

Walker Chandlok & Co LLP

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Independent Auditor's Report

To the Members of Payswiff Solutions Private Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Payswiff Solutions 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.

Material Uncertainty Related to Going Concern

4. We draw attention to the note 23 to the accompanying financial statements which describes that the Company has incurred net loss of ₹111,108,198 during the financial year ended 31 March 2019 and as of that date, the Company's accumulated losses amount to ₹178,996,084 resulting in substantial erosion of its net worth, and the Company's current liabilities exceed its current assets by ₹128,329,503. These conditions along with other matters as set forth in the aforesaid note, indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. However, based on the future business plans, the financial support of Payswiff Technologies Private Limited, the holding company and the Managing Director of the Company and other mitigating factors as fully described in the aforesaid note, the management is of the view that going concern basis of accounting is appropriate for the preparation of the accompanying financial statements. Our opinion is not modified in respect of this matter.



Chartered Accountants

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

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

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

5. The Company's Board of Directors is responsible for the other information. 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.

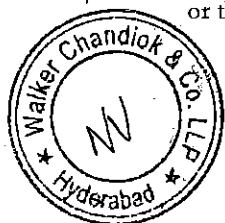
In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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. Reporting under this section is not applicable as no other information is obtained at the date of this auditor's report.

Responsibilities of Management for the Financial Statements

6. 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.
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

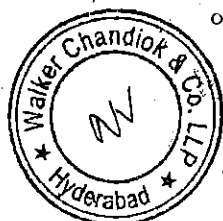
9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 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.
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. 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 A a statement on the matters specified in paragraphs 3 and 4 of the Order.
14. Further to our comments in Annexure A, 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) the matter described in paragraph 4 under the Material Uncertainty Related to Going Concern section, in our opinion, may have an adverse effect on the functioning of the Company;
 - f) 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;



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- g) 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 23 September 2019 as per Annexure B expressed unmodified opinion; and
- h) 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:
- the Company does not have any pending litigation which would impact its financial position as at 31 March 2019;
 - 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;
 - 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; and
 - 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

Nikhil Vaid

Nikhil Vaid

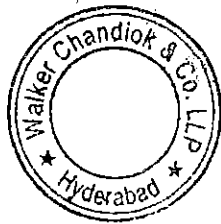
Partner

Membership No.: 213356

UDIN: 19213356AAAAEI6904

Place: Hyderabad

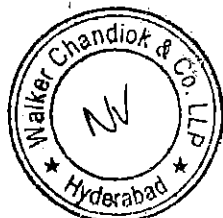
Date: 23 September 2019



Annexure A to the Independent Auditor's Report of even date to the members of Payswiff Solutions Private Limited on the financial statements for the year ended 31 March 2019

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 fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- (c) The Company does not hold any immovable property (in the nature of 'Property, plant and equipment'). 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 products and services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, duty of custom, cess and other material statutory dues, as applicable, have not been regularly deposited to the appropriate authorities and there have been significant delays in a large number of cases. 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, goods and service tax and duty of customs that have not been deposited with the appropriate authorities on account of any dispute.
- (viii) The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution during the year. The Company did not have any outstanding dues to the government or 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) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (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.



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- (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 Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

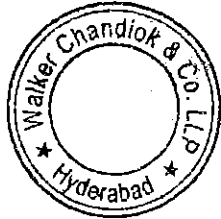
Nikhil Vaid

Nikhil Vaid

Partner

Membership No.: 213356

UDIN: 19213356AAAAEI6904



Place: Hyderabad

Date: 23 September 2019

Walker Chandiook & Co LLP

Annexure B to the Independent Auditor's Report of even date to the members of Payswiff Solutions Private Limited on the financial statements for the year ended 31 March 2019

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 Payswiff Solutions 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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 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 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.



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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 the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

Nikhil Vaid

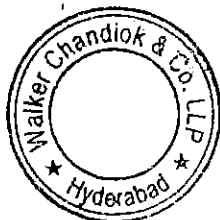
Partner

Membership No.: 213356

UDIN: 19213356AAAAEI6904

Place: Hyderabad

Date: 23 September 2019



Payswiff Solutions Private Limited
Balance Sheet as at 31 March 2019
(All amounts in ₹ unless otherwise stated)

