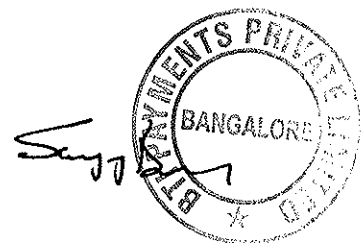


Financial statements and Independent auditor's report

BTI Payments Private Limited

31 March 2019



Walker Chandiook & Co LLP

Independent Auditor's Report

To the Members of BTI Payments Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of BTI Payments Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended), of the state of affairs of the Company as at 31 March 2019, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Statements and Auditor's Report thereon

4. The Company's Board of Directors is responsible for the other information. The other information obtained at the date of this auditor's report is information included in the Director's report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

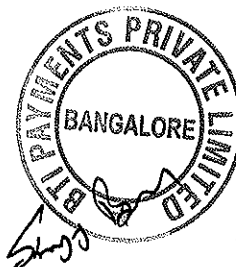
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Chartered Accountants

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



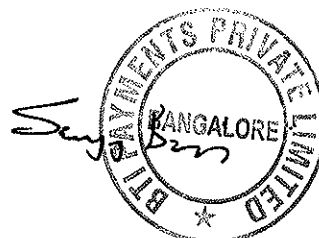
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

5. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended). This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
6. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

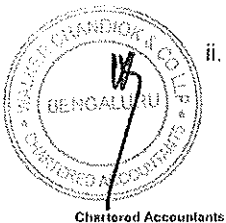
8. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
9. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



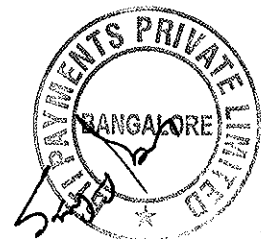
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

11. The provisions of section 197 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, reporting under section 197(16) is not applicable.
12. 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.
13. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:
- a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (as amended);
 - e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 6 August 2019 as per Annexure II expressed unmodified opinion;
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigations which would impact its financial position as at 31 March 2019;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;



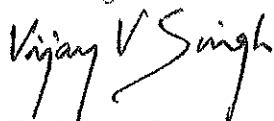
Chartered Accountants



Walker Chandiok & Co LLP

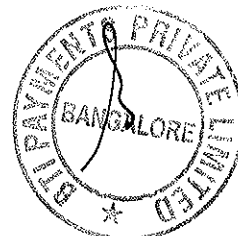
- iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019;
- iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

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



Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 19059139AAAAAU8971

Bengaluru
6 August 2019

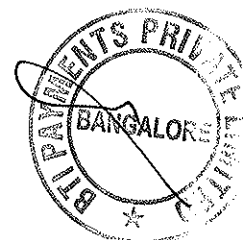
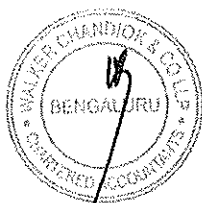


Annexure I to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited, on the financial statements for the year ended 31 March 2019

Annexure I

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification.
 - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and service 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.
 - (b) There are no dues in respect of income-tax, sales-tax, service tax, duty of customs, duty of excise and goods and service tax that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any 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.



Walker Chandiook & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited on the financial statements for the year ended 31 March 2019

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 the 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 controls were operating effectively as at 31 March 2019, based on 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 ('ICAI').

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

Vijay Vikram Singh

Vijay Vikram Singh
Partner
Membership No.: 059139
UDIN: 19059139AAAAAU8971

Bengaluru
6 August 2019



Walker Chandio & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of BTI Payments Private Limited on the financial statements for the year ended 31 March 2019

Annexure II

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

1. In conjunction with our audit of the financial statements of BTI Payments Private Limited ('the Company') as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

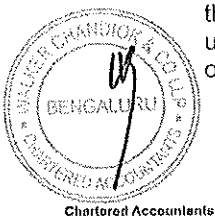
2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the 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.

Auditor's Responsibility

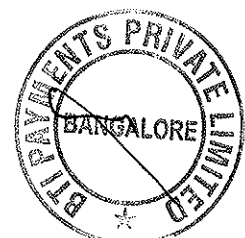
3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India ('ICAI') and deemed to be prescribed under Section 143(10) of the Act, to the extent 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 includes 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.

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 include 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.



Chartered Accountants



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 2019

- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion, all transactions with the related parties are in compliance with Section 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable accounting standards. Further, in our opinion, the company is not required to constitute audit committee under Section 177 of the Act.
- (xiv) During the year, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

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

Vijay V Singh

Vijay Vikram Singh
Partner
Membership No.: 159139
UDIN: 19059139AAAAAU8971

Bengaluru
6 August 2019



BTI Payments Private Limited

Balance Sheet as at 31 March 2019

(All amounts in ₹, except otherwise stated)

