Walker Chandiok & Co LLP

Walker Chandiok & Co LLP
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Independent Auditor's Report

To the Members of BTI Payments Private Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of BTI Payments Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act; safeguarding the assets of the Company; 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.

4. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

6. An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31 March 2016, its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure 1A a statement on the matters specified in paragraphs 3 and 4 of the Order.

10. Further to our comments in Annexure 1A, as required by Section 143(3) of the Act, we report that:

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

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

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS Chartered Accountants

BTI PAYMENTS PRIVATE LIMITED BANGALORE

c. the financial statements dealt with by this report are in agreement with the books of account;

d. in our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);

e. on the basis of the written representations received from the directors as on 31 March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 26 July 2016 as per Annexure 1B expressed an unmodified opinion.

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

    i. the Company does not have any pending litigations which would impact its financial position;

    ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

    iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay V Singh

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place : Bangalore
Date : 26 July 2016

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Annexure 1A to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited, on the financial statements for the year ended 31 March 2016.

Annexure IA

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.

(c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i)(c) of the Order are not applicable.

(ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

(vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they become payable.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Chartered Accountants

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Annexure 1A to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited, on the financial statements for the year ended 31 March 2016.

(b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.

(viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purpose for which the loans were obtained, though idle/surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.

(x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

(xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures

(xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Annexure 1A to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited, on the financial statements for the year ended 31 March 2016.

(xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay V. Singh

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Place : Bangalore

Date : 26 July 2016

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Annexure 1B

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of BTI Payments Private Limited ("the Company") as of and for the year ended 31 March 2016, we have audited the internal financial controls over financial reporting (IFCoFR) of the company of as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI. 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.

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

5. 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 IFCoFR.

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Annexure 1B to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited, on the financial statements for the year ended 31 March 2016

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(Formerly Walker, Chandiok & Co)
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Vijay V Singh

per **Vijay Vikram Singh**
Partner
Membership No.: 059139

Bangalore
26 July 2016

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

Financial statements and Independent auditor's report

BTI Payments Private Limited

31 March 2016

Contents

BTI Payments Private Limited
Balance Sheet as at 31 March 2016

	Notes	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	92,486,480	67,832,760
Reserves and surplus	4	1,529,551,813	1,010,914,340
		1,622,038,293	1,078,747,100
Non-current liabilities			
Long-term borrowings	5	750,000,000	-
Other long-term liabilities	7	23,380,114	7,681,559
Long-term provisions	8	57,475,866	10,402,138
		830,855,980	18,083,697
Current liabilities			
Short-term borrowings	5	2,264,207,950	794,961,310
Trade payables	9		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		203,908,438	110,537,727
Other current liabilities	10	232,210,322	224,837,065
Short-term provisions	8	2,156,236	1,243,726
		2,702,482,946	1,131,579,828
Total		**5,155,377,219**	**2,228,410,625**
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	1,609,927,406	685,738,050
Intangible assets	12	9,421,111	4,436,606
Capital work-in-progress		2,821,217	15,978,571
Non-current investments	13	-	
Deferred tax assets (net)	6	6,897,748	-
Long-term loans and advances	13	69,901,402	62,699,956
Other non-current assets	14	252,709,561	94,450,677
		1,951,678,445	863,303,860
Current assets			
Current investments	15	-	11,304,826
Trade receivables	16	54,459,248	41,753,251
Cash and bank balances	17	2,509,669,731	1,117,570,360
Short-term loans and advances	13	86,619,358	42,405,719
Other current assets	18	552,950,437	152,072,609
		3,203,698,774	1,365,106,765
Total		**5,155,377,219**	**2,228,410,625**

Summary of significant accounting policies and other explanatory information 2-32

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

This is the Balance Sheet referred to in our report of even date.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Vijay V Singh

per **Vijay Vikram Singh**
Partner

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

Bengaluru
26 July 2016

BTI PAYMENTS PRIVATE LIMITED BANGALORE

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

K Srinivas
Managing Director
DIN: 03533535

David Scott Glen
Director
DIN: 02073436

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Bengaluru
26 July 2016

BTI Payments Private Limited
Statement of Profit and Loss for the year ended 31 March 2016

	Notes	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
Revenue			
Revenue from operations	19	874,819,351	320,885,498
Other income	20	29,644,259	118,302,661
Total revenue		**904,463,610**	**439,188,159**
Expenses			
Cost of services	21	738,794,423	318,459,146
Employee benefits expense	22	229,977,296	108,729,146
Finance costs	23	188,775,515	5,658,870
Depreciation and amortisation expense	24	209,672,512	56,746,961
Other expenses	25	226,491,166	89,529,879
Total expenses		**1,593,710,912**	**579,124,002**
Loss before tax		**(689,247,302)**	**(139,935,843)**
Tax expense			
Current tax		-	-
Deferred tax credit/ (charge)		6,897,748	(26,032,312)
Loss for the year		**(682,349,554)**	**(165,968,155)**
Loss per equity share (nominal value of ₹10 per share)			
- Basic	26	(96.00)	(25.01)
Summary of significant accounting policies and other explanatory information	**2-32**		

