

Financial statements and Independent auditor's report

BTI Payments Private Limited

31 Mar 2021

Contents

Auditors' Report

Balance Sheet

Profit and Loss Account

Cash Flow Statement

Summary of significant accounting policies and other explanatory notes

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

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

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

1. We have audited the accompanying financial statements of BTI Payments Private Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2021, 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 2021, and its profit 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 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.

The other information is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

Walker Chandniok & Co LLP

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

5. The accompanying financial statements have been approved by the Company's Board of Directors. 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).
6. 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.
7. 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.
8. 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

9. 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.
10. 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 with reference to financial statements 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; and

Walker Chandniok & Co LLP

- 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.
11. 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

12. Based on our audit, we report that 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.
13. 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.
14. Further to our comments in Annexure I, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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 2021 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 18 June 2021 as per Annexure II expressed unmodified opinion; and
 - g) with respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company does not have any pending litigation which would impact its financial position as at 31 March 2021;
 - 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 2021;
 - 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 2021; and

Walker Chandiok & Co LLP

- 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

Digitally signed by Vijay Vikram
Singh
Date: 2021.06.18 23:25:09
+05'30'

Vijay Vikram Singh

Partner

Membership No.: 059139

UDIN: 21059139AAAACZ5937

Bengaluru

18 June 2021

Walker Chandniok & 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 2021

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) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year. No material discrepancies were noticed on the aforesaid verification.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/ services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, 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.

Walker Chandniok & 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 2021 (cont'd)

- (b) The dues outstanding in respect of income-tax and goods and service tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Amount paid under Protest (₹)	Period to which the amount relates	Forum where dispute is pending
CGST Act, 2017	GST	5,854,141	-	2020-21	Assistant Commissioner of State Tax Patliputra
The Income Tax Act, 1961	Income Tax	6,535,381	-	2016-17	CIT (A)

- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained, though idle funds which were not required have been maintained in bank accounts.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The provisions of Section 197 of the Act read with Schedule V to the Act are not applicable to the company since the company is not a public company as defined under Section 2(71) of the Act. Accordingly, provisions of clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable accounting standards.
- (xiv) During the year, the company has made preferential allotment of Compulsory Convertible Preference Shares. In respect of the same, in our opinion, the company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the company did not make preferential allotment/ private placement of equity shares/ fully/partly convertible debentures.
- (xv) In our opinion, the company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

Walker Chandiook & Co LLP

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay Vikram
Singh

Digitally signed by Vijay
Vikram Singh

Date: 2021.06.18 23:26:40
+05'30'

Vijay Vikram Singh

Partner

Membership No.: 059139

UDIN.: 21059139AAAACZ5937

Bengaluru

18 June 2021

Walker Chandniok & 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 2021

Independent Auditor's Report on the internal financial controls with reference to the financial statements 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 2021, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the Company's business, including adherence to 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 for the Audit of the Internal Financial Controls with Reference to Financial Statements

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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') prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes obtaining an understanding of such internal financial controls, 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 internal financial controls with reference to financial statements.

Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to financial statements 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 internal financial controls with reference to financial statements 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.

Walker Chandniok & 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 2021 (cont'd)

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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 with reference to financial statements and such controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements 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.

For **Walker Chandniok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Vijay Vikram Singh
Digitally signed by
Vijay Vikram Singh
Date: 2021.06.18
23:28:10 +05'30'

Vijay Vikram Singh

Partner

Membership No.: 059139

UDIN: 21059139AAAACZ5937

Bengaluru

18 June 2021

BTI Payments Private Limited
Balance Sheet as at 31 March 2021

1

	Notes	As at 31 March 2021 ₹	As at 31 March 2020 ₹
Equity and liabilities			
Shareholders' funds			
Share capital	3	141,869,200	130,876,820
Reserves and surplus	4	1,891,784,185	1,400,891,242
		2,033,653,385	1,531,768,062
Non-current liabilities			
Long-term borrowings	5	613,169,639	369,300,000
Other long-term liabilities	6	1,246,098,225	747,700,289
Long-term provisions	7	85,416,406	77,671,975
		1,944,684,270	1,194,672,264
Current liabilities			
Short-term borrowings	5	8,391,300,958	4,209,049,995
Trade payables	8		
(A) total outstanding dues of micro enterprises and small enterprises		15,153,318	5,672,393
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		345,489,767	314,397,909
Other current liabilities	9	436,274,030	477,959,525
Short-term provisions	7	6,985,042	2,148,852
		9,195,203,115	5,009,228,674
Total		13,173,540,770	7,735,669,000
Assets			
Non-current assets			
Property, plant and equipment			
Tangible assets	10	2,400,355,634	1,722,587,566
Intangible assets	11	10,933,795	9,013,881
Deferred tax assets (net)	12	149,661,754	125,943,407
Long-term loans and advances	13	204,087,979	198,076,327
Other non-current assets	14	165,374,455	78,586,305
		2,930,413,617	2,134,207,486
Current assets			
Inventories	15	2,653,000	-
Trade receivables	16	12,529,059	14,708,120
Cash and bank balances	17	9,174,970,658	5,178,522,373
Short-term loans and advances	13	177,685,297	140,847,775
Other current assets	18	875,289,139	267,383,246
		10,243,127,153	5,601,461,514
Total		13,173,540,770	7,735,669,000

