

BTI PAYMENTS PRIVATE LIMITED

Audited Financial Statements

FY: 2013-14

Registered Office

No. 16/1, 4th Floor, Wings,
Cambridge Raod, Halasuru,
Bangalore - 560008



AUDITOR'S REPORT

To the Members of M/s BTI Payments Private Limited,

Report on the Financial Statements

We have audited the accompanying financial statements of BTI Payments Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the said financial statements give the information required by the Act, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;



- b) In the case of the Profit and Loss Account, of the loss for the year ended on that date; and
- c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. We have obtained all the information and explanations, which to the best of our Knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of accounts as required by law, have been kept by the Company, so far as appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - d. In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - e. on the basis of written representations received from the directors, as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - f. since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

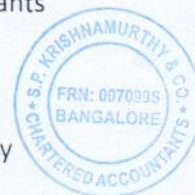
Forming an Opinion and Reporting on Financial Statements

Place: Bangalore
Date : 18/06/2014

For S.P.Krishnamurthy & Co.
Chartered Accountants
FRN: 007099S

S.P.Krishnamurthy
Partner

Membership No. 200963



Ref.: BTI Payments Private Limited

Annexure referred to in paragraph 3 of our report of even date.

(i)	<p>(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.</p> <p>(b) All the assets have not been physically verified by the management during the year but there is a regular programme of verification which in our opinion is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification and discrepancies reported on such verification have been properly dealt in the accounts.</p> <p>(c) During the year, the company has not disposed off a major part of the plant and machinery.</p>
(ii)	<p>(a) The company do not have any physical inventory, as the company's principal business is ATM managing services; as such company has not maintained inventory record.</p>
(iii)	<p>(a) The Company has not granted or taken any loans, secured or unsecured, to or from companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956. Therefore, the provision of sub-clause (b), (c),(d),(e),(f) and (g) of sub para (iii) of para 4 of the Order is not applicable.</p>
(iv)	<p>In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.</p>
(v)	<p>(a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.</p> <p>(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.</p>
(vi)	<p>According to information given to us, the Company has not accepted any deposit from the public.</p>
(vii)	<p>The Company has an Internal Audit System, which in our opinion, commensurate with the size of the company and the nature of its business.</p>
(viii)	<p>Maintenance of Cost records has not been prescribed by the Central Government under section 209(1) (d) of the Companies Act, 1956 for the services provided by the company.</p>
(ix)	<p>(a) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, cess and other material statutory dues applicable to it. However, service tax amount of Rs.12,13,323/- has not been remitted till the date of audit report.</p> <p>According to the information and explanation give to us, no undisputed amount payable in respect of income tax, wealth tax, sales tax, customs duty, excise duty and cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.</p> <p>According to the information and explanation given to us, no dues of sales tax, income tax customs duty, wealth tax, excise duty and cess, which have not been deposited because of any dispute.</p>



(x)	The Company's accumulated losses at the end of financial year under review, is not exceeding fifty percent of its net worth. The Company has incurred cash loss of Rs. 3,65,29,170/- and depreciation & amortization loss of Rs. 1,97,58,599/- during the financial year covered by our audit and there were depreciation loss of Rs. 77,55,321/- during the financial year immediately preceding the financial year.
(xi)	In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
(xii)	According to the information given to us, the company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.
(xiii)	In our opinion, the company is not a chit fund or a nidhi mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) order, 2003 are not applicable to the company.
(xiv)	In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
(xv)	According to information given to us, the company has not given guarantees for loans taken by others from banks or financial institutions.
(xvi)	According to information given to us & on the basis of the records examined by us during the year the company has not taken any term loans from bank or financial institutions.
(xvii)	According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that the funds raised on short-term basis have not been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
(xviii)	According to the information and explanations given to us, during the financial year, the company has made preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956; in our opinion, each of the transaction has been made at a price; which are prima facie not prejudicial to the interest of the company.
(xix)	According to the information and explanations given to us, during the period covered by our audit report, the company had not issued Secured debentures.
(xx)	According to the information given to us the Company has not raised money by public issues of shares.
(xxi)	According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

