



ANNUAL REPORT 2015 -16

Growth is never
by mere chance;
it is the result of
forces working together.





SUCCESS
TEAM
INNOVATION
VISION
INFLUENCE
STRATEGY

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Message from the Chairman and Managing Director



Dear Stakeholders,

In this 21st century, it is convenient to focus on the bigger picture and miss seeing the multi-dimensional methods in which true transformation takes place. From operations to sales and every business enabling function, from people to processes, infrastructure to integrated system, all this conspires towards growth, which is a resultant of all forces working together. This issue of our Annual Report celebrates multiple folds of our transformation and transcendence in the years and how innovation and continuous improvement have permeated every corner of our business.

Looking at the year gone by, the global data states that ATM market will reach USD 21.9bn by 2020, forecasting an annual 7.6% growth rate as developing countries would be the key contributors for the growth of the ATM market. Asia Pacific ATM industry is expected to grow at a substantial growth rate of over 12% from 2015 to 2022. The two largest countries in the world, China and India, would largely fuel their growth due to rapid economic surge that the nations have witnessed during the last two decades. According to World Bank data, India, China, Brazil and Russia are having 190, 300, 1100, 1169 ATMs per 1 million adults respectively.

The key factors driving the market growth apart from generic macro-economic factors include ATM growth in developing nations and increase in issuance of bank notes. Some of the noteworthy trends observed in the industry are rise of electronic transactions, technological advancements in ATMs, entrepreneurs investing in Bitcoin ATMs and branch transformation and developments such as Bitcoin ATMs, solar ATMs and mobile ATMs. However, the industry remains exposed to certain challenges such as increase of non-cash transactions, high costs of operating a retail ATM business and significant breaches associated with it.

The number of ATMs deployed in India increased from 17,000 ATMs in March 2005 to 1.8 lakh ATMs in March 2015. By 2021, its predicted it would touch 5,50,000 ATMs in India. It is further expected to witness a high growth curve given the financial inclusion impetus of the Government of India. As the financial inclusion drive was predominantly meant for rural areas, there was an increase in the percentage of ATMs deployed in rural and semi-urban areas during 2013-2015, while there was a decline in the percentage share of ATMs deployed in urban and metropolitan areas. Introduction of White

Label ATMs also contributed to the further growth of the Indian ATM outsourcing industry.

EPS managed to obtain an accomplishing spot in the industry by successfully acquiring CISB ATM Services (P) Limited and gathering 7400 equity shares, thus making it a wholly owned subsidiary. The company later on was re-christened as EPS ATM Services (P) Ltd. A prudent capital infusion of INR 160 crores from Apis Partners, UK enabled in our expansion to reach a deployment figure of 5000+ ATM machines across India, reaching a revenue of INR 170 crores in FY 2015-16. Several indicators of strategy execution led EPS develop path-breaking milestones which includes designated committee to implement sound sexual harassment policy for women in workplace, retirement benefits of National Pension Scheme, employee retention programmes, gender equality among employees etc. With such industry practices on-board, EPS went on to achieve accolades both domestic as well as international.

This journey embodies the spirit of our strategy of continuous renewal. But renewal by itself is not enough, we must also do completely new things in this disruptive and digital era, so that we create more exciting and enriching experiences for our people, and for our clients.

Yours sincerely,

Mani Mamallan
Chairman and Managing Director
Mumbai



Executive Team

Board of Directors

Mr. Mani Mamallan
Chairman & Managing Director

Mr. Sanjay Kapoor
Director

Mr. Vineet Rai
Nominee Director

Mr. Noshir Colah
Nominee Director

Mr. Udayan Goyal
Nominee Director

PROMOTERS

Mrs. Vidya Rani Mani Mamallan

Mr. Sanjay Kapoor

Dr. Gurusamy

CHIEF OPERATING OFFICER

Mr. Prakash Joshi

GROUP CHIEF FINANCIAL OFFICER

Mr. Bimal Desai

CHIEF FINANCIAL OFFICER

Mr. Farroukh Kolah

KEY MANAGEMENT TEAM

Mr. Manohar Bhoi
President - Technology

Mr. A. Chandrasekaran
President - Services

Mr. Murali Bhavanarayan Sharma
President - Operation and Governance

Mr. Thyagarajan Seshadri
Vice President - Banking Relationship



Story of **success**

The Inside Story

IMPROVING WELFARE & GROWTH OPPORTUNITIES

Administration



With employee welfare and strength as the key focus area, administration department continues to optimise resource management to build employee consistency and interoperability through transparent office framework. With increasing employee growth, infrastructure optimisation with proper space utilisation had been the prime objective.

Along with superior office space modification, and adherence to best practices, the department has encouraged employees to work in a relatively sound surrounding thus supporting healthy work culture. Due diligence for asset management, has been taken into consideration as well. Measures towards misuse of official property and misconduct in the office premise are a part of the administrative policies. In the interest of employee welfare, food, transport, utility provisions and security had been prime areas on the agenda.

