

Financial statements and Independent auditor's report

BTI Payments Private Limited

31 March 2018

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# Walker Chandiook & Co LLP

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## Independent Auditor's Report

### To the Members of BTI Payments Private Limited

#### Report on the Standalone Financial Statements

1. We have audited the accompanying standalone financial statements of BTI Payments Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, 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 Standalone 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 standalone 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.

#### Auditor's Responsibility

3. Our responsibility is to express an opinion on these standalone 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.



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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 standalone 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 standalone financial statements

## Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the 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 2018, and its profit/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 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 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act;



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- f. we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as of 31 March 2018 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 2018 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, 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;

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

*Vijay V Singh*

**Vijay Vikram Singh**

Partner

Membership No.: 059139

Bengaluru

21 August 2018



# 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 2018

### 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, 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) 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 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 2018

- (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) In our opinion, the Company has not defaulted in repayment of loans or borrowings to any financial institution or a bank or government or any dues to debenture-holders 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 purposes for which the loans were obtained.
- (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, clause 3(xii) of the Order is 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) The company has not entered into any non-cash transactions with directors or persons connected with them.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

*Vijay Vikram Singh*

**Vijay Vikram Singh**

Partner

Membership No.: 059139

Bengaluru  
21 August 2018



# 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 standalone financial statements for the year ended 31 March 2018

## 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 standalone financial statements of BTI Payments Private Limited as of and for the year ended 31 March 2018, 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 Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited, on the standalone financial statements for the year ended 31 March 2018

## 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, the Company has, 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 2018, 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.

For Walker Chandiook & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh

Partner

Membership No.: 059139

Bengaluru

21 August 2018



**BTI Payments Private Limited**  
Balance Sheet as at 31 March 2018

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	Notes	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>Equity and liabilities</b>			
<b>Shareholders' funds</b>			
Share capital	3	104,950,890	96,679,310
Reserves and surplus	4	684,288,662	928,998,231
		<u>789,239,552</u>	<u>1,025,677,541</u>
<b>Non-current liabilities</b>			
Other long term liabilities	7	35,870,308	42,101,050
Long-term provisions	8	40,536,536	75,227,166
		<u>76,506,925</u>	<u>117,328,224</u>
<b>Current liabilities</b>			
Short-term borrowings	5	4,145,578,597	3,857,308,508
Trade payables	9	339,788,606	257,286,396
Other current liabilities	10	1,005,735,555	855,734,641
Short-term provisions	8	1,260,496	1,082,611
		<u>5,492,363,254</u>	<u>4,971,412,156</u>
<b>Total</b>		<u><b>6,358,109,731</b></u>	<u><b>6,114,415,921</b></u>
<b>Assets</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	1,322,226,406	1,507,415,723
Intangible assets	12	11,962,585	8,237,091
Capital work-in-progress		3,739,579	1,040,472
Deferred tax assets, (net)	6	45,160,548	32,224,783
Long-term loans and advances	13	212,939,807	157,664,787
Other non-current assets	14	325,000	11,300,677
		<u>1,598,353,925</u>	<u>1,717,883,534</u>
<b>Current assets</b>			
Current investments	15	-	129,920,000
Trade receivables	16	74,392,157	44,404,920
Cash and bank balances	17	4,229,006,294	3,571,266,000
Short-term loans and advances	13	54,063,453	90,291,591
Other current assets	18	404,293,902	560,649,876
		<u>4,761,755,806</u>	<u>4,396,532,387</u>
<b>Total</b>		<u><b>6,358,109,731</b></u>	<u><b>6,114,415,921</b></u>

**Summary of significant accounting policies and other explanatory notes**

2-33

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

For Walker Chandlok & Co LLP  
Chartered Accountants

*Vijay Vikram Singh*

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 : 21 August 2018

Place : Bengaluru  
Date : 21 August 2018



**BTI Payments Private Limited**

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**Statement of Profit and Loss for the year ended 31 March 2018**