Place: Bangalore
Date: 18-06-2014

For S.P.Krishnamurthy & Co.
Chartered Accountants
FRN: 007099S

S.P.Krishnamurthy
Partner

Membership No. 200963

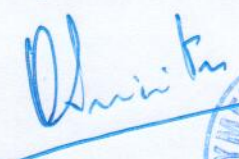


BTI PAYMENTS PRIVATE LIMITED
Balance Sheet as at 31st March 2014


	Note No.	As at	
		31-03-2014	31-03-2013
		₹	₹
EQUITY AND LIABILITIES			
1. Shareholder's funds			
(a) Share capital	1	5,69,21,960	1,39,77,110
(b) Reserves & Surplus	2	95,77,93,632	12,00,79,390
(c) Money received against share warrants			
2. share application money pending allotment		-	69,05,600
3. Non- Current liabilities			
(a) Long-term borrowings		-	-
(b) Deferred Tax liabilities (net)		-	-
(c) Other Long -term liabilities		-	-
(d) Long-term provisions	3	17,95,192	15,83,033
4. Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade payables	4	4,91,89,023	1,97,84,464
(c) Other current liabilities	5	2,03,26,149	1,19,56,743
(d) Short-term provisions			
TOTAL		1,08,60,25,957	17,42,86,339
NON CURRENT ASSETS			
1. (a) Fixed assets			
(i) Tangible assets	6	8,30,46,607	6,48,48,720
(ii) Intangible assets -	6	51,17,753	41,00,216
(iii) Capital work-in-progress		67,97,443	-
(iv) Intangible assets under development		-	-
(b) Non - current investments		-	-
(c) Deferred tax assets (net)		2,60,32,312	1,00,90,550
(d) Long -term Loans and advances	7	42,98,912	31,20,912
(e) Other non -current assets		-	-
CURRENT ASSETS			
(a) Current investments	8	83,71,40,291	-
(b) Inventories		-	-
(c) Trade receivables	9	4,21,90,829	2,54,11,766
(d) Cash and cash equivalents	10	3,41,53,694	3,56,81,927
(e) Short-term loans and advances	11	3,49,69,621	2,28,30,774
(f) Other current assets	12	1,22,78,496	82,01,474
TOTAL		1,08,60,25,957	17,42,86,339

Contingent Liabilities & Commitments 13

Significant Accounting policies & disclosures 20


(K Srinivas)
Managing Director
Place : Bangalore
Date : 18/06/2014




(Peter Blackett)
Director



Vide our report of even date
For S.P.Krishnamurthy & Co.
Chartered Accountants


S.P.Krishnamurthy
Partner



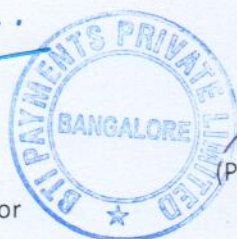
Membership No: 200963

BTI PAYMENTS PRIVATE LIMITED
Profit and loss statement for the year ended 31st March, 2014

Particulars	Note No.	For the year ended	
		31-03-2014	31-03-2013
		₹	₹
Revenue from Operations	14	21,15,04,974	16,43,41,029
Other Income	15	54,53,624	26,43,818
Total Revenue		21,69,58,598	16,69,84,847
Expenses :			
Employee benefits expense	16	2,87,02,086	1,65,41,737
Finance Costs	17	2,95,967	5,00,108
Depreciation and amortization expense		1,50,64,731	1,06,99,162
Provision for Impairment Loss		46,93,868	9,73,624
Other expenses	18	22,44,89,715	14,60,25,537
Total expenses		27,32,46,368	17,47,40,168
Profit before exceptional and extraordinary items and tax		(5,62,87,769)	(77,55,321)
Exceptional items		-	-
Profit before extraordinary items and tax		(5,62,87,769)	(77,55,321)
Extraordinary Items		-	-
Profit before tax		(5,62,87,769)	(77,55,321)
Tax Expense :			
(1) Current tax		-	-
(2) Deferred tax asset/(Liability)		1,59,41,762	1,00,90,550
Profit/(Loss) for the period from Continuing Operations		(4,03,46,007)	23,35,229
Profit/(Loss) from Discontinuing operations		-	-
Tax expense of discontinuing operations		-	-
Profit/(Loss) from Discontinuing operations		-	-
Profit(loss) for the period		(4,03,46,007)	23,35,229
Earnings per equity Share :			
(1) Basic (in Rs.)		-	1.67
(2) Diluted (in Rs.)		-	1.67
Additional information	19		
Significant Accounting policies & disclosures	20		

(Handwritten signature)