	Note	31 March 2019	31 March 2018
Equity and liabilities			
Shareholders' funds			
Share capital	3	104,950,890	104,950,890
Reserves and surplus	4	447,258,266	684,288,662
Money received against Share warrants		20,000	-
		<u>552,229,156</u>	<u>789,239,552</u>
Non-current liabilities			
Long-term borrowings	5	581,492,501	-
Other long term liabilities	6	41,868,644	50,717,425
Long-term provisions	7	52,709,860	40,536,536
		<u>676,071,005</u>	<u>91,253,961</u>
Current liabilities			
Short-term borrowings	5	4,132,838,471	4,145,578,597
Trade payables	8	342,475,250	339,788,606
Other current liabilities	9	775,360,374	990,988,519
Short-term provisions	7	1,744,374	1,260,496
		<u>6,252,418,469</u>	<u>5,477,616,218</u>
		<u>6,480,718,630</u>	<u>6,358,109,731</u>
Assets			
Non-current assets			
Fixed assets			
Property, plant and equipment	10	1,274,052,572	1,322,226,406
Intangible assets	11	10,314,019	11,962,585
Capital work-in-progress		1,419,306	3,739,579
Deferred tax assets, (net)	12	94,418,556	45,160,548
Long-term loans and advances	13	214,808,686	212,939,807
Other non-current assets	14	375,000	325,000
		<u>1,595,368,139</u>	<u>1,596,353,925</u>
Current assets			
Current investments	15	30,000,000	-
Trade receivables	16	31,706,572	74,392,157
Cash and bank balances	17	3,450,523,501	4,229,006,294
Short-term loans and advances	13	96,550,961	54,063,453
Other current assets	18	1,276,549,457	404,293,902
		<u>4,885,330,491</u>	<u>4,761,755,806</u>
		<u>6,480,718,630</u>	<u>6,358,109,731</u>

Summary of significant accounting policies and other explanatory notes

2-34

As per our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm's Registration No.: 001076NN500013

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

Bengaluru
6 August 2019



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

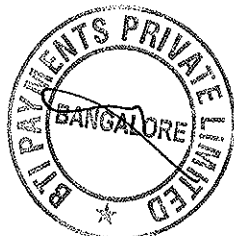
K Srinivas
K Srinivas
Managing Director
DIN: 03633535

Bengaluru
6 August 2019

Laxmi Narayan Krishnan
Laxmi Narayan Krishnan
Director
DIN: 01905379

Bengaluru
6 August 2019

Sanjay Baja
Sanjay Baja
Company Secretary and Chief Commercial Officer
Bengaluru
6 August 2019



BTI Payments Private Limited

Statement of Profit and Loss for the year ended 31 March 2019

(All amounts in ₹, except otherwise stated)

	Note	31 March 2019	31 March 2018
Revenue			
Revenue from operations	19	2,292,808,907	1,753,474,485
Other income	20	41,603,599	27,904,295
		<u>2,334,412,506</u>	<u>1,781,378,700</u>
Expenses			
Cost of services	22	1,304,796,564	1,219,771,902
Employee benefits expense	23	252,493,928	177,486,510
Finance costs	24	406,574,229	373,350,979
Depreciation and amortisation expense	25	332,227,876	315,651,902
Other expenses	26	324,608,313	279,489,150
		<u>2,620,700,910</u>	<u>2,365,749,443</u>
Loss before tax		(286,288,404)	(584,370,743)
Tax expense			
Current tax		-	-
Deferred tax		49,258,008	12,935,764
Loss for the year		(237,030,396)	(571,434,979)
Loss per equity share	27		
Basic and diluted (per equity share of ₹ 10 each)		(25.63)	(61.79)

Summary of significant accounting policies and other explanatory notes 2-34

As per our report of even date.

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

Vijay V Singh
Vijay Vikram Singh
Partner
Membership No.: 059139

Bengaluru
6 August 2019



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

K Srinivas

K Srinivas
Managing Director
DIN: 03533535

Bengaluru
6 August 2019

Laxmi Narayan Krishnan

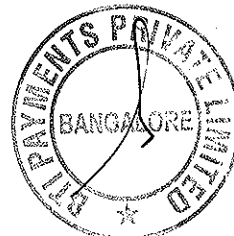
Laxmi Narayan Krishnan
Director
DIN: 01905379

Bengaluru
6 August 2019

Sanjay Bajaj

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Bengaluru
6 August 2019



BTI Payments Private Limited

Cash Flow Statement for the year ended 31 March 2019

(All amounts in ₹, except otherwise stated)

	31 March 2019	31 March 2018
A. Cash flow from operating activities		
Net Loss before tax	(286,288,464)	(584,370,743)
Adjustments for:		
Depreciation and amortisation	332,227,876	315,651,902
Interest income	(23,779,760)	(18,725,357)
Interest expense	406,574,229	373,350,979
Provision for doubtful receivables	6,394,324	5,486,096
Advances written off	384,938	-
Provisions and liabilities no longer required written back	(10,609,318)	(676,996)
Provision for retirement of property, plant and equipment	275,533	-
Net gain on sale of current investment	(1,593,643)	(3,141,770)
Sale of property, plant and equipment	(5,540,619)	(5,360,172)
Property, plant and equipment written off	19,433,236	20,219,643
	<u>723,766,796</u>	<u>686,804,327</u>
Operating loss before working capital changes	437,476,392	102,433,584
Adjustments for working capital changes		
Decrease/(increase) in trade receivables	36,291,261	(35,473,335)
(Increase) in loans and advances	(37,928,378)	(19,680,370)
(Increase)/decrease in other assets	(862,839,513)	166,020,466
Increase trade payables	2,686,644	82,502,210
Increase in other liabilities	315,762,731	123,142,628
Increase/(decrease) in provisions	12,381,669	(34,512,744)
	<u>(533,645,686)</u>	<u>282,018,855</u>
Cash used in operations	(96,167,194)	384,452,439
Net income tax (paid)/refund	(6,812,945)	613,488
Net cash used in operating activities (A)	<u>(102,980,139)</u>	<u>385,065,927</u>
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(298,698,100)	(135,702,217)
Proceeds on disposal of property, plant and equipment	5,540,619	5,360,172
Proceeds from sale of current investments	1,593,643	133,061,770
Purchase of current investments	(30,000,000)	-
Investment in fixed deposits	(51,023,021)	(97,456,813)
Interest received	20,482,602	20,036,542
	<u>(352,104,257)</u>	<u>(74,700,546)</u>
Net cash generated/ (used) from/ in investing activities (B)		
C. Cash flow from financing activities		
Proceeds from issue of equity shares (including securities premium)	-	334,998,990
Proceeds from issue of share warrants	20,000	-
Proceeds from borrowings, net	32,132,811	288,270,089
Interest paid	(406,574,229)	(373,350,979)
	<u>(374,421,418)</u>	<u>249,918,100</u>
Net cash flow from financing activities (C)		
Net increase in Cash and cash equivalents (A+B+C)	<u>(829,505,814)</u>	<u>560,283,481</u>
Cash and cash equivalents at the beginning of the year	3,898,573,281	3,338,289,800
Cash and cash equivalents at the end of the year	<u><u>3,069,067,467</u></u>	<u><u>3,898,573,281</u></u>
Components of cash and cash equivalents		
Cash and bank balances (refer note 17)	3,450,523,501	4,229,006,294
Less: Bank deposits considered separately	(381,456,034)	(330,433,013)
	<u>3,069,067,467</u>	<u>3,898,573,281</u>

