

Financial statements and Independent auditor's report

BTI Payments Private Limited

31 March 2017

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# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
(Formerly Walker, Chandiook & Co)  
5th Floor, No. 65/2, Block "A",  
Bagmane Tridib, Bagmane Tech Park  
C V Raman Nagar, Bengaluru 560093  
India

T +91 80 4243 0700  
F +91 80 4126 1228

## Independent Auditor's Report

To the Members of BTI Payments Private Limited

## Report on the Financial Statements

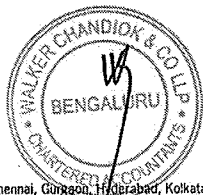
1. We have audited the accompanying financial statements of BTI Payments Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and 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 prescribed 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 for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## 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.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiook & Co LLP

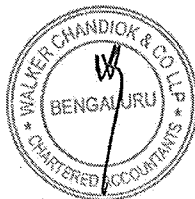
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 these 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 2017, 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 I a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. the 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 prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended);



# Walker Chandiook & Co LLP

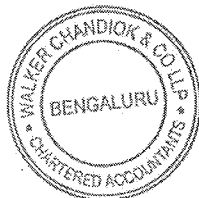
- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 31 March 2017 as per Annexure II expressed;
- 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 (as amended), 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 litigation 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;
  - iv. the Company, as detailed in Note 32 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the Company.

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Vijay V Singh*

per Vijay Vikram Singh  
Partner  
Membership No.: 059139

Bengaluru  
9 August 2017



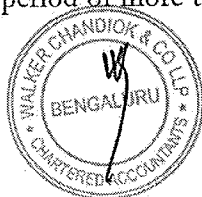
# Walker ChandioK & Co LLP

Annexure I 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 2017

## Annexure I

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 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, income-tax, sales-tax, service tax, 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 Chandiook & Co LLP

Annexure I 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 2017

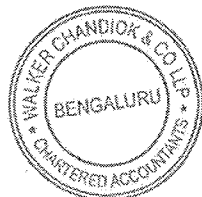
- (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and value added tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank 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). The term loans obtained during the year have not been utilised by the Company.
- (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.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants  
Firm's Registration No.: 001076N/N500013

*Vijay V Singh*

per Vijay Vikram Singh  
Partner  
Membership No.: 059139

Bengaluru  
9 August 2017



# Walker Chandiook & Co LLP

Annexure II 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 2017

## Annexure II

### 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")

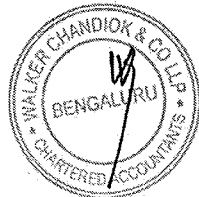
1. In conjunction with our audit of the financial statements of BTI Payments Private Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the company as of that date.

#### 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 Chandiook & Co LLP

Annexure II 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 2017

## 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 2017 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 Chandiook & Co LLP*

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Vijay V Singh*

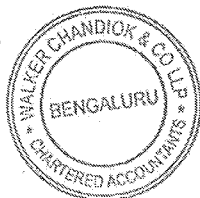
per Vijay Vikram Singh

Partner

Membership No.: 059139

Bangalore

9 August 2017



**BTI Payments Private Limited**  
**Balance Sheet as at 31 March 2017**

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	Notes	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	9,66,79,310	9,24,86,480
Reserves and surplus	4	92,89,96,231	1,52,95,51,811
		<u>1,02,56,75,541</u>	<u>1,62,20,38,291</u>
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	75,00,00,000
Other long-term liabilities	7	4,21,01,058	2,33,80,114
Long-term provisions	8	7,52,27,166	5,74,75,866
		<u>11,73,28,224</u>	<u>83,08,55,980</u>
<b>Current liabilities</b>			
Short-term borrowings	5	3,85,73,08,508	2,26,42,07,950
Trade payables			
- Total outstanding dues to micro enterprises and small enterprises	9	-	-
- Total outstanding dues to creditors other than micro enterprises and small enterprises	9	25,72,86,396	20,39,08,438
Other current liabilities	10	85,57,34,641	23,22,10,322
Short-term provisions	8	10,82,611	21,56,236
		<u>4,97,14,12,156</u>	<u>2,70,24,82,946</u>
<b>Total</b>		<u><b>6,11,44,15,921</b></u>	<u><b>5,15,53,77,218</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	1,50,74,15,723	1,60,99,27,405
Intangible assets	12	82,37,091	94,21,111
Capital work-in-progress		10,40,472	28,21,216
Deferred tax assets, (net)	6	3,22,24,784	68,97,749
Long-term loans and advances	13	15,76,64,787	6,99,01,402
Other non-current assets	14	1,13,00,677	25,27,09,561
		<u>1,71,78,83,534</u>	<u>1,95,16,78,444</u>
<b>Current assets</b>			
Current investments	15	12,99,20,000	-
Trade receivables	16	4,44,04,920	5,44,59,248
Cash and bank balances	17	3,57,12,66,000	2,50,96,69,731
Short-term loans and advances	13	9,02,91,591	8,66,19,358
Other current assets	18	56,06,49,877	55,29,50,437
		<u>4,39,65,32,387</u>	<u>3,20,36,98,774</u>
<b>Total</b>		<u><b>6,11,44,15,921</b></u>	<u><b>5,15,53,77,217</b></u>

Summary of significant accounting policies and other explanatory information  
The accompanying notes form an integral part of the financial statements.

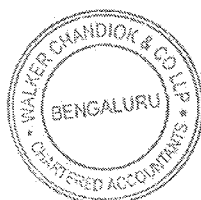
2-33

As per our report of even date.