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

Vijay Vikram Singh
 Digitally signed by
 Vijay Vikram Singh
 Date: 2021.06.18
 23:29:37 +05'30'

Vijay Vikram Singh

Partner

Membership No: 059139

Place : Bengaluru

Date : 18 June 2021

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

KONDETHIMMAN APALLI
 Digitally signed by SRINIVAS
 KONDETHIMMANAPALLI
 Date: 2021.06.18 22:57:14
 +05'30'

K Srinivas
 Managing Director
 DIN: 03533535

SANJAY KUMAR BAJAJ
 Digitally signed by SANJAY KUMAR
 BAJAJ
 Date: 2021.06.18 22:52:41 +05'30'

Sanjay Bajaj
 Company Secretary and Chief Commercial Officer

Place : Bengaluru

Date : 18 June 2021

LAXMI NARAYAN KRISHNAN
 Digitally signed by LAXMI
 NARAYAN KRISHNAN
 Date: 2021.06.18 22:55:00 +05'30'

Laxmi Narayan Krishnan
 Director
 DIN: 01905379

Statement of Profit and Loss for the year ended 31 March 2021

	Notes	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
Revenue			
Revenue from operations	19	3,175,982,658	2,560,555,232
Other income	20	75,382,157	80,877,720
Total revenue		3,251,364,815	2,641,432,952
Expenses			
Cost of services	21	1,677,925,645	1,349,741,269
Purchases of stock-in-trade	22	4,725,000	-
Changes in inventories of stock-in-trade	22	(2,653,000)	-
Employee benefits expense	23	319,554,685	303,614,827
Finance costs	24	411,579,683	362,583,625
Depreciation and amortisation expense	25	421,366,876	373,166,300
Other expenses	26	385,890,340	354,293,041
Total expenses		3,218,389,229	2,743,399,062
Profit / (Loss) before tax		32,975,586	(101,966,110)
Tax expenses			
Current tax		-	-
Deferred tax		(23,718,347)	(31,524,851)
Profit / (Loss) for the year		56,693,933	(70,441,259)
Earnings / (Loss) per equity share			
	27		
Basic (₹)		6.13	(7.62)
Diluted (₹)		4.27	(7.62)
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 Chandio & Co LLP**

Chartered Accountants

Firm registration number: 001076N / N500013

Vijay Vikram Singh
Digitally signed by
Vijay Vikram Singh
Date: 2021.06.18
23:31:30 +05'30'

Vijay Vikram Singh

Partner

Membership No: 059139

Place : Bengaluru

Date : 18 June 2021

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

SRINIVAS KONDETHIMMA NAPALLI
Digitally signed by
SRINIVAS KONDETHIMMA NAPALLI
Date: 2021.06.18 22:57:34
+05'30'

K Srinivas
Managing Director
DIN: 03533535

LAXMI NARAYAN KRISHNAN
Digitally signed by LAXMI NARAYAN KRISHNAN
Date: 2021.06.18 22:55:19
+05'30'

Laxmi Narayan Krishnan
Director
DIN: 01905379

SANJAY KUMAR BAJAJ
Digitally signed by SANJAY KUMAR BAJAJ
Date: 2021.06.18 22:53:05
+05'30'

Sanjay Bajaj

Company Secretary and Chief Commercial Officer

Place : Bengaluru

Date : 18 June 2021

BTI Payments Private Limited
Cash Flow Statement for the period ended 31 March 2021