As per our report of even date.

For Walker Chandlok & Co LLP
Chartered Accountants
Firm's Registration No.: 801076N/N500013

Vijay V Singh
Vijay Vikram Singh
Partner
Membership No.: 059139

Bengaluru
6 August 2019



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

K Srinivas
K Srinivas
Managing Director
DIN: 03533535

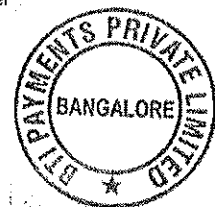
Laxmi Narayan Krishnan
Laxmi Narayan Krishnan
Director
DIN: 01905379

Bengaluru
6 August 2019

Bengaluru
6 August 2019

Sanjay Bajaj
Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Bengaluru
6 August 2019



BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
(All amounts in ₹, except otherwise stated)

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 The Banktech Group Pty Ltd, 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 principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) Rule, 2016 will apply for the accounting periods commencing on or after 30 March 2016. Accordingly, the change thereof have not given effect to while preparing these financial statements.

b. Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the consideration received/receivable, excluding discounts, rebates, and Service tax or duty. The Company assesses its revenue arrangements against specific criteria, i.e., whether it has exposure to the significant risks and rewards associated with the rendering of services, in order to determine if it is acting as a principal or as an agent.

(i) Service Revenues - Service revenues include amounts invoiced for a) Interchange fee for use of White Label ATM, b) Technical service fee for POS solution and c) Managed service fee towards management of ATMs on behalf of banks. Service revenues are recognised as the services are rendered and are stated net of discounts, waivers and taxes.

(ii) Interest income - Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'Other income' in the Statement of Profit and Loss.

(iii) Unbilled Revenue - Unbilled revenue represent revenue recognised in respect of services provided but bills not generated to the end of the reporting period. These are billed in subsequent periods as per the terms of the contractual arrangements.

c. Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

Significant estimates used by management in the preparation of these financial statements include the estimates of the economic useful lives of the fixed assets, provision for doubtful debts and provision for employee benefits. Any revision to accounting estimates is recognised prospectively in the current and future periods.

d. 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.

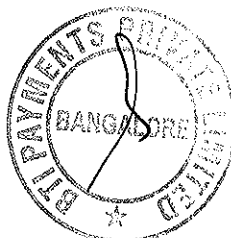
Gains and losses arising from retirement or disposal of the Property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in Statement of Profit and Loss on the date of retirement or disposal.

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. 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.



BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
 (All amounts in ₹, except otherwise stated)

f. 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.

g. Impairment of assets

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

h. Operating leases

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

i. Investment

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

Non-current investments are valued at cost. Provision is made for diminution in value to recognise a decline, if any, other than that of temporary nature.

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

j. Cash and cash equivalents

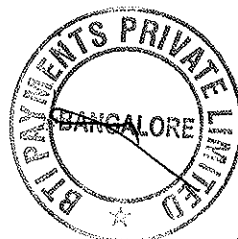
Cash and cash equivalents comprises of cash at bank, cash at ATMs, cash on hand and cheques on hand and other short term highly liquid investments with an original maturity of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes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

k. Employee benefits

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.



BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
(All amounts in ₹, except otherwise stated)

k. Employee benefits (cont'd.)

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 a 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 is measured by reference to the fair value 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')

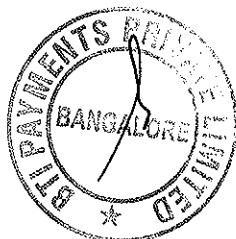
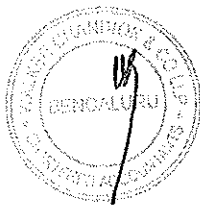
The basic earnings per share is computed by dividing the net profit/loss attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the period.

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.

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.