	Notes	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>Revenue</b>			
Revenue from operations	19	1,753,474,405	1,292,933,355
Other income	20	21,867,127	24,093,275
<b>Total revenue</b>		<b>1,775,341,532</b>	<b>1,317,026,630</b>
<b>Expenses</b>			
Cost of services	22	1,219,771,902	1,038,602,496
Employee benefits expense	23	183,393,804	227,086,959
Finance costs	24	373,350,979	322,477,188
Depreciation and amortisation expense	25	315,651,902	298,078,200
Other expenses	26	267,543,688	222,281,189
<b>Total expenses</b>		<b>2,359,712,275</b>	<b>2,108,526,032</b>
<b>Loss before tax</b>		<b>(584,370,743)</b>	<b>(791,499,402)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		12,935,764	25,327,036
<b>Loss for the year</b>		<b>(571,434,979)</b>	<b>(766,172,366)</b>
<b>Loss per equity share</b>			
- Basic	26	(61.79)	(82.84)
Diluted		(61.73)	(82.04)
<b>Summary of significant accounting policies and other explanatory notes</b>	2-33		

This is the statement of profit and loss referred to in our report of even date

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

*Vijay V Singh*

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: 02073438

*Sanjay Bajaj*

Sanjay Bajaj  
Company Secretary and Chief Commercial Officer

Place : Bengaluru  
Date : 21 August 2018

Place : Bengaluru  
Date : 21 August 2018



**BTI Payments Private Limited**  
Cash Flow Statement for the year ended 31 March 2018

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	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>A. Cash flow from operating activities</b>		
Net Loss before tax	(584,370,743)	(791,499,401)
<b>Adjustments for:</b>		
Depreciation and amortisation	315,651,902	298,078,200
Interest income	(18,725,357)	(23,910,568)
Interest expense	373,350,979	322,477,188
Provision for doubtful receivables	5,486,098	7,514,379
Provision for retirement of fixed assets	(676,996)	(776,425)
Net gain on sale of current investment	(3,141,770)	(162,707)
Fixed asset written off	14,859,471	6,435,037
	<b>686,804,327</b>	<b>609,655,103</b>
Operating loss before working capital changes	102,433,584	(181,844,298)
<b>Adjustments for working capital changes</b>		
(Increase) in trade receivables	(35,473,335)	2,539,949
(Increase) in long-term and short-term loans and advances	(19,660,370)	(102,931,509)
(Increase) in non current assets	10,975,677	241,408,884
(Increase) in other current assets	155,044,789	(3,894,802)
Increase trade payables	82,502,210	53,377,958
Increase in other current and non-current liabilities	123,142,628	(26,013,825)
Increase in long-term and short-term provisions	(34,512,744)	16,677,674
	<b>282,018,855</b>	<b>181,164,330</b>
Cash used in operations	<b>384,457,439</b>	<b>(679,968)</b>
Net income tax refund/(paid)	613,488	11,495,891
<b>Net cash used in operating activities (A)</b>	<b>385,065,927</b>	<b>10,815,923</b>
<b>B. Cash flow from investing activities</b>		
Payments for purchase of fixed assets	(130,342,045)	(280,001,277)
Proceeds on sale of current investments	129,920,000	-
Proceeds from sale of current investments	3,141,770	162,707
Purchase of current investments	-	(129,920,000)
Interest received	20,036,542	20,105,929
<b>Net cash generated/ (used) from/ in investing activities (B)</b>	<b>22,756,267</b>	<b>(389,652,639)</b>
<b>C. Cash flow from financing activities</b>		
Proceeds from Issue of equity shares (including premium)	334,998,990	169,809,615
Proceeds from borrowings, net	288,270,089	1,593,100,558
Interest paid	(373,350,979)	(322,477,188)
<b>Net cash flow from financing activities (C)</b>	<b>249,918,100</b>	<b>1,440,432,984</b>
<b>Net increase in Cash and cash equivalents (A+B+C)</b>	<b>657,740,294</b>	<b>1,061,596,268</b>
Cash and cash equivalents at the beginning of the year	3,571,266,000	2,509,669,732
Effect of exchange rate changes on cash and cash equivalents held		
<b>Cash and cash equivalents at the end of the year</b>	<b>4,229,006,294</b>	<b>3,571,266,000</b>
<b>Components of cash and cash equivalents</b>		
Cash and bank balances (Refer note 17)	4,229,006,294	3,571,266,000
	<b>4,229,006,294</b>	<b>3,571,266,000</b>

**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

For Walker Chandio & Co LLP  
Chartered Accountants

*Vijay Vikram Singh*

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

Bengaluru  
Date : 21 August 2018



Bengaluru  
Date : 21 August 2018



# BTI Payments Private Limited

## Summary of significant accounting policies and other explanatory information

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### 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, Diamond 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 POC 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.



