18 September 2023 to 20 September 2023**. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
16. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which Directors are interested under Section 189 of the Act and the Certificate from Auditors of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with, the SEBI (Share Based Employee Benefits) Regulations, 2014 and any

other documents referred to in the accompanying Notice and Explanatory Statements, shall be made available for inspection electronically by the Members in accordance with the applicable statutory requirements based on the requests received by the Company at [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com).

17. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs in case the shares are held by them in electronic form and with the Company in case the shares are held by them in physical form.
18. Members holding shares in physical form are requested to notify/send any change in their address/bank mandate to the Company's Registrar and Share Transfer Agent at:

**Link Intime India Private Limited,**  
C - 101, 247 Park, L B S Marg, Vikhroli West, Mumbai - 400 083.  
Tel No.: +91 -22- 49186270 Fax No.: +91- 22- 4918 6060  
E-mail: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

Members may also address all other correspondences to the Registrar and Share Transfer Agent at the address mentioned above.

19. **Electronic Dispatch of Annual Report and Process for Registration of e-mail id for obtaining the Annual Report:** Pursuant to Sections 101 and 136 of the Act read with the relevant Rules made thereunder and Regulation 36 of the SEBI Listing Regulations, companies can send Annual Reports and other communications through electronic mode to those Members who have registered their e-mail addresses either with the Company or with the Depository Participant(s). In accordance with the Circulars issued by MCA and SEBI and owing to the difficulties involved in dispatching of physical copies of the financial statements (including Report of Board of Directors, Auditor's report or other documents required to be attached therewith) due to COVID-19 pandemic situation, such statements including the Notice of the 20<sup>th</sup> AGM are being sent through electronic mode to Members whose e-mail address is registered with the Company or the Depository Participant(s). Members may note that the Notice of the Meeting and the Annual Report for FY 2022-23 is also available on the Company's website [www.agsindia.com](http://www.agsindia.com), website of the Stock exchanges i.e. BSE Limited: [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited: [www.nseindia.com](http://www.nseindia.com).  
  
The AGM Notice is also disseminated on the website of CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com)

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

Members who have not registered their e-mail address with the Company or their Depository Participant are requested to register their e-mail address in the following manner:

For shares held in Physical form	Physical form Click on the link 1. <a href="https://www.linkintime.co.in/EmailReg/Email_Register.html">https://www.linkintime.co.in/EmailReg/Email_Register.html</a> 2. Select the name of the Company – AGS Transact Technologies Limited 3. Mention Folio No. ID, Name of Member, Certificate No, Permanent Account Number (PAN), Mobile Number, Email-Id along with a self-attested copy of your PAN Card / Aadhar / Valid Passport etc. 4. The system will send an OTP on the given mobile number and email Id 5. Enter the OTP as received above, for verification
For shares held in Dematerialised form	Register/update email address, PAN and Bank Account details with the Depository Participant where the respective dematerialised accounts are maintained.

Please note that registration of email address and mobile number is now mandatory while voting electronically and joining virtual meetings.

20. SEBI has mandated the submission of PAN by every participant in securities market. Members holding shares in dematerialised form are therefore requested to submit their PAN to the Depository Participant(s) with whom they are maintaining their dematerialised accounts. Members holding shares in physical form can write to the Registrar and Share Transfer Agent with their PAN details.
21. Members may note that, as mandated by SEBI, effective April 1, 2019, the Company cannot process any request for transfer of securities in physical mode. Only securities held in dematerialised form can be transferred. Hence, Members are requested to dematerialise their shares if held in physical form.
22. Any person becoming a Member of the Company after the Notice of the Meeting is sent out through e-mail and holds shares as on the cut-off date i.e. September 18,

2023 may obtain the user ID and Password by sending a request to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and can exercise their voting rights through remote e-voting by following the instructions listed here below or by voting facility provided during the meeting. The person who is not a member/ beneficial owner as on the cut-off date should treat this Notice for information purpose only.

**23. INTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

**Step 1 : Access through Depositories CDSL/NSDL e-Voting system in case of individual shareholders holding shares in demat mode.**

**Step 2 : Access through CDSL e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.**

- i. **The voting period begins on 20 September 2023 at 9:00 a.m. and ends on 24 September 2023 at 5:00 p.m.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. **18 September 2023** (record date) may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

- ii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only



NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

**STEP 1 : ACCESS THROUGH DEPOSITORIES CDSL/ NSDL E-VOTING SYSTEM IN CASE OF INDIVIDUAL SHAREHOLDERS HOLDING SHARES IN DEMAT MODE.**

iii. In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode

are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to aforesid SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode CDSL/ NSDL is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL Depository</b>	<ol style="list-style-type: none"> <li>Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login to Easi / Easiest are requested to visit cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab.</li> <li>After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at cdsl website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL Depository</b>	<ol style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</li> </ol>

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

Type of shareholders	Login Method
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants (DP)</b>	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30

**STEP 2 : ACCESS THROUGH CDSL E-VOTING SYSTEM IN CASE OF SHAREHOLDERS HOLDING SHARES IN PHYSICAL MODE AND NON-INDIVIDUAL SHAREHOLDERS IN DEMAT MODE.**

iv. Login method for e-Voting and joining virtual meetings for Physical shareholders and shareholders other than individual holding in Demat form.

- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" module.
- Now enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.

6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) · Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. · If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

- v. After entering these details appropriately, click on “SUBMIT” tab.
- vi. Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii. For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- viii. Click on the EVSN for “**AGS Transact Technologies Limited**” to vote.
- ix. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- x. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- xi. After selecting the resolution, you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xii. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xiii. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- xiv. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xv. There is also an optional provision to upload BR/ POA if any uploaded, which will be made available to scrutiniser for verification.

**xvi. Additional Facility for Non – Individual Shareholders and Custodians –For Remote Voting only.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that, a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- Alternatively Non Individual shareholders are required mandatory to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorised signatory who are authorised to vote, to the Scrutiniser and to the Company at the email address viz [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutiniser to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops/IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 7 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com). These queries will be replied to by the Company suitably by email.
8. Only those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders may be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned

copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to **Company/RTA email id**.