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

This is the Statement of Profit and Loss referred to in our report of even date.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Vijay V Singh

per **Vijay Vikram Singh**
Partner

Bengaluru
26 July 2016

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

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

K Srinivas
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DIN: 02073436

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Company Secretary and Chief Commercial Officer

Bengaluru
26 July 2016

BTI PAYMENTS PRIVATE LIMITED BANGALORE

BTI Payments Private Limited

Cash Flow Statement for the year ended 31 March 2016

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
A. Cash flow from operating activities		
Net Loss before tax	(689,247,302)	(139,935,843)
Adjustments for:		
Depreciation and amortisation	209,672,512	56,746,961
Interest income	(21,362,178)	(2,921,762)
Interest expense	188,775,515	5,658,870
Provision for doubtful receivables	8,696,374	797,293
Advances written off	-	3,012,629
Provision for retirement of fixed assets	3,986,429	1,501,727
Net gain on sale of current investment	(8,185,038)	(115,379,899)
Fixed asset written off	7,872,664	1,239,646
	389,456,278	**(49,344,535)**
Operating loss before working capital changes	(299,791,024)	(189,280,378)
Adjustments for working capital changes		
(Increase) in trade receivables	(21,402,371)	(116,116)
(Increase) in long-term and short-term loans and advances	(65,519,840)	(50,219,101)
(Increase) in non current assets	(158,258,864)	(72,875,677)
(Increase) in other current assets	(393,213,543)	(149,869,370)
Increase trade payables	93,370,711	61,114,525
Increase in other current and non-current liabilities	113,998,796	36,851,115
Increase in long-term and short-term provisions	47,986,238	5,127,803
	(383,038,893)	**(169,986,820)**
Cash used in operations	**(682,829,917)**	**(359,267,198)**
Net income tax refund/(paid)	14,104,754	(7,685,920)
Net cash used in operating activities (A)	**(668,725,163)**	**(366,953,118)**
B. Cash flow from investing activities		
Payments for purchase of fixed assets	(1,228,475,095)	(489,291,206)
Proceeds on sale of current investments	11,304,826	837,140,291
Proceeds from sale of current investments	8,185,038	115,379,899
Purchase of current investments	-	(11,304,826)
Interest received	13,697,893	718,522
Net cash generated/ (used) from/ in investing activities (B)	**(1,195,287,338)**	**452,642,681**
C. Cash flow from financing activities		
Proceeds from issue of equity shares (including premium)	1,225,640,747	229,999,664
Proceeds from borrowings, net	2,219,246,640	794,961,310
Interest paid	(188,775,515)	(5,658,870)
Net cash flow from financing activities (C)	**3,256,111,872**	**1,019,302,104**
Net increase in Cash and cash equivalents (A+B+C)	**1,392,099,371**	**1,104,991,667**
Cash and cash equivalents at the beginning of the year	1,117,570,360	12,578,693
Cash and cash equivalents at the end of the year	**2,509,669,731**	**1,117,570,360**
Components of cash and cash equivalents		
Cash and bank balances (Refer note 17)	2,509,669,731	1,117,570,360
	2,509,669,731	**1,117,570,360**

Summary of significant accounting policies and other explanatory information

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

This is the Cash Flow Statement referred to in our report of even date.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Vijay V Singh

per **Vijay Vikram Singh**
Partner

WALKER CHANDIOK & CO LLP · BENGALURU · CHARTERED ACCOUNTANTS

Bengaluru
26 July 2016

BTI PAYMENTS PRIVATE LIMITED · BANGALORE

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

K Srinivas
Managing Director
DIN: 03533535

David Scott Glen
Director
DIN: 02073436

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Bengaluru
26 July 2016

BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information

1. Corporate information

BTI Payments Private Limited (formerly known as Banktech India Private Limited, "the Company") incorporated in India on Thirtieth day of June Two Thousand Six under the Companies Act, 1956 is a Company owned by Banktech Group PTY Limited, Australia as Promoter and IDBI Trusteeship Services Ltd as Investor. The Registered office of the Company is situated at Corporate Tower B 8th floor, Daimond District, 150, Old Airport Road, Domlur, Bangalore – 560008.

The Company is Reserve Bank of India (RBI) authorised leading White label ATM (Automated Teller Machine) Operator in India. The Company also acts as a managed service provider for ATMs owned by banks and is technical services provider for banks in Point of Sale (POS) payment solution.