BTI Payments Private Limited

Summary of significant accounting policies and other explanatory notes

(All amounts in ₹, except otherwise stated)

	31 March 2019		31 March 2018	
	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
Compulsorily convertible Preference shares (CCPE) of ₹	2,500,000	25,000,000	2,500,000	25,000,000
	12,750,000	127,500,000	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
Compulsorily convertible Preference shares of ₹ 10 each	1,246,441	12,464,410	1,246,441	12,464,410
	10,495,089	104,950,890	10,495,089	104,950,890
	10,495,089	104,950,890	10,495,089	104,950,890
a) Reconciliation of share capital (Equity)				
	31 March 2019		31 March 2018	
	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)				
	31 March 2019		31 March 2018	
	Number	Amount	Number	Amount
Balance at the beginning of the year	1,246,441	12,464,410	419,283	4,192,830
Add : Issued during the year			827,158	8,271,580
Balance at the end of the year	1,246,441	12,464,410	1,246,441	12,464,410
c) Shares held by Holding company, Ultimate Holding company, subsidiaries/associates of holding company or Ultimate Holding company				
	31 March 2019		31 March 2018	
	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
Compulsorily convertible Preference shares of ₹ 10 each				
BTI PAYMENTS SINGAPORE PTE LTD (100% subsidiary : Banktech Group PTY Limited)	1,246,441	12,464,410	1,246,441	12,464,410
	1,246,441	12,464,410	1,246,441	12,464,410

d) 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.



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BTI Payments Private Limited

Summary of significant accounting policies and other explanatory notes

(All amounts in ₹, except otherwise stated)

d) Rights, preferences and restrictions (cont'd.):

Compulsorily Convertible Preference Shares (CCPS) of ₹ 10 each

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

- (i) Dividends: The Series A CCPS shall carry a pre-determined cumulative dividend at the rate of 0.01 percent per annum on an 'as if converted basis'.
- (ii) Until converted in accordance with the provisions of the schedule and applicable law, all issued CCPS shall carry voting rights with equity shares on as-if-converted basis, and the holders of the CCPS shall be entitled to vote in all meetings of the shareholders of the Company accordingly.
- (iii) Subject to applicable laws, CCPS shall automatically be converted into equity shares at the earliest of the following events and in the manner specifically provided for in the shareholders agreement:
 - a) On a "new money conversion trigger" i.e.
 - (i) A further round of funding raised by the Company, where a third party investor acquires any shares or shares equivalents in the Company.
 - (ii) An IPO or A listing.
 - 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.

e) Shareholders holding more than 5% of the shares

	31 March 2019		31 March 2018	
	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%
Compulsorily convertible Preference shares of ₹ 10 each				
BTI Payments Singapore Pte Ltd (100% subsidiary : Banktech Group PTY Limited)	1,246,441	100%	1,246,441	100%
	1,246,441	100%	1,246,441	100%

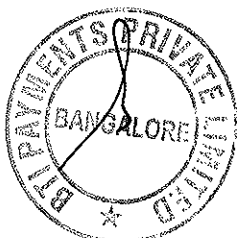
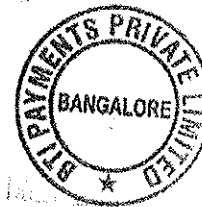
f) The Company has not issued any bonus shares nor there has been any buy back of shares during five years immediately preceding 31 March 2019.

4 Reserves and surplus

	31 March 2019	31 March 2018
Securities premium account		
Balance at the beginning of the year	2,936,470,826	2,609,751,416
Add : Additions made during the year	-	326,727,410
Balance at the end of the year	2,936,470,826	2,936,478,826
Deficit in the Statement of profit and loss		
Balance at the beginning of the year	(2,252,190,164)	(1,680,755,185)
Add : Loss for the year	(237,030,396)	(571,434,979)
Balance at the end of the year	(2,489,220,560)	(2,252,190,164)
	447,250,266	684,288,662



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BTI Payments Private Limited

Summary of significant accounting policies and other explanatory notes

(All amounts in ₹, except otherwise stated)

	31 March 2019		31 March 2018	
	Long term	Short term	Long term	Short term
5 Borrowings				
(Secured)				
Term loans				
from banks	648,400,000	-	725,000,000	-
from other parties (NBFC)	121,472,937	-	-	-
	<u>769,872,937</u>	<u>-</u>	<u>725,000,000</u>	<u>-</u>
Less: Current maturities of long term borrowings (refer note 9(a))	(188,380,436)	-	(725,000,000)	-
	<u>581,492,501</u>	<u>-</u>	<u>-</u>	<u>-</u>
Working capital loans from banks	-	800,000,000	-	-
Overdraft facilities from banks	-	3,332,838,471	-	4,145,578,597
	<u>581,492,501</u>	<u>4,132,838,471</u>	<u>-</u>	<u>4,145,578,597</u>

Details of security for each type of borrowings:

(a) Term loan from bank is secured by 1.25 times lien mark on assets at ATM locations. The term loan is repayable in 60 equal monthly installments. Interest rates are linked to the respective bank base (MCLR) rates which are floating in nature. As at reporting date, the interest rates per annum ranges between 9.40% to 9.70% (31 March 2018: 9.50% to 10.50%).

(b) Term loan from other parties is secured by pari-passu charge on all interchange fee receivables from NPCI for qualifying ATMs through escrow mechanism and first charge on book value of qualifying ATMs as at 31 March 2017 totaling to 1.5 times of the loan amount disbursed. The term loan is repayable in 36 equal monthly installments and carries an interest rate of 16.75% per annum.

(c) Working capital loans and overdraft facilities from banks are secured by pari-passu charge on cash in ATM and on the Cash dispensed recoverable from National Payments Corporation of India (NPCI).

