

Financial statements and Independent auditor's report

BTI Payments Private Limited

31 March 2020

Contents

	Page
Auditors' Report	
Balance Sheet	1
Profit and Loss Account	2
Cash Flow Statement	3
Summary of significant accounting policies and other explanatory notes	4 - 19

BTI Payments Private Limited

Balance Sheet as at 31 March 2020

1

	Notes	As at 31 March 2020 ₹	As at 31 March 2019 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	130,876,820	104,950,890
Reserves and surplus	4	1,400,891,242	447,258,266
Money received against share warrants		-	20,000
		1,531,768,062	552,229,156
Non-current liabilities			
Long-term borrowings	5	369,300,000	581,492,501
Other long-term liabilities	6	747,700,289	430,893,837
Long-term provisions	7	77,671,975	52,709,860
		1,194,672,264	1,065,096,198
Current liabilities			
Short-term borrowings	5	4,209,049,995	4,132,838,471
Trade payables			
(A) Dues of micro enterprises and small enterprises	8	-	-
(B) Dues of creditors other than micro enterprises and small enterprises	8	320,070,302	342,475,250
Other current liabilities	9	477,959,525	386,335,181
Short-term provisions	7	2,148,852	1,744,374
		5,009,228,674	4,863,393,276
Total		7,735,669,000	6,480,718,630
Assets			
Non-current assets			
Property, plant and equipment			
Tangible assets	10	1,722,587,566	1,274,052,572
Intangible assets	11	9,013,881	10,314,019
Capital work-in-progress		-	1,419,306
Deferred tax assets, (net)	12	125,943,407	94,418,556
Long-term loans and advances	13	198,076,327	214,808,686
Other non-current assets	14	75,375,000	375,000
		2,130,996,181	1,595,388,139
Current assets			
Current investments	15	-	30,000,000
Trade receivables	16	14,708,120	31,706,572
Cash and bank equivalents	17	5,178,522,373	3,450,523,501
Short-term loans and advances	13	140,847,775	96,550,961
Other current assets	18	270,594,551	1,276,549,457
		5,604,672,819	4,885,330,491
Total		7,735,669,000	6,480,718,630

Summary of significant accounting policies and other explanatory notes

2-35

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

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

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

Vijay Vikram Singh
Partner
Membership No: 059139

K Srinivas
Managing Director
DIN: 03533535

Laxmi Narayan Krishnan
Director
DIN: 01905379

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Place : Bengaluru
Date : 09 July 2020

Place : Bengaluru
Date : 09 July 2020

BTI Payments Private Limited

2

Statement of Profit and Loss for the year ended 31 March 2020

	Notes	Year ended 31 March 2020 ₹	Year ended 31 March 2019 ₹
Revenue			
Revenue from operations	19	2,560,555,232	2,292,808,907
Other income	20	80,877,720	41,603,599
Total revenue		2,641,432,952	2,334,412,506
Expenses			
Cost of services	22	1,349,741,269	1,304,796,564
Employee benefits expense	23	303,614,827	252,493,928
Finance costs	24	362,583,625	406,574,229
Depreciation and amortisation expense	25	373,166,300	332,227,876
Other expenses	26	354,293,041	324,608,313
Total expenses		2,743,399,062	2,620,700,910
Loss before tax		(101,966,110)	(286,288,404)
Tax expense			
Current tax		-	-
Deferred tax		31,524,851	49,258,008
Loss for the year		(70,441,259)	(237,030,396)
Loss per equity share			
	27		
Basic (₹)		(7.62)	(25.63)
Diluted (₹)		(7.62)	(25.63)
Summary of significant accounting policies and other explanatory notes	2-35		

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

For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

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

Vijay Vikram Singh
Partner
Membership No: 059139

K Srinivas
Managing Director
DIN: 03533535

Laxmi Narayan Krishnan
Director
DIN: 01905379

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Place : Bengaluru
Date : 09 July 2020

Place : Bengaluru
Date : 09 July 2020

BTI Payments Private Limited
Cash Flow Statement for the period ended 31 March 2020