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

*Vijay V Singh*

Per Vijay Vikram Singh  
Partner  
Membership No: 059139



Place : Bengaluru  
Date : 9 August 2017

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

*K Srinivas*  
K Srinivas  
Managing Director  
DIN: 03533535

*David Scott Glen*  
David Scott Glen  
Director  
DIN: 02073436

*Sanjay Bajaj*  
Sanjay Bajaj  
Company Secretary and Chief Commercial Officer

Place : Bengaluru  
Date : 9 August 2017

# BTI Payments Private Limited

2

## Statement of Profit and Loss for the year ended 31 March 2017

	Notes	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>Revenue</b>			
Revenue from operations	19	1,20,29,33,365	87,18,19,351
Other income	20	2,40,93,275	2,96,44,259
<b>Total revenue</b>		<b>1,31,70,26,631</b>	<b>90,44,63,610</b>
<b>Expenses</b>			
Cost of services	22	1,03,86,02,496	73,87,94,423
Employee benefits expense	23	22,70,86,959	22,99,77,296
Finance costs	24	32,24,77,100	18,87,75,515
Depreciation and amortisation expense	25	29,80,78,200	20,96,72,514
Other expenses	26	22,22,81,189	22,64,91,166
<b>Total expenses</b>		<b>2,10,85,26,032</b>	<b>1,59,37,10,914</b>
<b>Loss before tax</b>		<b>(79,14,99,401)</b>	<b>(68,92,47,304)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		2,53,27,036	68,97,749
<b>Loss for the year</b>		<b>(76,61,72,365)</b>	<b>(68,23,49,555)</b>
<b>Loss per equity share</b>			
- Basic	26	(82.84)	(73.78)
- Diluted		(79.25)	(73.78)
Summary of significant accounting policies and other explanatory information	2-33		
The accompanying notes form an integral part of the financial statements.			

As per our report of even date.

*Walker Chandiook & Co LLP*  
For Walker Chandiook & Co LLP  
Chartered Accountants

*Vijay V Singh*

Per Vijay Vikram Singh  
Partner  
Membership No: 059139

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

*K Srinivas*  
K Srinivas  
Managing Director  
DIN: 03533535

*David Scott Glen*  
David Scott Glen  
Director  
DIN: 02073436

*Sanjay Bajaj*  
Sanjay Bajaj  
Company Secretary and Chief Commercial Officer

Place : Bengaluru  
Date : 9 August 2017

Place : Bengaluru  
Date : 9 August 2017



**BTI Payments Private Limited**  
Cash Flow Statement for the year ended 31 March 2017

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	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>A. Cash flow from operating activities</b>		
Net Loss before tax	(79,14,99,401)	(68,92,47,303)
<b>Adjustments for:</b>		
Depreciation and amortisation	29,80,78,200	20,96,72,513
Interest income	(2,39,10,568)	(2,13,62,178)
Interest expense	23,34,48,144	18,87,75,515
Provision for doubtful receivables	75,14,379	86,96,374
Advances written off	-	-
Provision for retirement of fixed assets	(7,76,425)	39,86,429
Net gain on sale of current investment	(1,62,707)	(81,85,038)
Fixed asset written off	64,35,037	78,72,664
	<u>52,06,26,059</u>	<u>38,94,56,279</u>
Operating loss before working capital changes	(27,08,73,342)	(29,97,91,024)
<b>Adjustments for working capital changes</b>		
(Increase)/ decrease in trade receivables	25,39,949	(2,14,02,371)
(Increase) in long-term and short-term loans and advances	(10,29,31,509)	(6,55,19,840)
(Increase)/ decrease in non current assets	24,14,08,884	(15,82,58,884)
(Increase) in other current assets	(38,94,802)	(39,32,13,543)
Increase trade payables	5,33,77,958	9,33,70,711
Increase/ (decrease) in other current and non-current liabilities	(2,60,13,825)	11,39,98,796
Increase in long-term and short-term provisions	1,66,77,674	4,79,86,240
	<u>18,11,64,330</u>	<u>(38,30,38,891)</u>
Cash used in operations	(8,97,09,012)	(68,28,29,915)
Net income tax refund	1,14,95,891	1,41,04,754
<b>Net cash used in operating activities (A)</b>	<u>(7,82,13,121)</u>	<u>(66,87,25,161)</u>
<b>B. Cash flow from investing activities</b>		
Payments for purchase of fixed assets	(28,00,01,277)	(1,22,84,75,095)
Proceeds on sale of current investments	-	1,13,04,826
Proceeds from sale of current investments	1,62,707	81,85,038
Purchase of current investments	(12,99,20,000)	-
Interest received	2,01,05,929	1,30,97,893
<b>Net cash generated/ (used) from/ in Investing activities (B)</b>	<u>(38,96,52,639)</u>	<u>(1,19,52,87,338)</u>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of equity shares (including premium)	16,98,09,615	1,22,56,40,747
Proceeds from borrowings, net	1,59,31,00,558	2,21,92,46,640
Interest paid	(23,34,48,144)	(18,87,75,515)
<b>Net cash flow from financing activities (C)</b>	<u>1,52,94,62,028</u>	<u>3,25,61,11,872</u>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<u>1,06,15,96,269</u>	<u>1,39,20,99,372</u>
Cash and cash equivalents at the beginning of the year	2,50,96,69,731	1,11,75,70,360
<b>Cash and cash equivalents at the end of the year</b>	<u>3,57,12,66,000</u>	<u>2,50,96,69,731</u>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (Refer note 17)	<u>3,57,12,66,000</u>	<u>2,50,96,69,731</u>

Summary of significant accounting policies and other explanatory information  
The accompanying notes form an integral part of the financial statements.

As per our report of even date.