3

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
A. Cash flow from operating activities		
Net Profit/(Loss) before tax	32,975,586	(101,966,110)
Adjustments for:		
Depreciation and amortisation	421,366,876	373,166,300
Interest income	(29,447,083)	(30,092,449)
Interest expense	411,579,683	362,583,625
Provisions and liabilities no longer required written back	(41,714,167)	(27,553,986)
Advances written off	350,631	88,364
Net gain on sale of current investment	-	(18,106,652)
Sale of property, plant and equipment	(4,109,490)	(3,580,073)
Property, plant and equipment written off	9,217,491	14,941,241
	767,243,941	671,446,370
Operating profit / (loss) before working capital changes	800,219,527	569,480,260
Adjustments for working capital changes		
Decrease / (increase) in Inventories	(2,653,000)	-
Decrease in trade receivables	3,132,517	19,337,847
(Increase) in loans and advances	(49,237,128)	(38,034,636)
Decrease / (increase) in other current assets	(610,417,729)	1,008,010,306
(Decrease) / Increase trade payables	40,572,783	(22,404,948)
Increase in other liabilities	518,712,387	367,887,497
Increase in provisions	12,580,621	25,366,594
	(87,309,549)	1,360,162,660
Cash generated from operations	712,909,978	1,929,642,920
Net income tax refund / (paid)	5,960,497	9,793,251
Net cash generated from operating activities (A)	718,870,475	1,939,436,171
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(1,094,856,190)	(725,596,200)
Proceeds from sale of current investments	-	1,084,814,652
Purchase of current investments	-	(1,036,708,000)
Proceeds on disposal of property, plant and equipment	4,109,490	3,580,073
Investments in bank deposits (having original maturity of more than three months)	(797,607,452)	(456,527,779)
Redemption of bank deposits (having original maturity of more than three months)	445,101,203	401,131,034
Interest received	32,519,553	28,037,049
Net cash used in investing activities (B)	(1,410,733,396)	(701,269,171)
C. Cash flow from financing activities		
Proceeds from Issue of Series A Compulsorily Convertible Preference shares (including premium)	445,191,390	1,049,980,165
Repayment of long-term borrowings	(542,708,930)	(254,172,937)
Proceeds from long term borrowings	750,000,000	-
Proceeds from short term borrowings, net	4,182,250,963	76,211,524
Interest paid	(411,579,682)	(362,583,625)
Net cash generated from financing activities (C)	4,423,153,741	509,435,127
Net increase in cash and cash equivalents (A+B+C)	3,731,290,820	1,747,602,127
Cash and cash equivalents at the beginning of the year	4,816,669,594	3,069,067,467
Cash and cash equivalents at the end of the year	8,547,960,414	4,816,669,594
Components of cash and cash equivalents		
Cash and bank balances (refer note 17)	9,174,970,658	5,178,522,373
Less: Bank deposits considered separately	(627,010,244)	(361,852,779)
	8,547,960,414	4,816,669,594

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

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

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

Digitally signed by
Vijay Vikram Singh
Vijay Vikram Singh
Date: 2021.06.18
23:33:28 +05'30'

Vijay Vikram Singh
Partner
Membership No: 059139

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

SRINIVAS
KONDETHIMMA NAPALLI
Digitally signed by
SRINIVAS
KONDETHIMMANAPALLI
Date: 2021.06.18 22:57:54
+05'30'

K Srinivas
Managing Director
DIN: 03533535

LAXMI NARAYAN
KRISHNAN
Digitally signed by LAXMI
NARAYAN KRISHNAN
Date: 2021.06.18 22:55:39
+05'30'

Laxmi Narayan Krishnan
Director
DIN: 01905379

SANJAY KUMAR BAJAJ
Digitally signed by SANJAY
KUMAR BAJAJ
Date: 2021.06.18 22:53:21 +05'30'

Sanjay Bajaj
Company Secretary and Chief Commercial Officer
Place : Bengaluru
Date : 18 June 2021

Place : Bengaluru
Date : 18 June 2021

Summary of significant accounting policies and other explanatory information**1. Corporate Information**

BTI Payments Private Limited (formerly known as Banktech India Private Limited, the Company) incorporated in India on Thirtieth day of June Two Thousand Six under the Companies Act, 1956 is a company owned by Banktech Group PTY Limited, Australia as Promoter and IDBI Trusteeship Services Ltd as Investor. The Registered office of the Company is situated at Corporate Tower B 8th floor, 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 is also providing technical services for banks in Point of Sale (POS) payment solution.

"The Company has obtained the renewal of authorization for setting and operating payment system for White Label ATMs and the license stands extended up to 31 March 2022. The Company has earned profits in the current year of ₹ 56.42 million; previous year loss was ₹ 70.44 million. The management of the Company are confident of achieving its Annual Operational Plan (AOP) for FY 2022. No going concern risk is perceived."

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.