2. For Demat shareholders -, Please update your email id & mobile no. with your respective **Depository Participant (DP)**
3. **For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.**

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no. 1800 22 55 33

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call toll free no. 1800 22 55 33.

**24. GENERAL GUIDELINES FOR MEMBERS:**

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- If you have any queries or issues regarding attending the AGM & e-voting from the e-voting System, you may refer the Frequently Asked Questions and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or contact 022-23058738, 022-23058542/43 or at toll free no. 1800 22 55 33 or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- All grievances connected with the facility for attending the AGM and for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, Central Depository Services (India) Limited, A Wing, 25<sup>th</sup> Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or by calling on 022-23058542/43 or sending an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

**25. VOTING RESULTS**

The Board of Directors has appointed Ms. Manisha Maheshwari, or failing her Mr. S. N. Bhandari, Partners of Bhandari & Associates, Company Secretaries, as the

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

Scrutiniser to scrutinise voting process including remote e-voting in a fair and transparent manner.

The Scrutiniser shall immediately after the conclusion of voting at the Meeting, will first count the votes cast at the Meeting and thereafter, unblock the votes cast through remote e-voting and shall make a consolidated Scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a Director or Company Secretary authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith.

The results will be announced within two working days of conclusion of Annual General Meeting. Once declared, the results along with the consolidated Scrutiniser's report shall be placed on the Company's website [www.agsindia.com](http://www.agsindia.com) and on the website of CDSL [www.evotingindia.com](http://www.evotingindia.com)

[com](http://www.agsindia.com). The Company shall also forward the results to BSE Limited and the National Stock Exchange of India Limited, where the shares of the Company are listed.

Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the Meeting i.e. Monday, 25 September 2023.

By Order of the Board

**For AGS Transact Technologies Limited**

**Sneha Kadam**

Company Secretary  
(Mem No: ACS31215)  
Date: 29 August, 2023  
Place: Mumbai

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013**
**Item No. 3**

The Board of Directors of the Company, on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s. Kishore Bhatia & Associates, Cost Accountants, to conduct the audit of the cost records of the Company for the financial year ending 31 March 2024. In terms of the provisions of Section 148(3) of the Companies Act, 2013 read with Rule 14(a)(ii) of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company. Accordingly, consent of the Members is sought to ratify the remuneration payable to the Cost Auditors.

The Board of Directors accordingly recommend the Ordinary Resolution as mentioned at Item No. 3 of this Notice for approval of the members of the Company.

None of the Directors, Key Managerial Personnel and relatives of Directors are directly/indirectly interested in this resolution.

**Item No. 4**

The Board of Directors at its meeting held on 26 May 2023 had recommended payment of commission (on a pro-rata basis) to Non-Executive Directors of the Company viz., Mr. Rahul N. Bhagat (DIN:02473708), Mr. Subrata Kumar Mitra (DIN: 00029961), Mrs. Jhuma Guha (DIN: 00007454), Mr. Sudip Bandyopadhyay (DIN: 00007382), Mr. Vijay Chugh (DIN: 07112794), Mr. Sivanandhan Dhanushkodi (DIN: 03607203), for the FY 2022-2023 subject to the provisions of the Companies Act, 2013 and approval of the members at the ensuing 20<sup>th</sup> Annual General Meeting of the Company.

Keeping in mind the principle of shared prosperity, the Nomination and Remuneration Committee has recommended to the Board of Directors that the payment of commission to the Non-Executive Directors of the Company subject to the approval of the members of the Company and the Board has concurred with the recommendation of the Nomination and Remuneration Committee and in turn has recommended the same to the Members.

Therefore, approval of the members is sought by way of a Special Resolution under the provisions of Section 197 of the Companies Act, 2013 for payment of commission to the Independent Directors in accordance with the provisions of Schedule V of Companies Act, 2013, owing to inadequate profits.

The payment of commission will be in addition to the sitting fees payable to such Directors for attending meetings of the Board and/or Committee(s) thereof or for any other purpose whatsoever as may be decided by the Board and

reimbursement of expenses for participation in the Board and/or Committee meetings.

The Board of Directors accordingly recommend the Special Resolution as mentioned at Item No. 4. of this Notice for approval of the members of the Company. A Statement of additional information and other particulars as may be required under Section II of Part II of Schedule V are provided in the "Annexure 1" attached to this Notice.

All the aforementioned Non-Executive Directors of the Company and their relatives may be deemed to be concerned or interested in the proposed Resolution to the extent of the remuneration that may be received by them. None of the other Directors or Key Managerial Personnel (KMPs) of the Company either directly or through their relatives are, in any way, concerned or interested, whether financially or otherwise, in the proposed Resolution.

**Item No. 5**

The Board of Directors of the Company at its meeting held on 28 June 2023, based on the recommendation of the Nomination and Remuneration Committee and pursuant to the provisions of Section 161(1) of the Companies Act, 2013 ("the Act") read with the Articles of Association of the Company, had approved the appointment of Ms. Preeti Malhotra (DIN: 00189958) as an Additional Director, designated as an Independent Director of the Company for a term of 5 (Five) years from 28 June 2023 to 27 June 2028.

In accordance with the provisions of Section 149 read with Schedule IV to the Act, appointment of Independent Directors requires approval of the members of the Company. Further, pursuant to provisions of the Regulation 17(1C) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), a listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier. Further, the appointment of an independent director of a listed entity shall be subject to the approval of shareholders by way of a special resolution. Accordingly, the appointment of Ms. Preeti Malhotra would require the approval of the members of the Company.

Ms. Preeti Malhotra is registered on the Independent Director's Databank and is qualified to be appointed as a director in terms of Section 164 of the Act and has given her consent to act as a director. Also, the Company has received other necessary disclosures and declarations from Ms. Preeti Malhotra including the declaration that she is not debarred from holding the office of director pursuant to any SEBI Order. The Company



## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

has also received declaration from Ms. Preeti Malhotra that she meets the criteria of independence as prescribed both under Section 149(6) of the Act and SEBI Listing Regulations. Ms. Preeti Malhotra does not hold any equity shares in the Company. The Company has received a notice in writing from Ms. Malhotra proposing her candidature for appointment as an Independent Director on the Board of the Company.