SCALING NEW HEIGHTS

Banking Relationship



The business team at EPS plays a vital role in marketing its services, achieve profit through service and strengthen client relations. There are a lot of functions displayed by the sales department, as it continues to engage a lot of different activities with the objective to promote sales and client engagement. An organisation, big or small, its growth story is inscribed by the kind of sales force it has. And we at EPS, truly believe and relate to the goals we set. From the previous

financial years, stepping into the 4th year of building and nurturing relationships, we witnessed some significant success.

Last year, the team bagged orders for 3050 ATM machines on OPEX model and was successful in deploying them over the last 2 years, thus establishing milestones and creating corporate records. This facilitated in achieving business revenues touching INR 600+ Crore and a total deployment of 6000+ ATM machines, since inception and we continue to service 26 PSU banks across India.

With WLA (White Label ATMs), payment gateway and mobile wallets creating a significant platform under Digital India mission, EPS envision to reach new heights and maintain holistic service levels, taking our relationships to the next level of success.

REINVENTING LEADERSHIP

Corporate Affairs



At the corporate affairs department, we strive to meet the best business practices ensuring fruitful compliance and governance. We continue to inculcate effective communication with our stakeholders' and helping us achieve our common goals and endeavours. Our department has been most influential yet least predictable in terms of raising funds, tracking compliance and governance and setting high business standards. Thus, EPS stands tall amongst all the competitors.

While leveraging and aligning the business standards, we thrive for excellent communication and information exchange with all our stakeholders to ensure transparency. Being proactive at disseminating information has not only helped us meet the expectation of our Investors' but also strive for excellence.

Given importance to communication has helped us determine the needs of our employees, guiding us to set effective future trends. Through our efficient and effective management and resources we have achieved most of our business goals and manage all our offerings leading to growth and development.

REFINING BUSINESS PROGRESS

Finance & Accounts



Looking back at 2015-16, EPS managed to gain confidence of lenders and financial market participants to fund its expansion plans. IFMR Capital sanctioned an amount of INR 20 crore along with MAS Financial, who sanctioned INR 10 crore unsecured facilities to fund working capital. Existing relationships with Kotak Mahindra Bank were leveraged for additional non-funded facilities. This helped the credit rating of the company upgraded to BBB by ICRA.

Majority stake in CISB ATM Services (P) Limited was acquired by the Company on 31 December 2015 making it a wholly owned subsidiary. The entity was later rechristened as EPS ATM Services (P) Ltd. The Company's capitalization was massively boosted with infusion of \$ 25 mn (INR 162 crore) of equity capital by UK based PE fund Apis Partners in January 2016.

With this, EPS continues to maintain a judicious capital structure and diverse lender base to fund ongoing expansion towards its journey of profitable growth. The Finance and Accounting Department at EPS functions as the central nervous system to the business in providing stability and growth towards business strategy, plans and funding.

REFORMING VALUES & EQUAL OPPORTUNITIES

Human Resources

Being a "people- focussed" department of the organisation, the Human Resources at EPS complies and co- ordinates the good will and harmony of its employees thus establishing a healthy work environment.



FY 2015- 16 was a dynamic year which talks about various innovative initiatives ranging from training programmes, employee pension schemes, CSR activities succumbing to a more enriching workforce culture. Employee engagement programmes in terms of Learning and Development were carried out, which mainly covered a varied layout in personality effectiveness, women empowerment, decision making, productivity and quality improvement, technical and transaction improvement, taxation etc. Moreover, the

department successfully rolled out the retiral benefit of National Pension Scheme, with key benefit features, wherein the minimum contribution is paid by the employer although the employees have a choice to contribute up to 10% of their basic salary. NPS also assures fixed pension earning post retirement.

All this has helped employee turnover reach an upside by 1.76%. In addition to the employee retainment programme, there was also a deep focus on gender equalities among employees. As of now, male to female ratio is 4:1 thereby creating more stickiness and employee satisfaction. Apart from festival celebrations and entertainment programmes, wellness camps have been organised on a quarterly basis.

A whole new set of HR policies were designed and implemented in the interest of employees with key benefits towards succession planning, maintaining work life balance, sexual harassment at workplace etc. Classroom trainings for sensitisation and education of employees drove participation numbers to rise effectively over the last FY.

EPS gives back, and is active in committing to the society and its employees, with various initiatives in their stride. As a part of Corporate Social Responsibility, EPS in association with NGOs had carried out awareness programs, fund raisers, charitable events etc. to support the society.

REVAMPING BRAND IMAGE & CORPORATE IDENTITY

Marketing Communications & Public Relations

As we step into the new financial year, the Communications team at EPS feels gratified with the support it has extended for



the corporate image and brand value. It is important that EPS is seen and heard in the banking fraternity and our management team is established and recognized as 'Thought Leaders' in the media and public opinion. This in turn increases the organization's visibility, reputation and brand value, supports sales, increases employment opportunities and enhances goodwill. These are all invaluable to the growth of the company and is the result of a continuous and effective

communication process.