(K Srinivas)
 Managing Director
 Place : Bangalore
 Date : 18/06/2014



(Handwritten signature)
 (Peter Blackett)
 Director



Vide our report of even date
 For S.P.Krishnamurthy & Co.
 Chartered Accountants

(Handwritten signature)
 S.P.Krishnamurthy
 Partner

Membership No: 200963



BTI PAYMENTS PRIVATE LIMITED
Cash Flow Statement for the Year ended 31st March, 2014

Particulars	Amount in ₹	
	Current Year	Previous Year
A Cash Flow from Operating Activities:		
Net profit before taxation & extraordinary items	(5,62,87,769)	(77,34,290)
Adjustment for:		
Interest Income	(21,89,590)	(20,98,342)
Income from Investment	(31,40,791)	-
Loss on sale of asset	25,31,084	4,18,121
Depreciation & amortization expenses	1,50,64,731	1,06,99,162
Impairment Loss / Provision	46,93,868	9,73,624
Operating profit before working capital changes	(3,93,28,468)	22,58,275
Adjustment for :		
Decrease / (Increase) in Trade Receivables	(1,67,79,063)	(1,19,74,780)
Decrease / (Increase) in Short term Loans & advances	-	5,00,000
Decrease / (Increase) in Other Current Assets	(40,77,022)	(52,69,072)
Decrease / (Increase) in Long Term Loans & Advances	(11,78,000)	(18,42,750)
(Decrease) / Increase in Trade Payables	2,94,04,559	49,23,803
(Decrease) / Increase in Other Current Liabilities	36,93,367	21,95,697
(Decrease) / Increase in Long Term Provisions	2,12,159	7,68,928
Cash generated from operation	(2,80,52,467)	(84,39,899)
Income tax paid (tax deducted at source)	(1,64,54,948)	(1,49,87,336)
Income tax refund received	43,16,101	-
Cash flow before extraordinary items	(4,01,91,314)	(2,34,27,235)
Adjustment for extraordinary items	-	-
Net cash flow form operating activities	(4,01,91,314)	(2,34,27,235)
B Cash Flow from Investing Activities:		
Interest Income	21,89,590	20,98,342
Income from Investment	31,40,791	-
Increase in Current Investment (net)	(83,71,40,291)	-
Purchase of fixed assets	(4,40,96,023)	(3,24,66,447)
Sale of fixed assets	4,69,513	12,780
Net cash flow from Investing activities	(87,54,36,420)	(3,03,55,325)
C Cash Flow from Financing Activities:		
Increase in Equity Share Capital	4,29,44,850	56,66,650
Increase in Security Premium Reserve	87,80,60,250	7,93,33,100
Increase / (decrease) in Share application money	(69,05,600)	10,92,619
Net cash flow from Financing activities	91,40,99,500	8,60,92,369
Net increase / (decrease) in cash and cash equivalents	(15,28,233)	3,23,09,809
Cash & cash equivalents at the beginning of the period	3,56,81,927	33,72,118
Cash & cash equivalents at the end of the period	3,41,53,694	3,56,81,927

As per our report of even date attached.

For S.P. Krishnamurthy & Co.
Chartered Accountants

S.P. Krishnamurthy
Partner
Membership No. : 200963
Firm Registration No : 0070995



For and on behalf of the Board of Directors of
BTI Payments Private Limited

K Srinivas
Managing Director

Peter Blackett
Director



Place: Bangalore
Date : 18/06/2014

Note 1

Share Capital

Equity Shares :

Authorised Capital

75,00,000 equity share of Rs. 10/- Each
(Previous Year: 60,00,000 equity share of Rs. 10/- Each)

Issued, subscribed and fully paid
equity share of Rs. 10/- Each

Number of Shares at the beginning of the year
Number of Share issued during the year
Number of shares at the end of the year

Details of shareholders holding more than 5%
Banktech PTY Group Limited (no. of Shares 34,62,596)
(Level 5, 140 William Street East Sydney, Australia)
IDBI Trusteeship Services Ltd (India Advantage Fund – S3 I)
(no. of Shares 22,29,600)
(C/o. ICICI Ventures Fund Management Company Limited
10th Floor, Prestige Obelisk, Kasturba Road, Bangalore 01