*Walker Chandiosk & Co LLP*  
For Walker Chandiosk & Co LLP  
Chartered Accountants

*Vijay V Singh*  
per Vijay Vikram Singh  
Partner



Place : Bengaluru  
Date : 9 August 2017

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

Place : Bengaluru  
Date : 9 August 2017

# BTI Payments Private Limited

## Summary of significant accounting policies and other explanatory information

4

### 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 of BTI Payments Private Limited have been prepared in accordance with the generally accepted accounting principles in India ("Indian GAAP"). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act, 2013 (the 'Act'), read together with Rule 7 of the Companies (Accounts Rules), 2014 (as amended). The Central Government in consultation with National Advisory Committee Accounting Standard has amended, Companies (Accounting Standards) Rule, 2006 ("the principal rules"), vide notification issued by Ministry of Corporate Affairs dated 30 March 2016. The Companies (Accounting Standards) Rules, 2016 is effective on the date of its publication in the official gazette, i.e., 30 March 2016. The Company believes that the Rule 3(2) of the principle rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after 30 March 2016. Accordingly, the change thereof have not given effect to while preparing these financial statements.

#### b. 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.

#### c. 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.

#### d. Tangible assets

Tangible Assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. 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. All other repair and maintenance costs are recognised in the Statement of Profit and Loss, as incurred. Capital work in progress is valued at cost.

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.



**e. Depreciation and amortisation**

Depreciation on tangible assets is provided on the straight line method 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 rates:**

Till the year ended March 31, 2015, depreciation rates prescribed under Schedule XIV 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 *	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.

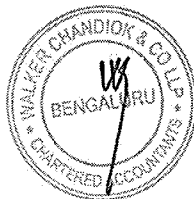
At initial recognition, the separately acquired intangible assets are recognised at cost. Following initial recognition, the intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

**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. Impairment losses, if any, are recognised in Statement of Profit or Loss as a component of depreciation and amortisation expense. 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. Operating leases**

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.



## BTI Payments Private Limited

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

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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.

#### 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

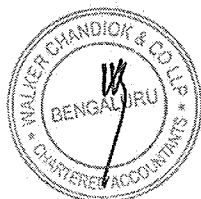
Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income 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.

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.



## BTI Payments Private Limited

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

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#### n. 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.

#### o. 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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**BTI Payments Private Limited**

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

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	As at 31 March 2017		As at 31 March 2016	
	Number	Amount ₹	Number	Amount ₹
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	95,00,000	9,50,00,000	1,00,00,000	10,00,00,000
Compulsorily convertible Preference shares of Rs. 10 each	5,00,000	50,00,000	-	-
	<b>1,00,00,000</b>	<b>10,00,00,000</b>	<b>1,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	92,48,648	9,24,86,480	92,48,648	9,24,86,480
Compulsorily convertible Preference shares of Rs. 10 each	4,19,283	41,92,830	-	-
	<b>96,67,931</b>	<b>9,66,79,310</b>	<b>92,48,648</b>	<b>9,24,86,480</b>
	<b>96,67,931</b>	<b>9,66,79,310</b>	<b>92,48,648</b>	<b>9,24,86,480</b>
<b>a) Reconciliation of share capital (Equity)</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
		₹		₹
Balance at the beginning of the year	92,48,648	9,24,86,480	67,83,276	6,78,32,760
Add : Issued during the year	-	-	24,65,372	2,46,53,720
Balance at the end of the year	<b>92,48,648</b>	<b>9,24,86,480</b>	<b>92,48,648</b>	<b>9,24,86,480</b>
<b>b) Reconciliation of share capital (CCPS)</b>	<b>Number</b>	<b>Amounts</b>	<b>Number</b>	<b>Amounts</b>
Balance at the beginning of the year	-	-	-	-
Add : Issued during the year	4,19,283	41,92,830	-	-
Balance at the end of the year	<b>4,19,283</b>	<b>41,92,830</b>	-	-
<b>c) Shareholding structure</b>				
<b>Shares held by Holding Company</b>	<b>Number</b>	<b>Amount</b>	<b>Number</b>	<b>Amount</b>
		₹		₹
Equity shares of ₹ 10 each				
Banktech Group PTY Limited	34,62,596	3,46,25,960	34,62,596	3,46,25,960
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	12,58,480	1,25,84,800	12,58,480	1,25,84,800
Compulsorily convertible Preference shares of Rs. 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	4,19,283	41,92,830	-	-
	<b>51,40,359</b>	<b>5,14,03,590</b>	<b>47,21,076</b>	<b>4,72,10,760</b>
<b>d) Shareholders holding more than 5% of the shares</b>	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
Equity shares of ₹ 10 each				
Banktech Group PTY Limited	34,62,596	37%	34,62,596	37%
IDBI Trusteeship Services Limited	45,27,572	49%	45,27,572	49%
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	12,58,480	14%	12,58,480	14%
	<b>92,48,648</b>	<b>100%</b>	<b>92,48,648</b>	<b>100%</b>
Compulsorily convertible Preference shares of Rs. 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	4,19,283	100%	-	0%
	<b>4,19,283</b>	<b>100%</b>	-	<b>0%</b>
<b>e) The Company has not issued any bonus shares or any shares for consideration other than cash and has not bought back any shares in the immediately preceding five years.</b>				



## f) Rights, preferences and restrictions:

## Equity shares of ₹ 10 each

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 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.

## Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each

Compulsorily Convertible Cumulative Preference Shares (Series A CCPS) of the Company having a nominal value of ₹ 10 per share shall be entitled to the following:

(i) Dividends: The Series A CCPS shall carry a pre-determined cumulative dividend at the rate of 0.01 percent per annum on an 'as if converted basis'.