The marketing department at EPS is passionate towards fulfilling similar objectives responsibly for growing revenue, increasing market share and contributing to company growth and profitability. It plays a vital role in promoting the business and mission of an organization, where it serves as the face of company, coordinating and producing all marketing

materials and representing the business.

The previous year had been a year of achievements, awards, recognition and celebration for our stellar working methodologies and unique innovative practices. With several prestigious titles and accolades, EPS became the first Indian board level member with ATMIA (ATM Industry Association), which is a global body in the ATM space. This had opened doorways to an extensive library of industry best practices, case studies, industry views, free educational webinars, networking opportunities to promote ATM convenience, growth and usage worldwide. This was followed by EPS winning the 'ATM Consultant of the Year 2015' award by a prestigious publication house Consultants Review, India.

EPS then went onto bagging 'India's Most Trusted Brand Awards 2015' which was a significant award in the category of 'India's Best Electronic Payment Services' by IBC InfoMedia Pvt. Ltd., (a division of USA TV News Corporation). The organisation has also been awarded the 'Best ATM Services Provider 2015' at Financial Inclusion & Payment Systems (FIPS) Conference & Awards, India, and 'Best ATM Managed Services Provider' at the Payment & Cards Awards Summit 2016, India. All these tributes earned more credibility when Mr. Mani Mamallan, Founder of EPS was acknowledged as 'The Architect behind Indian ATM Systems' and honoured with the 'Entrepreneur of the Year 2015' award by Silicon India.

There was no looking back after this. With endless vigour and momentum, EPS went further ahead and acquired 100% stake in CISB ATM Services Pvt. Ltd. in January 2016 and in March 2016 was renamed as EPS ATM Services Private Limited. This was culminated with EPS receiving an 'Award of Excellence' by Hughes Communication for deploying 5000 ATMs in the fastest time since company inception in March 2016, India.

Thus setting milestones and benchmarks, we look forward to creating more ground breaking crusades in fulfilling corporate marketing strategies and establishing an honorable and reliable name for the organization in the Indian ATM industry.

RESHAPING EXCELLENCE

Services



Being an integral and prime department at EPS, the services team holds dedication and determination to set real customer expectation in order to fulfill admirable end-user experience. FY 2015-16 was highly encouraging for EPS in getting 2 new orders from Bank of Baroda and Dena Bank towards our flagship service category of ATM outsourcing and operations. In furtherance to this, Canara Bank's ongoing project witnessed a huge success and EPS received the phase-II order for

additional 600 ATMs to be deployed pan India, after the effective rollout of 600 ATMs under phase 1. The prudent selection of geography and sites yielding a TPD (Transaction Per Day) of 125+ for Canara Bank made the project a highly successful venture.

EPS continues to focus on the TIP (Transaction Improvement Plan) which helps the company to improve the revenue as well as reduce the cost of operations.



REVOLUTIONISING INDUSTRY APPROACH

Technology

After an efficacious year, the Technology department at EPS observed excellent execution in terms of ATM deployment and Managed Services, thus leveraging strategic initiatives and taking EPS to new heights. Post making the Managed Services



live with 4000 plus ATMs for 21 PSU banks, EPS won two new projects from renowned financial institutes like Canara Bank and Dena Bank for ATM outsourcing services, thereby adding another 1000+ number to our Managed Services portfolio.

The Electronic Journal (EJ) Solution called “SmartX” conceived and created by the technology team went on to become live with 1000 plus ATMs, thus enabling EJ pulling services with

better transaction uptime and alleviating operational cost. It has further eased the team in terms of collection of transaction logs done by cardholders to a central repository.

The team under management’s sound governance and supervision, successfully ventured to the well thought plan of new technology solutions of new generation transaction switching. This was backed by the business collaboration with NCR Corporation for EPS’ ASP Switch thus enabling Switch Implementation Support from EPS towards NCR. This will further automate existing services like ATM monitoring, field activities and reconciliation encouraging enhanced comfort levels to our clients.

Auditors and Company Secretary

Company Secretary

Akansha Rathi and Associates

Subsidiary

EPS ATM Services Pvt. Ltd.

Statutory Auditor

Deloitte Haskins & Sells LLP

Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants, who are the statutory auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS LLP as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the sixth AGM to be held in the year 2017, subject to ratification of their appointment at every AGM.

Internal Auditor

Pricewaterhousecoopers Pvt. Ltd.

EPS has appointed Pricewaterhousecoopers Pvt. Ltd. to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the audit committee and the senior management. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in its operations such as service execution, accounting and finance, procurement, employee engagement, travel, insurance, technology and customer relationships.

EPS has an audit committee, which reviews audit reports submitted by the internal auditors. Suggestions for improvement are considered and the audit committee follows up on corrective action. The audit committee also meets EPS' statutory auditors to ascertain, inter alia, their views on the adequacy of internal control systems and keeps the board of directors informed of its major observations periodically.

Bankers & Financial Institutions

Banks

List of Lenders:

I) Banks:

1) Kotak Mahindra Bank Ltd.