₹

₹

7,50,00,000 6,00,00,000

5,69,21,960 1,39,77,110

13,97,711 8,31,046

42,94,485 5,66,665

56,92,196 13,97,711

3,46,25,960 1,39,77,100

2,22,96,000 -

5,69,21,960 1,39,77,100

Note 2

Reserves & surplus

i) Security Premium Account

Opening Balance

Received during the year

Closing Balance

ii) Surplus (Deficit) in Profit & loss statement :

Opening balance in Profit and Loss statement

Add : Additions during the year

Closing balance in profit and loss statement

Total

14,59,98,490 6,66,65,390

87,80,60,250 7,93,33,100

1,02,40,58,740 14,59,98,490

(2,59,19,101) (2,82,75,361)

(4,03,46,007) 23,56,260

(6,62,65,108) (2,59,19,101)

95,77,93,632 12,00,79,390

Note 3

Long Term provisions

Provision for Employees Benefits (gratuity)

Total

17,95,192 15,83,033

17,95,192 15,83,033

Note - 4

Trade Payables

Sundry Creditors for Supplies

Total

4,91,89,023 1,97,84,464

4,91,89,023 1,97,84,464



Note - 6

Fixed Assets

Particulars	Air Conditioner	Generators	Office Equipments	Furniture & Fixtures	Lease Hold Improvements	Vehicle Mobile ATM	Mobile ATM	Mobile ATM Machine	Tracking Machine	Computers	Data Processing Machine	Mobile ATM UPS	Sub Total	computer Software	Grand Total
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
Gross Block															
Balance as on 01/04/2012	87,750	2,79,500	7,72,626	2,32,778	66,91,714	38,58,488	9,04,228	26,91,455	1,06,800	19,23,337	3,39,97,541	10,43,484	5,25,89,701	45,63,220	5,71,52,921
Additions during the year	-	-	1,90,074	-	41,73,982	-	-	43,94,370	-	4,89,698	2,46,03,456	-	3,38,51,580	10,77,197	3,49,28,777
Deletions during the year	-	-	-	16,313	-	-	-	-	-	-	5,58,233	-	5,74,546	-	5,74,546
Impairment for the year	-	-	-	-	-	-	-	-	-	-	16,96,382	-	16,96,382	-	16,96,382
Balance as on 31/03/2013	87,750	2,79,500	9,62,700	2,16,465	1,08,65,696	38,58,488	9,04,228	70,85,825	1,06,800	24,13,035	5,63,46,382	10,43,484	8,41,70,353	56,40,417	8,98,10,770
Additions during 2013-14	20,68,851	2,12,271	3,45,833	-	55,41,455	-	-	85,20,065	6,84,208	44,19,049	1,03,70,180	31,03,287	3,52,65,199	20,33,381	3,72,98,580
Written back during 13-14	-	-	-	-	-	-	-	-	-	-	7,15,516	-	7,15,516	-	7,15,516
Deletions during 2013-14	51,000	1,11,800	61,800	-	22,67,655	15,13,131	9,04,228	14,18,844	87,060	-	37,564	4,03,972	68,57,054	-	68,57,054
Impairment for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31/03/2014	21,05,601	3,79,971	12,46,733	2,16,465	1,41,39,496	23,45,357	-	1,41,87,046	7,03,948	68,32,084	6,73,94,514	37,42,799	11,32,94,014	76,73,798	12,09,67,812
Depreciation															
Balance as on 01/04/2012	16,143	49,685	86,105	37,932	1,40,592	13,58,424	6,47,374	16,00,550	42,004	6,54,807	53,32,969	3,77,483	1,03,44,068	6,85,007	1,10,29,075
Depreciation for the year	4,169	13,276	41,812	14,218	5,17,960	3,66,557	1,46,575	6,50,368	17,312	3,47,837	75,54,735	1,69,149	98,43,968	8,55,194	1,06,99,162
Adjustment for deletion	-	-	-	3,529	-	-	-	-	-	-	1,40,112	-	1,43,641	-	1,43,641
Adjustment for impairment	-	-	-	-	-	-	-	-	-	-	7,22,758	-	7,22,758	-	7,22,758
Balance as on 31/03/2013	20,312	62,961	1,27,916	48,621	6,58,551	17,24,980	7,93,948	22,50,918	59,316	10,02,644	1,20,24,834	5,46,632	1,93,21,633	15,40,201	2,08,61,834
Depreciation for the year	48,945	13,296	49,872	13,702	7,77,647	3,03,274	86,340	18,67,749	44,753	6,30,512	98,34,617	3,78,180	1,40,48,887	10,15,844	1,50,64,731
Adjustment for write back	-	-	-	-	-	-	-	-	-	-	2,26,749	-	2,26,749	-	2,26,749
Adjustment for deletion	13,438	28,281	382	-	1,56,403	7,72,491	8,80,288	11,84,374	57,444	-	19,735	2,37,026	33,49,862	-	33,49,862
Adjustment for impairment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance as on 31/03/2014	55,819	47,976	1,77,406	62,323	12,79,795	12,55,763	-	29,34,293	46,625	16,33,156	2,20,66,465	6,87,786	3,02,47,407	25,56,045	3,28,03,452
Rate of depreciation	4.75	4.75	4.75	6.33	6.33	9.50	16.21	16.21	16.21	16.21	16.21	16.21	16.21	16.21	16.21
Net Block															
as on 31-03-2013	67,438	2,16,539	8,34,784	1,67,844	1,02,07,145	21,33,508	1,10,280	48,34,907	47,484	14,10,391	4,43,21,548	4,96,852	6,48,48,720	41,00,716	6,89,48,936
as on 31-03-2014	20,49,782	3,31,995	10,69,327	1,54,142	1,28,59,701	10,89,594	-	1,12,52,753	6,57,323	51,98,928	4,53,28,049	30,55,013	8,30,46,607	51,17,753	8,81,64,360