3

	Year ended 31 March 2020 ₹	Year ended 31 March 2019 ₹
A. Cash flow from operating activities		
Net Loss before tax	(101,966,110)	(286,288,404)
<u>Adjustments for:</u>		
Depreciation and amortisation	373,166,300	332,227,876
Interest income	(30,092,449)	(23,779,760)
Interest expense	362,583,625	406,574,229
Provisions and liabilities no longer required written back	(27,553,986)	(10,609,318)
Provision for doubtful receivables	-	6,394,324
Advances written off	88,364	384,938
Provision for retirement of property, plant and equipment	-	275,533
Net gain on sale of current investment	(18,106,652)	(1,593,643)
Sale of property, plant and equipment	(3,580,073)	(5,540,619)
Property, plant and equipment written off	14,941,241	19,433,236
	671,446,370	723,766,796
Operating profit / (loss) before working capital changes	569,480,260	437,478,392
Adjustments for working capital changes		
Decrease in trade receivables	19,337,847	36,291,261
(Increase) in loans and advances	(38,034,636)	(37,928,378)
Decrease / (increase) in other current assets	1,008,010,306	(862,839,513)
(Decrease) / Increase trade payables	(22,404,948)	2,686,644
Increase in other liabilities	367,887,497	315,762,731
Increase in provisions	25,366,594	12,381,669
	1,360,162,660	(533,645,586)
Cash used in operations	1,929,642,920	(96,167,194)
Net income tax refund / (paid)	9,793,251	(6,812,945)
Net cash generated from / (used in) operating activities (A)	1,939,436,171	(102,980,139)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(725,596,200)	(298,698,100)
Proceeds from sale of current investments	1,084,814,652	1,593,643
Purchase of current investments	(1,036,708,000)	(30,000,000)
Proceeds on disposal of property, plant and equipment	3,580,073	5,540,619
Investments in bank deposits (having maturity of more than three months)	(456,527,779)	(393,883,234)
Redemption of bank deposits (having maturity of more than three months)	401,131,034	342,860,213
Interest received	28,037,049	20,482,602
Net cash generated/ (used) from/ in investing activities (B)	(701,269,171)	(352,104,257)
C. Cash flow from financing activities		
Proceeds from Issue of equity shares (including premium)	1,049,980,165	20,000
Repayment of long-term borrowings	(254,172,937)	-
Proceeds from borrowings, net	76,211,524	32,132,811
Interest paid	(362,583,625)	(406,574,229)
Net cash flow from financing activities (C)	509,435,127	(374,421,418)
Net increase in cash and cash equivalents (A+B+C)	1,747,602,127	(829,505,814)
Cash and cash equivalents at the beginning of the year	3,069,067,467	3,898,573,281
Effect of exchange rate changes on cash and cash equivalents held	-	-
Cash and cash equivalents at the end of the year	4,816,669,594	3,069,067,467
Components of cash and cash equivalents		
Cash and cash equivalents (refer note 17)	5,178,522,373	3,450,523,501
Less: Bank deposits considered separately	(361,852,779)	(381,456,034)
	4,816,669,594	3,069,067,467

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
Firm registration number: 001076N / N500013

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

Vijay Vikram Singh
Partner
Membership No: 059139

K Srinivas
Managing Director
DIN: 03533535

Laxmi Narayan Krishnan
Director
DIN: 01905379

Sanjay Bajaj
Company Secretary and Chief Commercial Officer
Place : Bengaluru
Date : 09 July 2020

Place : Bengaluru
Date : 09 July 2020

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 a 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 under the historical cost convention and accrual basis of accounting, unless otherwise stated and are 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) and the Companies (Accounting Standards) Amendment Rules, 2016, in so far as they apply to the Company. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for any change in accounting policy which would be explained below.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III to the Act. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its normal operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

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 Goods & Service Tax (GST). 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 property, plant and equipment, provision for doubtful debts, recognition of deferred tax and provision for employee benefits. Any revision to accounting estimates is recognised prospectively in the current and future periods.

d. Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. When significant parts of property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment 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 property, plant and equipment outstanding at each Balance Sheet date are disclosed as other non-current assets and the cost of property, plant and equipment not ready for their intended use before such date are disclosed as capital work-in-progress.

e. Depreciation and amortisation

Depreciation on property, plant and equipment 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.

The Company depreciates property, plant and equipment over their estimated useful lives using the straight-line method. The estimated useful lives of 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.

Depreciation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

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

Finance lease

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

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

Operating lease

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

i. Investments

Investments, 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

Expenses and liabilities in respect of employee benefits are recorded in accordance with Accounting Standard (AS) 15, Employee Benefits.

Defined contribution plan

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit plan

Gratuity

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan and define the amount of benefit that an employee will receive on completion of services by reference of length of service and last drawn salary.

Gratuity is a post-employment benefits and is in the nature of defined benefit plan. Gratuity liability accounted for on the basis of actuarial valuation as per AS 15 'Employee Benefits'. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets (if any). The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Compensated absences

The expected cost of accumulating compensated absences is determined on the full cost basis for eligible employees.