Registered Office:

36-38A, Nariman Bhavan, 227 Nariman Point, Mumbai - 400 021

2) Bank of India

Address:

Nariman Point Large Corporate Branch, 92-93, Free Press House, 9th floor, Free Press Journal, 215, Nariman Point, Mumbai - 400 021

II) From Other Parties:

1) Rentworks India Private Limited

Address:

Gateway Plaza, 102-107, 1st Floor, Hiranandani Gardens, Powai, Mumbai - 400076

2) Tata Capital Financial Services Private Limited

Address:

Tower A 11th Floor, Peninsula Business Park, Ganpatrao Kadam Marg, Lower Parel, Mumbai - 400 013.

3) Jain Sons Fin Lease Limited

Address:

13-C, Techniplex-II IT Park, 6th Floor, Off Veer Savarkar Flyover, Goregaon (W), Mumbai - 400 062.

4) Rent Alpha Private Limited

Address:

1011, 11 Floor, Peninsula Park, Off Ansheri Link Road, Near Yash Raj Studios, Andheri (W), Mumbai.

5) RentAsset Initiatives Private Limited

Address:

205-B, Floral Desk Plaza, Road No 23, Off SEEPZ, MIDC, Andheri (East), Mumbai - 400 093.

6) Siemens Financial Services Private Limited

Address:

130, Pandurang Budhkar Marg, Worli, Mumbai - 400 018.

7) MAS Financial Services Ltd

Address:

6, Ground floor, Narayan Chambers, Behind Patang Hotel, Ashram Road, Ahmedabad – 380009

8) IFMR Capital Finance Private Ltd

Address:

10th Floor – Phase-1, IIT Madras Research Park, Kangam Village. Taramani, Chennai – 600113.

Investors



Aavishkaar Venture Management Services

Aavishkaar is a pioneer in early stage investing in the country and has been active in the space for over a decade. They believe that investing in early stage entrepreneurial ventures can not only deliver commercial returns, but also bring about significant efficiencies and developmental impact to rural and underserved communities. Aavishkaar has built a track record of high impact scalable enterprises in its portfolio that span across seven key sectors, namely Agriculture and Dairy, Education, Energy, Handicrafts, Health, Water and Sanitation, Technology for Development and Microfinance and Financial Inclusion.

Aavishkaar aims to harness the entrepreneurial spirit at the bottom of the pyramid to create inclusive economic development. They seek to empower disadvantaged and rural communities through infusion of commercial activities. Typically entrepreneurs who operate at the lower end of the economic spectrum are overlooked by financiers as they are categorized as being too small and risky.

They believe not only do these entrepreneurs have potential to create widespread impact on local communities through boosting local production and creating livelihood opportunities but also provide attractive commercial returns. Aavishkaar have taken it upon themselves to be the leaders of micro equity investments to create scalable small entrepreneurs with significant social impact.

Aavishkaar provides investment advice and support to the following four funds:

Aavishkaar I

Aavishkaar II

Aavishkaar Goodwill I

Aavishkaar Goodwill II



Asia Participation B.V. (FMO)

FMO (Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden N.V.) is one of the world's largest bilateral developmental financial institutions, providing financing solutions for private companies in some 60 developing countries. FMO is a sound financial institution with an AAA rating from Fitch Ratings and an AA+ rating from Standard & Poors.

FMO is the Dutch development bank and offer capital and knowledge as partners to companies, projects and financial institutions in developing countries and emerging markets. They believe that entrepreneurship is key in creating sustainable economic growth and improving people's quality of life. They specialize in sectors, where their contribution can have the highest long-term impact - financial institutions; energy and agribusiness, food & water. FMO finances entrepreneurs from developing countries because we believe a thriving private sector fuels economic and social progress.

Their mission is to empower entrepreneurs to build a better world. FMO's solid profile allows them to invest in higher risk markets, either with our their capital or on behalf of the Dutch government. Founded in 1970, FMO is a public-private partnership, with 51% of our shares held by the Dutch state, and 49% held by commercial banks, trade unions and other private-sector representatives.



apis | partners

APIS Growth 3 Ltd.

Apis Partners seek to invest in companies that engage in suitable Financial Services provision in Growth Markets to realise the market opportunity and social benefits that financial inclusion presents.

APIS promotes the adoption of Environmental, Social and Governance (ESG) principles throughout our portfolio and investment activities, a core tenet of which is financial inclusion. In developing our ESG policy, we have considered and adopted a range of codes and standards, including the United Nations-supported Principles for Responsible Investment, to which Apis is a signatory. ESG issues are incorporated at key stages of the investment lifecycle, from analysis and the decision making process, to ownership policies and practices, and are also promoted within the wider investment industry. Apis Partners' approach is based on the recognised value that rigorous ESG principles have in building enduring, high-quality relationships with partners and customers for sustainable value creation in Growth Markets and actively making a positive difference.

- GOAL
 - VISION
 - MISSION
 - STRATEGY
 - IMPLEMENTATION
 - SUCCESS
- 

CORE VALUES



“

To be the leading provider of technology solutions in the Retail Banking & Payments System.