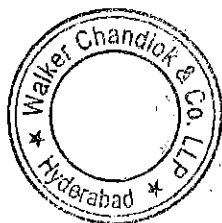
	Notes	As at 31 March	
		2019	2018
Equity and liabilities			
Shareholders' funds			
Share capital	3	31,846,680	30,892,080
Reserves and surplus	4	39,972,947	61,893,153
		71,819,627	92,785,233
Non-current liabilities			
Long-term borrowings	5	1,960,420	90,873,000
Long-term provisions	7	1,957,932	2,764,252
		3,918,352	93,637,252
Current liabilities			
Short-term borrowings	5	49,381,592	29,476,153
Trade payables			
-total Outstanding dues to micro and small enterprises	28	507,845	-
-total Outstanding dues to creditors other than micro and small enterprises		59,385,044	42,318,867
Other current liabilities	6	161,888,227	606,248,239
Short-term provisions	7	1,711,669	660,663
		272,874,377	678,703,922
Total		348,612,356	865,126,407
Assets			
Non-current assets			
Property, plant and equipment	8	167,191,354	122,022,976
Intangible assets	9	515,059	1,396,446
Long-term loans and advances	10	36,361,069	15,854,026
		204,067,482	139,273,448
Current assets			
Current investments	11	162,425	28,277,161
Trade receivables	12	15,169,233	90,086,356
Cash and bank balances	13	115,496,653	595,490,533
Short-term loans and advances	14	9,662,507	4,365,588
Other current assets	15	4,054,056	7,633,321
		144,544,874	725,852,959
		348,612,356	865,126,407

The accompanying notes form an integral part of these financial statements.

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

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

Nikhil Vaid
Nikhil Vaid
Partner
Membership No: 213356
Place: Hyderabad
Date: 23 September 2019

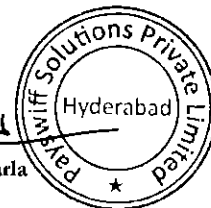


For and on behalf of the Board of Directors of
Payswiff Solutions Private Limited

Prabhuram Radhakrishnan
Prabhuram Radhakrishnan
Managing Director
DIN:1673968

Place: Hyderabad
Date: 23 September 2019

Ravi Kiran Pedarla
Ravi Kiran Pedarla
Director
DIN:06654269



Payswiff Solutions Private Limited**Statement of Profit and Loss for the year ended 31 March 2019**

(All amounts in ₹ unless otherwise stated)

	Notes	For the year ended 31 March	
		2019	2018
Revenue			
Revenue from operations	16	766,960,963	831,136,146
Other income	17	7,594,469	35,900,970
Total revenue		774,555,432	867,037,116
Expenses:			
Operating expenses		498,028,853	571,428,228
Purchases of stock-in-trade		49,382,808	24,392,976
Employee benefits expense	18	143,332,416	120,071,990
Finance cost	19	9,611,156	17,950,542
Depreciation and amortization expense	8 & 9	69,605,746	45,627,494
Other expenses	20	115,314,848	79,362,106
Total expenses		885,275,827	858,833,336
(Loss)/Profit before tax		(110,720,395)	8,203,780
Tax expense			
- Current tax		-	757,626
- Current tax of earlier years		387,803	-
- Deferred tax benefit		-	(221,569)
(Loss)/Profit for the year		(111,108,198)	7,667,223
Earnings per equity share [EPES]			
Basic and diluted EPES		(35.95)	2.48
Par value per equity share		10.00	10.00
Weighted average number of equity shares considered in calculating basic and diluted EPES		3,090,516	3,089,208

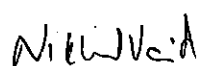
The accompanying notes form an integral part of these financial statements.

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

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

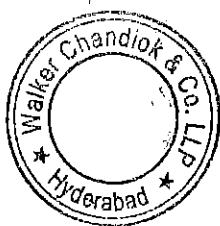

Nikhil Vaid

Partner

Membership No: 213356

Place: Hyderabad

Date: 23 September 2019



For and on behalf of the Board of Directors of

Payswiff Solutions Private Limited

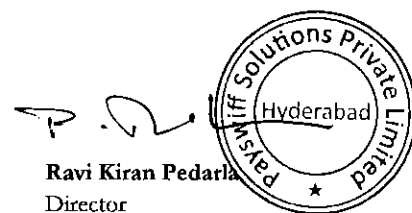
Prabhuram Radhakrishnan

Managing Director

DIN:1673968

Place: Hyderabad

Date: 23 September 2019

**Ravi Kiran Pedarla**

Director

DIN:06654269

Payswift Solutions Private Limited
Cash Flow Statement for the year ended 31 March 2019
(All amounts in ₹ unless otherwise stated)