# BTI Payments Private Limited

## Summary of significant accounting policies and other explanatory information

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### 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. Leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Such assets acquired are capitalised at the fair value of the asset or present value of the minimum lease payments at the inception of the lease, whichever is lower. 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

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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 comprise 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

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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

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## Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Number	Amount ₹	Number	Amount ₹
<b>3 Share capital</b>				
<b>Authorised share capital</b>				
Equity shares of ₹ 10 each	10,250,000	102,500,000	9,500,000	95,000,000
Compulsorily convertible Preference shares of Rs. 10 each	2,500,000	25,000,000	500,000	5,000,000
	<b>12,750,000</b>	<b>127,500,000</b>	<b>10,000,000</b>	<b>100,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹ 10 each	9,248,648	92,486,480	9,248,648	92,486,480
Compulsorily convertible Preference shares of Rs. 10 each	1,246,441	12,464,410	419,283	4,192,830
	<b>10,495,089</b>	<b>104,950,890</b>	<b>9,667,931</b>	<b>96,679,310</b>
	<b>10,495,089</b>	<b>104,950,890</b>	<b>9,667,931</b>	<b>96,679,310</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	9,248,648	92,486,480	9,248,648	92,486,480
Add : Issued during the year	-	-	-	-
<b>Balance at the end of the year</b>	<b>9,248,648</b>	<b>92,486,480</b>	<b>9,248,648</b>	<b>92,486,480</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	419,283	4,192,830	-	-
Add : Issued during the year	827,158	8,271,580	419,283	4,192,830
<b>Balance at the end of the year</b>	<b>1,246,441</b>	<b>12,464,410</b>	<b>419,283</b>	<b>4,192,830</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	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	1,258,480	12,584,800
Compulsorily convertible Preference shares of Rs. 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	419,283	4,192,830	419,283	4,192,830
	<b>5,140,359</b>	<b>51,403,590</b>	<b>5,140,359</b>	<b>51,403,590</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	3,462,596	37%	3,462,596	37%
IDBI Trusteeship Services Limited	4,527,572	49%	4,527,572	49%
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,258,480	14%	1,258,480	14%
	<b>9,248,648</b>	<b>100%</b>	<b>9,248,648</b>	<b>100%</b>
Compulsorily convertible Preference shares of Rs. 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,246,441	100%	419,283	100%
	<b>1,246,441</b>	<b>100%</b>	<b>419,283</b>	<b>100%</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 period immediately preceding five years.</b>				



# BTI Payments Private Limited

## Summary of significant accounting policies and other explanatory information

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### 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 non-cumulative dividend at the rate of 0.01 percent per annum, compounded annually on a non-cumulative basis 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 an '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 2018 ₹	As at 31 March 2017 ₹
<b>Securities premium account</b>		
Balance at the beginning of the year	2,609,751,416	2,444,134,631
Add : Additions made during the year	326,727,410	165,616,785
<b>Balance at the end of the year</b>	<b>2,936,478,826</b>	<b>2,609,751,416</b>
<b>Deficit in the Statement of profit and loss</b>		
Accumulated deficit at the beginning of the year	(1,680,755,185)	(914,582,820)
Add : Loss for the year	(571,434,979)	(766,172,365)
<b>Accumulated deficit at the end of the year</b>	<b>(2,252,190,164)</b>	<b>(1,680,755,185)</b>
	<b>684,288,662</b>	<b>928,996,231</b>



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# BTI Payments Private Limited

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## Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
<b>5 Borrowings</b>				
(Secured)				
Loan from banks	725,000,000	4,145,578,597	750,000,000	3,857,308,508
Less: Current maturities of long term borrowings (refer note 5(a))	(725,000,000)	-	(750,000,000)	-
	<u>-</u>	<u>4,145,578,597</u>	<u>-</u>	<u>3,857,308,508</u>

### Details of security for each type of borrowings

a) Term loan from bank for a tenure of 1 year is secured by an unconditional and irrevocable corporate guarantee from The Banktech Group Pty Ltd (Corporate Guarantor). Interest rates as per annum ranges between 9.60% to 10.15%. (31 March 2017: Rs 75 Crores).