Note - 5

Other Current Liabilities

	₹	₹
Provision for Employees Benefits (gratuity)	46,831	8,15,204
TDS payable	37,16,023	7,28,698
Service Tax payable	12,13,323	20,14,051
Share Application money to be refunded	81,90,242	81,90,242
Audit Fees payable	1,75,000	1,75,000
Provision for loss of assets	46,76,039	-
Provident Fund payable	2,67,427	33,248
Other expenses payable	20,41,264	300
Total	2,03,26,149	1,19,56,743

Note - 7

Long Term Loans & advances :

Deposits - Unsecured considered good

Sales tax Deposit	10,000	10,000
Telephone Deposit	24,912	24,912
Rent Deposit	37,64,000	30,86,000
Gratuity Fund Deposit	5,00,000	-
Total	42,98,912	31,20,912

Note - 8

Current Investments

Investments in Mutual Funds

ICICI Prudential (Market value - Rs. 30,38,59,405/-)	28,34,17,160	-
Reliance (Market value - Rs. 32,11,26,208/-)	30,00,00,000	-
HDFC (Market value - Rs. 27,13,93,101/-)	25,37,23,131	-
Total	83,71,40,291	-

Note - 9

Trade Receivables - Unsecured considered good

Due for more than Six months	-	3,60,781
Due for less than six months	4,21,90,829	2,50,50,985
Sub total	4,21,90,829	2,54,11,766

Trade Receivables - Unsecured considered doubtful

Due for more than Six months	11,24,171	-
Due for less than six months	-	-
	11,24,171	-
Less: Provision for doubtful debts	11,24,171	-
Sub total	-	-
Total	4,21,90,829	2,54,11,766



Note - 10	₹	₹
Cash and cash Equivalents		
a) Balance with Banks		
In current account	1,25,78,694	41,81,927
b) Cash on hand	-	-
c) Held for maturities :		
Bank deposit held for guarantee margin money	2,15,00,000	3,15,00,000
Bank deposit held for Security deposit under VAT Act	75,000	-
Total	<u>3,41,53,694</u>	<u>3,56,81,927</u>

Note - 11		
Short term Loans & advances		
Tax & TDS Refundable	3,49,69,621	2,28,30,774
Total	<u>3,49,69,621</u>	<u>2,28,30,774</u>

Note - 12		
Other Current Assets :		
CENVAT on input service	44,09,535	13,79,756
Loan to staff	1,44,400	-
Prepaid expenses	70,32,857	56,16,232
Interest accrued but not due on bank deposits	6,91,705	12,05,486
Total	<u>1,22,78,496</u>	<u>82,01,474</u>

Note -13		
Contingent Liabilities & Commitments		
Contingent liabilities :		
a) Claims against the Company not acknowledged as debt	Nil	Nil
b) Guarantees	2,15,00,000	3,15,00,000
Commitments :		
a) Estimated contracts remaining to be executed	NIL	NIL
b) Uncalled liabilities on shares	NIL	NIL
c) Operating lease		
Not later than One year	1,86,75,877	1,17,55,288
Later than one year and not later than two years	1,99,63,216	1,25,12,955
Later than two years	1,85,36,468	1,53,94,031