		For the year ended 31 March	
		2019	2018
Cash flow from operating activities			
(Loss) / profit before tax		(110,720,395)	8,203,780
Adjustments for:			
- Depreciation and amortisation expense		69,605,746	45,627,494
- Gain on sale of mutual funds		(1,166,543)	(2,192,602)
- Interest received		(2,138,374)	(32,622,265)
- Finance cost		9,611,156	17,950,542
Operating (loss) / profit before working capital changes		(34,808,409)	36,966,949
Changes in working capital:			
Increase / (decrease) in trade payables		17,574,022	(7,244,047)
Increase in other current liabilities		3,316,089	74,268,307
Decrease / (increase) in trade receivables		74,917,123	(11,208,845)
Increase in loans and advances		(27,838,918)	(470,363)
Increase in provisions		244,686	2,867,259
Decrease / (increase) in other current assets		5,284,885	(5,373,032)
Cash generated from operations		38,689,477	89,806,228
Taxes paid, net		(2,871,638)	(12,178,036)
Net cash generated from operating activities	(A)	35,817,839	77,628,192
Cash flows from investing activities			
Purchase of tangible and intangible assets		(38,373,285)	(73,513,060)
Interest received		432,754	31,834,530
Investments in mutual funds		(190,409,944)	(448,398,406)
Redemption of mutual funds		219,691,223	422,313,847
Movement in other bank balances		(53,920,000)	(27,260,000)
Net cash used in investing activities	(B)	(62,579,252)	(95,023,089)
Cash flows from financing activities			
Proceeds from long-term borrowings		2,226,177	34,575,760
Repayment of long-term borrowings		(973,782)	(885,692)
Proceeds from short-term borrowings, net		19,905,439	29,476,153
Interest paid		(9,611,156)	(17,950,542)
Net cash from financing activities	(C)	11,546,678	45,215,679
Net increase / (decrease) in cash and cash equivalents	(A+B+C)	(15,214,735)	27,820,782
Cash and cash equivalents in the beginning of the year		47,013,266	19,192,484
Closing balance of cash and cash equivalents		31,798,531	47,013,266



Payswiff Solutions Private Limited

Cash Flow Statement for the year ended 31 March 2019

(All amounts in ₹ unless otherwise stated)

	For the year ended 31 March	
	2019	2018
Note 1:		
Cash and bank balances as per note 13	115,496,653	595,490,533
Less: Other bank balances	83,698,122	548,477,267
Total cash and cash equivalents	31,798,531	47,013,266

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

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Nikhil Vaid

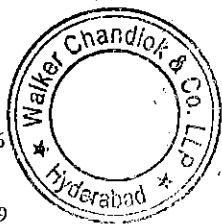
Nikhil Vaid

Partner

Membership No: 213356

Place: Hyderabad

Date: 23 September 2019



For and on behalf of the Board of Directors of
Payswiff Solutions Private Limited

Prabhuram Radhakrishnan

Prabhuram Radhakrishnan

Managing Director

DIN:1673968

Place: Hyderabad

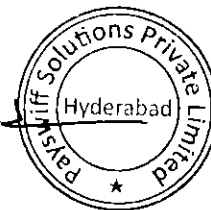
Date: 23 September 2019

Ravi Kiran Pedarla

Ravi Kiran Pedarla

Director

DIN:06654269



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

1. Company Overview

Payswiff Solutions Private Limited is a private limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956. The Company is head quartered in Hyderabad, India. The Company is engaged in the business of providing omni-channel transactions processing services offering a wide range of innovative and reliable solutions, streamlining the transaction experience on a secured platform.

2. Summary of significant accounting policies

(a) Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended), and with the relevant provisions of the Act, pronouncements of the Institute of Chartered Accountants of India ("ICAI"). The financial statements have been prepared on an accrual basis. The accounting policies applied by the Company are consistent with those used in the prior period.

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 the Schedule III to the Act. Based on the nature of business, the Company has ascertained its operating cycle as up to twelve months for the purpose of current and non-current classification of assets and liabilities.

(b) Use of estimates

The preparation of financial statements requires management to make 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. Examples of such estimates include provision for doubtful receivables and loans and advances, income taxes, future obligation under employee benefit plans, and estimated useful lives of tangible and intangible assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises of purchase price, freight, non-refundable duties and taxes and any other cost attributable to bringing the asset to its working condition for its intended use.

(d) Depreciation on tangible assets

Depreciation is provided using the straight line method as per the useful lives of the fixed assets at the rates prescribed under Schedule II to the Companies Act, 2013.

(e) Intangible assets

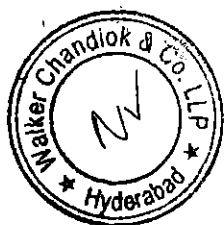
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on straight line basis over an estimated useful life of three years.

(f) Impairment

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists then the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

(g) Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss.



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹, unless otherwise stated)

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(i) Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and market value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognize a decline in the value of the investment which is other than temporary.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Service income

Activation and other service revenues are recognized on an accrual basis on rendering of the service.

Sale of goods

Revenue from sale of stock-in-trade is recognized when the products are dispatched against orders to the customers in accordance with the contract terms, which coincides with the transfer of risks and rewards. Sales are stated net of rebates, trade discounts, sales tax and sales returns.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rates applicable.

Income from mutual fund

Profit on the sale of investments is computed on the basis of weighted average cost of investments and recognized at the time of actual sale/redemption.

(k) Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transactions.

Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

Exchange differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the period, or reported in previous financial statements, are recognized as income or as expenses in the period in which they arise.

(l) Retirement and other employee benefits

Provident fund

A retirement benefit in the form of provident fund scheme is a defined contribution and the contribution is charged to the Statement of Profit and Loss of the year when the contribution to the respective fund is due. There are no other obligations other than the contribution payable to the respective fund.



Payswiff Solutions Private Limited
Summary of significant accounting policies and other explanatory information
(All amounts in ₹, unless otherwise stated)

Gratuity

Gratuity liability is a defined benefit obligation and provided for on the basis of an actuarial valuation made on projected unit credit method at the end of period. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

Compensated absences

Compensated absences liability is a defined benefit obligation and provided for on the basis of an actuarial valuation made on projected unit credit method at the end of period. Actuarial gains and losses are recognized in full in the Statement of Profit and Loss for the period in which they occur.

(m) Income taxes

Tax expense comprises of current and deferred tax.

Current tax

Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India.

Deferred tax

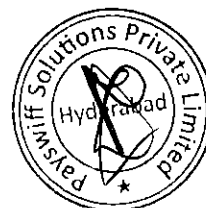
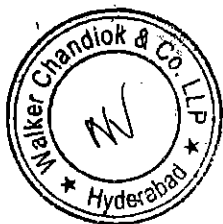
Deferred tax charges or credits reflect the tax effect of timing differences between accounting income and taxable income for the period. The deferred tax charges or credits and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future periods; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.

(n) Earnings per equity share

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

(o) Provisions and contingent liabilities

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

3. Share capital

	As at 31 March			
	2019		2018	
	Number of shares	Amount	Number of shares	Amount
Authorized share capital				
Equity shares of ₹10 each	5,000,000	50,000,000	5,000,000	50,000,000
Issued, subscribed and paid-up share capital				
Equity shares of ₹10 each fully paid-up	3,184,668	31,846,680	3,089,208	30,892,080
	3,184,668	31,846,680	3,089,208	30,892,080

(a) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting period

	As at 31 March			
	2019		2018	
	Number of shares	Amount	Number of shares	Amount
At the beginning of the year	3,089,208	30,892,080	3,089,208	30,892,080
Issued during the year (refer note 5(b))	95,460	954,600	-	-
Outstanding at the end of the year	3,184,668	31,846,680	3,089,208	30,892,080

(b) Terms / rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of 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 general meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the Company, after distribution of all preferential amounts in proportion of their shareholding.

(c) Shares held by holding company

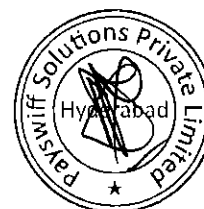
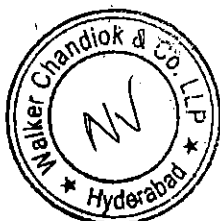
	As at 31 March			
	2019		2018	
	Number of shares	Amount	Number of shares	Amount
Equity share of ₹10 each				
Payswiff Technologies Private Limited *	3,184,668	31,846,680	3,089,208	30,892,080

(d) Details of shareholders holding more than 5% shares in the Company:

	As at 31 March			
	2019		2018	
	Number of shares	%	Number of shares	%
Equity share of ₹10 each				
Payswiff Technologies Private Limited *	3,184,668	100%	3,089,208	100%

*Including 5 equity shares held by others as nominee shareholders.

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

4. Reserves and surplus

	As at 31 March	
	2019	2018
Securities premium		
Balance at the beginning of the year		
Add: Premium on conversion of shares (refer note 5(b))	129,781,039	129,781,039
Balance at the end of the year	89,187,992	-
	218,969,031	129,781,039
Deficit in the statement of profit and loss		
Deficit at the beginning of the year	(67,887,886)	(75,555,609)
Add: (Loss)/profit for the year	(111,108,198)	7,667,723
Deficit at the end of the year	(178,996,084)	(67,887,886)
	39,972,947	61,893,153

5. Borrowings

	As at 31 March	
	2019	2018
Non-current		
Secured		
Vehicle loans from		
Banks	646,681	918,917
Others	2,309,906	3,011,452
Unsecured		
From related parties	-	87,916,415
	2,956,587	91,846,784
Less: Current maturities of long-term borrowings (refer note 6)	996,167	973,784
	1,960,420	90,873,000
Current		
Loans repayable on demand		
Secured		
From Banks - cash credit facility	49,381,592	29,476,153
	49,381,592	29,476,153

(a) Vehicle loans

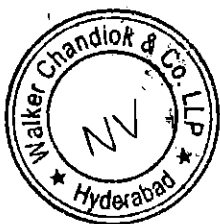
Vehicle loans are fully secured by way of hypothecation of specific vehicles against which the loan is availed. These loans are repayable in 36 to 60 monthly equated instalments with rate of interest ranging from 9.36% to 9.5% per annum (31 March 2018: 9.36% to 9.5%).