Revenue from sale of products is recognised on the transfer of all significant risks and rewards of ownership to the buyer. The amount recognised as sale is exclusive of GST and net of trade discounts and sales returns.

(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) Liabilities older than 3 years are written back to other income basis the Limitation Act, 1963.

(iv) 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
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.

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.

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

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

r. Recent Pronouncements

On 24 March 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from 1 April 2021. Key amendments relating to Division I which relate to companies whose financial statements are required to comply with Companies (Accounting Standards) Rules, 2006 are:

Balance Sheet:

- 'Property, plant and equipment' should be renamed as 'Property, plant and equipment and Intangible assets' and 'Tangible assets' should be renamed as 'Property, plant and equipment'.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held, relationship with Struck off Companies, registration of charges or satisfaction with Registrar of Companies, certain ratios, utilisation of Borrowed funds and share premium, etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

(This space has been intentionally left blank)

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

	31 March 2021		31 March 2020	
	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	5,000,000	50,000,000
	15,250,000	152,500,000	15,250,000	152,500,000
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 (CCPS) of ₹ 10 each	4,938,272	49,382,720	3,839,034	38,390,340
	14,186,920	141,869,200	13,087,682	130,876,820
	14,186,920	141,869,200	13,087,682	130,876,820
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	3,839,034	38,390,340	1,246,441	12,464,410
Add : Issued during the year	1,099,238	10,992,380	2,592,593	25,925,930
Balance at the end of the year	4,938,272	49,382,720	3,839,034	38,390,340
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. (Ultimate Holding Company)	3,462,596	34,625,960	3,462,596	34,625,960
BTI Payments Singapore Pte Ltd. (100% Subsidiary : The Banktech Group Pty Limited)	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 : The Banktech Group Pty Limited)	2,469,136	24,691,360	1,369,898	13,698,980
	2,469,136	24,691,360	1,369,898	13,698,980
d) Shareholders holding more than 5% of the shares				
	Number	Percentage	Number	Percentage
Equity shares of ₹ 10 each				
IDBI Trusteeship Services Limited (India Advantage Fund S3 I)	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 Limited)	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 : The Banktech Group Pty Limited)	2,469,136	50%	1,369,898	36%
IDBI Trusteeship Services Limited (India Advantage Fund S4 I)	2,271,605	46%	2,271,605	59%
Dynamic India Fund S4 US I	197,531	4%	197,531	5%
	4,938,272	100%	3,839,034	100%

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 2021.

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 2021	31 March 2020
	₹	₹
Securities premium		
Balance at the beginning of the year	3,960,553,061	2,936,478,826
Add : Additions made during the year	434,199,010	1,024,074,235
Balance at the end of the year	4,394,752,071	3,960,553,061
Deficit in the Statement of profit and loss		
Balance at the beginning of the year	(2,559,661,819)	(2,489,220,560)
(Add) / Less: Profit/ (Loss) for the year	56,693,933	(70,441,259)
Balance at the end of the year	(2,502,967,886)	(2,559,661,819)
	1,891,784,185	1,400,891,242

This space has been intentionally left blank

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

	As at 31 March 2021		As at 31 March 2020	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
5 Borrowings				
(Secured)				
Loan from banks				
Term Loans [refer note (a) & (c)]	722,991,071	-	515,700,000	-
Working capital loan (Overdraft Facilities) [refer note (b) & (c)]	-	7,991,300,958	-	4,209,049,995
Loan from other parties [refer note (b) & (d)]	-	400,000,000	-	-
	722,991,071	8,391,300,958	515,700,000	4,209,049,995
Less: Current maturities of long term borrowings	(109,821,432)	-	(146,400,000)	-
	613,169,639	8,391,300,958	369,300,000	4,209,049,995

Details of security for each type of borrowings

(a) Term loan from bank for a tenure of 7 year is secured by 1.25 times lien mark on assets at ATM location.

(b) Working capital loans from banks (Overdraft Facilities) and financial institutions 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 6.30% to 9.00% (31 Mar 2020: 7.70% to 10.00%) .

(d) The interest rate per annum on above facility from financial institutions ranges between 8.5% to 13.00% (31 Mar 2020: NA) .