6 Other long term liabilities

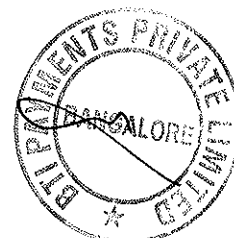
	31 March 2019	31 March 2018
Lease equalisation reserve	24,666,888	35,970,389
Security deposit from vendors	17,201,756	14,747,036
	<u>41,868,644</u>	<u>50,717,425</u>

7 Provisions

	31 March 2019		31 March 2018	
	Long term	Short term	Long term	Short term
Employee benefits				
Gratuity	11,238,611	922,573	7,657,724	253,493
Compensated absences	4,716,500	821,801	4,286,446	1,007,003
Performance incentive scheme	27,655,834	-	19,768,985	-
Retirement of Property, plant and equipment	9,098,915	-	8,823,381	-
	<u>52,709,860</u>	<u>1,744,374</u>	<u>40,536,536</u>	<u>1,260,496</u>



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BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
(All amounts in ₹, except otherwise stated)

7 Provisions (cont'd.)

Employee benefits

a) Gratuity

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

	31 March 2019	31 March 2018
Change in present benefit obligation		
Present value of obligation as at the beginning of the year	7,911,217	6,304,074
Current service cost	2,620,593	2,294,481
Past service cost	-	380,464
Interest cost	609,955	463,349
Actuarial loss / (gain)	2,488,827	(222,789)
Benefits paid	(1,469,408)	(1,308,362)
Present value of obligation as at the end of the year	12,161,184	7,911,217
Components of net gratuity costs are		
Present value of obligation as at the end of the year	12,161,184	7,911,217
Present value of obligation as at the beginning of the year	(7,911,217)	(6,304,074)
Benefits paid	1,469,408	1,308,362
Net gratuity costs (refer note 23)	5,719,375	2,915,505

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

Assumptions used		
Discount rate	7.66%	8.00%
Future salary increase	9.00%	10.00%
Retirement age (years)	58	58
Mortality table	IALM (2006-08)	IALM (2006-08)
Attrition rate:	withdrawal rate (%)	
Up to 30 years	27.10%	21.70%
From 31 to 44 years	18.10%	24.30%
Above 44 years	9.10%	12.50%

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

	31 March 2019	31 March 2018	31 March 2017	31 March 2016	31 March 2015
Experience adjustments					
Present value of obligation as at the end of the year	12,161,184	7,911,217	6,304,074	3,026,351	2,188,866
Fair value of plan assets at the end of the year	-	-	-	-	-
Surplus / (Deficit)	(12,161,184)	(7,911,217)	(6,304,074)	(3,026,351)	(2,188,866)
Experience adjustment on plan Liabilities (loss) / gain	(2,282,742)	(1,277,768)	(537,450)	(1,342,309)	1,141,263
Experience adjustment on plan Assets (loss) / gain	-	-	-	-	-

8 Trade payables

	31 March 2019	31 March 2018
Dues to micro and small enterprises (Also, refer note (a))	-	-
Dues to others	140,495,793	74,178,155
Accrued expenses	201,979,457	265,610,451
	342,475,250	339,788,606

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 Entrepreneur's 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 2019 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 2019 (31 March 2018: ₹ Nil).

9 Other current liabilities

	31 March 2019	31 March 2018
Current maturities of long term borrowings (refer note 5)	188,380,436	725,000,000
Security deposit from vendors	389,025,193	129,139,102
Dues to employees	19,164,523	13,186,613
Overages	118,756,250	64,142,650
Accrued expenses	7,344,434	5,829,068
Retention money payable	3,332,457	3,608,497
Accrued capital creditors	36,039,054	29,049,830
Statutory dues payable	12,771,658	20,490,382
Income received in advance	546,369	543,377
	775,360,374	990,988,619

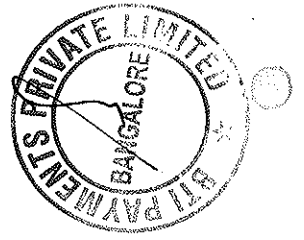
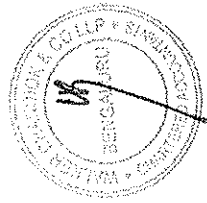


BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
 (All amounts in ₹, except otherwise stated)

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 2017	900,464,571	127,455,187	469,481,969	247,585	13,584,249	409,347	569,763,029	2,231,100	2,083,627,037
Additions	19,093,036	30,330,658	37,632,688	-	349,955	-	64,196,649	197,989	151,800,955
Disposals	(6,766,385)	(5,087,670)	(12,287,326)	-	-	-	(21,603,639)	(148,099)	(45,904,119)
Balance as at 31 March 2018	912,781,242	152,698,175	494,817,331	247,585	13,934,204	409,347	612,356,039	2,279,990	2,189,523,913
Additions	124,044,745	11,295,600	106,230,131	-	1,845,653	9,024	53,657,502	278,000	306,760,555
Disposals	(5,590,499)	(16,697,717)	(38,903,163)	-	(98,790)	-	(12,019,853)	(68,000)	(73,336,022)
Balance as at 31 March 2019	1,031,235,488	147,296,058	562,144,299	247,585	15,743,087	418,371	653,993,688	2,469,990	2,422,948,346
Accumulated depreciation									
Balance as at 01 April 2017	160,224,958	69,953,025	151,597,408	85,380	8,645,411	211,754	183,916,288	1,677,087	676,211,311
Depreciation charge	86,616,369	20,871,550	92,490,176	23,513	2,075,205	57,187	110,280,291	386,955	312,781,248
Reversal on disposal of assets	(1,675,669)	(3,579,634)	(6,473,204)	-	-	-	(9,873,442)	(93,203)	(21,595,952)
Balance as at 31 March 2018	245,165,658	87,245,041	237,614,382	108,893	10,720,616	268,941	284,323,137	1,850,839	867,297,507
Depreciation charge	93,800,808	17,652,643	103,004,174	37,622	1,630,972	57,633	112,908,773	239,643	329,332,366
Reversal on disposal of assets	(1,627,257)	(13,930,659)	(24,706,641)	-	(93,688)	-	(7,376,029)	(57,217)	(47,733,801)
Balance as at 31 March 2019	337,339,009	90,966,825	315,909,915	146,515	12,317,690	326,874	389,855,881	2,033,265	1,148,895,974
Net block									
Balance as at 31 March 2018	667,615,584	65,453,134	257,202,949	138,692	3,213,588	140,406	328,032,902	429,151	1,322,226,406
Balance as at 31 March 2019	693,896,479	56,329,233	246,234,384	101,070	3,425,377	91,497	273,557,807	436,725	1,274,052,572