(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 2017: 10.00% to 11.90%).

### 6 Deferred taxes

#### Deferred tax assets

Provision for bad and doubtful debts  
Provision for employee benefits  
Lease equalisation reserve  
Depreciation and amortisation

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
Provision for bad and doubtful debts	6,140,762	5,602,855
Provision for employee benefits	6,861,732	9,074,909
Lease equalisation reserve	9,352,301	13,009,227
Depreciation and amortisation	22,805,753	4,537,793
	<u>45,160,548</u>	<u>32,224,784</u>

### 7 Other long term liabilities

Lease equalisation reserve

Lease equalisation reserve	35,970,389	42,101,058
	<u>35,970,389</u>	<u>42,101,058</u>



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## Summary of significant accounting policies and other explanatory information

	As at 31 March 2018		As at 31 March 2017	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
<b>6 Provisions</b>				
<b>Employee benefits</b>				
Gratuity	7,657,724	253,493	6,177,380	126,694
Compensated absences	4,288,440	1,007,003	5,680,198	955,917
Performance Incentive scheme	19,788,985	-	53,889,212	-
Retirement of fixed assets	8,823,381	-	0,500,077	-
	<b>40,536,536</b>	<b>1,260,496</b>	<b>75,227,166</b>	<b>1,082,611</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 2018	As at 31 March 2017
<b>Changes in present benefit obligation</b>		
Present value of obligation as at the beginning of the period	6,304,074	3,026,351
Current service cost	2,294,481	2,384,993
Past service cost	380,464	-
Interest cost	463,349	242,108
Actuarial loss / (gain)	(222,789)	1,317,356
Benefits paid	(1,308,362)	(666,734)
<b>Present value of obligation as at the end of the period</b>	<b>7,911,217</b>	<b>6,304,074</b>
<b>Components of net gratuity costs are</b>		
Present value of obligation as at the end of period	7,911,217	6,304,074
Present value of obligation as at the beginning of the period	(6,304,074)	(3,026,351)
Benefits paid	1,308,362	666,734
<b>Net gratuity costs (refer note 22)</b>	<b>2,915,505</b>	<b>3,944,457</b>

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

## Assumptions used

Discount rate	8.00%	7.35%
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	21.70%	21.40%
From 31 to 44 years	24.30%	7.10%
Above 44 years	12.50%	0.00%

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

	As at 31 March 2018	As at 31 March 2017
<b>Experience adjustments</b>		
Present value of defined benefit obligation	7,911,217	6,304,074
Fair value of plan asset	-	-
Deficit	7,911,217	6,304,074
Experience adjustments on liabilities: loss / (gain)	1,277,788	537,450
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



## Summary of significant accounting policies and other explanatory information

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>9 Trade payables</b>		
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	74,178,155	34,598,268
Accrued expenses	265,610,451	222,688,127
	<b>339,788,606</b>	<b>257,286,395</b>

## 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 2018 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 2018	As at 31 March 2017
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 this	-	-
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 2018 ₹	As at 31 March 2017 ₹
Current maturities of long term borrowings (refer note 5(a))	725,000,000	750,000,000
Book overdrafts	-	-
Security deposit from vendors	143,886,138	32,234,838
Dues to employees	13,186,613	16,428,451
Unclaimed overages	64,142,650	26,076,200
Accrued expenses	5,828,068	6,358,070
Retention money	3,608,497	5,937,749
Accrued capital creditors	29,049,830	8,322,214
Statutory dues payable	20,490,382	10,357,120
Advance Revenue	543,377	20,000
	<b>1,005,735,555</b>	<b>855,734,641</b>