In the opinion of the Board, Ms. Preeti Malhotra fulfils the conditions for appointment as an Independent Director as specified in the Act and the SEBI Listing Regulations. She is independent of the management and possesses appropriate skills, experience and knowledge. Considering the extensive knowledge and experience of Ms. Preeti Malhotra, her understanding of business as well as her educational background, appointment of Ms. Preeti Malhotra as an Independent Director is in the interest of the Company.

Details of Ms. Preeti Malhotra are provided in the “Annexure 2” to the Notice, pursuant to the provisions of (i) SEBI Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

Copy of the letter of appointment of Ms. Preeti Malhotra setting out the terms and conditions of appointment shall be available for inspection by the members electronically. Members seeking to inspect the same can send an email to [companysecretary@agsindia.com](mailto:companysecretary@agsindia.com).

None of the other Directors / Key Managerial Personnel of the Company / relatives of Directors and Key Managerial Personnel are, in any way, concerned or interested, financially or otherwise, in the resolution. The Board recommends the special resolution set out in the Notice in Item No. 5 for approval of the members.

By Order of the Board

**For AGS Transact Technologies Limited**

**Sneha Kadam**

Company Secretary

(Mem No: ACS31215)

Date: 29 August, 2023

Place: Mumbai

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

“Annexure 1”

**THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE COMPANIES ACT, 2013:**
**I. GENERAL INFORMATION**

Nature of industry	The Company is in the business of supplying, installing and managing technology-based payment solutions, automation products and providing related services to its customers in Banking, Petroleum, Colour and Retail sectors.		
Date or expected date of commencement of commercial production	N.A. since the Company has already commenced its business activities		
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	N.A.		
Financial performance based on given indicators	<b>On a Standalone basis:</b>		
	<b>Particulars</b>	<b>F.Y. 2022-23 (Amount in million)</b>	<b>F.Y. 2021-22 (Amount in million)</b>
	Total Income	12,387.83	13,320.36
	Earnings before interest, tax, depreciation and amortisation (EBITDA)	3,121.68	3,366.02
	Profit/(Loss) Before Tax	181.51	(814.53)
	Total Tax expense	32.74	71.71
	Profit/(Loss) after Tax	(148.77)	(886.24)
	<b>On a Consolidated basis:</b>		
	<b>Particulars</b>	<b>F.Y. 2022-23 (Amount in million)</b>	<b>F.Y. 2021-22 (Amount in million)</b>
	Total Income	17,075.12	17,972.65
	Earnings before interest, tax, depreciation and amortisation (EBITDA)	4,318.75	4,362.99
	Profit/(Loss) Before Tax	575.30	(665.77)
	Total Tax expense	205.68	158.91
	Profit/(Loss) after Tax	369.62	(824.68)
Foreign investments or collaborations, if any.	None		

**II. A - INFORMATION ABOUT MR. RAHUL N. BHAGAT**

Background details (including experience)	Mr. Rahul N. Bhagat has over three decades of experience in consumer banking, and has been listed on the Asian Banker’s on their List of Leading Practitioners. Mr. Bhagat worked at ANZ Grindlays Bank and Bank of America before joining HDFC Bank where, as Country Head – Retail Liabilities, Marketing & Direct Banking Channels, he managed a diverse portfolio that was instrumental in building the bank as the leading consumer and digital banking franchise. He thereafter partnered Vodafone India Limited in successfully applying for a Payments Bank licence in 2015 and was appointed CEO (designate) of the proposed bank. He ceased to be an Independent Director w.e.f. closure of business hours on June 6, 2023 on account of completion of his term.
Past remuneration	Received sitting fees for attending the Board and Committee Meetings and commission for FY 2021-22

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**II. A - INFORMATION ABOUT MR. RAHUL N. BHAGAT**

Date of Appointment	7 June 2018 (He ceased to be an Independent Director w.e.f. closure of business hours on 6 June 2023 on account of completion of his term.)									
Age	59 years									
Qualification	Mr. Rahul N. Bhagat holds a Master of Arts degree in International Affairs from the College of William and Mary, Williamsburg, U.S.A and a Bachelor of Arts (Honours) degree in History from St. Stephen's College, Delhi University, India									
Recognition or awards	N.A.									
Job profile and his suitability	Mr. Rahul N. Bhagat's rich and diverse experience of over 3 decades had added immense value addition to your Company.									
Remuneration proposed	Commission – ₹ 35,00,000 [Rupees Thirty Five Lakhs only]									
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as laid down in Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size, industry and profitability.									
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides sitting fees for attending the meetings of the Board and its Committees and the commission receivable for the FY 2022-23 Mr. Bhagat does not have any pecuniary relationship with the Company and is not related to any managerial personnel or other director of the Company.									
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None									
Terms and Conditions of appointment	He was appointed as an Independent Director w.e.f. 7 June 2018 for a period of 5 years. He ceased to be an Independent Director w.e.f. closure of business hours on 6 June 2023 on account of completion of his first term.									
Shareholding in the Company	NIL									
The number of meetings of the Board attended during the year	During FY 2022-23, Mr. Rahul N. Bhagat attended all the 10 (Ten) Board meetings held during the financial year.									
Number of other Directorships	<ol style="list-style-type: none"> <li>SOTC Travel Limited</li> <li>Padmini VNA Mechatronics Limited</li> <li>JSW IP Holdings Private Limited</li> <li>Arka Financial Holdings Private Limited (Deemed Public Company)</li> <li>World Monuments Fund India Association</li> </ol>									
*Chairmanship/Membership of Committees of other Companies in which he is a Director	<table border="1"> <thead> <tr> <th>Sr No.</th> <th>Name of Company</th> <th>Details of Committee Chairmanships/Memberships</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Padmini VNA Mechatronics Limited</td> <td>Member of Audit Committee</td> </tr> <tr> <td>2</td> <td>Arka Financial Holdings Private Limited</td> <td>Member of Audit Committee</td> </tr> </tbody> </table>	Sr No.	Name of Company	Details of Committee Chairmanships/Memberships	1	Padmini VNA Mechatronics Limited	Member of Audit Committee	2	Arka Financial Holdings Private Limited	Member of Audit Committee
Sr No.	Name of Company	Details of Committee Chairmanships/Memberships								
1	Padmini VNA Mechatronics Limited	Member of Audit Committee								
2	Arka Financial Holdings Private Limited	Member of Audit Committee								