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BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
 (All amounts in ₹, except otherwise stated)

11 Intangible assets

	Computer software	Copyrights	Total
Gross block (at cost)			
Balance as at 01 April 2017	16,669,721	17,500	16,687,221
Additions	6,596,148	-	6,596,148
Disposals	-	-	-
Balance as at 31 March 2018	23,265,869	17,500	23,283,369
Additions	947,442	299,500	1,246,942
Disposals	-	-	-
Balance as at 31 March 2019	24,213,311	317,000	24,530,311
Accumulated amortisation			
Balance as at 01 April 2017	8,444,880	5,250	8,450,130
Amortisation charge	2,868,904	1,750	2,870,654
Balance as at 31 March 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
Net block			
Balance as at 31 March 2018	11,952,085	10,500	11,962,585
Balance as at 31 March 2019	10,011,442	302,577	10,314,019

12 Deferred tax assets (net)

	31 March 2019	31 March 2018
Provision for bad and doubtful debts	5,977,336	6,140,762
Provision for employee benefits	16,775,159	6,861,732
Lease equalisation reserve	6,413,391	9,352,301
Depreciation and amortisation	65,252,670	22,805,753
	94,418,556	45,160,548

13 Loans and advances

	31 March 2019		31 March 2018	
	Long term	Short term	Long term	Short term
(Unsecured, considered good)				
Security deposits	190,691,314	-	187,096,905	-
Capital advances	863,019	-	9,401,494	-
Advance income tax	23,254,353	-	16,441,408	-
Advance to suppliers	-	5,204,184	-	5,099,355
Employee advances	-	523,731	-	538,863
Prepaid expenses	-	73,399,064	-	37,298,496
Duties and taxes recoverable	-	16,923,982	-	10,626,739
Other advances	-	500,000	-	500,000
	214,808,686	96,550,961	212,939,807	54,063,453

14 Other non-current assets

	31 March 2019	31 March 2018
Deposits with maturity of more than 12 months	375,000	325,000
	375,000	325,000

15 Current investments

	31 March 2019	31 March 2018
Investments in mutual funds - quoted		
Investment in mutual funds	30,000,000	-
	30,000,000	-
Aggregate amount of Market value of quoted investments	30,515,119	-



BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
(All amounts in ₹, except otherwise stated)

16 Trade receivables

	31 March 2019	31 March 2018
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	22,989,755	23,618,314
Considered doubtful	22,989,755	23,618,314
Less : Provision for doubtful receivables	(22,989,755)	(23,618,314)
(Unsecured)		
Other debts		
Considered good	31,706,572	74,392,157
	<u>31,706,572</u>	<u>74,392,157</u>
	<u>31,706,572</u>	<u>74,392,157</u>

17 Cash and bank balances

	31 March 2019	31 March 2018
Cash and cash equivalents		
Balances with banks		
- in current accounts	12,304,117	55,711,081
Cash at ATM (Refer note below)	3,056,763,350	3,842,862,200
	<u>3,069,067,467</u>	<u>3,898,573,281</u>
Other bank balances		
In deposit accounts (original maturity more than 3 months but less than 12 months)	1,574,000	6,250,000
Deposits with original maturity for more than 12 months	380,257,034	324,608,013
	381,831,034	330,758,013
-Less: Deposits with remaining maturity more than 12 months disclosed under non-current assets	(375,000)	(325,000)
	<u>381,456,034</u>	<u>330,433,013</u>
	<u>3,450,523,501</u>	<u>4,229,006,294</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(c))
(b) Deposits are held as lien with the banks, in order to obtain working capital loans.

18 Other current assets

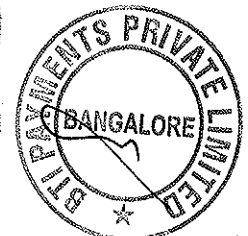
	31 March 2019	31 March 2018
Interest accrued but not due on bank deposits	15,658,135	12,360,977
Cash dispensed recoverable	1,244,878,400	374,684,200
Insurance claim receivable	16,012,922	17,248,725
	<u>1,276,549,457</u>	<u>404,293,902</u>

19 Revenue from operations

	31 March 2019	31 March 2018
Sale of services		
ATM managed services	131,528,945	157,801,514
POS - Technical services	55,276,359	73,023,762
White Label ATM	2,106,003,603	1,522,849,129
	<u>2,292,808,907</u>	<u>1,753,474,405</u>

20 Other income

	31 March 2019	31 March 2018
Interest income	23,779,760	18,725,357
Net gain on sale of current investments	1,593,643	3,141,770
Sale of property, plant and equipment	5,540,619	5,360,172
Provisions and liabilities no longer required written back	10,609,318	676,996
Miscellaneous income	80,259	-
	<u>41,603,599</u>	<u>27,804,295</u>



BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
(All amounts in ₹, except otherwise stated)