Short-term employee benefits

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee

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.

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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

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.

p. Segment Reporting

The disclosure relating to segment information is in accordance with AS-17.

q. Borrowing Cost

Borrowing cost includes interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(This space has been intentionally left blank)

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

	31 March 2020		31 March 2019	
	Number	Amount ₹	Number	Amount ₹
3 Share capital				
Authorised share capital				
Equity shares of ₹ 10 each	10,250,000	102,500,000	10,250,000	102,500,000
Series A Compulsorily Convertible Preference shares (CCPS) of ₹ 10 each	5,000,000	50,000,000	2,500,000	25,000,000
	15,250,000	152,500,000	12,750,000	127,500,000
Issued, subscribed and fully paid up				
Equity shares of ₹ 10 each	9,248,648	92,486,480	9,248,648	92,486,480
Series A Compulsorily Convertible Preference shares of ₹ 10 each	3,839,034	38,390,340	1,246,441	12,464,410
	13,087,682	130,876,820	10,495,089	104,950,890
	13,087,682	130,876,820	10,495,089	104,950,890
a) Reconciliation of share capital (Equity)	Number	Amount	Number	Amount
		₹		₹
Balance at the beginning of the year	9,248,648	92,486,480	9,248,648	92,486,480
Add : Issued during the year	-	-	-	-
Balance at the end of the year	9,248,648	92,486,480	9,248,648	92,486,480
b) Reconciliation of share capital (CCPS)	Number	Amounts	Number	Amounts
		₹		₹
Balance at the beginning of the year	1,246,441	12,464,410	1,246,441	12,464,410
Add : Issued during the year	2,592,593	25,925,930	-	-
Balance at the end of the year	3,839,034	38,390,340	1,246,441	12,464,410
c) Shares held by Holding company, Ultimate Holding company, subsidiaries/associates of holding company or Ultimate Holding company				
	Number	Amount	Number	Amount
		₹		₹
Equity shares of ₹ 10 each				
The Banktech Group Pty Ltd.	3,462,596	34,625,960	3,462,596	34,625,960
BTI Payments Singapore Pte Ltd. (100% Subsidiary : The Banktech Group Pty Ltd)	1,258,480	12,584,800	1,258,480	12,584,800
	4,721,076	47,210,760	4,721,076	47,210,760
Series A Compulsorily Convertible Preference shares of ₹ 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,369,898	13,698,980	1,246,441	12,464,410
	1,369,898	13,698,980	1,246,441	12,464,410
d) Shareholders holding more than 5% of the shares	Number	Percentage	Number	Percentage
Equity shares of ₹ 10 each				
IDBI Trusteeship Services Limited	4,527,572	49%	4,527,572	49%
The Banktech Group Pty Ltd.	3,462,596	37%	3,462,596	37%
BTI Payments Singapore Pte Ltd. (100% Subsidiary : The Banktech Group Pty Ltd)	1,258,480	14%	1,258,480	14%
	9,248,648	100%	9,248,648	100%
Series A Compulsorily convertible Preference shares of ₹ 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,369,898	36%	1,246,441	100%
India Advantage Fund S4 I	2,271,605	59%	-	-
Dynamic India Fund S4 US I	197,531	5%	-	-
	3,839,034	100%	1,246,441	100%

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

e) 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.

Series A 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 0.0001 percent per annum on aggregate value of the CCPS.

(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. Each CCPS will be converted into 1.4105 equity shares. The CCPS would be converted at the earliest of the following events:

- a) one day prior to expiry of the 20 years from the date of issuance of CCPS; or
- b) in connection with a Initial Public Offering, prior to filing of a prospectus (or equivalent document) by the Company with the competent authority or such later date as may be permitted under applicable law.

f) **Aggregate number of bonus shares issued and shares issued for consideration other than cash during the year of five years immediately preceding the reporting date:**

The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2020.

g) **Increase in Authorised Share Capital**

The authorised Series A Compulsorily Convertible Preference Share capital of the Company was increased during the in the Extraordinary General Meetings held on 14 August 2019. The Company has adopted the amended Articles as the new Articles of Association vide resolution passed in Extraordinary General Meetings held on 14 August 2019.