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**II. B - INFORMATION ABOUT MR. SUBRATA KUMAR MITRA**

Background details (including experience)	Mr. Subrata Kumar Mitra has extensive experience in the fields of management and finance.
Past remuneration	Received sitting fees for attending the Board and Committee Meetings and commission for FY 2021-22
Date of Appointment	20 July 2021
Age	75 years
Qualification	Mr. Mitra holds a Master of Science degree from the University of Calcutta and a degree of Master in Management Science from the Texas Christian University, USA
Recognition or awards	N.A.
Job profile and his suitability	Mr. Mitra's extensive experience in the fields of management and finance can bring immense value addition to your Company.
Remuneration proposed	Commission – ₹ 35,00,000 [Rupees Thirty Five Lakhs only]
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as laid down in Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size, industry and profitability
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides sitting fees for attending the meetings of the Board and its Committees and the commission receivable for FY 2022-23, Mr. Mitra does not have any pecuniary relationship with the Company and is not related to any managerial personnel or other director of the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Terms & Conditions of appointment	Mr. Mitra has been appointed as an Independent Director on the Board of the Company w.e.f. 20 July 2021 for a period of 5 years. He is not liable to retire by rotation.
Shareholding in the Company	None
The number of meetings of the Board attended during the year	During FY 2022-23, Mr. Subrata Kumar Mitra attended all the 10 (Ten) Board meetings held during the financial year.
Number of other Directorships	<ol style="list-style-type: none"> <li>IL &amp; FS Engineering and Construction Company Limited</li> <li>IL&amp;FS Transportation Networks Limited</li> <li>Centrum Capital Limited</li> <li>Inditrade Fincorp Limited</li> <li>Asirvad Micro Finance Limited</li> <li>Roadstar Investment Managers Limited</li> <li>Centrum Broking Limited</li> <li>PPFAS Asset Management Private Limited</li> </ol>

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**II. B - INFORMATION ABOUT MR. SUBRATA KUMAR MITRA**

\*Chairmanship/Membership of Committees of other Companies in which he is a Director

Sr No.	Name of Company	Details of Committee Chairmanships/Memberships
1	IL & FS Engineering and Construction Company Limited	Chairman of Audit Committee Member of Stakeholders Relationship Committee
2	IL&FS Transportation Networks Limited	Chairman of Stakeholders Relationship Committee Chairman of Audit Committee
3	Inditrade Fincorp Limited	Member of Audit Committee
4	Roadstar Investment Managers Limited	Chairman of Audit Committee
5	Centrum Broking Limited	Member of Audit Committee
6	Asirvad Micro Finance Limited	Member of Stakeholders Relationship Committee
7	Roadstar Investment Managers Limited	Chairman of Audit Committee
8	Centrum Broking Limited	Member of Audit Committee
9	Asirvad Micro Finance Limited	Member of Stakeholders Relationship Committee

**II. C - INFORMATION ABOUT MR. SUDIP BANDYOPADHYAY**

Background details (including experience)	Mr. Sudip Bandyopadhyay has over 3 decades of rich and diverse experience in various areas of finance and financial services.  Mr. Bandyopadhyay's area of expertise includes retail and wholesale lending, capital markets, commodity and currency markets, wealth management, asset management, insurance, investment banking, remittance, forex and distribution of financial products.  He ceased to be an Independent Director w.e.f. end of day on 11 March 2023 on account of completion of his two consecutive terms as an independent director. He was re-appointed as a Non-Executive, Non-Independent Director w.e.f. 29 March 2023
Past remuneration	Received the sitting fees for attending the Board and Committee Meetings and commission for FY 2021-22
Date of Appointment (Current)	29 March 2023
Age	59 years
Qualifications	Mr. Bandyopadhyay is a Chartered Accountant certified by the ICAI and a Cost and Works Accountant certified by the Institute of Cost and Works Accountants of India.
Recognition or awards	N.A.
Job profile and his suitability	Mr. Bandyopadhyay's rich and diverse experience of over 3 decades in various areas of finance and financial services can bring immense value addition to your Company.
Remuneration proposed	Commission – ₹ 33,05,556 [Rupees Thirty Three Lakhs Five Thousand Five Hundred and Fifty Six only]