22 Cost of services

	31 March 2019	31 March 2018
ATM running cost	308,544,769	283,834,611
Security and housekeeping expenses	77,032,935	81,195,361
Switching and connectivity expenses	49,572,809	47,145,141
Cash delivery and loading expenses	513,924,832	486,566,385
Sponsor bank charges	30,827,669	25,026,761
Power and fuel	84,401,125	77,531,774
Rent	240,492,425	216,471,869
	1,304,796,564	1,219,771,902

23 Employee benefits expense

	31 March 2019	31 March 2018
Salaries, wages and bonus	231,686,457	161,973,099
Gratuity expenses	5,719,375	2,915,505
Contribution to provident and other funds	9,466,742	8,651,093
Staff welfare expenses	5,617,384	3,945,813
	252,493,928	177,485,510

24 Finance costs

	31 March 2019	31 March 2018
Interest expense	406,574,229	373,350,979
	406,574,229	373,350,979

25 Depreciation and amortisation expense

	31 March 2019	31 March 2018
Depreciation of property, plant and equipment (also, refer note 10)	329,332,368	312,781,248
Amortisation of intangible assets (also, refer note 11)	2,895,508	2,870,654
	332,227,876	315,651,902

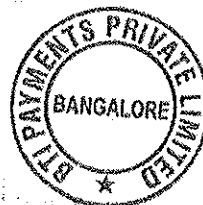
26 Other expenses

	31 March 2019	31 March 2018
Repairs and maintenance		
- Plant and equipment	113,443,242	89,567,680
- Others	125,519	151,462
Insurance	35,314,701	33,366,045
Rent	9,352,671	8,715,957
Rates and taxes	1,391,309	2,237,584
Payments to auditors (also, refer note 30)	1,639,185	1,637,345
Travelling and conveyance	19,782,249	16,033,469
Sub-contracting expenses	8,118,424	5,908,294
Advertisement and marketing expenses	66,058,228	60,660,707
Legal and professional	11,397,403	10,652,741
Property, plant and equipment written off	19,433,236	20,219,643
Provision for doubtful receivables	6,394,324	5,486,098
Advances written off	384,938	-
Telephone expense	1,412,376	1,675,527
Computer software maintenance	3,107,707	2,607,931
Newspapers, magazines and periodicals	252,034	275,895
Printing and stationery	504,335	735,497
Courier expenses	1,881,918	1,846,728
Provision for retirement of property, plant and equipment	275,533	-
Bank charges	18,235,962	7,677,940
Relocation and deployment expenses	4,981,827	9,449,509
Miscellaneous expenses	1,121,172	582,298
	324,608,313	279,489,150

27 Loss per equity share

	31 March 2019	31 March 2018
Loss after tax attributable to the equity shareholders	(237,030,396)	(571,434,979)
Weighted average number of shares outstanding during the year for computing basic earnings per share (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 (₹)	(25.63)	(61.79)
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 2019 and 31 March 2018 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.



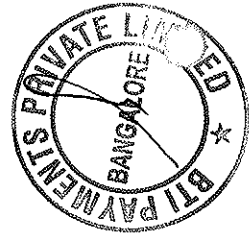
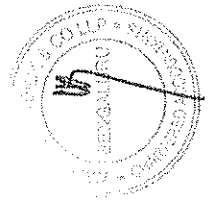
BTI Payments Private Limited
Summary of significant accounting policies and other explanatory notes
 (All amounts in ₹, except otherwise stated)

28 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 categorized 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 2019				31 March 2018			
	White Label ATM	ATM managed services	POS - Technical services	Total	White Label ATM	ATM managed services	POS - Technical services	Total
(i) Revenue								
External sales	2,106,003,603	131,528,945	55,276,359	2,292,808,907	1,522,849,129	157,601,514	73,023,762	1,753,474,405
Total revenue from operations	2,106,003,603	131,528,945	55,276,359	2,292,808,907	1,522,849,129	157,601,514	73,023,762	1,753,474,405
(ii) Cost								
Cost	2,134,907,299	109,714,040	43,851,895	2,288,473,034	1,591,860,378	121,794,633	36,442,480	2,050,097,541
Total Cost for operations	2,134,907,299	109,714,040	43,851,895	2,288,473,034	1,591,860,378	121,794,633	36,442,480	2,050,097,541
(iii) Results reconciliation								
Segment result	(28,903,696)	21,814,905	11,424,664	4,335,873	(369,011,249)	36,806,831	36,581,282	(286,623,136)
Operating profit	(28,903,696)	21,814,905	11,424,664	4,335,873	(369,011,249)	35,806,831	36,581,282	(286,623,136)
(iv) Others (Unallocated)								
Other Income	39,030,036	103,239	2,470,324	41,603,599	27,637,321	56,844	210,130	27,904,295
	39,030,036	103,239	2,470,324	41,603,599	27,637,321	56,844	210,130	27,904,295
(v) Segment depreciation and amortisation								
Depreciation and amortisation expense	313,580,831	245,636	18,401,409	332,227,876	293,856,761	569,146	21,225,995	315,651,902
Total depreciation	313,580,831	245,636	18,401,409	332,227,876	293,856,761	569,146	21,225,995	315,651,902
Profit/(loss) before tax	(303,454,491)	21,672,508	(4,506,421)	(286,288,404)	(635,230,689)	35,294,529	15,565,417	(584,370,743)
Income taxes expense	52,211,558	(3,228,913)	775,363	49,258,008	18,433,282	(1,726,429)	(1,771,089)	12,935,784
Profit/(loss) for the year	(251,242,933)	17,943,595	(3,731,058)	(237,030,396)	(616,797,407)	33,568,100	13,794,328	(571,434,979)
(v) Other information								
Segment assets (fixed assets)	1,227,997,402	935,163	56,853,332	1,285,785,897	1,266,928,993	1,006,451	66,253,547	1,334,188,991
Segment assets (Other than fixed assets)	5,057,249,448	13,759,892	6,250,484	5,077,259,824	4,898,278,601	31,502,831	32,537,367	4,962,318,799
Unallocated corporate assets				117,672,909				61,601,941
Total assets	6,285,246,850	14,695,055	63,103,816	6,480,718,630	6,165,207,594	32,509,282	98,790,914	6,359,109,731
Segment liabilities	5,889,536,823	15,258,237	23,694,414	5,928,489,474	5,823,282,151	22,825,622	22,762,406	5,868,870,179
Total liabilities	5,889,536,823	15,258,237	23,694,414	5,928,489,474	5,823,282,151	22,825,622	22,762,406	5,868,870,179