4 Reserves and surplus

	31 March 2020	31 March 2019
	₹	₹
Securities premium account		
Balance at the beginning of the year	2,936,478,826	2,936,478,826
Add : Additions made during the year	1,024,074,235	-
Balance at the end of the year	3,960,553,061	2,936,478,826
Deficit in the Statement of profit and loss		
Balance at the beginning of the year	(2,489,220,560)	(2,252,190,164)
Add : Loss for the year	(70,441,259)	(237,030,396)
Balance at the end of the year	(2,559,661,819)	(2,489,220,560)
	1,400,891,242	447,258,266

This space has been intentionally left blank

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

	As at 31 March 2020		As at 31 March 2019	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
5 Borrowings				
(Secured)				
Loan from banks				
Term Loans	515,700,000	-	648,400,000	-
Working capital loan	-	4,209,049,995	-	4,132,838,471
Loan from other parties	-	-	121,472,937	-
	515,700,000	4,209,049,995	769,872,937	4,132,838,471
Less: Current maturities of long term borrowings [refer note (a) below]	(146,400,000)	-	(188,380,436)	-
	369,300,000	4,209,049,995	581,492,501	4,132,838,471

Details of security for each type of borrowings

(a) Term loan from bank for a tenure of 5 year is secured by 1.25 times lien mark on assets at ATM location.

(b) Working capital loans from banks (Overdraft Facilities) are secured by pari-passu charge on Cash lying in ATM and on the Cash dispensed recoverable from National Payments Corporation of India (NPCI).

(c) The interest on the above facility from banks are linked to the respective bank base (MCLR) rates which are floating in nature. As on the balance sheet date, the interest rates per annum ranges between 7.70% to 10.00% (31 Mar 2019: 9.40% to 9.90%) .

6 Other long term liabilities

	31 March 2020	31 March 2019
Lease equalisation reserve	13,255,779	24,666,888
Security deposit from vendors	734,444,510	406,226,949
	747,700,289	430,893,837

7 Provisions

	As at 31 March 2020		As at 31 March 2019	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Employee benefits				
Gratuity	16,244,176	924,812	11,238,611	922,573
Compensated absences	11,116,724	1,224,040	4,716,500	821,801
Provision for expenses				
Performance incentive scheme	46,140,742	-	27,655,834	-
Retirement of Property, plant and equipment	4,170,333	-	9,098,915	-
	77,671,975	2,148,852	52,709,860	1,744,374

a) Gratuity

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

	31 March 2020	31 March 2019
Change in present benefit obligation		
Present value of obligation as at the beginning of the period	12,161,184	7,911,217
Current service cost	3,247,668	2,620,593
Interest cost	931,547	609,955
Actuarial loss / (gain)	1,955,972	2,488,827
Benefits paid	(1,127,383)	(1,469,408)
Present value of obligation as at the end of the period	17,168,988	12,161,184
Components of net gratuity costs are		
Present value of obligation as at the end of period	17,168,988	6,304,074
Present value of obligation as at the beginning of the period	12,161,184	3,026,351
Benefits paid	1,127,383	666,734
Net gratuity costs (refer note 23)	6,135,187	3,944,457

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

7 Provisions (cont'd)

Employee benefits

	31 March 2020	31 March 2019
--	---------------	---------------

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

Assumptions used

Discount rate	6.79%	7.66%
Future salary increase	9.00%	9.00%
Retirement age (years)	58	58
Mortality table	IALM (2012-14)	IALM (2006-08)
Attrition rate:	withdrawal rate (%)	
Upto to 30 years	17.20%	27.10%
From 31 to 44 years	17.80%	18.10%
Above 44 years	0.00%	9.10%

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

	31 March 2020	31 March 2019	31 March 2018	31 March 2017	31 March 2016
Experience adjustments					
Present value of obligation as at the end of period	17,168,988	12,161,184	7,911,217	6,304,074	3,026,351
Fair value of plan assets at the end of the period	-	-	-	-	-
Surplus / (Deficit)	(17,168,988)	(12,161,184)	(7,911,217)	(6,304,074)	(3,026,351)
Experience adjustment on plan Liabilities (loss) / gain	(1,211,800)	(2,282,742)	(1,277,788)	(537,420)	(1,342,309)
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.

8 Trade payables

	31 March 2020	31 March 2019
Dues to micro and small enterprises (Also, refer note (a) below)	-	-
Dues to others	61,499,450	140,495,793
Accrued expenses	258,570,852	201,979,457
	320,070,302	342,475,250

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 2020 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the auditors. There are no dues to Micro, Small and Medium Enterprise as at 31 March 2020 (31 March 2019: ₹ Nil).