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# BTI Payments Private Limited

## Summary of significant accounting policies and other explanatory information

### 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 2016	879,757,818	116,011,134	431,589,322	988,792	2,131,357	2,544,066	398,895	453,976,285	2,333,780	1,899,731,659
Additions	24,064,899	12,054,000	40,502,391	-	-	57,763	10,452	125,849,037	128,000	203,667,142
Disposals	(3,368,146)	(609,947)	(2,670,365)	(741,207)	(2,131,356)	(17,580)	-	(10,062,293)	(230,680)	(19,771,764)
Balance as at 31 March 2017	900,454,571	127,455,187	469,481,658	247,585	1	2,584,249	409,347	569,763,029	2,231,100	2,083,627,037
Additions	19,093,656	30,330,658	37,632,838	-	-	349,955	-	64,196,649	197,989	151,800,995
Disposals	(6,766,385)	(5,087,670)	(12,287,326)	-	-	-	-	(21,603,638)	(149,099)	(45,904,119)
Balance as at 31 March 2018	912,781,242	152,698,175	494,817,430	247,585	1	2,934,204	409,347	612,356,039	2,279,990	2,189,523,913
<b>Accumulated depreciation</b>										
Balance as at 01 April 2016	76,692,259	53,164,560	66,926,337	296,646	1,906,998	6,097,208	135,623	83,420,695	1,163,966	289,804,252
Depreciation charge	83,953,840	17,161,135	86,197,255	43,986	78,008	2,564,904	76,131	105,107,390	519,038	295,711,687
Reversal on disposal of assets	(431,141)	(372,670)	(1,526,241)	(255,152)	(1,985,009)	(16,701)	-	(4,611,797)	(105,917)	(9,304,628)
Balance as at 31 March 2017	160,224,958	69,953,025	151,597,111	86,380	(3)	6,645,411	211,754	183,916,288	1,577,087	576,211,311
Depreciation charge	86,616,369	20,871,550	92,490,76	23,513	-	2,075,205	57,187	110,280,291	366,955	312,781,248
Reversal on disposal of assets	(1,675,669)	(9,579,534)	(6,473,244)	-	-	-	-	(9,873,442)	(93,203)	(21,695,052)
Balance as at 31 March 2018	245,165,658	87,245,041	237,614,35	108,893	(3)	16,720,616	268,941	284,323,137	1,850,839	867,297,507
<b>Net block</b>										
Balance as at 31 March 2017	740,229,613	57,502,162	317,884,537	162,205	3	2,938,838	197,593	385,846,741	654,013	1,507,415,726
Balance as at 31 March 2018	667,615,584	65,453,134	257,202,145	136,692	3	2,213,588	140,406	328,032,902	429,161	1,322,226,406



# BTI Payments Private Limited

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## Summary of significant accounting policies and other explanatory information

### 12 Intangible assets

Gross block	Computer software	Copyrights	Total
	₹	₹	₹
Balance as at 01 April 2016	15,487,230	17,500	15,504,730
Additions	1,182,491	-	1,182,491
Disposals	-	-	-
<b>Balance as at 31 March 2017</b>	<b>16,669,721</b>	<b>17,500</b>	<b>16,687,221</b>
Additions	6,596,148	-	6,596,148
Disposals	-	-	-
<b>Balance as at 31 March 2018</b>	<b>23,265,869</b>	<b>17,500</b>	<b>23,283,369</b>
<b>Accumulated amortisation</b>			
Balance as at 01 April 2016	6,080,119	3,600	6,083,719
Amortisation charge	2,304,761	1,750	2,306,511
<b>Balance as at 31 March 2017</b>	<b>8,444,880</b>	<b>5,250</b>	<b>8,450,130</b>
Amortisation charge	2,868,904	1,750	2,870,654
<b>Balance as at 31 March 2018</b>	<b>11,313,784</b>	<b>7,000</b>	<b>11,320,784</b>
<b>Net block</b>			
Balance as at 31 March 2017	8,224,841	12,250	8,237,091
<b>Balance as at 31 March 2018</b>	<b>11,952,085</b>	<b>10,500</b>	<b>11,962,585</b>