(ii) Until converted in accordance with the provisions of the schedule and applicable law, all issued CCPS shall carry voting rights with equity shares on as-if-converted basis, and the holders of the CCPS shall be entitled to vote in all meetings of the shareholders of the Company accordingly.

(iii) Subject to applicable laws, CCPS shall automatically be converted into equity shares at the earliest of the following events and in the manner specifically provided for in the shareholders agreement:

a) On a "new money conversion trigger" i.e.

(i) a further round of funding raised by the Company, where a third party investor acquires any shares or shares equivalents in the Company.

(ii) An IPO or A listing.

(iii) The buyback or redemption of any shares of the Company other than the CCPS: or

b) on a "Forced conversion trigger" i.e. the expiry of 3 years from the date of issue of the CCPS or

c) on a "Liquidation conversion trigger" i.e.,

(i) Any liquidation, dissolution or winding up of the Company, either voluntary or involuntary; or

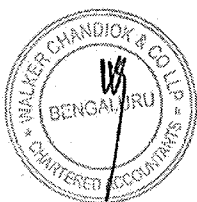
(ii) Any acquisition of the Company by means of a merger or other form of corporate reorganization in which the shareholders of the surviving entity;

or

(iii) Any sale or transfer of all or substantially all of the assets or business of the Company.

## 4 Reserves and surplus

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>Securities premium account</b>		
Balance at the beginning of the year	2,44,41,34,631	1,24,31,47,604
Add : Additions made during the year	16,56,16,785	1,20,09,87,027
<b>Balance at the end of the year</b>	<b>2,60,97,51,416</b>	<b>2,44,41,34,631</b>
<b>Deficit in the Statement of profit and loss</b>		
Balance deficit at the beginning of the year	(91,45,82,820)	(23,22,33,265)
Add : Loss for the year	(75,64,37,309)	(68,23,49,555)
<b>Balance deficit at the end of the year</b>	<b>(1,67,10,20,129)</b>	<b>(91,45,82,820)</b>
	<b>93,87,31,287</b>	<b>1,52,95,51,811</b>



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

	As at 31 March 2017		As at 31 March 2016	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
<b>5 Borrowings</b>				
(Secured)				
Loan from banks	75,00,00,000	3,85,73,08,508	75,00,00,000	2,26,42,07,950
Less: Current maturities of long term borrowings (refer note 5(a))	(75,00,00,000)	-	-	-
	<u>-</u>	<u>3,85,73,08,508</u>	<u>75,00,00,000</u>	<u>2,26,42,07,950</u>

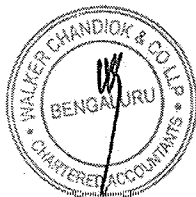
**Details of security for each type of borrowings**

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 10.15% to 11.60%. (31 March 2016: 11.75% to 12.25%).

(b) Working capital loans from banks (Overdraft Facilities) are secured by exclusive charge on Cash lying in ATM and on the Cash dispensed recoverable from National Payments Corporation of India (NPCI) pertaining to specific ATMs, identified for the respective banks.

(c) The interest on the above 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 9.50% to 10.50% (31 March 2016: 10.00% to 11.90%).

	As at 31 March 2017	As at 31 March 2016
	₹	₹
<b>6 Deferred taxes</b>		
<b>Deferred tax liabilities</b>		
Depreciation and amortisation	-	1,06,25,052
	<u>-</u>	<u>1,06,25,052</u>
<b>Deferred tax assets</b>		
Provision for bad and doubtful debts	50,02,855	32,80,911
Provision for employee benefits	90,74,909	70,17,434
Lease equalisation reserve	1,30,09,227	72,24,455
Depreciation and amortisation	45,37,793	
	<u>3,22,24,784</u>	<u>1,75,22,800</u>
<b>Deferred tax asset/(liability)</b>	<u>3,22,24,784</u>	<u>68,97,749</u>
<b>7 Other long term liabilities</b>		
Lease equalisation reserve	4,21,01,058	2,33,80,114
	<u>4,21,01,058</u>	<u>2,33,80,114</u>



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# BTI Payments Private Limited

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

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	As at 31 March 2017		As at 31 March 2016	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
<b>8 Provisions</b>				
Employee benefits				
Gratuity	61,77,380	1,26,694	29,41,242	85,109
Compensated absences	56,80,196	9,55,917	-	20,71,127
Performance incentive scheme	5,38,69,212	-	4,42,57,822	-
Retirement of fixed assets	95,00,377	-	1,02,76,802	-
	<b>7,52,27,166</b>	<b>10,82,611</b>	<b>5,74,75,867</b>	<b>21,56,236</b>

### Employee benefits

#### a) Gratuity

The following table set out the status of the gratuity plan as required under Accounting Standard (AS) - 15 - Employee benefits:

	As at 31 March 2017	As at 31 March 2016
<b>Change in present benefit obligation</b>		
Present value of obligation as at the beginning of the period	30,26,351	21,88,866
Current service cost	23,84,993	16,36,912
Interest cost	2,42,108	1,69,637
Actuarial loss / (gain)	13,17,356	(5,62,389)
Benefits paid	(6,66,734)	(4,06,675)
<b>Present value of obligation as at the end of the period</b>	<b>63,04,074</b>	<b>30,26,351</b>
<b>Components of net gratuity costs are</b>		
Present value of obligation as at the end of period	63,04,074	30,26,351
Present value of obligation as at the beginning of the period	30,26,351	21,88,866
Benefits paid	6,66,734	4,06,675
<b>Net gratuity costs (refer note 22)</b>	<b>39,44,457</b>	<b>12,44,160</b>

The principal assumptions used in determining gratuity obligations and compensated absences for the Company's plans are shown below:

#### Assumptions used

Discount rate	7.35%	8.00%
Future salary increase	10.00%	10.00%
Retirement age (years)	58	58
Mortality table	IALM (2006-08)	IALM (2006-08)
<b>Attrition rate:</b>	<b>withdrawal rate (%)</b>	
Upto to 30 years	21.40%	14.90%
From 31 to 44 years	7.10%	17.70%
Above 44 years	0.00%	14.30%

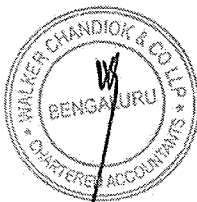
The Company assesses these assumptions with the projected long-term plans of growth and prevalent industry standards.