9 Other current liabilities

Current maturities of long term borrowings (refer note 5(a))	146,400,000	188,380,436
Dues to employees	20,211,891	19,164,523
Overages	140,707,850	118,756,250
Accrued expenses	9,627,628	7,344,434
Retention money payable	2,821,021	3,332,457
Accrued capital creditors	138,848,799	36,039,054
Statutory dues payable	19,167,097	12,771,658
Income received in advance	175,239	546,369
	477,959,525	386,335,181

(This space has been intentionally left blank)

BTI Payments Private Limited

12

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

10 Property, plant and equipment

	Automated Teller Machine (ATM)	POS terminals	Plant and equipment	Electrical equipment	Computer hardware	Furniture and fixtures	Leasehold improvements	Office equipment	Total
Gross block (at cost)									
Balance as at 01 April 2018	912,781,245	152,698,175	494,817,331	247,585	13,934,204	409,347	612,356,039	2,279,990	2,189,523,916
Additions	124,044,745	11,295,600	106,230,131	-	1,845,653	9,024	63,057,502	278,000	306,760,655
Disposals	(5,590,499)	(16,697,717)	(38,903,163)	-	(36,790)	-	(12,019,853)	(88,000)	(73,336,022)
Balance as at 31 March 2019	1,031,235,491	147,296,058	562,144,299	247,585	15,743,067	418,371	663,393,688	2,469,990	2,422,948,549
<i>Adjustments</i>	-	-	(94,871)	-	-	-	65,364	-	(29,507)
Additions	464,265,160	-	197,480,042	-	5,545,850	57,280	173,068,552	322,090	840,738,974
Disposals	(5,772,725)	(7,158,153)	(32,699,616)	-	-	-	(17,779,951)	(688,939)	(64,099,384)
Balance as at 31 March 2020	1,489,727,926	140,137,905	726,829,854	247,585	21,288,917	475,651	818,747,653	2,103,141	3,199,558,632
Accumulated depreciation									
Balance as at 01 April 2018	245,165,659	87,245,040	237,614,385	108,893	10,720,616	268,941	284,323,137	1,850,839	867,297,510
Depreciation charge	93,800,608	17,652,643	103,004,174	37,622	1,630,972	57,933	112,908,773	239,643	329,332,368
Reversal on disposal of assets	(1,627,257)	(13,930,859)	(24,708,641)	-	(33,898)	-	(7,376,029)	(57,217)	(47,733,901)
Balance as at 31 March 2019	337,339,010	90,966,824	315,909,918	146,515	12,317,690	326,874	389,855,881	2,033,265	1,148,895,977
<i>Adjustments</i>	(74,649)	-	(4,575,841)	-	-	-	4,622,737	(1,617)	(29,370)
Depreciation charge	114,388,338	16,457,040	109,902,120	23,578	1,815,385	52,792	126,937,441	327,410	369,904,104
Reversal on disposal of assets	(2,025,323)	(5,919,993)	(20,883,289)	-	-	-	(12,317,184)	(653,856)	(41,799,645)
Balance as at 31 March 2020	449,627,376	101,503,871	400,352,908	170,093	14,133,075	379,666	509,098,875	1,705,202	1,476,971,066
Net block									
Balance as at 31 March 2019	693,896,481	56,329,234	246,234,381	101,070	3,425,377	91,497	273,537,807	436,725	1,274,052,572
Balance as at 31 March 2020	1,040,100,550	38,634,034	326,476,946	77,492	7,155,842	95,985	309,648,778	397,939	1,722,587,566

This space has been intentionally left blank

11 Intangible assets

Gross block	Computer software	Copyrights	Total
	₹	₹	₹
Balance as at 01 April 2018	23,265,869	317,000	23,582,869
Additions	947,442	-	947,442
Disposals	-	-	-
Balance as at 31 March 2019	24,213,311	317,000	24,530,311
<i>Adjustment</i>	29,567	-	29,567
Additions	1,783,988	178,000	1,961,988
Disposals	-	-	-
Balance as at 31 March 2020	26,026,866	495,000	26,521,866
Accumulated amortisation			
Balance as at 01 April 2018	11,313,784	7,000	11,320,784
Amortisation charge	2,888,085	7,423	2,895,508
Balance as at 31 March 2019	14,201,869	14,423	14,216,292
<i>Adjustment</i>	29,497	-	29,497
Amortisation charge	3,219,769	42,427	3,262,196
Balance as at 31 March 2020	17,451,135	56,850	17,507,985
Net block			
Balance as at 31 March 2019	10,011,442	302,577	10,314,019
Balance as at 31 March 2020	8,575,731	438,150	9,013,881

12 Deferred tax assets (net)

	31 March 2020	31 March 2019
	₹	₹
Provision for bad and doubtful debts	4,418,319	5,977,336
Provision for employee benefits	24,924,220	16,775,159
Lease equalisation reserve	3,446,502	6,413,391
Depreciation and amortisation	93,154,366	65,252,670
	125,943,407	94,418,556