”

VISION

“

To be a leading provider of banking and retail terminals (ATM/PoS) by providing cost effective banking and transaction related services and solutions.

To establish a dependable electronic payment network and be a differentiator in providing electronic payment services.

”

MISSION

Core Values

SERVICE

To understand, determine and deliver what our clients need, with a high standard of customer service and professionalism.

TRUST

We believe that trust and respect are essential for teamwork.

RELATIONSHIP

We believe in building strong relationships through transparency and fairness in all our dealings.

INTEGRITY

We are committed to a high standard of integrity .

VALUE PEOPLE

We value every member of our team and encourage their development.

EXCELLENCE

We strive to excel always.



OVERVIEW OF THE ATM INDUSTRY IN INDIA

Though the growth of ATMs in developed countries have been saturated, there is a lot of room for the growth of ATM industry in emerging countries such as India. India is one amongst Asia's largest ATM markets thanks to the nation's high economic growth rate of 7%. The fact that it is the world's second most populous country with 1.3 billion people underlines the huge potential of the market. The number of ATMs deployed in India increased from 17,000 ATMs in March 2005 to 1.8 lakh ATMs in March 2015. The number of ATMs deployed in India is expected to reach 2.75 lakhs by the end of 2016. Further, it was expected that by 2021, there would be 5,50,000 ATMs in India. It is further expected to witness a high growth curve given the financial inclusion impetus of the Government of India.

ATMs which were mere cash dispensing machines evolved significantly to provide wide range of offerings to increase the convenience of customer. The saga continued with the increasing list of financial as well as non-financial offerings such as balance enquiry, PIN change, cheque book requisition, checking and printing mini statements, depositing cash and cheques, bill payments, mobile recharging, ticketing, delivering pre-approved loans, gold-exchange, and being a games kiosk. With the breakthrough availability of ATM transactional services 24/7 across multiple locations, ATM industry underwent major transformation and consequently ATM as a delivery channel assumed greater significance. Even currently non-financial transactions at ATMs are seeing higher traction, especially on the NPCI platforms, from 812.22 million in FY 2014-15 to 1498.52 million in financial year 2015-16. These transactions include a bulky layer of balance enquiries, mini statement, mobile number registration, apart from Aadhar status verification and account verification. Non-financial transactions introduced at ATMs would see more traction in 6-9 months as they are allowing customers to fulfil their banking requirements like opening accounts or applying for loans without visiting the bank branch thereby lowering customer servicing costs.

Most of the growth was concentrated in urban areas where the ATM services were heavily utilized. As the business prospered well in urban areas, majority of the players concentrated in urban areas, semi-urban and rural areas. This resulted in rapid growth of ATMs per million population increased from 105 in 2012 to 189 by the end of August 2015 which is a 27% CAGR growth. There was also an increase in the number of ATMs in rural and semi-urban India although ATMs were still predominantly present in urban and metropolitan areas. In 2015, 44% of ATMs in India were in rural and semi-urban areas. As the financial inclusion drive was predominantly meant for rural areas, there was an increase in the percentage of ATMs deployed in rural and semi-urban areas during 2013-2015 while there was a decline in the percentage share of ATMs deployed in urban and metropolitan areas. Introduction of White Label ATMs also contributed to the further growth of the Indian ATM outsourcing industry. The number is further expected to reach up to 300 ATMs per million population by 2017.

Rise of the ATM machines

Digital transactions may have rendered regular bank branches redundant, but the inability of elderly to adapt to new technology and lack of supporting infrastructure, especially the internet pose a major challenge. The infrastructural challenges with limited penetration of smartphones and availability of internet and data in the far-flung areas of the country and increasing online frauds, will continue to push the envelope for the ATM sector. Thus, the number of ATMs is likely to increase from the present 215,000 to 450,000 by the year 2018-19, anticipate banking industry stalwarts.

Growth in the ATM industry in the country is promising with many banks issuing orders to install ATMs, 15,000 of which would be in FY 2016-17. This growth is also supported by an increase in path breaking innovations in ATMs such as Biometric, IRIS identification, fingerprint scanning and braille function keys. The growth in transactions, would stem from non-metros and villages in the wake of increased proliferation of ATMs in the rural areas. The functionality is improving to eradicate security concerns in lieu of card fraud and skimming cases.