### 13 Loans and advances

(Unsecured, considered good)

	As at 31 March 2018		As at 31 March 2017	
	Long term ₹	Short term ₹	Long term ₹	Short term ₹
Security deposits	187,096,905	-	140,609,891	-
Capital advances	9,401,494	-	-	-
Advance income tax	16,441,408	-	17,054,896	-
Advance to suppliers	-	5,099,355	-	7,041,989
Employee advances	-	538,863	-	427,627
Prepaid expenses	-	37,298,496	-	39,652,811
Duties and taxes recoverable	-	10,626,739	-	42,669,164
Other advances	-	600,000	-	600,000
	<b>212,939,807</b>	<b>54,063,453</b>	<b>157,664,787</b>	<b>90,291,591</b>



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**BTI Payments Private Limited**

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**Summary of significant accounting policies and other explanatory information**

	As at 31 March 2018 ₹	As at 31 March 2017 ₹
<b>14 Other non-current assets</b>		
Deposits with maturity of more than 12 months	325,000	11,300,677
	<u>325,000</u>	<u>11,300,677</u>
<b>16 Current investments</b>		
<b>Investments in mutual funds - Quoted</b>		
Investment in Reliance Mutual Fund	-	129,920,000
	<u>-</u>	<u>129,920,000</u>
Aggregate amount of Market value of quoted investments	-	130,544,841
<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	23,618,314	18,132,216
	<u>23,618,314</u>	<u>18,132,216</u>
Less: Provision for doubtful receivables	(23,618,314)	(18,132,216)
	<u>-</u>	<u>-</u>
(Unsecured) Other debts		
Considered good	74,392,157	44,404,920
	<u>74,392,157</u>	<u>44,404,920</u>
	<u>74,392,157</u>	<u>44,404,920</u>
<b>17 Cash and bank balances</b>		
<b>Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	55,711,061	22,960,000
- in deposit account (with original maturity upto 3 months)	165,825,736	107,500,000
Cash at ATM (Refer note below)	3,842,862,200	3,315,329,800
	<u>4,064,399,017</u>	<u>3,445,789,000</u>
<b>Other bank balances</b>		
In deposit accounts (maturity more than 3 months but less than 12 months)	164,607,277	125,476,200
Deposits with original maturity for more than 12 months	325,000	11,300,677
	<u>164,932,277</u>	<u>136,776,877</u>
-Less: Deposits with maturity more than 12 months disclosed under non-current assets	(325,000)	(11,300,677)
	<u>164,607,277</u>	<u>125,476,200</u>
	<u>4,229,006,294</u>	<u>3,571,266,000</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	12,360,977	13,672,162
Cash dispensed recoverable	374,684,200	517,612,997
Insurance Claim Receivable	17,248,725	24,169,680
Unbilled Revenue	-	5,195,037
	<u>404,293,902</u>	<u>560,649,876</u>





**BTI Payments Private Limited**

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**Summary of significant accounting policies and other explanatory information**

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>19 Revenue from operations</b>		
Sale of services		
ATM managed services	157,601,514	178,780,313
POS - Technical services	73,023,762	57,661,410
White Label ATM	1,522,849,129	1,056,482,632
<b>Revenue from operations</b>	<b>1,753,474,405</b>	<b>1,292,933,355</b>
<b>20 Other income</b>		
Interest income	18,725,357	23,910,568
Net gain on sale of current investments	3,141,770	162,707
Miscellaneous income	-	20,000
	<b>21,867,127</b>	<b>24,093,275</b>
<b>21 Cost of services</b>		
ATM running cost	283,834,611	209,193,357
Security and housekeeping expenses	61,195,361	90,255,329
Switching and connectivity expenses	47,145,141	40,339,943
Cash delivery and loading expenses	486,566,385	402,285,508
Sponsor bank charges	25,026,761	20,020,106
Power and fuel	77,531,774	73,030,543
Rent	218,471,869	203,477,710
	<b>1,219,771,902</b>	<b>1,038,602,496</b>
<b>22 Employee benefits expense</b>		
Salaries, wages and bonus	167,881,393	209,080,535
Gratuity expenses	2,915,505	3,944,457
Contribution to provident and other funds	8,651,093	8,271,369
Staff welfare expenses	3,945,813	5,790,599
	<b>183,393,804</b>	<b>227,086,960</b>
<b>23 Finance costs</b>		
Interest Expense	373,350,979	322,477,188
	<b>373,350,979</b>	<b>322,477,188</b>
<b>24 Depreciation and amortisation expense</b>		
Depreciation of tangible assets (Also, refer note 11)	312,781,248	295,711,688
Amortisation of intangible assets (Also, refer note 12)	2,870,654	2,366,511
	<b>315,651,902</b>	<b>298,078,199</b>