#### Experience adjustments

	As at 31 March 2017	As at 31 March 2016
Present value of defined benefit obligation	63,04,074	30,26,351
Fair value of plan asset	-	-
Deficit	63,04,074	30,26,351
Experience adjustments on liabilities: loss / (gain)	5,37,450	13,42,309
Experience adjustment on plan assets: loss / (gain)	-	-

#### Note:

Information on experience adjustments for prior years is disclosed based on the information received and available with the Company.



BTI Payments Private Limited  
Summary of significant accounting policies and other explanatory information (Cont'd)

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	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>9 Trade payables</b>		
Dues to micro and small enterprises (refer note (a) below)	-	-
Dues to others	3,45,98,268	1,51,89,615
Accrued expenses	22,26,88,127	18,87,18,823
	<u>25,72,86,396</u>	<u>20,39,08,438</u>

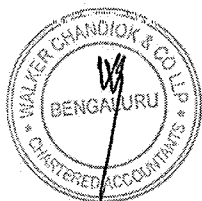
a) Dues to micro, small and medium enterprises :

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated 26 August 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at 31 March 2017 has been made in the financial statement based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.

	As at 31 March 2017	As at 31 March 2016
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting period;	-	-
The amount of interest paid by the Company along with the amount of the payments made to the supplier beyond the appointed day during the period;	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under	-	-
The amount of interest accrued and remaining unpaid at the end of the period; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	-	-

**10 Other current liabilities**

	As at 31 March 2017 ₹	As at 31 March 2016 ₹
Current maturities of long term borrowings (refer note 5(a))	75,00,00,000	-
Bank overdrafts	-	8,10,28,231
Security deposit from vendors	3,22,34,838	88,30,000
Dues to employees	1,64,28,451	1,76,95,746
Unclaimed overages	2,60,76,200	97,22,500
Accrued expenses	63,58,070	86,14,457
Retention money	59,37,749	47,07,165
Accrued capital creditors	83,22,214	9,00,63,126
Statutory dues payable	1,03,57,120	1,14,28,101
Advance Revenue	20,000	1,20,996
	<u>85,57,34,641</u>	<u>23,22,10,322</u>



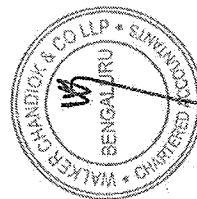
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# BTI Payments Private Limited

## 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 2015	34,56,84,761	10,82,41,233	13,75,27,809	22,69,926	23,45,358	93,48,029	2,16,465	16,40,69,194	14,83,004	77,11,85,779
Additions	53,55,43,811	81,04,919	29,41,94,414	-	-	31,98,197	1,82,430	29,82,67,806	8,74,776	1,14,03,66,353
Disposals	(14,70,754)	(3,35,018)	(1,32,692)	(12,81,134)	(2,14,001)	(2,160)	-	(83,60,715)	(24,000)	(1,18,20,472)
Balance as at 31 March 2016	87,97,57,818	11,60,11,134	43,15,89,532	9,88,792	21,31,357	1,25,44,066	3,98,895	45,39,76,295	23,33,780	1,89,97,31,660
Additions	2,40,64,899	1,20,54,000	4,05,02,991	-	-	10,57,763	10,452	12,58,49,037	1,28,000	20,36,67,141
Disposals	(33,68,146)	(6,09,947)	(26,10,555)	(7,41,207)	(21,31,356)	(17,580)	-	(1,00,62,293)	(2,30,680)	(1,97,71,765)
Balance as at 31 March 2017	90,04,54,571	12,74,55,187	46,94,81,968	2,47,585	1	1,35,84,249	4,09,347	56,97,63,029	22,31,100	2,08,36,27,037
<b>Accumulated depreciation</b>										
Balance as at 01 April 2015	1,55,54,206	3,64,71,112	1,03,69,346	3,36,071	16,81,035	36,99,823	88,701	1,64,17,128	8,30,307	8,54,47,728
Depreciation charge	6,12,29,977	1,68,60,180	5,66,05,572	2,33,163	4,22,708	23,99,437	46,922	6,93,67,391	3,38,661	20,75,04,011
Disposals	(91,924)	(1,66,731)	(48,521)	(2,72,688)	(1,96,745)	(2,052)	-	(23,63,824)	(5,002)	(31,47,487)
Balance as at 31 March 2016	7,66,92,259	5,31,64,560	6,69,26,397	2,96,546	19,06,998	60,97,208	1,35,623	8,34,20,695	11,63,966	28,98,04,253
Depreciation charge	8,39,63,840	1,71,61,135	8,61,97,255	43,986	78,008	25,64,904	76,131	10,51,07,390	5,19,038	29,57,11,688
Disposals	(4,31,141)	(3,72,670)	(15,26,241)	(2,55,152)	(19,85,009)	(16,701)	-	(46,11,797)	(1,05,917)	(93,04,627)
Balance as at 31 March 2017	16,02,24,958	6,99,53,025	15,15,97,412	85,381	(3)	56,45,411	2,11,754	18,39,16,288	15,77,087	57,62,11,314
<b>Net block</b>										
Balance as at 31 March 2016	80,39,65,560	6,28,46,574	36,46,63,135	6,92,246	2,24,359	54,46,858	2,63,272	37,05,55,599	11,69,814	1,60,99,27,407
Balance as at 31 March 2017	74,02,29,613	5,75,02,162	31,78,84,556	1,62,204	3	49,38,838	1,97,593	38,58,46,741	6,54,013	1,50,74,15,723