2. Significant accounting policies

a. Basis of preparation

The financial statements have been prepared in accordance with the generally accepted accounting principles in India ('Indian GAAP') to comply, in all material respects with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).The financial statements have been prepared under the historical cost convention on accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

The financial statements are presented in ₹ and all amounts are rounded to the nearest rupee except as stated otherwise.

The Company is a Small and Medium Sized Company ('SMC') as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act. Accordingly, the Company has complied with the Accounting Standards to the extent applicable to SMC. Pursuant to the exemptions/ relaxations applicable to a SMC, Accounting Standards (AS) 17 - Segment reporting is not applicable to the Company for the current period. Further, certain disclosure requirements in terms of Accounting Standard (AS) 15 - Employee benefits, Accounting Standard (AS) 19 - Leases, Accounting Standard (AS) 20 - Earnings per share and Accounting Standard (AS) 29 - Provisions, Contingent liabilities and Contingent assets are also not applicable to the Company for the current year.

b. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.
Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provision for doubtful debts and provision for employee benefits. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable, excluding discounts, rebates, and Service tax or duty. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as a principal or as an agent.
(i) Service Revenues - Service revenues include amounts invoiced for a) Interchange fee for use of White Label ATM, b) Technical service fee for POS solution and c) Managed service fee towards management of ATMs on behalf of banks. Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes.
(ii) Interest income - Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'Other income' in the Statement of Profit and Loss.
(iii) Unbilled Revenue - Unbilled revenue represent revenue recognised in respect of services provided but bills not generated to the end of the reporting period. These are billed in subsequent periods as per the terms of the contractual arrangements.

d. Tangible assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises of purchase price and directly attributable costs of bringing the asset to its working condition for its intended use, net of refundable taxes. Any trade discounts and rebates are deducted in arriving at the purchase price. When significant parts of tangible assets are required to be replaced in intervals, the Company recognises such parts as separate component of assets with specific useful lives and provides depreciation over their useful life. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised and charged to Statement of Profit and Loss. All other repair and maintenance costs are recognised in the Statement of Profit and Loss, as incurred. The cost incurred towards tangible fixed assets, but not ready for their intended use before each Balance Sheet date is disclosed as capital work-in-progress, if any..

Where assets are installed on the premises of merchants, such assets continue to be treated as tangible assets as the associated risks and rewards remain with the Company and management is confident of exercising control over them.

Gains and losses arising from retirement or disposal of the tangible assets are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in Statement of Profit and Loss on the date of retirement or disposal.

Advances paid towards the acquisition of fixed assets outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

WALKER CHANDIOK & CO LLP
BENGALURU
CHARTERED ACCOUNTANTS

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e. Depreciation and amortisation

Depreciation on tangible assets is provided on the straight line method, using the rates arrived at based on useful lives of respective assets as estimated by the management or as prescribed under Schedule II of the Companies Act 2013, whichever is higher. The assets' residual values and useful lives are reviewed at each financial year end or whenever there are indicators for review, and adjusted prospectively. Depreciation for assets purchased or sold during a period is proportionately charged to Statement of Profit and Loss.

Useful lives/ depreciation/ amortisation rates:

Till the year ended 31 March, 2015, depreciation rates prescribed under Schedule XIV to the erst while Companies Act, 1956 were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013, prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Estimated useful lives (in years) of the assets are as follows:

	Years
Automated Teller Machine (ATM)*	10
POS terminals *	6
Plant and equipment *	5
Electrical equipment	10
Motor vehicles	8
Computer hardware	3 to 6
Furniture & fixtures	10
Leasehold improvements	Period of lease or 10 years, whichever is less
Office equipment	5
Computer software	3 to 6
Copyrights	10

* For these classes of assets, based on internal assessment and technical evaluation carried out, the management believes that the useful lives as given above best represent the period over which the management expects to use these assets. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

f. Intangible assets

Identifiable intangible assets are recognised when the Company controls the asset, it is probable that future economic benefits attributed to the asset will flow to the Company and the cost of the asset can be reliably measured.
Intangible assets acquired separately are measured on initial recognition, at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

g. Impairment of assets

The carrying amounts of assets are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable or when annual impairment testing for an asset is required. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. To calculate value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market rates and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs. Fair value less costs to sell is the best estimate of the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. The reduction is treated as an impairment loss and is charged to the Statement of Profit and Loss. An impairment loss is only reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

h. Lease

Finance lease:
Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the Company, are capitalised at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalised.

If there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

Operating lease:
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

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i. Investment

Investment, which are readily realisable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as non-current investments. On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties. Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis.

Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.
On disposal of investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

j. Cash and cash equivalents

Cash and cash equivalents comprises of cash at bank, cash at ATMs, cash on hand and cheques on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

k. Employee benefits

i) Short-term employee benefits
All employee benefits falling due wholly within twelve months of rendering the services are classified as short-term employee benefits, which include benefits such as performance incentives etc. and are recognised as expenses in the period in which the employee renders the related service.

ii) Gratuity
Gratuity is a post-employment benefit and is a defined benefit plan. The liability recognised in the Balance Sheet represents the present value of the defined benefit obligation at the Balance Sheet date less the fair value of plan assets (if any), together with adjustments for unrecognised post service cost. Independent actuaries using the projected unit credit method calculate the defined benefit obligation annually.

(iii) Compensated absences
Liability in respect of leave becoming due or expected to be availed within one year from the Balance Sheet date is recognised on the basis of estimated amount required to be paid or estimated value of benefit expected to be availed by the employees. Liability in respect of earned leave becoming due or expected to be availed more than one year after the Balance Sheet date is estimated on the basis of actuarial valuation by an independent actuary using the projected unit credit method.

The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

l. Performance based unit incentive

The Company has developed the Performance and Retention Incentive Scheme (PRI Scheme) for select employees. Performance Retention Units (PRUs) are granted at a notional value (called the Start Value) determined by committee of the Company's board of directors from time to time. The PRUs that have been granted will then vest over time as long as the concerned employee remains employed with the Company. On a specific trigger event occurrence, the Company will pay the employee a bonus equal to the increase in value of the employee's vested PRUs. At the end of the each reporting period, until the liability is settled, and at the date of settlement, increase, if any, in the notional value as determined by the committee, pertaining to the vested period is recognised immediately in Statement of Profit or Loss. For such recognition, the future vesting unit's liability is also recognised on a straight line basis.

m. Taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at reporting date. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates or the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each Balance Sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liability are offset, if a legally enforceble right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity and the same taxation authority

Minimum alternate tax ('MAT') paid in accordance with tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability is considered as an asset if there is evidence that the Company will pay normal tax within the eligible period.

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n. Borrowings

Borrowing costs that are attributable to the acquisition and/or construction of qualifying assets are capitalized as part of the cost of such assets, in accordance with Accounting Standard 16 – "Borrowing Costs". A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss as incurred.

o. Earnings / (loss) per share ('EPS')

The basic earnings per share is computed by dividing the net profit /loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the 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) that have changed the number of equity shares outstanding, without a corresponding change in resources.

p. Contingent liabilities and provisions

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

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognised when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligation.

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Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016		As at 31 March 2015	
	Number	Amount ₹	Number	Amount ₹
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	10,000,000	100,000,000	7,500,000	75,000,000
	10,000,000	100,000,000	7,500,000	75,000,000
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	9,248,648	92,486,480	6,783,276	67,832,760
	9,248,648	92,486,480	6,783,276	67,832,760
	9,248,648	92,486,480	6,783,276	67,832,760

a) Reconciliation of share capital	Number	Amount ₹	Number	Amount ₹
Balance at the beginning of the year	6,783,276	67,832,760	5,692,196	56,921,960
Add : Issued during the year	2,465,372	24,653,720	1,091,080	10,910,800
Balance at the end of the year	9,248,648	92,486,480	6,783,276	67,832,760

b) Shares held by Holding Company	Number	Amount ₹	Number	Amount ₹
Equity shares of ₹ 10 each				
Banktech Group PTY Limited	3,462,596	34,625,960	3,462,596	34,625,960
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,258,480	12,584,800	-	-
	4,721,076	47,210,760	3,462,596	34,625,960

c) Shareholders holding more than 5% of the shares	Number	Percentage	Number	Percentage
Equity shares of ₹ 10 each				
Banktech Group PTY Limited	3,462,596	37%	3,462,596	51%
IDBI Trusteeship Services Limited	4,527,572	49%	3,320,680	49%
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,258,480	14%	-	-
	9,248,648	100%	6,783,276	100%

d) **Aggregate number of bonus share issued and shares issued for consideration other than cash during the period of five years immediately preceeding the reporting date:**

There has been no issuance of bonus shares or issuance of shares for consideration other than cash or buy back of shares during the period from the date of incorporation upto 31 March 2016.

e) **Rights, preferences and restrictions:**

The Company has one class of equity shares having a face value of ₹ 10 per share. Each holder of the equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupee. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting except for interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their holdings.