Note - 14	₹	₹
Revenue from operation :		
Sale of Services	23,76,56,868	18,52,76,519
	<u>23,76,56,868</u>	<u>18,52,76,519</u>
Less : Service Tax	2,61,51,894	2,09,35,490
Total	<u>21,15,04,974</u>	<u>16,43,41,029</u>

Note - 15		
Other Income		
Interest income	21,89,590	20,98,342
Gain on Redemption of Mutual Fund	31,40,791	-
Miscellaneous income	1,23,243	5,45,476
Total	<u>54,53,624</u>	<u>26,43,818</u>

Note - 16		
Employee benefits expenses		
Salaries & wages	1,55,91,941	94,20,085
Provision for gratuity	4,66,510	15,84,132
Bonus & Commission	11,09,548	2,80,900
PF Contribution	4,01,659	1,97,424
Director's salary	1,04,18,286	46,27,040
Staff Welfare Expenses	7,14,142	4,32,156
Total	<u>2,87,02,086</u>	<u>1,65,41,737</u>

Note - 17		
Financial Costs		
Bank charges	2,95,967	5,00,108
Total	<u>2,95,967</u>	<u>5,00,108</u>

Note - 18		
Other Expenses		
Direct Expenses		
Electricity & Power Charges	74,68,848	54,98,986
Cash Delivery Cost	5,67,19,291	4,33,18,713
Cash First line Maintenance	9,84,115	10,14,654
ATM & EFTOPS Subcontract Charges	1,24,50,743	62,86,307
Security Service Charges	6,85,14,312	5,65,69,530
Consumables	29,81,090	27,71,001
Call Centre Charges	25,97,496	16,25,102
Rent	1,22,27,618	75,61,647
Network Access Fees	99,63,313	61,77,559
Switch cost	98,16,529	-
Reimbursement of Merchant Losses	5,207	2,90,754
Repairs & Maintenance	36,34,778	19,39,018
ATM Cleaning Charges	3,22,536	1,16,200
Total	<u>18,76,85,878</u>	<u>13,31,69,470</u>



Selling Expenses	₹	₹
Sales Promotion	25,000	3,27,765
Travelling & Conveyance Expenses	59,56,404	37,47,384
Bad debts written off	-	21,032
Provision for doubtful debts	11,24,171	-
Total	<u>71,05,575</u>	<u>40,96,181</u>
Administrative Expenses		
Rent - Office	12,66,656	9,00,478
Audit Expenses:		
- For Audit Fee (net of service tax)	1,75,000	1,75,000
- For advisory services (net of service tax)	80,000	40,000
Vehicle maintenance & insurance	3,73,216	9,10,223
Telephone & Internet Charges	14,70,819	12,76,738
Postage & Courier	9,48,891	12,37,290
Insurance	3,45,892	2,80,941
Professional service & Retainership charges	1,19,39,325	14,99,153
Printing & stationery	1,93,593	2,61,964
Staff Recruitment Charges	71,55,705	-
Rates , taxes & Renewals	13,03,238	5,71,953
Repairs & Maintenance - General	11,500	1,43,593
Office maintenance	18,94,300	10,41,666
Membership & subscription	9,045	2,766
Loss on sale of fixed assets	25,31,084	4,18,121
Total	<u>2,96,98,263</u>	<u>87,59,886</u>
Grand Total	<u>22,44,89,715</u>	<u>14,60,25,537</u>

Note - 19	₹	₹
Addition Information		
Value of Imports on CIF Basis :		
Raw Materials	NIL	NIL
Components and spare parts	NIL	NIL
Capital Goods	NIL	NIL
Expenditure in foreign currency		
Royalty,	NIL	NIL
Know how	NIL	NIL
Professional and consultation fee	NIL	NIL
Other expenses (Fees for Technical Services)	98,16,529	NIL
Percentage of Imported Consumption to Indigenous consumption		
Raw Materials	NIL	NIL
Components and spare parts	NIL	NIL
Earnings in foreign Currency :		
Export of goods on FOB basis	NIL	NIL
Export of services	NIL	NIL
Royalty, knowhow and professional fee	NIL	NIL
Interest and dividend	NIL	NIL