6 Other long term liabilities

	31 March 2021	31 March 2020
Lease equalisation reserve	3,981,708	13,255,779
Security deposit from vendors	1,242,116,517	734,444,510
	1,246,098,225	747,700,289

7 Provisions

	As at 31 March 2021		As at 31 March 2020	
	Non-current ₹	Current ₹	Non-current ₹	Current ₹
Employee benefits				
Gratuity	19,645,592	3,286,524	16,244,176	924,812
Compensated absences	12,076,101	3,698,518	11,116,724	1,224,040
Provision for expenses				
Performance incentive scheme	51,120,723	-	46,140,742	-
Retirement of Property, plant and equipment	2,573,990	-	4,170,333	-
	85,416,406	6,985,042	77,671,975	2,148,852

a) Gratuity

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

	31 March 2021 ₹	31 March 2020 ₹
Change in present benefit obligation		
Present value of obligation as at the beginning of the period	17,168,988	12,161,184
Current service cost	3,865,286	3,247,668
Interest cost	1,165,774	931,547
Actuarial loss / (gain)	1,014,204	1,955,972
Benefits paid	(1,115,774)	(1,127,383)
Present value of obligation as at the end of the period	22,098,478	17,168,988
Components of net gratuity costs are		
Present value of obligation as at the end of period	22,098,478	17,168,988
Present value of obligation as at the beginning of the period	17,168,988	12,161,184
Benefits paid	1,115,774	1,127,383
Net gratuity costs (refer note 22)	6,045,264	6,135,187

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

7 Provisions (cont'd)

Employee benefits

31 March 2021	31 March 2020
₹	₹

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

Assumptions used

Discount rate	6.80%	6.79%
Future salary increase	9.00%	9.00%
Retirement age (years)	58-65	58
Mortality table	IALM (2012-14)	IALM (2012-14)
Attrition rate:	withdrawal rate (%)	
Upto to 30 years	5.90%	17.20%
From 31 to 44 years	14.70%	17.80%
Above 44 years	21.10%	0.00%

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

	31 March 2021	31 March 2020	31 March 2019	31 March 2018	31 March 2017
Experience adjustments					
Present value of obligation as at the end of period	22,098,478	17,168,988	12,161,184	7,911,217	6,304,074
Fair value of plan assets at the end of the period	-	-	-	-	-
Surplus / (Deficit)	(22,098,478)	(17,168,988)	(12,161,184)	(7,911,217)	(6,304,074)
Experience adjustment on plan Liabilities (loss) / gain	(1,223,180)	(1,211,800)	(2,282,742)	(1,277,788)	(537,420)
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 2021	31 March 2020
	₹	₹
Dues to micro and small enterprises (refer note (a) below)	15,153,318	5,672,393
Dues to others	80,713,703	55,827,057
Accrued expenses	264,776,064	258,570,852
	360,643,085	320,070,302

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 2021 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.

	31 March 2021	31 March 2020
	₹	₹
The principal amount remaining unpaid	15,153,318	5,672,393
Interest due thereon remaining unpaid	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	-	-
The amount of interest accrued during the year and remaining unpaid.	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

9 Other current liabilities

	31 March 2021	31 March 2020
	₹	₹
Current maturities of long term borrowings (refer note 5(a))	109,821,432	146,400,000
Dues to employees	20,120,838	20,211,891
Overages	107,622,030	140,707,850
Accrued expenses	15,354,204	9,627,628
Retention money payable	10,812,071	2,821,021
Accrued capital creditors	154,188,133	138,848,799
Statutory dues payable	18,257,361	19,167,097
Income received in advance	97,961	175,239
	436,274,030	477,959,525

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 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
<i>Adjustments</i>	-	-	-	-	-	-	-	-	-
Additions	572,344,550	-	261,227,042	-	-	-	287,763,836	327,850	1,121,663,278
Disposals	(13,700,998)	(1,972,631)	(59,341,412)	-	-	-	(24,418,455)	(115,000)	(99,548,496)
Balance as at 31 March 2021	2,048,371,478	138,165,274	928,715,484	247,585	21,288,917	475,651	1,082,093,034	2,315,991	4,221,673,414
Accumulated depreciation									
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
<i>Adjustments</i>	-	-	-	-	-	-	-	-	-
Depreciation charge	171,431,697	12,042,233	117,505,588	17,715	2,714,755	29,900	113,686,012	387,118	417,815,018
Reversal on disposal of assets	(6,154,454)	(1,184,919)	(46,923,620)	-	-	-	(19,124,816)	(80,504)	(73,468,313)
Balance as at 31 March 2021	614,904,619	112,361,185	470,934,876	187,808	16,847,830	409,566	603,660,071	2,011,816	1,821,317,771
Net block									
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
Balance as at 31 March 2021	1,433,466,859	25,804,089	457,780,608	59,777	4,441,087	66,085	478,432,963	304,175	2,400,355,643

Note

Please refer note 5 for details of lien marked on assets at ATM location.