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

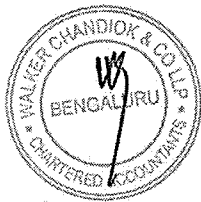
## 12 Intangible assets

Gross block	Computer software	Copyrights	Total
	₹	₹	₹
Balance as at 01 April 2015	83,34,223	17,500	83,51,723
Additions	71,53,007	-	71,53,007
Disposals	-	-	-
<b>Balance as at 31 March 2016</b>	<b>1,54,87,230</b>	<b>17,500</b>	<b>1,55,04,730</b>
Additions	11,82,491	-	11,82,491
Disposals	-	-	-
<b>Balance as at 31 March 2017</b>	<b>1,66,69,721</b>	<b>17,500</b>	<b>1,66,87,221</b>
<b>Accumulated amortisation</b>			
Balance as at 01 April 2015	39,13,367	1,750	39,15,117
Amortisation charge	21,66,752	1,750	21,68,502
<b>Balance as at 31 March 2016</b>	<b>60,80,119</b>	<b>3,500</b>	<b>60,83,619</b>
Amortisation charge for the year	23,64,761	1,750	23,66,511
<b>Balance as at 31 March 2017</b>	<b>84,44,880</b>	<b>5,250</b>	<b>84,50,130</b>
<b>Net block</b>			
<b>Balance as at 31 March 2016</b>	<b>94,07,111</b>	<b>14,000</b>	<b>94,21,111</b>
<b>Balance as at 31 March 2017</b>	<b>82,24,841</b>	<b>12,250</b>	<b>82,37,091</b>

## 13 Loans and advances

(Unsecured, considered good)

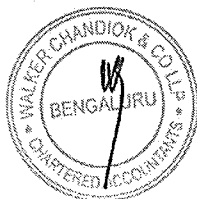
	As at 31 March 2017		As at 31 March 2016	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
Security deposits	14,06,09,891	-	3,93,29,362	-
Capital advances	-	-	20,21,253	-
Tax deducted at source receivable	1,70,54,896	-	2,85,50,787	-
Advance to suppliers	-	70,41,989	-	1,02,05,017
Employee advances	-	4,27,627	-	10,93,481
Prepaid expenses	-	3,96,52,811	-	80,43,655
Duties and taxes recoverable	-	4,26,69,164	-	6,67,77,205
Other advances	-	5,00,000	-	5,00,000
	<b>15,76,64,787</b>	<b>9,02,91,591</b>	<b>6,99,01,403</b>	<b>8,66,19,359</b>



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

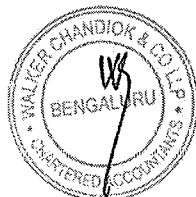
	As at 31 March 2017 ₹	As at 31 March 2016 ₹
<b>14 Other non-current assets</b>		
Deposits with maturity of more than 12 months	1,13,00,677	25,27,09,561
	<u>1,13,00,677</u>	<u>25,27,09,561</u>
<b>15 Current investments</b>		
<b>Investments in mutual funds - Quoted</b>		
Investment in Reliance Mutual Fund (33,016 number of units at ₹3,935/ unit)	12,99,20,000	-
	<u>12,99,20,000</u>	<u>-</u>
Aggregate amount of Market value of quoted investments (number of units: 33,016)	13,05,44,841	-
<b>16 Trade receivables</b> (Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	-	-
Considered doubtful	1,81,32,216	1,06,17,838
	<u>1,81,32,216</u>	<u>1,06,17,838</u>
Less : Provision for doubtful receivables	<u>(1,81,32,216)</u>	<u>(1,06,17,838)</u>
	-	-
(Unsecured) Other debts Considered good	4,44,04,920	5,44,59,248
	<u>4,44,04,920</u>	<u>5,44,59,248</u>
	<u>4,44,04,920</u>	<u>5,44,59,248</u>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	2,29,60,000	1,26,49,431
- in deposit account (with original maturity upto 3 months)	10,75,00,000	11,23,33,884
Cash at ATM (Refer note below)	3,31,53,29,800	2,49,70,20,300
	<u>3,44,57,89,800</u>	<u>2,50,96,69,731</u>
<b>Other bank balances</b>		
In deposit accounts (maturity more than 3 months but less than 12 months)	12,54,76,200	-
Deposits with original maturity for more than 12 months:	1,13,00,677	14,03,75,677
	<u>13,67,76,877</u>	<u>14,03,75,677</u>
-Less: Deposits with maturity more than 12 months disclosed under non-current assets	<u>(1,13,00,677)</u>	<u>(25,27,09,561)</u>
	<u>12,54,76,200</u>	<u>-</u>
	<u>3,57,12,66,000</u>	<u>2,50,96,69,731</u>
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))		
b Deposits are held as lien with the banks, in order to obtain working capital loans.		
<b>18 Other current assets</b>		
Interest accrued but not due on bank deposits	1,36,72,162	98,67,524
Cash dispensed recoverable	51,76,12,997	53,03,83,415
Insurance claim receivable	2,41,69,680	89,97,375
Unbilled revenue	51,95,037	37,02,123
	<u>56,06,49,877</u>	<u>55,29,50,437</u>