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**II. C - INFORMATION ABOUT MR. SUDIP BANDYOPADHYAY**

Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as laid down in Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size, industry and profitability															
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides sitting fees for attending the meetings of the Board and its Committees and the commission receivable for FY 2022-23 Mr. Bandyopadhyay does not have any pecuniary relationship with the Company and is not related to any managerial personnel or other director of the Company.															
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None															
Terms & Conditions of appointment	Mr. Bandyopadhyay completed 2 consecutive terms as Independent Director and ceased to be a Director w.e.f. end of day on 11 March 2023. He was thereafter appointed as a Non-Executive, Non-Independent Director on the Board of the Company w.e.f. 29 March 2023.  Remuneration: <ul style="list-style-type: none"> <li>Sitting fees of ₹ 100,000 per Board meeting and ₹ 50,000 per Committee meeting attended</li> <li>Commission of ₹ 35,00,000 per annum as declared by the Board and approved by the shareholders</li> </ul>															
Shareholding in the Company	NIL															
The number of meetings of the Board attended during the year	During FY 2022-23, Mr. Sudip Bandyopadhyay attended all the 10 (Ten) Board meetings held during the financial year.															
Number of other Directorships	<ol style="list-style-type: none"> <li>VST Industries Limited</li> <li>Inditrade Capital Limited</li> <li>Inditrade Fincorp Limited</li> <li>Inditrade Rural Marketing Limited</li> <li>Inditrade Microfinance Limited</li> <li>Inditrade Scalerator Limited</li> <li>Totalstart Entrepreneurship Ecosystem Developers</li> <li>Securevalue India Limited</li> <li>India Transact Services Limited</li> </ol>															
*Chairmanship/Membership of Committees of other Companies in which he is a Director	<table border="1"> <thead> <tr> <th>Sr No.</th> <th>Name of Company</th> <th>Details of Committee Chairmanships/Memberships</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>VST Industries Limited</td> <td>Chairman of Audit Committee</td> </tr> <tr> <td>2</td> <td>Inditrade Fincorp Limited</td> <td>Member of Audit Committee</td> </tr> <tr> <td>3</td> <td>India Transact Services Fincorp Limited</td> <td>Member of Audit Committee</td> </tr> <tr> <td>4</td> <td>Securevalue India Limited</td> <td>Member of Audit Committee</td> </tr> </tbody> </table>	Sr No.	Name of Company	Details of Committee Chairmanships/Memberships	1	VST Industries Limited	Chairman of Audit Committee	2	Inditrade Fincorp Limited	Member of Audit Committee	3	India Transact Services Fincorp Limited	Member of Audit Committee	4	Securevalue India Limited	Member of Audit Committee
Sr No.	Name of Company	Details of Committee Chairmanships/Memberships														
1	VST Industries Limited	Chairman of Audit Committee														
2	Inditrade Fincorp Limited	Member of Audit Committee														
3	India Transact Services Fincorp Limited	Member of Audit Committee														
4	Securevalue India Limited	Member of Audit Committee														

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

II. D - INFORMATION ABOUT MR. VIJAY CHUGH							
Background details (including experience)	Mr. Vijay Chugh has over 33 years of experience at the Reserve Bank of India in the fields of supervision and regulation of commercial banks, rural credit and development, payment and settlement systems and core banking solutions. He superannuated in the rank of Principal Chief General Manager, Department of Payment and Settlement Systems of the RBI. He ceased to be an Independent Director w.e.f. end of day on March 11, 2023 on account of completion of his two consecutive terms as an independent director.						
Past remuneration	Received the sitting fees for attending the Board and Committee Meetings and commission for FY 2021-22						
Date of Appointment	12 March 2015 (He ceased to be an Independent Director w.e.f. end of day on 11 March 2023 on account of completion of his 2 consecutive terms.)						
Age	68 years						
Qualification	Mr. Chugh holds a Bachelor of Arts degree (Honours course) from the Delhi University and a Master of Arts degree from the University of Rajasthan. Mr. Chugh also holds a Post Graduate Diploma in Business Administration from the KC College of Management Studies, Mumbai. He is a Certificated Associate of the Indian Institute of Bankers and has been awarded an Advanced Certificate for Executives in Management, Innovation and Technology from the Sloan School of Management, Massachusetts Institute of Technology, U.S.A.						
Recognition or awards	N.A.						
Job profile and his suitability	Mr. Chugh's rich and diverse experience of over 33 years brought immense value addition to your Company.						
Remuneration proposed	Commission – ₹ 33,05,556 [Rupees Thirty Three Lakhs Five Thousand Five Hundred and Fifty Six only]						
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as laid down in Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size, industry and profitability						
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides sitting fees for attending the meetings of the Board and its Committees and the commission receivable for FY 2022-23 and Mr. Chugh does not have any pecuniary relationship with the Company and is not related to any managerial personnel or other director of the Company.						
Relationship with other Directors, Manager and other Key Managerial Personnel of the company	None						
Terms & Conditions of appointment	Mr. Chugh completed 2 consecutive terms as Independent Director and ceased to be a Director w.e.f. end of day on 11 March 2023						
Shareholding in the Company	NIL						
The number of meetings of the Board attended during the year	During FY 2022-23, Mr. Chugh attended 8 (Eight) Board meetings held during his tenure						
Number of other Directorships	1. Inditrade Fincorp Limited 2. Inditrade Microfinance Limited 3. Arka Fincap Limited						
*Chairmanship/Membership of Committees of other Companies in which he is a Director	<table border="1"> <thead> <tr> <th>Sr No.</th> <th>Name of Company</th> <th>Details of Committee Chairmanships/ Memberships</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Inditrade Microfinance Limited</td> <td>Member of Audit Committee</td> </tr> </tbody> </table>	Sr No.	Name of Company	Details of Committee Chairmanships/ Memberships	1	Inditrade Microfinance Limited	Member of Audit Committee
Sr No.	Name of Company	Details of Committee Chairmanships/ Memberships					
1	Inditrade Microfinance Limited	Member of Audit Committee					

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

II. E - INFORMATION ABOUT MRS. JHUMA GUHA	
Background details (including experience)	Mrs. Jhuma Guha has a rich experience of over 3 decades in the field of financial services. She has worked with various reputed companies like ITC Limited, Reliance Securities Limited, Destimoney Securities Private Limited, etc., and currently the Vice-chairperson of Inditrade Capital Limited group and she brings along with her varied experience and expertise in the fields of Corporate and Legal Affairs, Compliance, Financial Management, Mergers and Acquisitions, Strategic Management and Planning.
Past remuneration	Received the sitting fees for attending the Board and Committee Meetings
Date of Appointment	5 August 2022
Age	58 years
Qualifications	Mrs. Jhuma Guha is a qualified Chartered Accountant and a qualified Company Secretary
Recognition or awards	N.A.
Job profile and his suitability	Mrs. Guha's experience of over 3 decades in the field of financial services can bring immense value addition to your Company.
Remuneration proposed	Commission – ₹ 22,96,575 [Rupees Twenty Two Lakhs Ninety Six Thousand Five Hundred and Seventy Five only]
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as laid down in Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size, industry and profitability
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides sitting fees for attending the meetings of the Board and its Committees and the commission receivable for FY 2022-23, Mrs. Guha does not have any pecuniary relationship with the Company and is not related to any managerial personnel or other director of the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Terms & Conditions of appointment	Appointed as Non-Executive, Independent Director, Not liable to retire by rotation. Remuneration: • Sitting fees of ₹ 1,00,000 per Board meeting and ₹ 50,000 per Committee meeting attended • Commission of ₹ 35,00,000 per annum as declared by the Board and approved by the shareholders
Shareholding in the Company	Holds 185 equity shares in the Company
The number of meetings of the Board attended during the year	During FY 2022-23, Mrs. Guha attended 7 (Seven) Board meetings
Number of other Directorships	1. Inditrade Capital Limited 2. Inditrade Fincorp Limited 3. Inditrade Rural Marketing Limited 4. Inditrade Microfinance Limited 5. Inditrade Technologies Limited 6. Juno Moneta Technologies Private Limited 7. Inditrade Scalerator Limited 8. Inditrade Community Foundation (section 8 company) 9. Securevalue India Limited 10. India Transact Services Limited



## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**II. E - INFORMATION ABOUT MRS. JHUMA GUHA**

\*Chairmanship/Membership of Committees of other Companies in which he is a Director

Sr No.	Name of Company	Details of Committee Chairmanships/Memberships
1	Inditrade Microfinance Limited	Member of Audit Committee
2	Inditrade Capital Limited	Member of Audit Committee Member of Stakeholders Relationship Committee
3	Securevalue India Limited	Chairperson of Audit Committee
4	India Transact Services Limited	Chairperson of Audit Committee

**II. F - INFORMATION ABOUT MR. SIVANANDHAN DHANUSHKODI**

Background details (including experience)	Mr. Sivanandhan Dhanushkodi is a highly regarded IPS officer with an illustrious career spanning 36 years. He retired as the Director-General of Police of Maharashtra State in 2011. He has held several senior positions in the Intelligence Bureau, Central Bureau of Investigation and Mumbai crime branch. He has also served as Commissioner of Police of Nagpur, Thane city and Mumbai
Past remuneration	N.A. Appointed w.e.f. 11 March 2023
Date of Appointment	11 March 2023
Age	72 years
Qualification	Mr. Sivanandhan Dhanushkodi is a Post Graduate in Economics and holds a Masters in Arts degree from University of Madras
Recognition or awards	Recipient of the President's Distinguished Service Medal, 2000 as well as the Meritorious Service Medal, 1993 and the Internal Security Medal, 1998.
Job profile and his suitability	Mr. Sivanandhan Dhanushkodi being a Non-Executive Independent Director has distinguished records of service and administrative abilities. His experience being the Director in other financial services companies including that of listed entities can bring immense value addition to your Company
Remuneration proposed	Commission - ₹ 1,91,781 [Rupees One Lakh Ninety One Thousand Seven Hundred and Eighty One only]
Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	The remuneration proposed is within the maximum permissible remuneration as laid down in Schedule V of the Companies Act, 2013 which is comparable with the Companies of the same size, industry and profitability
Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel or other director, if any	Besides sitting fees for attending the meetings of the Board and its Committees and the commission receivable for FY 2022-23, Mr. Sivanandhan Dhanushkodi does not have any pecuniary relationship with the Company and is not related to any managerial personnel or other director of the Company.
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None
Terms & Conditions of appointment	Appointment as Non-Executive, Independent Director, Not liable to retire by rotation. Remuneration: <ul style="list-style-type: none"> <li>Sitting fees of ₹ 100,000 per Board meeting and ₹ 50,000 per Committee meeting attended</li> <li>Commission of ₹ 35,00,000 per annum as declared by the Board and approved by the shareholders</li> </ul>

## NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

**II. F - INFORMATION ABOUT MR. SIVANANDHAN DHANUSHKODI**

Shareholding in the Company	NIL																					
The number of meetings of the Board attended during the year	During FY 2022-23, Mr. Sivanandhan Dhanushkodi attended 3 (Three) Board meetings																					
Number of other Directorships	<ol style="list-style-type: none"> <li>United Spirits Limited</li> <li>Forbes &amp; Company Limited</li> <li>Inditrade Capital Limited</li> <li>Kirloskar Industries Limited</li> <li>S D Fine-Chem Limited</li> <li>Ashok Leyland Defence Systems Limited</li> <li>Forbes Campbell Finance Limited</li> <li>Arka Fincap Limited</li> <li>Arka Financial Holdings Private Limited</li> <li>Seventeen Events Private Limited</li> <li>Securus First Digital Services Private Limited</li> <li>Securus First India Private Limited</li> </ol>																					
*Chairmanship/Membership of Committees of other Companies in which he is a Director	<table border="1"> <thead> <tr> <th>Sr No.</th> <th>Name of Company</th> <th>Details of Committee Chairmanships/Memberships</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>United Spirits Limited</td> <td>Chairman of the Stakeholders Relationship Committee</td> </tr> <tr> <td>2</td> <td>Forbes &amp; Company Limited</td> <td>Member of the Audit Committee Chairman of the Stakeholders Relationship Committee</td> </tr> <tr> <td>3</td> <td>Arka Fincap Limited</td> <td>Member of the Audit Committee</td> </tr> <tr> <td>4</td> <td>Kirloskar Industries Limited</td> <td>Member of the Audit Committee</td> </tr> <tr> <td>5</td> <td>Ashok Leyland Defence Systems Limited</td> <td>Member of the Audit Committee</td> </tr> <tr> <td>6</td> <td>Arka Financial Holdings Private Limited</td> <td>Member of the Audit Committee</td> </tr> </tbody> </table>	Sr No.	Name of Company	Details of Committee Chairmanships/Memberships	1	United Spirits Limited	Chairman of the Stakeholders Relationship Committee	2	Forbes & Company Limited	Member of the Audit Committee Chairman of the Stakeholders Relationship Committee	3	Arka Fincap Limited	Member of the Audit Committee	4	Kirloskar Industries Limited	Member of the Audit Committee	5	Ashok Leyland Defence Systems Limited	Member of the Audit Committee	6	Arka Financial Holdings Private Limited	Member of the Audit Committee
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\*Includes Directorship/ Chairmanship / Membership of Audit Committees and Stakeholders' Relationship Committee of other Public Limited Companies only (Whether Listed or not).