POS terminals include terminals under finance lease representing gross block of ₹ 36,804,678 as at 31 March 2020. The ownership has been transferred to the Company at nominal value during the year ended 31 March 2021.

This space has been intentionally left blank

11 Intangible assets

Gross block	Computer software	Copyrights	Total
	₹	₹	₹
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
<i>Adjustment</i>	-	-	-
Additions	5,471,772	-	5,471,772
Disposals	-	-	-
Balance as at 31 March 2021	31,498,638	495,000	31,993,638
Accumulated amortisation			
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
<i>Adjustment</i>	-	-	-
Amortisation charge	3,502,370	49,488	3,551,858
Balance as at 31 March 2021	20,953,505	106,338	21,059,843
Net block			
Balance as at 31 March 2020	8,575,731	438,150	9,013,881
Balance as at 31 March 2021	10,545,133	388,662	10,933,795

12 Deferred tax assets (net)

	31 March 2021	31 March 2020
	₹	₹
Provision for bad and doubtful debts	2,105,927	4,418,319
Provision for employee benefits	30,587,616	24,924,220
Lease equalisation reserve	1,107,712	3,446,502
Depreciation and amortisation expense	115,860,499	93,154,366
	149,661,754	125,943,407

Note

Basis the projections and the industry in which the Company operates, management believes that in accordance with AS -22, Accounting for taxes on Income, it is virtually certain that future income will be sufficient to realise the deferred tax asset.

13 Loans and advances

	31 March 2021		31 March 2020	
	Non-current	Current	Non-current	Current
	₹	₹	₹	₹
(Unsecured, considered good)				
Security deposits	196,389,746	-	184,340,772	-
Capital advances	197,628	-	274,453	-
Advance income tax	7,500,605	-	13,461,102	-
Advance to suppliers	-	13,724,050	-	2,739,825
Employee advances	-	584,107	-	675,324
Prepaid expenses	-	71,733,992	-	77,804,899
Duties and taxes recoverable	-	91,143,148	-	59,127,727
Other advances	-	500,000	-	500,000
	204,087,979	177,685,297	198,076,327	140,847,775

14 Other non-current assets

	31 March 2021	31 March 2020
	₹	₹
Deposits with maturity of more than 12 months	162,723,784	75,375,000
Interest accrued but not due on bank deposits	2,650,671	3,211,305
	165,374,455	78,586,305

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

	31 March 2021	31 March 2020
	₹	₹
15 Inventories		
Stock-in-trade	2,653,000	-
	2,653,000	-
16 Trade receivables		
(Unsecured)		
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	-	733,381
Considered doubtful	7,569,831	16,993,535
	7,569,831	17,726,916
Less : Provision for doubtful receivables	(7,569,831)	(16,993,535)
	-	733,381
(Unsecured)		
Other debts		
Considered good	12,529,059	13,974,739
	12,529,059	13,974,739
	12,529,059	14,708,120
17 Cash and bank balances		
Cash and cash equivalents		
Balances with banks		
- in current accounts	51,352,656	52,892,894
-Cheque in Hand	12,175	-
- in deposit account (with original maturity upto 3 months)	1,250,000,000	500,000,000
Cash at ATM (Also, refer note (a) below)	7,246,595,583	4,263,776,700
	8,547,960,414	4,816,669,594
Other bank balances		
Balances with bank held as margin money		
Deposits with original maturity more than 3 months but not more than 12 months	40,375,000	-
Deposits with original maturity for more than 12 months	749,359,028	437,227,779
	789,734,028	437,227,779
-Less: Deposits with remaining maturity more than 12 months disclosed under non-current assets	(162,723,784)	(75,375,000)
	627,010,244	361,852,779
	9,174,970,658	5,178,522,373

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 (except for INR 125 crores which was not lien marked).

18 Other current assets

	31 March 2021	31 March 2020
	₹	₹
Interest accrued but not due on bank deposits	11,990,394	14,502,230
Cash dispensed recoverable	857,504,740	247,337,800
Insurance claim receivable	5,794,005	5,543,216
	875,289,139	267,383,246