(b) Loans from a related party

The Company has availed the unsecured loans from the Holding Company for the purpose of funding its working capital requirements. These loans were repayable after 5 years from the date of each drawdown and carried an interest rate of 11% per annum as at 31 March 2018. Effective 1 April 2018, no interest was charged on these loans and pursuant to the requisite approvals, the outstanding loan as of March 2019 was converted into 95,460 equity shares of ₹10 each at a premium of ₹934.30.

(c) Cash credit facility

Cash credit facility is secured by an exclusive charge on entire current assets and fixed assets of the Company both present and future, personal guarantee of Mr. Prabhu Ram Radhakrishnan, Managing Director and corporate guarantee of Holding Company. These loans carry an interest rate of 11% p.a. (31 March 2018: 11% p.a.).



Payswiff Solutions Private Limited**Summary of significant accounting policies and other explanatory information**

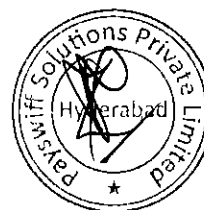
(All amounts in ₹ unless otherwise stated)

6. Other current liabilities

	As at 31 March	
	2019	2018
Current maturities of long-term borrowings (refer note 5)	996,167	973,784
Advance from customers	1,831,302	-
Capital creditors	71,000,661	-
Statutory dues	20,843,835	18,912,205
Dues to employees	13,758,692	10,619,311
Dues to merchants (refer note 22)	49,245,714	570,758,656
Liabilities for expenses	4,211,856	4,984,283
	161,888,227	606,248,239

7. Provisions

	As at 31 March	
	2019	2018
Long term		
Provision for employee benefits:		
- Gratuity (refer note 18(b))	1,957,932	1,883,825
- Compensated absences	-	880,427
	1,957,932	2,764,252
Short term		
Provision for employee benefits:		
- Gratuity (refer note 18(b))	429,351	464,775
- Compensated absences	1,282,318	195,888
	1,711,669	660,663



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information

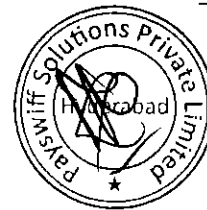
(All amounts in ₹ unless otherwise stated)

8. Property, plant and equipment

	Office equipment	Computers and data processing units	Vehicles	Furniture and fittings	Total
Gross block					
As at 1 April 2017	9,571,932	85,405,790	9,757,284	8,485,166	113,220,172
Additions	6,148,006	71,802,463	-	817,690	78,768,159
As at 31 March 2018	15,719,938	157,208,253	9,757,284	9,302,856	191,988,331
Additions	2,891,541	109,738,647	-	973,049	113,603,237
As at 31 March 2019	18,611,479	266,946,900	9,757,284	10,275,905	305,591,568
Accumulated depreciation					
Up to 31 March 2017	2,056,708	24,438,045	281,534	3,530,362	30,306,649
Charge for the year	1,629,544	36,174,188	1,158,677	696,297	39,658,706
Up to 31 March 2018	3,686,252	60,612,233	1,440,211	4,226,659	69,965,355
Charge for the year	5,229,837	61,381,324	1,298,803	524,895	68,434,859
Up to 31 March 2019	8,916,089	121,993,557	2,739,014	4,751,554	138,400,214
Net block					
As at 31 March 2018	12,033,686	96,596,020	8,317,073	5,076,197	122,022,976
As at 31 March 2019	9,695,390	144,953,343	7,018,270	5,524,351	167,191,354

9. Intangible assets

	Software
Gross block	
As at 1 April 2017	14,664,843
Additions	211,300
As at 31 March 2018	14,876,143
Additions	289,500
As at 31 March 2019	15,165,643
Accumulated depreciation	
Up to 31 March 2017	7,510,909
Charge for the year	5,968,788
Up to 31 March 2018	13,479,697
Charge for the year	1,170,887
Up to 31 March 2019	14,650,584
Net block	
As at 31 March 2018	1,396,446
As at 31 March 2019	515,059



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

10. Long-term loans and advances

	As at 31 March	
	2019	2018
<i>Unsecured, considered good</i>		
Security deposits	28,453,324	5,911,325
Capital advances	-	4,518,791
Advance tax	7,907,745	5,423,910
	36,361,069	15,854,026

11. Current Investments

	As at 31 March	
	2019	2018
<i>Investments in mutual funds, unquoted, non trade</i>		
81.82 (31 March 2018: Nil) units in Essel Mutual Fund	162,425	-
Nil (31 March 2018: 10,070) units in Reliance Mutual Fund	-	28,277,161
Aggregate amount of unquoted investment, at cost	162,425	28,277,161