**III - OTHER INFORMATION**

Reasons of loss or inadequate profits	The inadequacy of profits was primarily on account of certain loss allowance on trade receivables.
Steps taken or proposed to be taken for improvement	N.A.
Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

**IV - Disclosures:**

Remuneration package of the managerial person:	As mentioned in the explanatory statement as stated above apart from the sitting fees for attending the Board and Audit Committee Meetings
Disclosures in the Board of Directors' report under the heading 'Corporate Governance' included in Annual Report 2022-2023:	The requisite details of remuneration etc. of Directors are included in the Report on Corporate Governance, forming part of the Annual Report for FY 2022-23 of the Company



NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

“Annexure 2”

- Details of Directors pursuant to Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India are given below. **(For Item No. 2 and 5)**

• **MR. VINAYAK RAVI GOYAL**

**Mr. Vinayak R. Goyal** was appointed as an Executive Director with effect from June 9, 2021. Mr. Vinayak R. Goyal holds a Bachelor of Science degree in Computer Engineering from Purdue University, USA, and has previously worked with Avendus Capital Private Limited as an analyst. He works closely with the management to drive strategic and business initiatives at our Company. He is also a non-executive director on the board of ITSL.

Director Identification Number (DIN)	09199173
Date of Birth	10 December 1992
Age	30 years
Date of Appointment	9 June 2021 (Appointed as Executive Director)
Experience and expertise in specific functional area	Over 4 years of experience in the fields of investment banking, business strategy and fund raising
Qualifications	Bachelor of Science degree in Computer Engineering from Purdue University, USA
List of Other Directorships	1. India Transact Services Limited
Chairman/ Member of the Committees of the Board of Directors of other Companies in which she is a Director (only Audit Committee and Stakeholders Relationship/Share Allotment Committee)	None
Names of the listed entities from which the person has resigned in the past three years	None
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	Mr. Vinayak R. Goyal is the son of Mr. Ravi B. Goyal, Chairman and Managing Director
Shareholding in the Company	No direct interest. Trinity Ventures, a partnership firm wherein Mr. Vinayak R. Goyal is a Partner holds 64 equity shares in the Company
Terms and conditions of appointment or re-appointment along with details of remuneration sought to be paid and the remuneration last drawn by such person	He is an Executive Director on the Board of the Company. <b>Current Term:</b> Three years from 9 June 2021. He is liable to retire by rotation.  For details of remuneration paid to him during FY 2022-23, kindly refer the Report on Corporate Governance.
The number of Meetings of the Board attended during the year	During FY 2022-23, Mr. Vinayak R. Goyal attended all the 10 (Ten) Board meetings held during the financial year.

• **MS. PREETI MALHOTRA**

Ms. Preeti Malhotra is a Law Graduate from Delhi University, a Fellow Member of the Institute of Company Secretaries of India and a Commerce (Hons.) Graduate from Delhi University. She has also finished a study of exponential technologies that seek to address the world’s greatest challenges with the Executive Program from Singularity University, Silicon Valley. Ms. Malhotra is an accomplished global professional with over 30 years of work experience in top leadership positions. She specialises in Business Strategy and development, Corporate Affairs, Corporate Governance, Policy formation, Strategic Alliances, Joint Ventures & New Projects, Collaborations, Investor Relations, Mergers, Acquisitions, Takeovers, IPO’s, Shareholding Divestments, Compliance & Risk Management, Fund Raising and project management.

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

Ms. Malhotra is an active contributor to various policy initiatives of the Govt. of India and has been a member on various expert Committees constituted by the Ministry of Corporate Affairs (MCA), to advise the Government on the framing of the New Company Law in India. She has been member of the Company Law Standing Committee formed by MCA to make recommendations to the govt. on various issues. She has also been a member of the Board of Governors of the Indian Institute of Corporate Affairs (IICA). A strong advocate of inclusive growth & gender parity, Ms. Malhotra is a Founder Member of the Global Citizen Forum (GCF).

Ms. Malhotra has also been the Founder Director of Foreign Investors India Forum (FIIF), a HNI forum that seeks to promote international investment. Ms. Malhotra is the Managing Committee Member & has been spearheading as Chairperson, the ASSOCHAM National Council of Company Law, Corporate Governance & Corporate Social Responsibility and she is also the Chair of the Audit & Finance Committee of ASSOCHAM.

Director Identification Number (DIN)	00189958
Date of Birth	9 April 1965
Age	58 years
Date of Appointment	28 June 2023
Experience in specific functional area	Experience of over 3 decades in the field of Corporate Services.
Expertise in specific functional area	Business Strategy and development, Corporate Affairs, Corporate Governance, Policy formation, Strategic Alliances, Joint Ventures & New Projects, Collaborations, Investor Relations, Mergers, Acquisitions, Takeovers, IPO’s, Shareholding Divestments, Compliance & Risk Management, Fund Raising and Project management.
Qualifications	Company Secretary and LLB Executive Program on Exponential Technologies
List of Other Directorships	1. Smart Bharat Private Limited 2. K M Advisors & Consultants (OPC) Private Limited
Names of listed entities in which the person also holds the directorship (excluding the Company)	NONE
*Names of listed entities in which the person also holds membership of Committees of the board (excluding the Company)	1. India Transact Services Limited – Audit Committee (Member) 2. Securevalue India Limited - Audit Committee (Member)
Names of listed entities from which the person has resigned in the past three years	NONE
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	N.A
Shareholding in the Company	NIL
Details of terms and conditions of appointment, remuneration sought to be paid and the remuneration last drawn by such person	Ms. Malhotra has been appointed as a Non-Executive, Independent Director w.e.f. 28 June 2023 for a period of 5 years. She shall not be liable to retire by rotation. <b>Remuneration last drawn:</b> During FY 2022-23 – NIL Proposed remuneration: <ul style="list-style-type: none"> <li>• Sitting fees of ₹ 100,000 per Board meeting and ₹ 50,000 per Committee meeting attended; and</li> <li>• Profit related commission of upto ₹ 35,00,000 per annum (as declared by the Board and approved by the shareholders).</li> </ul>
The number of Meetings of the Board attended during the year	N.A. Appointed w.e.f. June 28, 2023

NOTICE OF TWENTIETH ANNUAL GENERAL MEETING (Contd.)