This space has been intentionally left blank

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
19 Revenue from operations		
Sale of products		
Traded goods	1,704,661	-
Sale of services		
White Label ATM	3,149,976,607	2,466,566,848
ATM managed services	206,334	52,039,257
POS - Technical services	24,094,696	41,949,127
Micro ATM - Technical services	360	-
	3,175,982,658	2,560,555,232
20 Other income		
Interest income	29,447,083	30,092,449
Net gain on sale of current investments	-	18,106,652
Sale of property, plant and equipment	4,109,490	3,580,073
Provisions and liabilities no longer required written back	41,714,167	27,553,986
Miscellaneous income	111,417	1,544,560
	75,382,157	80,877,720
21 Cost of services		
ATM running cost	350,933,151	316,747,810
Security and housekeeping expenses	6,331,397	7,562,058
Switching and connectivity expenses	88,103,852	55,051,311
Cash delivery and loading expenses	730,417,850	574,227,680
Sponsor bank charges	35,549,978	31,322,808
Power and fuel	112,123,177	90,926,757
Rent	354,466,240	273,902,845
	1,677,925,645	1,349,741,269
22 Changes in inventories of stock-in-trade		
Purchases of stock-in-trade:		
Micro ATM	4,200,000	-
Micro POS	525,000	-
	4,725,000	-
Changes in Inventories of stock-in-trade:		
Opening Stock:	-	-
Closing Stock:	2,653,000	-
	(2,653,000)	-
23 Employee benefits expense		
Salaries, wages and bonus	295,349,280	280,649,226
Gratuity (refer note 7)	6,878,902	6,135,187
Contribution to provident and other funds	12,972,153	10,969,761
Staff welfare expenses	4,354,350	5,860,653
	319,554,685	303,614,827
24 Finance costs		
Interest Expense	411,579,683	362,583,625
	411,579,683	362,583,625
25 Depreciation and amortisation expense		
Depreciation of property, plant and equipment (refer note 10)	417,815,018	369,904,104
Amortisation of intangible assets (refer note 11)	3,551,858	3,262,196
	421,366,876	373,166,300

(This space has been intentionally left blank)

	Year ended 31 March 2021 ₹	Year ended 31 March 2020 ₹
26 Other expenses		
Repairs and maintenance		
- Plant and equipment	146,108,131	106,150,534
- Others	153,544	118,982
Insurance	55,761,696	56,967,052
Rent	10,054,210	10,030,831
Rates and taxes	2,312,354	7,234,402
Payments to auditors (refer note 29)	1,850,000	1,590,000
Travelling and conveyance	18,450,254	25,751,640
Outsourced manpower expenses	10,593,979	10,718,494
Advertisement and sales promotion	66,690,394	59,464,545
Legal and professional	13,739,910	17,606,137
Property, plant and equipment written off	9,217,491	14,941,241
Advances written off	350,631	88,364
Telephone expense	1,811,595	1,291,274
Marketing expenses	8,729,835	11,038,994
Computer software maintenance	3,034,739	2,907,139
Newspapers, magazines and periodicals	311,970	253,495
Printing and stationery	869,874	787,745
Courier expenses	747,863	1,494,545
Bank charges	25,578,993	17,063,107
Relocation and re-deployment expenses	9,024,568	7,756,413
Miscellaneous expenses	498,309	1,038,107
	385,890,340	354,293,041
27 Earnings / (Loss) per equity share		
Profit / (Loss) after tax attributable to the equity shareholders	56,693,933	(70,441,259)
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 (*)	4,018,974	-
	13,267,622	9,248,648
Earnings / (Loss) per share:		
Basic (In ₹)	6.13	(7.62)
Diluted (In ₹)	4.27	(7.62)
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 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 2021					31 March 2020				
	WLA (₹)	MSP & BLA (₹)	POS (₹)	MATM (₹)	Total (₹)	WLA (₹)	MSP & BLA (₹)	POS (₹)	MATM (₹)	Total (₹)
(i) Revenue										
External sales	3,149,976,607	206,334	24,094,696	1,705,021	3,175,982,658	2,466,566,848	52,039,257	41,949,127	-	2,560,555,232
Total revenue from operations	3,149,976,607	206,334	24,094,696	1,705,021	3,175,982,658	2,466,566,848	52,039,257	41,949,127	-	2,560,555,232
(ii) Cost										
Cost	2,772,544,945	24,649	21,963,749	2,489,010	2,797,022,353	2,300,026,553	32,052,837	38,153,372	-	2,370,232,762
Total Cost for operations	2,772,544,945	24,649	21,963,749	2,489,010	2,797,022,353	2,300,026,553	32,052,837	38,153,372	-	2,370,232,762
(iii) Results reconciliation										
Segment result	377,431,662	181,685	2,130,947	(783,989)	378,960,306	166,540,295	19,986,420	3,795,755	-	190,322,470
Operating profit	377,431,662	181,685	2,130,947	(783,989)	378,960,306	166,540,295	19,986,420	3,795,755	-	190,322,470
(iv) Others (Unallocated)										
Other Income	73,078,469	-	2,303,688	-	75,382,157	70,712,730	376,419	9,788,571	-	80,877,720
	73,078,469	-	2,303,688	-	75,382,157	70,712,730	376,419	9,788,571	-	80,877,720
(v) Segment depreciation and amortisation										
Depreciation and amortisation expense	409,275,224	-	12,091,652	-	421,366,876	356,847,413	96,641	16,222,246	-	373,166,300
Total depreciation	409,275,224	-	12,091,652	-	421,366,876	356,847,413	96,641	16,222,246	-	373,166,300
Profit/(loss) before tax	41,234,906	181,685	(7,657,016)	(783,989)	32,975,586	(119,594,388)	20,266,198	(2,637,920)	-	(101,966,110)
Income taxes expense	(29,659,027)	(130,681)	5,507,461	563,899	(23,718,347)	86,020,644	(14,576,867)	1,897,377	-	(31,524,851)
Profit/(loss) for the year	70,893,933	312,366	(13,164,477)	(1,347,888)	56,693,933	(205,615,032)	34,843,065	(4,535,297)	-	(70,441,259)
(v) Other information										
Segment assets (property, plant and equipment)	2,381,638,224	-	29,396,961	254,244	2,411,289,429	1,692,353,779	339,759	38,907,909	-	1,731,601,447
Segment assets (other than property, plant and equipment)	10,597,597,848	-	4,400,553	3,090,581	10,605,088,982	5,852,297,145	5,883,867	6,482,031	-	5,864,663,043
Unallocated corporate assets	-	-	-	-	157,162,359	-	-	-	-	139,404,510
Total assets	12,979,236,073	-	33,797,514	3,344,825	13,173,540,770	7,544,650,924	6,223,626	45,389,940	-	7,735,669,000
Segment liabilities	11,132,814,427	-	7,063,157	9,801	11,139,887,385	6,189,629,281	5,554,754	8,716,903	-	6,203,900,938
Total liabilities	11,132,814,427	-	7,063,157	9,801	11,139,887,385	6,189,629,281	5,554,754	8,716,903	-	6,203,900,938