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

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>19 Revenue from operations</b>		
Sale of services		
ATM managed services	17,87,89,313	19,06,52,072
POS - Technical services	5,76,61,410	6,63,33,910
White Label ATM	1,05,64,82,632	61,78,33,369
	<u>1,29,29,33,355</u>	<u>87,48,19,351</u>
<b>20 Other Income</b>		
Interest income	2,39,10,568	2,13,62,178
Net gain on sale of current investments	1,62,707	81,85,038
Miscellaneous income	20,000	97,043
	<u>2,40,93,275</u>	<u>2,96,44,259</u>
<b>21 Cost of services</b>		
ATM running cost	20,91,93,357	10,02,79,947
Security and housekeeping expenses	9,02,55,329	8,18,19,614
Switching and connectivity expenses	4,03,39,943	4,51,78,820
Cash delivery and loading expenses	40,22,85,508	29,87,23,885
Sponsor bank charges	2,00,20,106	1,86,47,868
Power and fuel	7,30,30,543	5,79,88,136
Rent	20,34,77,710	13,61,26,152
	<u>1,03,86,02,496</u>	<u>73,87,94,421</u>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	20,90,80,535	21,33,09,651
Gratuity expenses	39,44,457	12,58,805
Contribution to provident and other funds	82,71,369	70,59,650
Staff welfare expenses	57,90,599	83,49,190
	<u>22,70,86,959</u>	<u>22,99,77,297</u>
<b>23 Finance costs</b>		
Interest on short term borrowings	23,34,48,144	13,39,14,147
Interest on long-term borrowings	8,52,72,946	5,26,36,643
Corporate guarantee commission	37,56,098	22,24,725
	<u>32,24,77,188</u>	<u>18,87,75,515</u>
<b>24 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (refer note 11)	29,57,11,688	20,75,04,012
Amortisation of intangible assets (refer note 12)	23,66,511	21,68,502
	<u>29,80,78,200</u>	<u>20,96,72,514</u>



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

	Year ended 31 March 2017 ₹	Year ended 31 March 2016 ₹
<b>25 Other expenses</b>		
Repairs and maintenance		
- Plant and equipment	6,32,67,724	4,51,01,903
- Others	2,19,184	11,14,260
Insurance	1,51,39,629	39,91,325
Rent	85,43,568	77,82,892
Rates and taxes	34,61,219	53,62,690
Payments to auditors (Also, refer note 29)	15,00,000	15,00,000
Travelling and conveyance	1,77,26,143	2,52,36,513
Advertisement and marketing expenses	5,54,81,155	7,69,49,957
Legal and professional	1,10,28,339	1,27,90,038
Fixed assets written off	64,35,037	78,72,664
Provision for doubtful receivables	75,14,379	86,96,373
Telephone expense	42,23,324	45,67,947
Computer software maintenance	20,21,488	26,58,123
Newspapers, magazines & periodicals	53,616	3,677
Printing and stationary	7,67,740	8,00,996
Subscriptions and membership expenses	1,91,517	70,198
Courier expenses	20,82,650	22,74,140
Provision for retirement of fixed assets	(7,76,425)	39,86,430
Bank charges	2,07,62,235	60,58,004
Relocation & deployment expense	15,84,871	94,28,483
Miscellaneous expenses	10,53,797	2,44,550
	<b>22,22,81,189</b>	<b>22,64,91,166</b>
<b>26 Loss per equity share</b>		
Net (loss)/ Profit after tax	(76,61,72,365)	(68,23,49,555)
Weighted average number of shares outstanding during the year for computing basic EPS (in numbers)	92,48,648	92,48,648
Add: Effect of potential shares for conversion of CCPS	4,19,283	-
	<b>96,67,931</b>	<b>92,48,648</b>
Loss per share:		
- Basic	(82.84)	(73.78)
- Diluted	(79.25)	(73.78)
Nominal value per share (In ₹)	10.00	10.00



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## Notes to the financial statements for the year ended 31 March 2017

All amounts are in ₹, unless otherwise stated

### 27 Segment Reporting

The Company is engaged in White Label ATM Operations, ATM managed services and POS Technical services which represent different business segments as they are subject to risks and returns that are not similar to each other. Accordingly, business segment has been considered as primary segment. All the operations of the Company are located in India.

Accounting policies consistently used in the preparation of the financial statements are also applied to record revenue and expenditure in individual segments.

Revenue and direct expenses in relation to segments are categorized based on items that are individually identifiable to that segment, while other costs wherever allocable, are apportioned to the segments on an appropriate basis. Certain expenses are not specifically allocable to individual segments as underlying services are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such expense, and accordingly such expenses are separately disclosed as "unallocated" and are directly charged against total income.

Assets and liabilities in relation to segments are categorised based on items that are individually identifiable to that segment. Certain assets and liabilities are not specifically allocable to individual segments as these are used interchangeably. The Company therefore believes that it is not practicable to provide segment disclosures relating to such assets and liabilities and accordingly these are separately disclosed as 'unallocated'.