<p>In case of independent directors, the skills and capabilities required for the role and the manner in which the proposed person meets such requirements</p>	<p>The core skills/expertise/ competencies as required in the case of an independent director are well defined by the Nomination and Remuneration Committee (NRC) of the Board in the context of Company’s business and sector. Based on those attributes, the NRC recommended the candidature of Ms. Preeti Malhotra. In the opinion of the Board, Ms. Malhotra fulfils the conditions for independence specified in the Act, the Rules made thereunder, the LODR Regulations and such other laws / regulations for the time being in force, to the extent applicable to the Company. The Board noted that Ms. Malhotra’s skills, background and experience are aligned to the role and capabilities identified by the NRC and that she is eligible for appointment as an Independent Director. The Board was satisfied that the appointment of Ms. Malhotra is justified due to the following reasons:</p> <ul style="list-style-type: none"> <li>• She is an accomplished global professional with over 30 years of work experience in top leadership positions.</li> <li>• She has extensive experience in the field of Business strategy and development, Corporate Affairs, Corporate Governance, Policy formation, Strategic Alliances, Joint Ventures &amp; New Projects, Collaborations, Investor Relations, Mergers, Acquisitions, Takeovers, IPO’s, Shareholding Divestments, Compliance &amp; Risk Management, Fund Raising and project management.</li> <li>• Her experience of serving on the diversified boards</li> </ul>
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\*Includes Directorship/ Chairmanship / Membership of Audit Committees and Stakeholders’ Relationship Committee of other Public Limited Companies only (Whether Listed or not).

## ABBREVIATIONS

<p>ACI: ACI Worldwide  Adjusted EBITDA : After adjusting non-recurring and non-cash expenses, including Loss allowance on trade receivables, ESOP cost and Forex loss for our Sri Lankan subsidiary due to the devaluation of the Sri Lankan currency  Adjusted PBT: Includes adjustment for non-recurring items in the nature of Finance Costs such as Interest on Listed NCDs and the Prepayment charges thereof  AFCS: Automatic Fare Collection System  AGM: Annual General Meeting  AGS Transact/AGSTTL: AGS Transact Technologies Limited  AMC: Annual Maintenance Contract  AOA: Articles of Association  APAC: Asia Pacific  ATM: Automated Teller Machine  BCP: Business Continuity Plan  BMRCL: Bangalore Metro Rail Corporation  BSE: Bombay Stock Exchange  CAGR: Compound Annual Growth Rate  CCPS: Compulsorily Convertible Preference Shares  CDES: Currency Distribution and Exchange Scheme  CEO: Chief Executive Officer  CFO: Chief Financial Officer  CFS: Consolidated Financial Statements  CIN: Corporate Identity Number  CODM: Chief Operating Decision Maker  CRM: Cash Recycler Machine  CSR: Corporate Social Responsibility  CUG: Closed User Group  DBU: Digital Banking Unit  DSCR: Debt Service Coverage Ratio  DSLS: Digital Smart Learning System  ECB: External Commercial Borrowings  EGM: Extra-ordinary General Meeting  EPF: Employee Provident Fund  ESOP: Employee Stock Ownership Plan  ESOS: Employee Stock Option Scheme  EUR: European Monetary Unit  FDI: Foreign Direct Investment  FY: Financial Year  GPRS: General Packet Radio Services  GST: Goods and Services Tax  GTSL: Global Transact Services Pte. Ltd.  GTV: Gross Transaction Value  HPCL: Hindustan Petroleum Corporation Limited  IAD: Independent ATM Deployment  ICAI: Institute of Chartered Accountants of India  ICCW: Interoperable Card-less Cash Withdrawal  iCD: Intelligent Cash Deposit  IMPS: Immediate Payment Service  INR: Indian National Rupees</p>	<p>IPO: Initial Public Offer  IPS: Integrated Payment Solution  ITSL: India Transact Services Limited  JPY: Japanese Yen  Ken Research: The reports titled “India ATM Market Outlook to 2027” and “India Payment Services Market Outlook to 2027”, each dated December 2022 by Ken Research Private Limited.  KMP: Key Management Personal  KPI: Key Performance Indicators  LKR: Lankan Rupee  LODR: Listing Obligations and Disclosure Requirement  MPoS: Mobile Point of Sale  MCA: Ministry of Corporate Affairs  MD: Managing Director  MEA: Middle East Africa  MHA: Ministry of Home Affairs  MeitY: Ministry of Electronics and Information Technology  MODI: Making of Developed India  MSP: Managed Service Provider  NCD: Non Convertible Debentures  NCMC: National Common Mobility Card  NED: Non-Executive Director  NGO: Non Government Organisation  NSE: National Stock Exchange  NTPL: Novus Technologies Pte. Ltd.  OMC: Oil Marketing Companies  PHP: Philippine Peso  PIDF: Payments Infrastructure Development Fund  PoS: Point of Sale  PPI: Prepaid Payment Instruments  PSTN: Public Switched Telephone Network  QR: Quick Response  RBI: Reserve Bank of India  RFID: Radio-Frequency Identification  RFP: Request for Proposal  ROCE: Return on capital employed  RoE: Return of Equity  ROI: Return on investment  RTA: Registrar and Transfer Agents  SA: Standard Audit  SBEB: Share based Employee Benefits  SC: Supreme Court  SCA: Service Concession Arrangement  SGD: Singapore Dollar  SVIL: Securevalue India Limited  UPI: Unified Payments Interface  USA: United States of America  USD: United States Dollar  VAS: Value Added Services  WLA: White Label ATM</p>
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