13 Loans and advances

	31 March 2020		31 March 2019	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
(Unsecured, considered good)				
Security deposits	184,340,772	-	190,691,314	-
Capital advances	274,453	-	863,019	-
Advance income tax	13,461,102	-	23,254,353	-
Advance to suppliers	-	2,739,825	-	5,204,184
Employee advances	-	675,324	-	523,731
Prepaid expenses	-	77,804,899	-	73,399,064
Duties and taxes recoverable	-	59,127,727	-	16,923,982
Other advances	-	500,000	-	500,000
	198,076,327	140,847,775	214,808,686	96,550,961

14 Other non-current assets

	As at 31 March 2020	As at 31 March 2019
	₹	₹
Deposits with maturity of more than 12 months	75,375,000	375,000
	75,375,000	375,000

15 Current investments**Investments in mutual funds - Quoted**

Investment in HDFC Mutual Fund	-	30,000,000
	-	30,000,000
Aggregate amount of Market value of quoted investments	-	30,515,119

	As at 31 March 2020 ₹	As at 31 March 2019 ₹
16 Trade receivables		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment	733,381	-
Unsecured considered good	16,993,535	22,989,755
Considered doubtful	17,726,916	22,989,755
Less : Provision for doubtful receivables	(16,993,535)	(22,989,755)
	733,381	-
(Unsecured)		
Other debts		
Considered good	13,974,739	31,706,572
	13,974,739	31,706,572
	14,708,120	31,706,572
17 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	52,892,894	12,304,117
- in deposit account (with original maturity upto 3 months)	500,000,000	-
Cash at ATM (Also, refer note (a) below)	4,263,776,700	3,056,763,350
	4,816,669,594	3,069,067,467
Other bank balances		
Balances with bank held as		
Margin money		
In deposit accounts (maturity more than 3 months but less than 12 months)	-	1,574,000
Deposits with original maturity for more than 12 months	437,227,779	380,257,034
	437,227,779	381,831,034
-Less: Deposits with remaining maturity more than 12 months disclosed under non-current assets	(75,375,000)	(375,000)
	361,852,779	381,456,034
	5,178,522,373	3,450,523,501
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.		
18 Other current assets		
Interest accrued but not due on bank deposits	17,713,535	15,658,135
Cash dispensed recoverable	247,337,800	1,244,878,400
Insurance claim receivable	5,543,216	16,012,922
	270,594,551	1,276,549,457

This space has been intentionally left blank

	Year ended 31 March 2020 ₹	Year ended 31 March 2019 ₹
19 Revenue from operations		
Sale of services		
White Label ATM	2,466,566,848	2,106,003,603
ATM managed services	52,039,257	131,528,945
POS - Technical services	41,949,127	55,276,359
	2,560,555,232	2,292,808,907
20 Other income		
Interest income	30,092,449	23,779,760
Net gain on sale of current investments	18,106,652	1,593,643
Sale of property, plant and equipment	3,580,073	5,540,619
Provisions and liabilities no longer required written back	27,553,986	10,609,318
Miscellaneous income	1,544,560	80,259
	80,877,720	41,603,599
22 Cost of services		
ATM running cost	316,747,810	308,544,769
Security and housekeeping expenses	7,562,058	77,032,935
Switching and connectivity expenses	55,051,311	49,572,809
Cash delivery and loading expenses	574,227,680	513,924,832
Sponsor bank charges	31,322,808	30,827,669
Power and fuel	90,926,757	84,401,125
Rent	273,902,845	240,492,425
	1,349,741,269	1,304,796,564
23 Employee benefits expense		
Salaries, wages and bonus	280,649,226	231,688,457
Gratuity (refer note 7)	6,135,187	5,719,375
Contribution to provident and other funds	10,969,761	9,468,712
Staff welfare expenses	5,860,653	5,617,384
	303,614,827	252,493,928
24 Finance costs		
Interest expense	362,583,625	406,574,229
	362,583,625	406,574,229
25 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (also, refer note 10)	369,904,104	329,332,368
Amortisation of intangible assets (also, refer note 11)	3,262,196	2,895,508
	373,166,300	332,227,876

(This space has been intentionally left blank)