#### (a) Business Segment (Primary Segment)

Particulars	Segment 1 WLA	Segment 2 MSP & BLA	Segment 3 POS	Total
<b>(i) Revenue</b>				
External sales	1,05,64,82,632	17,87,89,313	5,76,61,410	1,29,29,33,355
<b>Total revenue from operations</b>	<b>1,05,64,82,632</b>	<b>17,87,89,313</b>	<b>5,76,61,410</b>	<b>1,29,29,33,355</b>
<b>(ii) Cost</b>				
Cost	1,62,30,50,718	14,60,45,794	4,13,51,203	1,81,04,47,715
<b>Total Cost for operations</b>	<b>1,62,30,50,718</b>	<b>14,60,45,794</b>	<b>4,13,51,203</b>	<b>1,81,04,47,715</b>
<b>(iii) Results reconciliation</b>				
Segment result	(56,65,68,086)	3,27,43,519	1,63,10,207	(51,75,14,360)
<b>Operating profit</b>	<b>(56,65,68,086)</b>	<b>3,27,43,519</b>	<b>1,63,10,207</b>	<b>(51,75,14,360)</b>
<b>(iv) Other (Unallocated)</b>				
Other Income	2,40,93,275	-	-	2,40,93,275
	2,40,93,275	-	-	2,40,93,275
<b>Profit/(loss) before prior period item and tax</b>	<b>(54,24,74,811)</b>	<b>3,27,43,519</b>	<b>1,63,10,207</b>	<b>(49,34,21,085)</b>
<b>Income taxes expense</b>	<b>2,78,44,937</b>	<b>(16,80,707)</b>	<b>(8,37,194)</b>	<b>2,53,27,036</b>
<b>Profit/(loss) for the year</b>	<b>(57,03,19,748)</b>	<b>3,44,24,226</b>	<b>1,71,47,401</b>	<b>(51,87,48,120)</b>
<b>(v) Other information</b>				
Segment assets (fixed assets)	1,45,73,05,064	7,78,049	5,86,10,173	1,51,66,93,285
Segment assets (Other than fixed assets)	4,37,47,21,307	2,24,92,707	1,90,01,997	4,41,62,16,011
Unallocated corporate assets (Non fixed assets)	10,61,60,324	1,79,65,588	57,94,089	12,99,20,000
<b>Total assets</b>	<b>5,93,81,86,695</b>	<b>4,12,36,343</b>	<b>8,34,06,259</b>	<b>6,06,28,29,297</b>
Segment liabilities	5,02,66,22,489	3,30,27,722	2,01,14,907	5,07,97,65,118
<b>Total liabilities</b>	<b>5,02,66,22,489</b>	<b>3,30,27,722</b>	<b>2,01,14,907</b>	<b>5,07,97,65,118</b>
Segment depreciation and amortisation	27,85,97,450	19,41,531	1,75,39,218	29,80,78,199
<b>Total depreciation</b>	<b>27,85,97,450</b>	<b>19,41,531</b>	<b>1,75,39,218</b>	<b>29,80,78,199</b>



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

**28 Related parties**

**Names of related parties**

**i) Controlling entity**

**Name of the party**

Banktech Group PTY Limited

**Nature of relationship**

Holding Company

**ii) Other related parties**

**Name of the party**

BTI PAYMENTS SINGAPORE PTE LTD

Eftex Pty Ltd

IDBI Trusteeship Services Limited

**Nature of relationship**

Fellow subsidiary

Fellow subsidiary

Shareholder

**ii) Other related parties**

**Name of the party**

K Srinivas

**Nature of relationship**

Chief Executive Officer and Managing director

**a) Transactions with related parties**

**Refund of application money received**

Banktech Group PTY Limited

**Fees for Technical services**

Eftex Pty Ltd

**Corporate Gurantee Commission**

Banktech Group PTY Limited

**Remuneration to KMP**

K Srinivas

**Year ended**

**31 March 2017**

₹

**Year ended**

**31 March 2016**

₹

-

18,99,480

3,45,150

1,57,13,250

37,56,098

22,24,725

2,04,31,998

1,84,07,205

**b) Balances with related parties**

**Application money received for allotment of securities and due for refund**

Banktech Group PTY Limited

**Accrued expenses**

Eftex Pty Ltd

Banktech Group Pty Limited

**Remuneration to KMP**

K Srinivas

-

8,33,100

7,81,799

22,24,725

16,34,560

18,40,721

**29 Payments to auditors \***

Statutory audit

15,00,000

15,00,000

**15,00,000**

**15,00,000**

\* Excluding service tax

**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.

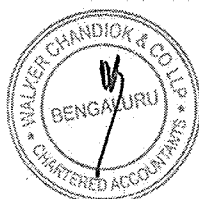
The lease expense for cancellable operating leases during the year ended 31 March 2017 was ₹ 143,909,044 (31 March 2016: ₹ 48,770,596).

**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 Details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016 as provided in the Table below:**

Particulars	SBNs	Other denomination	Total
Closing cash in hand as on 08 November 2016	2,15,24,32,000	37,69,85,900	2,52,94,17,900
Add : Permitted receipts	-	2,94,45,00,000	2,94,45,00,000
Less : Permitted payments	-	2,15,11,95,400	2,15,11,95,400
Less : Amount deposited in Banks	2,15,21,62,900	21,92,69,800	2,37,14,32,700
Less: Mutilated notes destroyed	2,69,100	-	-
Closing cash in hand as on 30 December 2016	-	95,10,20,700	95,12,89,800



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

**33 Prior period comparatives**

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

*Walker Chandiook & Co LLP*

For Walker Chandiook & Co LLP  
(formerly Walker, Chandiook & Co)  
Chartered Accountants

*Vijay V Singh*

Per Vijay Vikram Singh  
Partner  
Membership No: 059139

Place : Bengaluru  
Date : 9 August 2017



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

*K Srinivas*  
K Srinivas  
Managing Director  
DIN: 03533535

*David Scott Glen*  
David Scott Glen  
Director  
DIN: 02073436

*Sanjay Bajaj*

Sanjay Bajaj  
Company Secretary and Chief Commercial Officer

Place : Bengaluru  
Date : 9 August 2017