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 (India Advantage Fund S3 I)

Nature of relationship

Fellow subsidiary

Shareholder

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

Sanjay Bajaj

	31 March 2021	31 March 2020
	₹	₹

27,397,406

25,958,853

11,106,696

9,749,732

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

BTI PAYMENTS SINGAPORE PTE LTD

445,191,390

50,000,085

b) Balances with related parties

Remuneration to KMP

K Srinivas

Sanjay Bajaj

2,739,121

2,725,679

1,110,085

1,023,722

* Post-employment benefits comprising compensated absences and gratuity and other benefits including provision for PRI scheme are not disclosed as these are determined for the Company as a whole.

30 Payments to auditors *

Statutory audit

1,850,000

1,590,000

1,850,0001,590,000

* 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 2021 was ₹ 49,26,47,956 (31 Mar 2020: ₹ 40,85,69,422). Lease commitments under the cancellable operating leases at the balance sheet date were as follows

	31 March 2021	31 March 2020
	₹	₹
Future lease payment for the following period		
a) Not later than one year	400,355,159	352,650,163
b) Later than one year but not later than five years	832,416,373	434,145,878
c) Later than five years	-	8,476,237
Total expected future lease payment	<u>1,232,771,532</u>	<u>795,272,278</u>

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 2021 was nil (31 March 2020: ₹ 8,490,121).

32 Contingencies and commitments

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.

As per our report of even date attached

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm registration number: 001076N / N500013

Vijay Vikram Singh
Digitally signed by
Vijay Vikram Singh
Date: 2021.06.18
23:36:04 +05'30'

Vijay Vikram Singh

Partner

Membership No: 059139

Place : Bengaluru

Date : 18 June 2021

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

SRINIVAS KONDETHIMMA NAPALLI
Digitally signed by
SRINIVAS
KONDETHIMMA
NAPALLI
Date: 2021.06.18 22:58:28
+05'30'

K Srinivas
Managing Director
DIN: 03533535

LAXMI NARAYAN KRISHNAN
Digitally signed by LAXMI
NARAYAN KRISHNAN
Date: 2021.06.18 22:56:17
+05'30'

Laxmi Narayan Krishnan
Director
DIN: 01905379

SANJAY KUMAR BAJAJ
Digitally signed by SANJAY
KUMAR BAJAJ
Date: 2021.06.18 22:54:13
+05'30'

Sanjay Bajaj
Company Secretary and Chief Commercial Officer

Place : Bengaluru

Date : 18 June 2021