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**BTI Payments Private Limited**

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**Summary of significant accounting policies and other explanatory information**

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
<b>25 Other expenses</b>		
Repairs and maintenance		
- Plant and equipment	80,567,680	63,267,724
- Others	151,462	219,184
Insurance	33,366,845	15,139,629
Rent	8,715,957	8,543,568
Rates and taxes	2,237,584	3,461,219
Payments to auditors (Also, refer note 29)	1,590,000	1,500,000
Travelling and conveyance	10,000,400	17,720,140
Advertisement and marketing expenses	61,661,717	55,441,155
Legal and professional	10,700,086	11,028,339
Fixed assets written off	14,859,471	6,435,037
Provision for doubtful receivables	5,486,098	7,514,379
Telephone expense	1,675,527	4,223,324
Computer software maintenance	2,607,931	2,021,488
Newspapers, magazines & periodicals	275,895	53,616
Printing and stationary	735,497	767,740
Subscriptions and membership expenses	4,600	191,517
Courier expenses	1,846,728	2,082,650
Provision for retirement of fixed assets	(676,996)	(776,425)
Bank charges	7,677,940	20,762,235
Relocation & deployment expense	9,449,509	1,584,871
Miscellaneous expenses	577,696	1,053,797
	<b>267,543,688</b>	<b>222,281,190</b>
<b>26 Loss per equity share</b>		
Loss after tax attributable to the equity shareholders	(571,434,979)	(766,172,366)
Weighted average number of shares outstanding during the year for computing basic EPS (in numbers)	9,248,648	9,248,648
Add: Effect of potential shares for conversion of CCPS	1,246,441	419,283
	<b>10,495,089</b>	<b>9,667,931</b>
Loss per share:		
- Basic	(61.79)	(82.84)
- Diluted	(61.79)	(82.84)
Nominal value per share (In ₹)	10	10



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## BTI Payments Private Limited

### Summary of significant accounting policies and other explanatory information

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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	Segment 2	Segment 3	Total
	WLA	MSP & BLA	POS	
<b>(i) Revenue</b>				
External sales	1,522,849,129	157,601,514	73,023,762	1,753,474,405
<b>Total revenue from operations</b>	<b>1,522,849,129</b>	<b>157,601,514</b>	<b>73,023,762</b>	<b>1,753,474,405</b>
<b>(ii) Cost</b>				
Cost	1,885,994,436	121,769,154	36,296,783	2,044,060,373
<b>Total Cost for operations</b>	<b>1,885,994,436</b>	<b>121,769,154</b>	<b>36,296,783</b>	<b>2,044,060,373</b>
<b>(iii) Results reconciliation</b>				
Segment result	(363,145,307)	35,832,360	36,726,979	(290,585,968)
<b>Operating profit</b>	<b>(363,145,307)</b>	<b>35,832,360</b>	<b>36,726,979</b>	<b>(290,585,968)</b>
<b>(iv) Other (Unallocated)</b>				
Other Income	21,771,379	31,315	64,433	21,867,127
	21,771,379	31,315	64,433	21,867,127
<b>Profit/(loss) before prior period item and tax</b>	<b>(341,373,928)</b>	<b>35,863,675</b>	<b>36,791,412</b>	<b>(268,718,841)</b>
Income taxes expense	16,433,283	(1,726,429)	(1,771,089)	12,935,764
<b>Profit/(loss) for the year</b>	<b>(324,940,646)</b>	<b>34,137,245</b>	<b>35,020,323</b>	<b>(255,783,077)</b>
<b>(v) Other information</b>				
Segment assets (fixed assets)	1,266,928,993	1,006,451	66,253,547	1,334,188,991
Segment assets (Other than fixed assets)	4,898,278,601	31,502,831	32,537,367	4,962,318,799
Unallocated corporate assets (Non fixed assets)				61,601,941
<b>Total assets</b>	<b>6,165,207,594</b>	<b>32,509,282</b>	<b>98,790,914</b>	<b>6,358,109,731</b>
Segment liabilities	5,523,282,150	22,825,622	22,762,406	5,568,870,178
<b>Total liabilities</b>	<b>5,523,282,150</b>	<b>22,825,622</b>	<b>22,762,406</b>	<b>5,568,870,178</b>
Segment depreciation and amortisation	293,856,761	569,146	21,225,995	315,651,902
<b>Total depreciation</b>	<b>293,856,761</b>	<b>569,146</b>	<b>21,225,995</b>	<b>315,651,902</b>