4 Reserves and surplus	As at 31 March 2016 ₹	As at 31 March 2015 ₹
Securities premium account		
Balance at the beginning of the year	1,243,147,604	1,024,058,740
Add : Additions made during the year	1,200,987,027	219,088,864
Balance at the end of the year	2,444,134,631	1,243,147,604
Deficit in the Statement of Profit and Loss		
Accumulated deficit at the beginning of the year	(232,233,264)	(66,265,109)
Add : Loss for the year	(682,349,554)	(165,968,155)
Accumulated deficit at the end of the year	(914,582,818)	(232,233,264)
	1,529,551,813	1,010,914,340

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Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
5 Borrowings				
(Secured)				
Loan from banks				
Term loan (refer note 5a)	750,000,000	-	-	-
Working capital loan (refer note 5b and 5c)	-	2,264,207,950	-	794,961,310
	750,000,000	2,264,207,950	-	794,961,310

Details of security for each type of borrowings

a) Term loan from bank is for a tenure of two years wherein, the lender has the right to extend the initial moratorium period of two years basis a review to be conducted by the lender at yearly intervals of 31 March 2017 and 31 March 2018 respectively or demand repayment after the expiry of the initial moratorium period. Term loan is secured by an unconditional and irrevocable corporate guarantee from the Banktech Group Pty Ltd (Corporate Guarantor). Interest rates as per annum ranges between 11.75% to 12.25%. (31 March 2015: Nil).

(b) Working capital loans from banks (Overdraft Facilities) are secured by pari-passu charge on current assets consisting of "Cash lying in ATM" and "Cash dispensed recoverable" from National Payments Corporation of India (NPCI) pertaining to White Label ATMs.

(c) The interest on the working capital facility from banks are linked to the respective bank base rates which are floating in nature. As on the balance sheet date, the interest rates per annum ranges between 10% to 11.90% (31 March 2015: 10.75% to 11.05%).

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
6 Deferred taxes		
Deferred tax liabilities		
Deferred tax liability on depreciation and amortisation	10,625,052	7,390,414
	10,625,052	7,390,414
Deferred tax assets		
Provision for bad and doubtful debts	3,280,911	593,732
Provision for employee benefits	7,017,434	5,233,473
Lease equalisation reserve	7,224,455	1,563,209
	17,522,800	7,390,414
Deferred tax asset/(liability)	6,897,749	-

In the absence of virtual certainty that sufficient future taxable income will be available, the Company has not recognised deferred tax asset on unabsorbed depreciation and carry forward business losses as required by the explanation in Accounting Standard 22 'Accounting for taxes on income'. Deferred tax asset on unabsorbed depreciation and carry forward business losses will be recognised once the virtual certainty on future taxable income is established.

7 Other long term liabilities		
Lease equalisation reserve	23,380,114	7,681,559
	23,380,114	7,681,559

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Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
8 Provisions				
Employee benefits				
Gratuity	2,941,242	85,109	2,139,878	48,988
Compensated absences	-	2,071,127	-	1,194,738
Performance incentive scheme	44,257,822	-	1,971,887	-
Retirement of fixed assets	10,276,802	-	6,290,373	-
	57,475,866	2,156,236	10,402,138	1,243,726

Employee benefits

The Company has recorded provision for gratuity and compensated absences (defined benefit plan) as per actuarial valuation carried out by an independent actuary on the Balance Sheet date. The assumptions used in the above valuation is as under:

	As at 31 March 2016	As at 31 March 2015
i) Discount rate	8.00%	7.75%
ii) Future salary increase	10.00%	10.00%
iii) Rate of return on plan assets	-	-
iv) Retirement age (years)	58	58
v) Mortality table	IALM (2006-08)	IALM (2006-08)
vi) Attrition rate	withdrawal rate (%)	
Upto to 30 years	14.90%	21.40%
From 31 to 44 years	17.70%	7.10%
Above 44 years	14.30%	-

The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

Performance based unit incentive:

The Company has introduced Performance and Retention Units (PRU) Scheme for selected employees. It is a mechanism to determine bonus payments for select employees. The Company grants employees with specific number of unvested and notional performance and retention units (PRUs). The PRUs will have a notional value on the start date as determined by Compensation Committee. The value of units is determined by compensation committee from time to time and the same will be final and binding on the employees. The units will vest over the period of four years from the date of grant. Total number of such units outstanding as at 31 March 2016 is 448,228 and straight-lined cost for the year accounted in the books amounts to ₹44,257,820.

Particulars	As at 31 March 2016	As at 31 March 2015
Outstanding at the beginning of the year	192,385	-
Granted during the year	293,825	192,385
Forfeited during the year	37,982	-
Exercised during the year	-	-
Outstanding at the end of the year	448,228	192,385
Exercisable at the end of the year	-	-

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Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
9 Trade payables		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	15,189,615	18,652,445
Accrued expenses	188,718,823	91,885,282
	203,908,438	110,537,727

a) The Company has requested its suppliers to confirm the status as to whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006. In the absence of confirmations from the suppliers, disclosures, if any, relating to unpaid amounts as at the year end together with interest paid/ payable as required under the said Act have not been given.