	Year ended 31 March 2020 ₹	Year ended 31 March 2019 ₹
26 Other expenses		
Repairs and maintenance		
- Plant and equipment	106,150,534	113,443,242
- Others	118,982	125,519
Insurance	56,967,052	35,314,701
Rent	10,030,831	9,352,671
Rates and taxes	7,234,402	1,391,309
Payments to auditors (Also, refer note 30)	1,590,000	1,639,185
Travelling and conveyance	25,751,640	19,782,249
Outsourced manpower expenses	10,718,494	8,118,424
Advertisement and sales promotion	59,464,545	55,890,611
Legal and professional	17,606,137	11,397,403
Property, plant and equipment written off	14,941,241	19,433,236
Provision for doubtful receivables	-	6,394,324
Advances written off	88,364	384,938
Telephone expense	1,291,274	1,412,376
Marketing expenses	11,038,994	10,167,617
Computer software maintenance	2,907,139	3,107,707
Newspapers, magazines and periodicals	253,495	252,034
Printing and stationery	787,745	504,335
Courier expenses	1,494,545	1,881,918
Provision for retirement of property, plant and equipment	-	275,533
Bank charges	17,063,107	18,235,982
Relocation and Re-deployment expenses	7,756,413	4,981,827
Miscellaneous expenses	1,038,107	1,121,172
	354,293,041	324,608,313
27 Loss per equity share		
Loss after tax attributable to the equity shareholders	(70,441,259)	(237,030,396)
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 (*)	-	-
	9,248,648	9,248,648
Loss per share:		
Basic and diluted (In ₹)	(7.62)	(25.63)
Nominal value per share (In ₹)	10.00	10.00

* The potential shares for conversion of CCPS are decreasing loss per share for the year ended 31 March 2020 and 31 March 2019 and hence treated as anti-dilutive. The effect of anti-dilutive potential shares for conversion of CCPS are ignored for calculating dilutive loss per share.

This space has been intentionally left blank

BTI Payments Private Limited

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

17

28 Segment Reporting

The Company is engaged in White Label ATM Operations (WLA), ATM managed services (MSP) 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'.

Business segment (primary segment)

	31 March 2020				31 March 2019			
	WLA (₹)	MSP & BLA (₹)	POS (₹)	Total (₹)	WLA (₹)	MSP & BLA (₹)	POS (₹)	Total (₹)
(i) Revenue								
External sales	2,466,566,848	52,039,257	41,949,127	2,560,555,232	2,106,003,603	131,528,945	55,276,359	2,292,808,907
Total revenue from operations	2,466,566,848	52,039,257	41,949,127	2,560,555,232	2,106,003,603	131,528,945	55,276,359	2,292,808,907
(ii) Cost								
Cost	2,300,026,553	32,052,837	38,153,372	2,370,232,762	2,134,907,299	109,714,040	43,851,695	2,288,473,034
Total Cost for operations	2,300,026,553	32,052,837	38,153,372	2,370,232,762	2,134,907,299	109,714,040	43,851,695	2,288,473,034
(iii) Results reconciliation								
Segment result	166,540,295	19,986,420	3,795,755	190,322,470	(28,903,696)	21,814,905	11,424,664	4,335,873
Operating profit	166,540,295	19,986,420	3,795,755	190,322,470	(28,903,696)	21,814,905	11,424,664	4,335,873
(iv) Others (Unallocated)								
Other Income	70,712,730	376,419	9,788,571	80,877,720	39,030,036	103,239	2,470,324	41,603,599
	70,712,730	376,419	9,788,571	80,877,720	39,030,036	103,239	2,470,324	41,603,599
(v) Segment depreciation and amortisation								
Depreciation and amortisation expense	356,847,413	96,641	16,222,246	373,166,300	313,580,831	245,636	18,401,409	332,227,876
Total depreciation	356,847,413	96,641	16,222,246	373,166,300	313,580,831	245,636	18,401,409	332,227,876
Profit/(loss) before tax	(119,594,388)	20,266,198	(2,637,920)	(101,966,110)	(303,454,491)	21,672,508	(4,506,421)	(286,288,404)
Income taxes expense	36,974,984	(6,265,699)	815,566	31,524,851	52,211,558	(3,728,913)	775,363	49,258,008
Profit/(loss) for the year	(82,619,404)	14,000,499	(1,822,354)	(70,441,259)	(251,242,933)	17,943,595	(3,731,058)	(237,030,396)
(v) Other information								
Segment assets (property, plant and equipment)	1,692,353,779	339,759	38,907,909	1,731,601,447	1,227,997,402	935,163	56,853,332	1,285,785,897
Segment assets (Other than property, plant and equipment)	5,852,297,145	5,883,867	6,482,031	5,864,663,043	5,057,249,448	13,759,892	6,250,484	5,077,259,824
Unallocated corporate assets	-	-	-	139,404,510	-	-	-	117,672,909
Total assets	7,544,650,924	6,223,626	45,389,940	7,735,669,000	6,285,246,850	14,695,055	63,103,816	6,480,718,630
Segment liabilities	6,189,629,281	5,554,754	8,716,903	6,203,900,938	5,889,536,823	15,258,237	23,694,414	5,928,489,474
Total liabilities	6,189,629,281	5,554,754	8,716,903	6,203,900,938	5,889,536,823	15,258,237	23,694,414	5,928,489,474