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# BTI Payments Private Limited

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## Summary of significant accounting policies and other explanatory information

### 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 Guarantee Commission

Banktech Group PTY Limited

##### Remuneration to KMP

K Srinivas

Year ended

31 March 2018

₹

Year ended

31 March 2017

₹

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Refund of application money received Banktech Group PTY Limited	-	-
Fees for Technical services Eftex Pty Ltd	-	345,150
Corporate Guarantee Commission Banktech Group PTY Limited	3,641,439	3,756,098
Remuneration to KMP K Srinivas	21,453,598	20,431,998

#### 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

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Application money received for allotment of securities and due for refund Banktech Group PTY Limited	-	-
Accrued expenses Eftex Pty Ltd	-	-
Banktech Group Pty Limited	-	781,799
Remuneration to KMP K Srinivas	2,038,092	1,634,560

### 29 Payments to auditors \*

#### Statutory audit

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Statutory audit	1,590,000	1,500,000
	<b>1,590,000</b>	<b>1,500,000</b>

\* Excluding GST / service tax

### 30 Leases

#### A 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 Mar 2018 was ₹ 335,342,337/- (31 March 2017: ₹ 271,556,035). Lease commitments under the cancellable operating leases at the balance sheet date were as follows

	Year ended 31 March 2018 ₹	Year ended 31 March 2017 ₹
Future lease payment for the following period		
a) Not later than one year	369,026,732	296,644,645
b) Later than one year but not later than five years	802,638,426	832,942,770
c) Later than five years	25,890,000	36,246,000
Total expected future lease payment	1,197,555,159	1,165,833,415



# BTI Payments Private Limited

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## Summary of significant accounting policies and other explanatory information

### B Finance lease

The Company has executed finance lease agreements with cancellable term for POS Terminals. The cancellable leases are generally for a period ranging from 15 to 18 months. The lease expense for finance leases during the year ended 31 Mar 2018 was ₹ 49,94,349/- (31 March 2017: ₹ NIL). Lease commitments under the cancellable finance leases at the balance sheet date were as follows:

	Year ended 31 March 2018	Year ended 31 March 2017
	₹	₹
Minimum lease payments		
a) Within one year	18,515,942	-
b) Later than one but not later than five years	3,347,719	-
c) Later than five years	-	-
Amount representing interest	(1,502,871)	-
Present value of minimum lease payments	20,360,680	-
<b>31 Other commitments</b>		
Bank guarantees	90,700,677	62,700,677

### 32 Additional disclosures

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

### 33 Prior period comparatives

Prior year amounts have been regrouped / reclassified wherever necessary, to conform to the presentation in the current year. The previous year's financial statements were audited by another firm of Chartered Accountants.

For Walker Chandiook & Co LLP  
Chartered Accountants



Vijay Vikram Singh  
Partner  
Membership No: 059139

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: 02073136  
Sanjay Daje  
Company Secretary and Chief Commercial Officer

Place : Bengaluru  
Date : 21 August 2018

Place : Bengaluru  
Date : 21 August 2018