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
10 Other current liabilities		
Share application money received for allotment of shares and due for refund	-	1,902,017
Book overdrafts	81,028,231	15,222,986
Security deposit from vendors	8,830,000	4,094,026
Dues to employees	17,695,746	11,581,314
Unclaimed overages	9,722,500	-
Accrued expenses	8,614,457	3,058,786
Retention money	4,707,165	-
Accrued capital creditors	90,063,126	180,990,111
Statutory dues payable	11,428,101	7,987,825
Unearned revenue	120,996	-
	232,210,322	224,837,065

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BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

11 Tangible assets

Gross block	Automated Teller Machine (ATM) ₹	POS terminals * ₹	Plant and equipment ₹	Electrical equipment ₹	Motor vehicles ₹	Computer hardware ₹	Furniture and fixtures ₹	Leasehold improvements* ₹	Office equipment ₹	Total ₹
Balance as at 01 April 2014	**13,993,201**	**67,394,510**	**4,624,229**	**2,269,926**	**2,345,358**	**6,851,824**	**216,465**	**14,139,496**	**1,459,004**	**113,294,013**
Additions	331,691,560	40,846,723	132,903,580	-	-	2,496,205	-	151,356,910	24,000	659,318,978
Disposals	-	-	-	-	-	-	-	(1,427,212)	-	(1,427,212)
Balance as at 31 March 2015	**345,684,761**	**108,241,233**	**137,527,809**	**2,269,926**	**2,345,358**	**9,348,029**	**216,465**	**164,069,194**	**1,483,004**	**771,185,779**
Additions	535,543,811	8,104,919	294,194,414	-	-	3,198,197	182,430	298,267,806	874,776	1,140,366,353
Disposals	(1,470,754)	(335,018)	(132,692)	(1,281,134)	(214,001)	(2,160)	-	(8,360,715)	(24,000)	(11,820,474)
Balance as at 31 March 2016	**879,757,818**	**116,011,134**	**431,589,531**	**988,792**	**2,131,357**	**12,544,066**	**398,895**	**453,976,285**	**2,333,780**	**1,899,731,658**
Accumulated depreciation										
Balance as at 01 April 2014	**2,841,609**	**22,066,465**	**813,910**	**101,442**	**1,255,763**	**1,646,460**	**62,323**	**1,279,795**	**179,639**	**30,247,406**
Depreciation charge	12,712,597	14,404,647	9,555,436	234,629	425,272	2,053,363	26,378	15,324,899	650,668	55,387,889
Reversal on disposal of assets	-	-	-	-	-	-	-	(187,566)	-	(187,566)
Balance as at 31 March 2015	**15,554,206**	**36,471,112**	**10,369,346**	**336,071**	**1,681,035**	**3,699,823**	**88,701**	**16,417,128**	**830,307**	**85,447,729**
Depreciation charge	61,229,977	16,860,179	56,605,572	233,163	422,708	2,399,437	46,922	69,367,391	338,661	207,504,010
Reversal on disposal of assets	(91,924)	(166,731)	(48,521)	(272,688)	(196,745)	(2,052)	-	(2,363,824)	(5,002)	(3,147,487)
Balance as at 31 March 2016	**76,692,259**	**53,164,560**	**66,926,397**	**296,546**	**1,906,998**	**6,097,208**	**135,623**	**83,420,695**	**1,163,966**	**289,804,252**
Net block										
Balance as at 31 March 2015	330,130,555	71,770,121	127,158,463	1,933,855	664,323	5,648,206	127,764	147,652,066	652,697	**685,738,050**
Balance as at 31 March 2016	**803,065,559**	**62,846,574**	**364,663,134**	**692,246**	**224,359**	**6,446,858**	**263,272**	**370,555,590**	**1,169,814**	**1,609,927,406**

* Includes provision for retirement of fixed assets (refer note 8) ₹ 10,276,802 (31 March 2015: ₹ 6,290,373).

BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

12 Intangible assets

Gross block	Computer software ₹	Copyrights ₹	Total ₹
Balance as at 01 April 2014	**7,673,798**	**-**	**7,673,798**
Additions	660,425	17,500	677,925
Disposals	-	-	-
Balance as at 31 March 2015	**8,334,223**	**17,500**	**8,351,723**
Additions	7,153,007	-	7,153,007
Disposals	-	-	-
Balance as at 31 March 2016	**15,487,230**	**17,500**	**15,504,730**
Accumulated amortisation			
Balance as at 01 April 2014	**2,556,045**	**-**	**2,556,045**
Amortisation charge	1,357,322	1,750	1,359,072
Balance as at 31 March 2015	**3,913,367**	**1,750**	**3,915,117**
Amortisation charge	2,166,752	1,750	2,168,502
Balance as at 31 March 2016	**6,080,119**	**3,500**	**6,083,619**
Net block			
Balance as at 31 March 2015	4,420,856	15,750	4,436,606
Balance as at 31 March 2016	**9,407,111**	**14,000**	**9,421,111**

	As at 31 March 2016		As at 31 March 2015	
	Long-term ₹	Short-term ₹	Long-term ₹	Short-term ₹
13 Loans and advances				
(Unsecured, considered good)				
Security deposits	39,329,362	-	17,031,785	-
Capital advances	2,021,253	-	3,012,630	-
Advance income tax	28,550,787	-	42,655,541	-
Advance to suppliers	-	10,205,017	-	-
Employee advances	-	1,093,481	-	633,001
Prepaid expenses	-	8,043,655	-	6,906,927
Duties and taxes recoverable	-	66,777,205	-	34,365,791
Other advances	-	500,000	-	500,000
	69,901,402	**86,619,358**	**62,699,956**	**42,405,719**

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Summary of significant accounting policies and other explanatory information (Cont'd)

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
14 Other non-current assets		
Margin money deposits (refer note 17)	252,709,561	94,450,677
	252,709,561	**94,450,677**

*Deposits are held as lien with the banks, in order to obtain working capital loans.

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
15 Current investments		
Investments in mutual funds - Quoted		
JP Morgan Mutual Fund	-	11,304,826
	-	**11,304,826**
Aggregate amount of		
Market value of quoted investments	-	12,072,945
16 Trade receivables		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	-	-
Considered doubtful	10,617,838	1,921,464
	10,617,838	**1,921,464**
Less : Provision for doubtful receivables	(10,617,838)	(1,921,464)
	-	-
(Unsecured)		
Other debts		
Considered good	54,459,248	41,753,251
	54,459,248	**41,753,251**
	54,459,248	**41,753,251**
17 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	12,649,431	6,702,270
- in margin money deposit account (with original maturity upto 3 months)	112,333,884	17,250,000
Cash at ATM (Refer note below)	2,497,020,300	1,110,868,090
	2,622,003,615	**1,134,820,360**
Other bank balances		
In Margin money deposit accounts (maturity more than 3 months but less than 12 months)	119,975,677	46,500,000
Margin money deposits with original maturity for more than 12 months	20,400,000	30,700,677
	140,375,677	77,200,677
Less: Margin money deposits disclosed under non-current assets (refer note 14)	(252,709,561)	(94,450,677)
	-	-
	2,509,669,731	**1,117,570,360**

Note:

a) Cash at ATM is hypothecated against the working capital loan availed from banks to the extent of working capital loans drawn (Also refer note 5(b))

	As at 31 March 2016 ₹	As at 31 March 2015 ₹
18 Other current assets		
Interest accrued but not due on bank deposits	9,867,524	2,203,239
Cash dispensed recoverable	530,383,415	149,303,067
Insurance Claim Receivable	8,997,375	-
Unbilled Revenue	3,702,123	566,303
	552,950,437	**152,072,609**

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

		Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
19	**Revenue from operations**		
	Sale of services		
	ATM managed services	190,652,072	170,620,405
	POS - Technical services	66,333,910	52,521,931
	White Label ATM	617,833,369	97,743,163
		874,819,351	320,885,498
20	**Other income**		
	Interest income	21,362,178	2,921,762
	Net gain on sale of current investments	8,185,038	115,379,899
	Miscellaneous income	97,043	1,000
		29,644,259	118,302,661
21	**Cost of services**		
	ATM running cost	84,673,634	29,623,194
	Security and housekeeping expenses	81,849,614	71,448,776
	Switching and connectivity expenses	45,178,820	47,151,361
	Cash delivery and loading expenses	314,330,198	89,845,048
	Sponsor bank charges	18,647,868	15,213,562
	Power and fuel	57,988,137	21,172,246
	Rent	136,126,152	44,004,959
		738,794,423	318,459,144
22	**Employee benefits expense**		
	Salaries, wages and bonus	213,309,651	97,517,261
	Gratuity expenses	1,258,805	652,833
	Contribution to provident and other funds	7,059,650	4,047,836
	Staff welfare expenses	8,349,190	6,511,216
		229,977,296	108,729,146
23	**Finance costs**		
	Interest expense	188,775,515	5,658,870
		188,775,515	5,658,870
24	**Depreciation and amortisation expense**		
	Depreciation of tangible assets (refer note 11)	207,504,010	55,387,889
	Amortisation of intangible assets (refer note 12)	2,168,502	1,359,072
		209,672,512	56,746,961