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

29 Related parties

Names of related parties

i) Controlling entity

Name of the party

The Banktech Group Pty Ltd

Nature of relationship

Ultimate Holding Company

ii) Other related parties

Name of the party

BTI PAYMENTS SINGAPORE PTE LTD

IDBI Trusteeship Services Limited

Banktech Australia Pty Ltd

Eftex Pty Ltd

BTI Payments (HK) Limited (formerly CashConnect Asia Ltd (HK))

Banktech Managed Services Pty Ltd

Utopia Garring Systems Pty Ltd

Eftex Asia Ltd (HK)

3P Card Services Pty Ltd

BTI Payments (Philippines) Inc

Global Gaming Industries Pty Ltd

Authentic ATM Pty Ltd

Nature of relationship

Fellow subsidiary

Shareholder

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

Fellow subsidiary

ii) Other related parties

Name of the party

K Srinivas

Sanjay Bajaj

Nature of relationship

Chief Executive Officer and Managing Director

Chief Commercial Officer and Company Secretary

a) Transactions with related parties

Remuneration to KMP

K Srinivas

25,958,853

23,598,958

Sanjay Bajaj

9,749,732

8,863,393

Issue of Series A Compulsorily Convertible Preference shares of ₹ 10 each

BTI PAYMENTS SINGAPORE PTE LTD

50,000,085

-

b) Balances with related parties

Remuneration to KMP

K Srinivas

2,725,679

2,218,302

Sanjay Bajaj

1,023,722

833,159

30 Payments to auditors *

Statutory audit

1,590,000

1,590,000

Reimbursement of expenses

-

49,185

1,590,000**1,639,185**

* Excluding Goods and Services Tax

31 Leases

A Operating lease

i) 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 0% - 5% increase in annual rents.

ii) The lease expense for cancellable operating leases during the year ended 31 March 2020 was ₹ 408,569,422 (31 Mar 2019: ₹ 375,347,965). Lease commitments under the cancellable operating leases at the balance sheet date were as follows

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

31 Leases (cont'd)**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 March 2020 was ₹ 8,490,121 (31 March 2019: ₹ 7,682,074). Lease commitments under the cancellable finance leases at the balance sheet date were as follows

	31 March 2020	31 March 2019
	₹	₹
Minimum lease payments		
a) Within one year	1,681,929	6,356,261
b) Later than one but not later than five years	169,940	282,968
c) Later than five years	-	-
Amount representing interest	(1,851,869)	(1,763,459)
Present value of minimum lease payments	-	4,875,770

32 Contingencies and commitments

	31 March 2020	31 March 2019
i) Bank guarantees	3,100,000	73,100,000
ii) The Hon'ble Supreme Court of India has passed a judgement relating to definition of wages under the Provident Fund Act, 1952 on 28 February 2019. However, considering that there are numerous interpretative issues related to the judgement and in the absence of reliable measurement of the provision for the earlier period, the Company has made provision for provident fund contribution from the date of order. The Company will evaluate its position and update provision, if required, after receiving further clarity in this regard.		

33 Estimation of uncertainties relating to the global health pandemic from COVID-19

Pursuant to relaxations by granted by the Ministry of Home Affairs ('MHA'), the business of the Company was classified as essential services and the Company continued to work in accordance with the extant guidelines issued by the MHA and respective state governments and the affect of economic disruption was minimal to the Company's business.

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of receivables, and other financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal sources of information including economic forecasts. The Company has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial statements may differ from that estimated as at the date of approval of these financial statement.

34 Additional disclosures

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

35 Prior period comparatives

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

For **Walker Chandio & Co LLP**
Chartered Accountants
Firm registration number: 001076N / N500013

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

Vijay Vikram Singh
Partner
Membership No: 059139

K Srinivas
Managing Director
DIN: 03533535

Laxmi Narayan Krishnan
Director
DIN: 01905379

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Place : Bengaluru
Date : 09 July 2020

Place : Bengaluru
Date : 09 July 2020