12. Trade Receivables

	As at 31 March	
	2019	2018
<i>Unsecured, considered good</i>		
Other debts (Due for a period not exceeding six months)	15,169,233	90,086,356
	15,169,233	90,086,356

13. Cash and bank balances

	As at 31 March	
	2019	2018
Cash and cash equivalents		
Balances with banks in current accounts	31,794,160	46,879,654
Cash on hand	4,371	133,612
	31,798,531	47,013,266
Other bank balances		
Bank deposits - restricted (refer note 22)	-	518,699,145
Bank deposits held with banks as margin money	83,698,122	29,778,122
	83,698,122	548,477,267
	115,496,653	595,490,533

14. Short-term loans and advances

	As at 31 March	
	2019	2018
<i>Unsecured, considered good</i>		
Balances with government authorities	-	148,189
Prepaid expenses	3,191,357	1,355,800
Advances to employees	1,471,150	2,668,235
Advance for services	5,000,000	-
Others	-	193,364
	9,662,507	4,365,588



Payswiff Solutions Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

15. Other current assets

	As at 31 March	
	2019	2018
<i>Unsecured, considered good</i>		
Interest earned but not due on fixed deposits	3,965,909	2,260,289
Others	88,147	5,373,032
	4,054,056	7,633,321

16. Revenue from operations

	For the year ended 31 March	
	2019	2018
Sale of devices	59,527,500	29,624,000
Sale of Services		
Device set-up and activation fee	85,205,871	110,086,301
Transaction commission charges	573,895,845	647,805,938
Device maintenance charges	45,874,054	43,390,490
Other operating income	2,457,693	229,417
	766,960,963	831,136,146

17. Other income

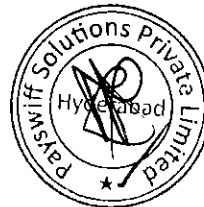
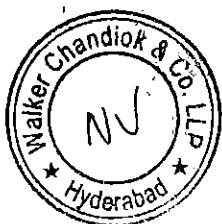
	For the year ended 31 March	
	2019	2018
Interest on deposits with banks	2,138,374	32,622,265
Foreign exchange fluctuation gain, net	3,877,110	727,512
Gain on sale of mutual funds	1,166,543	2,192,602
Miscellaneous income	412,442	358,591
	7,594,469	35,900,970

18. Employee benefits expense

	For the year ended 31 March	
	2019	2018
Salaries and wages	122,457,316	103,740,498
Contribution to provident fund and ESI	6,123,150	4,657,183
Gratuity and compensated absences	346,753	2,867,259
Staff welfare expenses	14,405,197	8,807,050
	143,332,416	120,071,990

a) Defined contribution plan

During the year ended 31 March 2019, the Company contributed ₹4,895,643 (31 March 2018: ₹3,561,951) to provident fund and ₹1,227,507 (31 March 2018: ₹1,095,232) towards employee state insurance fund.



Payswiff Solutions Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

b) Defined benefit plan*Gratuity*

The Company has an unfunded defined plan, viz. gratuity for its employees. Every employee who has completed five years or more of services gets a gratuity at 15 days of last drawn salary for each completed year of service subject to a limit prescribed under the Payment of Gratuity Act, 1972.

Amounts recognised in the statement of profit and loss are as follows:

	For the year ended 31 March	
	2019	2018
Current service cost	761,759	741,986
Interest cost	183,805	44,612
Actuarial losses recognized in the year	(804,814)	1,004,347
	140,750	1,790,945

Changes in present value of defined benefit obligation representing reconciliation of opening and closing balances thereof are as follows:

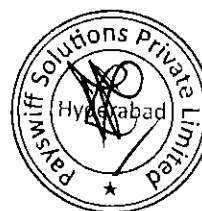
	For the year ended 31 March	
	2019	2018
Opening defined benefit obligation	2,348,600	557,655
Current service cost	761,759	741,986
Interest cost	183,805	44,612
Actuarial losses on obligation	(804,814)	1,004,347
Benefits paid	(102,067)	-
Closing defined benefit obligation	2,387,283	2,348,600

The assumptions used in accounting for the gratuity plan are set out as below:

	As at 31 March	
	2019	2018
Discount rate	7.60%	8.00%
Attrition rate	30.00%	30.00%
Salary escalation	4.00%	4.00%

19. Finance cost

	For the year ended 31 March	
	2019	2018
Interest expense	4,856,491	15,396,752
Others - loan processing fee	1,011,800	1,770,000
Interest expense on statutory dues	3,742,865	783,790
	9,611,156	17,950,542