Significant Accounting Policies:

- a) Presentation and Disclosure of Financial Statements: Assets & Liabilities have been classified as Current & Non-Current as per the Company's normal operating cycle and other criteria's set out in the Schedule VI of the Companies Act,1956. Based on the nature of service provided by the company and the period between the service provided and realization in cash and cash equivalents, the Company has ascertained its operating cycle as 1 year for the purpose of Current-Non Current classification of assets & liabilities.
- b) Accounting Convention: The financial statements have been prepared under historical cost convention in accordance with generally accepted accounting principles and under Going Concern Concept, and materially comply with mandatory accounting standards issued by the Institute of Chartered Accountants of India.
- c) Significant Estimates: Preparation of financial statements in conformity with the generally accepted accounting principle requires the management to make certain estimates and assumption that affect the reported balances of assets and liabilities as of the date of the financial statements reported amounts of income and expenses during the period and disclosure of contingent assets and/or liability at the date of the financial statements. Management believes that the estimates used in the preparation of financial statements are prudent and reasonable. Actual reports could differ from these estimates.
- d) Fixed Assets: Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes all incidental expenses related to acquisition and installation.
The carrying amount of cash generating units/assets is reviewed at the balance sheet date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount is estimated as the net selling price or value in use, whichever is higher. Impairment loss, if any, is recognized whenever carrying amount exceeds the recoverable amount.
Advance paid towards acquisition of Fixed Assets outstanding as on each balance sheet date and cost of fixed assets not ready for use before such date are disclosed under Capital w-i-p.
- e) Depreciation: Depreciation has been provided on prorata basis, on the straight line method at the rate prescribed in Schedule XIV to the Companies Act, 1956.
- f) Investments: Investment are readily realizable, and intended to be held not more than one year from the date balance sheet, are classified as current investment. All other investment are classified as long term investment.

On initial recognition, all investments are recognized at cost. The cost comprise, purchase price and directly attributable acquisition charges, brokerage, fees & duties.



Current investments are carried in the financial statements at lower of cost fair value determined on an individual investment basis.

On disposal of an investment, the difference between its carrying amount, and net disposal proceeds is charges or credited to the Statement of Profit and Loss.

g) Inventories: Nil

h) Revenue Recognition:

Revenue from Operations: Revenue from Services is derived from both time base and unit priced contracts. Revenue is recognized as the related service is performed in accordance with the terms of the contract with the customer.

Interest Income: Interest income is recognized on time proportion basis.

i) Foreign Currency Transaction: Foreign currency transactions i.e. receipt of share application money has been recorded at the rate prevailing on the date of receipt. As such, there was no difference in translation of monetary assets & liabilities and gain/ losses on foreign currency transactions.

Foreign currency transaction recorded in the reporting currency, by applying to the foreign currency amount by exchange rate between the reporting currency & foreign currency as on the date of transaction.

Conversion: Foreign currency monetary items are retranslated using the exchange rate prevailing on the reporting date.

j) Borrowing Costs: Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalized as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to P&L Account.

k) Provision for retirement benefits:

Provident Fund: Contribution to Provident Fund is made on actual liability basis as per the provisions of the Employees Provident Fund & Miscellaneous Provisions Act, 1952 & charged to P&L Account as & when liability arises.

Defined Benefit Plan:

Gratuity: The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on termination at 15 days salary (last drawn salary) for each completed year of service subject to maximum of Rs. 10,00,000/-



The following tables summaries the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the gratuity plan.

Net employee benefit expense recognized in the employee cost

Particulars	March 31, 2014	March 31, 2013
Current Service Cost	5,30,993	5,98,318
Interest cost on benefit obligation	1,56,503	1,49,179
Expected return on plan asset	-	-
Net actuarial loss recognized in the year	(2,20,986)	(1,04,302)
Total Employee benefit expense	4,66,510	6,43,195

Benefit Liability

Particulars	March 31, 2014	March 31, 2013
Present value of defined benefit obligation	18,42,023	23,98,237

Principal assumptions used

Particulars	March 31, 2014	March 31, 2013
Discount Rate	9.00%	8.25%
Employee turnover	10.00%	10.00%

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

Amounts for the current year is as follows:

Particulars	March 31, 2014	March 31, 2013
Defined benefit obligation	18,42,023	23,98,237
Plan Assets	-	-
(Surplus) / deficit	18,42,023	23,98,237
Experience adjustments on plan Liabilities	60,725	1,47,921
Experience adjustments on plan Assets	-	-

Compensated absence: The employees of the company do not have compensated absence which may be carried forward or encash. As such liability on account of compensated absence neither ascertained nor recognized in the financial statement.