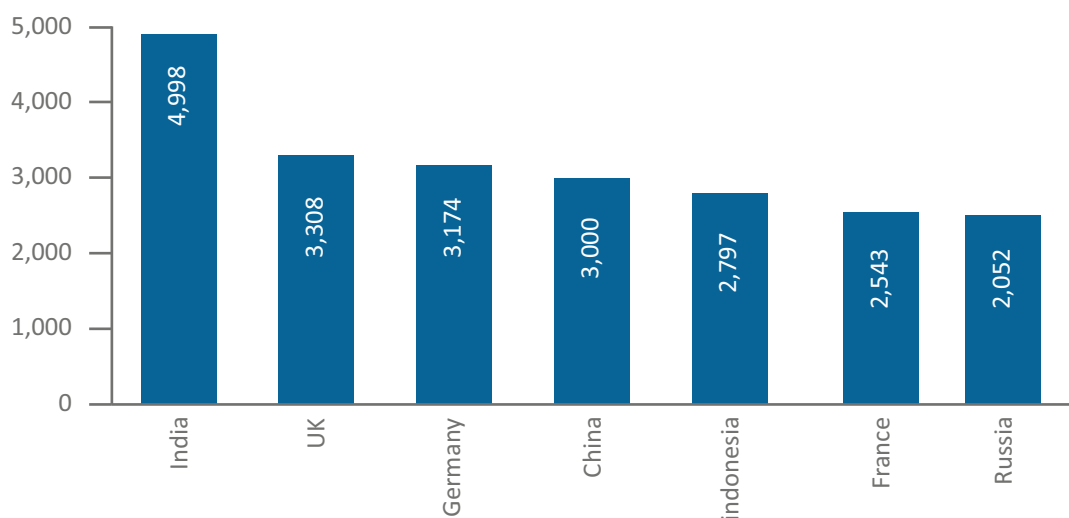
The types of transactions at ATMs would revolutionise too as the underlying technology used would undergo dramatic change. Card-enabled transactions would move to card less transactions. ATMs are not going to be the conventional ATM as in a short span of time card less transactions, NSC-enabled and QR Code-based transactions would drive transactions at mobile-enabled, Aadhar-enabled ATMs, which would use biometric authentication. Card less transactions would reduce fraud such as cases of skimming and some element of mischief by hackers would be warded off. With the RBI giving banks a free hand to extend all their banking products and services through their ATMs in 2016, banks are offering pre-approved loans, cards and other products through the ATMs.

Indian ATMs the most heavily used in Asia

Demand for cash from ATMs in Asia Pacific is growing dramatically as the banked population expands. The value of cash withdrawn from ATMs in eleven major Asia-Pacific markets has soared by 50% since 2011. In 2015 alone, the value of cash withdrawals grew by more than 15% in the Philippines, Vietnam, Indonesia and India. Many of the region's economies are cash-intensive, and financial inclusion programmes are bringing large numbers of previously "unbanked" people into the banking system, adding to demand.

The number of customer visits to ATMs – measured by the number of cash withdrawals – is also rising sharply in much of Asia-Pacific. The fastest growth rates are in the Indian sub-continent (India, Pakistan and Bangladesh), where there are still low numbers of ATMs compared to the population, and Indonesia, where density is higher, but where a higher percentage of the population can access ATMs.

RBR's research found that, in 2015, an average of 5,000 withdrawals per month were made from each Indian ATM – more than in any other Asia-Pacific country surveyed. This pressure on the country's ATM infrastructure has led the government to encourage new companies into the ATM sector, to boost the number of machines. Other markets with high transaction volumes are the Philippines and Malaysia, where ATMs are used more than 4,500 times a month on average.



Economic difficulties result in strong demand for cash

According to Richard Canday, Associate Vice President, Corporate Communications and Public Relations: "Consumer behaviour varies widely across Asia, but the demand for cash remains strong, and can be driven upwards by economic uncertainty. The runaway growth seen in many Asian markets is set to continue for the foreseeable future, and the key challenge for banks there is getting enough ATMs installed to deliver cash to their customers."

Governance Report : FY 2015 – 2016

Introduction

Corporate Governance, as per benchmark practice, is an ethically driven business process that is committed to the values aimed at enhancing an organisation's wealth generating capacity. Thus, it forms one of the significant pillars of any efficient and growing organisation. At EPS, we consider “Being a differentiator in providing services” as a part of our vision. Thus for us, Good Governance is an important pillar along with our principal business operations.

The Company's philosophy on corporate governance is founded upon a rich legacy of fair, ethical and transparent governance practices. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of regulators, employees, customers, vendors, investors and the society at large. The framework we follow for compliance is compatible with the Domestic Standards and best industry practices.

For the same, we ensure to make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

As a part of the above practice, EPS has formed a Governance team, led by the President – Governance.

The Governance team works in coordination with the Process Excellence, Auditors, Company Secretary as well as other technical, Operations, Legal & Risk experts to ensure the comprehensive fulfilment of such framework.

At present EPS is covered by the following legal statutes and regulatory frameworks on the basis of the operations and demographics wherein we operate:

(I) Union Legislature:

1. Reserve Bank of India Act, 1934
2. The Companies Act, 2013, along with the applicable provisions of erstwhile Companies Act, 1956
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4. Finance Act, 1994 (Applicable Chapters)
5. Foreign Exchange and Management Act, 1999
6. Central Sales Act, 1956
7. Sexual Harassment Of Women At Workplace (Prevention, Prohibition And Redressal) Act, 2013
8. Food and Safety Standards Act, 2006

(II) State Legislature

1. Maharashtra Value Added tax Act, 2002
2. Local Body Tax as per relevant Municipal Corporations
3. Bombay Shops & Establishments Act, 1948

(III) Labour Laws

1. Employees Provident Funds Scheme, 1952
2. Contract Labour (Regulation and Abolition Act, 1970
3. Payment of Gratuity Act, 1972
4. Sexual Harassment Of Women At Workplace

(Prevention, Prohibition And Redressal) Act, 2013 5.