Payswiff Solutions Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

20. Other expenses

	For the year ended 31 March	
	2019	2018
Power and fuel	2,509,387	1,287,360
Rent	13,030,511	6,717,075
Repairs and maintenance	1,056,533	2,456,602
Insurance	2,801,522	539,523
Rates and taxes	1,438,357	567,848
Travelling and conveyance	10,864,208	13,093,356
Communication	4,503,555	3,492,810
Legal and professional charges	17,808,846	14,523,228
Software maintenance charges	17,714,438	10,182,552
Printing and stationary	1,681,601	830,874
Security services	1,271,019	342,245
Advertisements expenses	1,854,239	1,714,940
Selling and marketing expenses	20,183,319	12,233,380
Office administrative expenses	7,044,964	4,470,665
Bank charges	3,769,179	1,431,581
Donations and Sponsorships	945,825	1,385,000
Payments to auditors:		
- As auditor	800,000	400,000
- Out of pocket expenses	12,000	-
Courier and franking charges	5,225,615	3,287,395
Miscellaneous expenses	799,730	405,672
	115,314,848	79,362,106

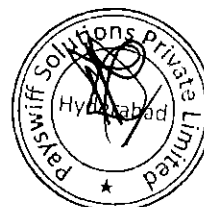
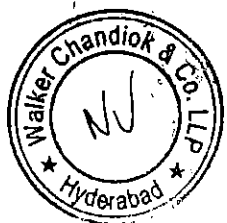
21. Segment reporting

Based on the Company's operations of deploying point of sale terminals for electronic payments processing and other value added services have been considered as the only reportable segment. Further, all the services are rendered only in India and all the fixed assets are located in India. Hence no separate financial disclosures have been provided for segment

22. During the year ended 31 March 2017, the Company had withheld an amount aggregating to ₹594,765,145 on account of suspicious transactions observed by the Company in respect of one of its merchant; the aforesaid amounts net of transaction and other charges recognized pursuant to the terms of the arrangement, was placed in a fixed deposit with the Company's bank. Further, pursuant to the specific directives issued by the Enforcement Directorate (ED), Department of Revenue, Ministry of Finance, Government of India, the said fixed deposits were transferred to the ED during the year ended 31 March 2019.
23. The Company has reported losses in the current financial year amounting to ₹111,108,198 and as of that date, its current liabilities exceeded its current assets by ₹128,329,503 and has accumulated losses of ₹178,996,084. These events cast significant doubt on the Company's ability to continue as a going concern.

The management has strategies in place to achieve growth by increasing the volume of its operations and seek infusion in the form of equity to improve its liquidity position from the Holding Company along with obtaining commitment for continuing financial support from the Holding Company and Mr. Prabhuram Radhakrishnan (Promoter and Director), in meeting its liabilities. Further, on the basis of the ongoing discussions with the potential investors, the Board of Directors of the Holding Company are confident that PTPL will be able to obtain the funding from the potential investors and re-invest the funds in the Company to enable sustenance of the Company's operations to execute the Group's long term business strategy.

Based on the foregoing developments and assessment of other qualitative factors, management believes that the Company will be able to realize the assets and discharge its liabilities as recorded in these financial results in the normal course of operations. Accordingly, the accompanying financial results of the Company have been prepared considering going concern basis of accounting.



Payswiff Solutions Private Limited**Summary of significant accounting policies and other explanatory information**

(All amounts in ₹ unless otherwise stated)

24. Related party disclosures**(a) Name of related parties and nature of relationship**

Name of related party	Nature of Relationship
Payswiff Technologies Private Limited ("PTPL")	Holding Company
Payswiff Services Private Limited	fellow subsidiary
Mr. Prabhuram Radhakrishnan	Managing Director
Mr. Maulik Bipin Shah	
Mr. Ravi Kiran Pedarla	
Ms. Priti Shah	Director
Mr. Krishna Kishore Vinnakota	
Mr. Anil Bharadwaj Vedam	Key Managerial Personnel

(b) Transactions with related parties

	For the year ended 31 March	
	2019	2018
Payswiff Technologies Private Limited		
Royalty fee	5,000,000	5,000,000
Loans taken, net	2,215,377	34,575,760
Interest expenses	-	13,899,139
Conversion of loans into equity shares	90,142,592	-
Security Deposit	21,800,000	-
Payswiff Services Private Limited		
Reimbursement of expenses	-	1,367,561
Remuneration		
- Mr. Prabhuram Radhakrishnan *	1,192,800	5,850,000
- Ms. Priti Maulik Shah	3,053,400	3,400,000
- Mr. Maulik Bipin Shah *	-	3,400,000
- Mr. Krishna Kishore Vinnakota	3,053,400	3,400,000
- Mr. Anil Bharadwaja Vedam	3,053,400	3,400,000

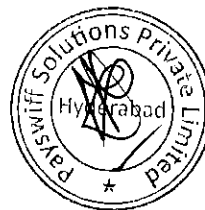
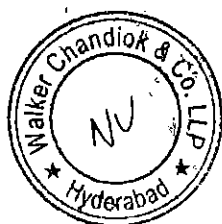
(c) Balances receivable/(payable)

	As at 31 March	
	2019	2018
Payswiff Technologies Private Limited	26,800,000	(87,916,415)
Mr. Prabhuram Radhakrishnan	804,804	-
Mr. Maulik Bipin Shah	(104,779)	-
Ms. Priti Shah	(618,792)	-
Mr. Krishna Kishore Vinnakota	(357,100)	-
Mr. Anil Bharadwaja Vedam	(465,268)	-

Note:

(i) PTPL and Prabhuram Radhakrishnan has extended corporate and personal guarantee in connection with the loans availed by the Company. Refer note 5(c).