BTI Payments Private Limited

Summary of significant accounting policies and other explanatory notes

(All amounts in ₹, except otherwise stated)

29 Related parties

Names of related parties	Nature of relationship
Name of the party	
i) Controlling entity	
The Banktech Group Pty Ltd	Ultimate Holding Company
ii) Other related parties	
IDBI Trusteeship Services Limited	Shareholder
BTI Payments Singapore Pte Ltd	Share holder & Fellow subsidiary
Banktech Australia Pty Ltd	Fellow subsidiary
Eftex Pty Ltd	Fellow subsidiary
BTI Payments (HK) Limited (formerly CashConnect Asia Ltd (HK))	Fellow subsidiary
Banktech Managed Services Pty Ltd	Fellow subsidiary
Utopia Garring Systems Pty Ltd	Fellow subsidiary
Eftex Asia Ltd (HK)	Fellow subsidiary
3P Card Services Pty Ltd	Fellow subsidiary
BTI Payments (Philippines) Inc	Fellow subsidiary
Global Gaming Industries Pty Ltd	Fellow subsidiary
Authentic ATM Pty Ltd	Fellow subsidiary

ii) Other related parties

Name of the party	Nature of relationship
K Srinivas	Chief Executive Officer and Managing director
Sanjay Bajaj	Chief Commercial Officer and Company Secretary

	31 March 2019	31 March 2018
a) Transactions with related parties		
Corporate Guarantee Commission		
The Banktech Group Pty Ltd	-	3,641,439
Remuneration to KMP		
K Srinivas	23,598,958	21,453,598
Sanjay Bajaj	8,863,393	8,057,630
b) Balances with related parties		
Remuneration to KMP		
K Srinivas	2,218,302	2,038,092
Sanjay Bajaj	833,159	765,475
30 Payments to auditors *		
Statutory audit	1,599,000	1,590,000
Reimbursement of expenses	49,185	47,345
	<u>1,639,185</u>	<u>1,637,345</u>

* 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 2019 was ₹ 375,347,965 (31 March 2018: ₹ 335,342,337). Lease commitments under the cancellable operating leases at the balance sheet date were as follows:

Future lease payment for the following period	31 March 2019	31 March 2018
a) Not later than one year	370,404,661	369,026,732
b) Later than one year but not later than five years	531,223,798	602,638,426
c) Later than five years	15,979,419	25,890,000
Total expected future lease payment	917,607,878	1,197,555,159



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BTI Payments Private Limited

Summary of significant accounting policies and other explanatory notes

(All amounts in ₹, except otherwise stated)

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 2019 was ₹ 24,639,747 (31 March 2018: ₹ 4,994,349). Lease commitments under the cancellable finance leases at the balance sheet date were as follows:

	31 March 2019	31 March 2018
Minimum lease payments		
a) Within one year	6,356,261	18,515,942
b) Later than one but not later than five years	282,968	3,347,719
c) Later than five years		
Amount representing interest	(1,763,459)	(1,502,971)
Present value of minimum lease payments	4,875,770	20,360,690

32 Contingencies and commitments

	31 March 2019	31 March 2018
(i) Bank guarantees	73,100,000	90,200,677
	<u>73,100,000</u>	<u>90,200,677</u>

(ii) The Honourable Supreme Court of India has passed a judgement on 28 February 2019 in relation to inclusion of certain allowances within the scope of 'Basic Wages' for the purpose of determining contribution to provident fund under the Employees' Provident Fund & Miscellaneous Provisions Act, 1952. The Company, based on legal advice, is awaiting further clarifications in order to reasonably assess the impact on its financial statements, if any. Accordingly, the applicability of the judgement to the Company, with respect to the period and the nature of the allowances to be covered, and resultant impact on the past provident fund liability, cannot be reasonably ascertained.


33 Additional disclosures

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

34 Prior period comparatives

Previous year's amounts have been regrouped / reclassified wherever necessary to conform to the current year's presentation.

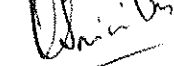
For Walker Chandok & Co LLP
Chartered Accountants
Firm's Registration No.: 001076N/N500013

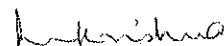

Vijay Vikram Singh
Partner
Membership No.: 059138

Bengaluru
6 August 2019



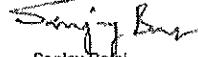
For and on behalf of the Board of Directors of
BTI Payments Private Limited


K Srinivas
Managing Director
DIN: 03533535


Laxmi Narayan Krishnan
Director
DIN: 01905379

Bengaluru
6 August 2019

Bengaluru
6 August 2019


Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Bengaluru
6 August 2019