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BTI PAYMENTS PRIVATE LIMITED BANGALORE

BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
25 Other expenses		
Repairs and maintenance		
- Plant and equipment	45,101,904	8,233,214
- Others	1,114,260	1,223,079
Insurance	3,991,325	1,386,331
Rent	7,782,892	4,765,638
Rates and taxes	5,352,690	1,410,346
Payments to auditors (Also, refer note 29)	1,500,000	600,000
Travelling and conveyance	25,236,513	14,460,712
Advertisement and marketing expenses	76,949,957	24,151,973
Legal and professional	12,790,038	16,822,090
Fixed assets written off	7,872,664	1,239,646
Provision for doubtful receivables	8,696,374	797,293
Advances written off	-	3,012,629
Telephone expense	4,567,947	2,156,915
Computer software maintenance	2,658,123	1,551,439
Newspapers, magazines & periodicals	3,677	295,172
Printing and stationary	800,996	592,475
Subscriptions and membership expenses	70,198	653,540
Courier expenses	2,274,140	1,133,293
Provision for retirement of fixed assets	3,986,429	1,501,727
Bank charges	6,058,005	2,199,999
Penalties	10,000	-
Relocation & deployment expense	9,428,483	-
Miscellaneous expenses	244,551	1,342,368
	226,491,166	**89,529,879**
26 Loss per equity share		
Loss after tax attributable to the equity shareholders	(682,349,554)	(165,968,155)
Weighted average number of equity shares	7,107,977	6,636,802
Loss per share:		
- Basic	(96.00)	(25.01)
Nominal value per share (In ₹)	10	10

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WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED BANGALORE

BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

27 **Related parties**

Names of related parties

i) **Controlling entity**

Name of the party	Nature of relationship
Banktech Group PTY Limited	Holding Company

ii) **Other related parties**

Name of the party	Nature of relationship
BTI PAYMENTS SINGAPORE PTE LTD	Fellow subsidiary
Eftex Pty Ltd	Fellow subsidiary
IDBI Trusteeship Services Limited	Shareholder

ii) **Other related parties**

Name of the party	Nature of relationship
K Srinivas	Chief Executive Officer and Managing Director

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
a) **Transactions with related parties**		
Refund of share application money received		
Banktech Group PTY Limited	1,902,017	6,288,225
Fees for technical services		
Eftex Pty Ltd	15,713,250	27,475,550
Corporate guarantee commission		
Banktech Group PTY Limited	2,224,725	-
Remuneration to KMP		
K Srinivas	18,407,205	15,500,000
b) **Balances with related parties**		
Share application money received for allotment of shares and due for refund		
Banktech Group PTY Limited	-	1,902,017
Accrued expenses		
Eftex Pty Ltd	833,100	27,475,550
Banktech Group Pty Limited	2,224,725	-
Remuneration to KMP		
K Srinivas	1,840,721	1,537,500

WALKER CHANDIOK & CO LLP BENGALURU CHARTERED ACCOUNTANTS

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BTI PAYMENTS PRIVATE LIMITED BANGALORE

BTI Payments Private Limited

Summary of significant accounting policies and other explanatory information (Cont'd)

	Year ended 31 March 2016 ₹	Year ended 31 March 2015 ₹
28 Payments to auditors *		
Statutory audit	1,500,000	600,000
	1,500,000	**600,000**
* Excluding service tax		
29 Other commitments		
Bank guarantees	22,400,677	22,100,677

30 Operating lease

The Company has executed operating lease agreements with cancellable term for its office premises and ATM locations. The cancellable leases are generally for a period ranging from 1 to 5 years and may be extended on mutual agreement. The leases carry an escalation clause ranging from 5% to 15% increase in annual rents.

The lease expense for cancellable operating leases during the year ended 31 March 2016 was ₹ 143,909,044 (31 March 2015: ₹ 48,770,598).

31 Additional disclosures

Additional information as required under Schedule III to the Act to the extent either "nil" or "not applicable" has not been furnished.

32 Prior period comparatives

Prior year amounts have been regrouped / reclassified wherever necessary, to conform to the presentation in the current year.

Walker Chandiok & Co LLP

For **Walker Chandiok & Co LLP**
(formerly Walker, Chandiok & Co)
Chartered Accountants

Vijay V Singh

per **Vijay Vikram Singh**
Partner

Bengaluru
26 July 2016

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

K Srinivas
Managing Director
DIN: 03533535

David Scott Glen
Director
DIN: 02073456

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Bengaluru
26 July 2016

WALKER CHANDIOK & CO LLP · BENGALURU · CHARTERED ACCOUNTANTS

BTI PAYMENTS PRIVATE LIMITED · BANGALORE