* As part of internal restructuring of the Group's operations, effective 1 April 2018, the remuneration cost of Mr. Maulik Bipin Shah and effective 1 August 2018, the remuneration cost of Mr. Prabhuram Radhakrishnan are processed and accounted by the Holding Company.



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information
(All amounts in ₹ unless otherwise stated)

25. Value of imports on CIF basis

	For the year ended 31 March	
	2019	2018
Capital goods		
Purchases of stock-in-trade	106,798,784	68,864,328
	49,382,808	24,392,976

26. Unhedged foreign currency exposure

	As at 31 March 2019		As at 31 March 2018	
	Foreign currency	₹	Foreign currency	₹
Capital creditors	USD 1,026,763	71,000,661	-	-

27. Leases

As a lessee

The Company's significant leasing arrangements are in respect of operating leases for premises. The leasing arrangements generally range between 1 year to 5 years and are usually renewable by mutual consent on agreed terms. Rental expenses under operating leases are ₹13,030,511 (31 March 2018: 6,717,075).

The Company's lease obligations under lease arrangements is as given below:

	31 March	
	2019	2018
Not later than one year	11,825,467	9,317,036
Later than one year and not later than 5 years	8,441,519	33,215,058
	20,266,986	42,532,094

28. The Micro and Small Enterprises have been identified on the basis of information available with the Company. This has been relied upon by the auditors. Details of dues to such parties are given below:

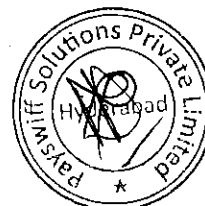
	As at 31 March	
	2019	2018
a) The principal amount remaining unpaid as at the end of the year	507,845	-
b) The amount of interest accrued and remaining unpaid at the end of the year	-	-
c) Amount of interest paid by the company in terms of Section 16, of (MSMED Act 2006) along with the amounts of payments made beyond the appointed date during the year.	-	-
d) Amount of interest due and payable for the period of delay in making payment without the interest specified under the (MSMED Act 2006)	-	-
e) The amount of further interest remaining due and payable in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible expenditure under Section 23 of the (MSMED Act 2006)	-	-

29. Capital commitments

The Company has capital commitments to purchase capital assets, net of advances aggregating to ₹Nil as at 31 March 2019 (31 March 2018: ₹15,549,101).

30. Contingent Liabilities

The Hon'ble Supreme Court (SC) has clarified in the case of Vivekananda Vidyamandir and Others Vs The Regional Provident Fund Commissioner (II) West Bengal that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees shall form part of basic wages for computation of the provident fund contribution. On the basis of internal evaluation, supported by a legal opinion from an independent legal expert, management has determined that the aforesaid ruling is applicable prospectively and, therefore there is no impact of such ruling on the financial statements of the Company.



Payswiff Solutions Private Limited

Summary of significant accounting policies and other explanatory information

(All amounts in ₹ unless otherwise stated)

31. Additional information as required under paragraph 5 of the part II of the Schedule III to the Act to the extent either "Nil" or "Not Applicable" has not been furnished.

32. Comparatives

Previous year comparatives have been reclassified and regrouped wherever necessary, to conform to current years' presentation.

This is the summary of significant accounting policies and other explanatory information referred to in our report of even date.

For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013

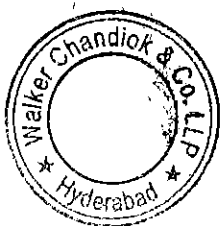
Nikhil Vaid
Nikhil Vaid

Partner

Membership No: 213356

Place: Hyderabad

Date: 23 September 2019



For and on behalf of the Board of Directors of

Payswiff Solutions Private Limited

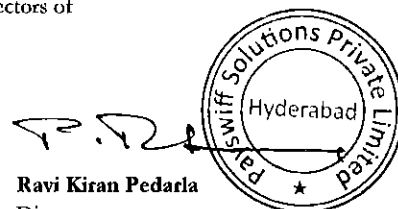
Prabhuram Radhakrishnan
Prabhuram Radhakrishnan

Managing Director

DIN:1673968

Place: Hyderabad

Date: 23 September 2019



Ravi Kiran Pedarla
Ravi Kiran Pedarla

Director

DIN:06654269