Post Employment Scheme: The Company does not have scheme for post employment of the employees As such liability on such account neither ascertained nor recognized in the financial statement.



- l) Taxes on Income: Tax expense comprises both current and deferred tax.

Current Tax: The Company is under loss as per the Income Tax Act, as such no provision is required to be made in the books of accounts for current tax on taking into consideration the provisions of Income Tax Act, 1961.

Deferred Tax: Deferred tax assets and liabilities are recognised for future tax consequences attributable to the timing differences between taxable income and accounting income that are capable of reversal in one or more subsequent periods and are measured using tax rates enacted or substantively enacted as at the Balance sheet date. Deferred Tax assets are not recognised unless in the management judgment, there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. The carrying amount of deferred tax is reviewed at each balance sheet date.

The components of deferred tax asset/liability are as under:

Particulars	FY 2012-13		FY 2013-14	
	Timing Difference	Tax amount	Timing Difference	Tax amount
Liability:				
Depreciation	2,97,90,619	92,05,301	3,68,31,921	1,13,81,064
Asset:				
Employee benefit provision	23,98,237	7,41,055	18,42,023	5,69,185
Loss as per tax computation	6,00,47,884	1,85,54,796	11,81,12,692	3,64,96,822
Provision for bad debts	-	-	11,24,171	3,47,369
Net Deferred Tax asset	3,26,55,502	1,00,90,550	8,42,46,965	2,60,32,312

- m) Contingent Liabilities & Assets: Provision is recognized when there is a present obligation as a result of a past event that probably requires an outflow of resources and reliable estimates can be made of the amount of obligation. Disclosure for contingent liability is made when there is a possible obligation as or a present obligation that may, but probably will not, require an outflow of resources. Contingent asset is neither recognized nor disclosed in the financial statements.

- n) Related Party Disclosure:

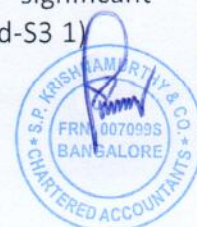
- l) List of Related Parties

- 1) Holding / Subsidiary Companies

Banktech Group Pty Ltd – Holding Company

Eftex Pty Ltd – Fellow Subsidiary

- 2) Enterprises owning interest in the voting power having significant influence – IDBI Trusteeship Services Ltd (India Advantage Fund-S3 1)




- 3) Key Managerial Personnel
 Srinivas K – Director & Chief Executive Officer
 L N Krishnan – Director
 Prashant Purker – Director
 Peter Alexander Blackett – Director
 Nigel Sean Tooth – Director
 David Scott Glen – Director
 Vishesh Tayal – Director
 Madhu Krishnan – Relative of Director

II) Disclosure of related party transactions

The following transactions were carried out with the related parties in the ordinary course of business

Sl. No.	Particulars	2013-14	2012-13
1	Receipts of goods or services: Eftex Pty Ltd (Switch Charges)	98,16,529	-
	LN Krishnan (Salary & allowances)	42,70,603	46,27,040
	K Srinivas (Salary & allowances)	61,47,683	-
	Madhu Krishnan (Salary & allowances)	5,94,514	1,07,950
2	Share application money received: The Banktech Group Pty Ltd	44,39,99,820	8,60,92,369
	IDBI Trusteeship Services Ltd (India Advantage Fund-S3 1)	46,99,99,680	-
3	Year end balance: Payable The Banktech Group Pty Ltd	80,90,242	80,90,242
	Eftex Pty Ltd	77,94,324	-
	LN Krishnan	1,00,000	1,00,000
	K Srinivas	4,93,151	-

- o) Balances of Sundry Debtors / Creditors are subject to confirmation and reconciliation if necessary.
- p) Previous year figures have been rearranged / regrouped wherever necessary to confirm the current year classification.


 (K Srinivas)
 Managing Director


 (Peter Blackett)
 Director

For S.P Krishnamurthy & Co
 Chartered Accountants

FRN: 007099S


 S.P. Krishnamurthy
 Partner

M No: 200963

Place: Bangalore
 Date: 18/06/2014