Profession Tax Act, 1975

In order to ensure compliance with all the above mentioned legislatures, we have for media comprehensive manual for the same. Also, all the teams within the organisations, handling specialised relevant regulations by providing timely information and extending connectivity.

As a part of further strengthening corporate governance, EPS has established Risk Control Matrix for Financial Reporting. Standard Operating Procedures (SoP) are now revised to reflect end-to-end scenarios and industry standard practices and procedures. Thus, Refurbished control environment is now enabling optimal governance and assurance.

During FY 2015-2016, EPS renewed its ISO 9001:2008 Quality Management Systems Certificate – issued by Absolute Quality Certification Pvt. Ltd. Continuing the journey of governance, EPS is pursuing The Payment Card Industry Data Security Standard (PCI DSS) and ISO 27001:2013 Information Security Management certifications in near future.

For the Financial Year 2015 – 2016, we have complied with all the relevant provisions of the legislations covered above & as applicable from time to time. All the teams within the organisations, handling specialised functionalities, support for the compliance of the relevant regulations by providing timely information and extending connectivity. Further, we have formed various committees and sub committees, and policies as a part of Corporate Governance such as:

1. Compensation Sub Committee
2. Audit and Risk Committee
3. Business and Operations Committee
4. Finance Sub Committee

At EPS, we aim to accomplish the stature of an organisation that people can put their trust into. We, thus, continue to strive towards achieving the endeavour of thorough and state-of-the-art Corporate Governance.



DIRECTORS' REPORT

To,
The Members of,
Electronic Payment and Services Pvt Limited

Your Directors have pleasure in presenting the 5th Annual Report together with the Audited Standalone and Consolidated Statement of Accounts for the year ended 31st March, 2016.

FINANCIAL RESULTS:

Particulars	Year Ended on 31 Mar 2016 (Standalone)	Year Ended on 31 Mar 2015 (Standalone)	Year Ended on 31 Mar 2016 (Consolidated)
Income	1,713,707,073	1,294,028,158	1,717,296,629
Expenditure	1,519,519,730	1,175,617,214	1,522,227,053
Profit / Loss before Depreciation	194,187,343	118,410,944	195,069,576
Less: Depreciation	349,953,653	279,506,225	349,953,653
Profit / Loss Exception / Prior Period Items	(155,766,310)	(161,095,281)	(154,884,077)
Less: Provisions for Taxation	-	-	324,242
Less : Provision For Deferred Tax Liability	-	-	-
Profit & Loss from Discontinuing Operations	-	-	-
Profit / Loss After Tax	(155,766,310)	(161,095,281)	(155,208,319)

Since this is the first year of consolidation, comparable numbers for pervious year are not available.

REVIEW OF THE BUSINESS OPERATIONS:

STANDALONE:

During the Year Company recorded a total income of Rs. 1,713,707,073/- as compared to Rs. 1,294,028,158/- in the previous financial year. The Company has incurred a net Loss of Rs. 155,766,310 /- during the year as compared to Loss amounting to Rs. 161,095,281/- during previous financial year.

CONSOLIDATED:

During the Year Company recorded a total income of Rs. 1,717,296,629/-. The Company has incurred a net Loss of Rs. 155,208,319/- during the year.

DIVIDEND:

In a view of the accumulated loss, the Board does not recommend any dividend during the years under review.

GENERAL REVIEW:

The Company acquired 7400 equity shares of M/s. EPS ATM SERVICES PRIVATE LIMITED (Formerly known as CISB ATM SERVICES (P) LIMITED from CIS BUREAUS FACILITY SERVICES PRIVATE LIMITED thereby making the Company a Holding Company of M/s. EPS ATM SERVICES PRIVATE LIMITED.

CORPORATE SOCIAL RESPONSIBILITY:

The Company has not developed and implemented any Corporate Social Responsibility initiatives as the provisions of Section 135 of the Companies Act, 2013 pursuant to Corporate Social Responsibility are not applicable to the Company.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company pursuant to the requirements of Section 134(3)(c) of the Companies Act, 2013, hereby confirm:

- 1) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- 2) That the Directors have selected accounting policies and applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company as at March 31st, 2016 and of the profit of the Company for the year ended on that date;
- 3) That the Director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Director had prepared annual accounts on a going concern basis.
- 5) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loan given during the year under review. The details of investment made during the year under review is covered under the provisions of Section 186 of the Companies Act, 2013 during the year under review are given in the Note No. 12 given to the financial statement of the Company.

DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES.

It is not proposed to carry any amount to any reserves from the profits of the Company. Hence, disclosure under Section 134(3)(j) of the companies act, 2013 is not required.

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

PARTICULARS REGARDING ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGOINGS:

The information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Disclosure of

particulars in the Report of Board of Directors) Rules, 1988, with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the “Annexure A” enclosed.

DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There are no significant material orders passed by the Regulators / Courts / Tribunal which would impact the going concern status of the Company and its future operations. Hence, disclosure pursuant to Rule 8 (5) (vii) of Companies (Accounts) Rules, 2014 is not required.

DETAILS IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS PURSUANT TO RULE 8 (5) (viii) OF COMPANIES (ACCOUNTS) RULES, 2014:

The Company's Internal Financial Control Systems are adequate and operating effectively in all material respects and are commensurate with the size of its business operations.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES MADE PURSUANT TO SECTION 188 OF THE COMPANIES ACT, 2013

The details of the contracts or arrangements that have been made with related parties pursuant to Section 188 of the Companies Act 2013 are provided in the Annexure-D “AOC-2”.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in Annexure B “MGT-9”.

DETAILS OF SUBSIDIARY COMPANY

As on March 31, 2016, the Company has a Wholly Owned Subsidiary i.e EPS ATM SERVICES PRIVATE LIMITED (Formerly known as CISB ATM SERVICES (P) LIMITED). Details of the said Subsidiary are given in the Annexure C “AOC-1”

SHARE CAPITAL

Brief details of the Share Capital are given under the Note No. 3 to the Financial Statement of the Company.

CONSOLIDATED FINANCIAL STATEMENT

The Consolidated Financial Statement of the Company and its subsidiary, prepared in accordance with Accounting Standard 21 issued by Institute of Chartered Accountants of India, form part of the Annual Report and is reflected in the consolidated financial statement of the Company.

AUDITORS:

M/S. DELOITTE HASKINS & SELLS LLP, CHARTERED ACCOUNTANTS, firm registration number 117366W/W1000-18 situated at Indiabulls Finance Centre, Tower 3, 27th-32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-13, were appointed as the Statutory Auditors of the company in AGM held on 12th August, 2014 for three Consecutive year, subject to ratification at every Annual General Meeting. Accordingly, their appointment is proposed to be ratified in the ensuing AGM. They have given their eligibility & consent for the proposed ratification.

EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS

MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS

Other than matter referred below, there was no qualification, reservation or adverse remark made by the Auditors in their report on the Standalone and Consolidated Financial Statements.

With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, the Auditor expressed a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

In this connection, the directors wish to state that FY16 was the first year for the Statutory Auditor to comment on the control environment as per provisions of Section 143(3) of the Companies Act, 2013. According, the company has taken steps for structured documentation of the various controls and testing their operating effectiveness. Certain weakness and areas of improvement have been identified in the course of audit. Sufficient steps are being taken to put these in operation.

The provisions of Section 204 of the Companies Act, 2013 relating to submission of Secretarial Audit Report is not applicable to the Company.

COMPANY'S POLICIES RELATING TO DIRECTORS & KEY MANAGERIAL APPOINTMENT, PAYMENT OF REMUNERATION & DISCHARGE OF THEIR DUTIES:

Mr Udayan Goyal was nominated by Apis Growth III as Director of the Company with effect from 19 January 2016. Other than the aforesaid, there has been no change in the composition of the Board & Key Managerial Personnel during the year under review. The provisions of Section 178(1) of the Companies act, 2013 relating to Nomination & Remuneration Committee are not applicable to the Company hence the Company has not devised any policy relating to appointment of Directors, Key Managerial Personnel, payment of managerial Remuneration, Directors Qualifications, Independence of Directors and other related matters as provided under Section 178(3) of the Companies act, 2013.

PARTICULARS OF EMPLOYEES:

The Company has appointed employee in receipt of remuneration aggregating to Rs. 1.2 Crores p.a. or more or who was employed for part of the year and in receipt of remuneration aggregating Rs. 8.5 lacs p.m. or more and following are the disclosures in this regard:

SR. NO.	PARTICULARS	DETAILS
1	Name	Mr. Mani Mamallan
2	Designation	Managing Director
3	Joining Date	06/08/2012
4	CTC Per Annum	1.25 Crores
5	Qualification	B.Sc.
6	DOB	27/03/1961
7	% of Equity Shares	0
8	Relatives of any Director or Manager	N.A

DECLARATION OF INDEPENDENT DIRECTORS

The Company being a Private Limited Company, the provisions of Section 149 pertaining to the appointment of Independent Directors are not applicable.

BOARD MEETING:

During the financial year 2015-16, the Board met Thirteen times (13) times on 23/04/2015, 08/05/2015, 11/05/2015, 18/05/2015, 16/06/2015, 05/09/2015, 14/09/2015, 24/09/2015, 28/10/2015, 06/11/2015, 06/01/2016, 19/01/2016 and 05/02/2016.

SEXUAL HARRASSMENT POLICY

The Company has devised a sound Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 with the proper composition of Members.

COMPLIANCE WITH INSTRUCTIONS OF DOWNSTREAM INVESTMENTS BY INDIAN COMPANIES

In connection with downstream investment made by the Company in EPS ATM Services Private Limited (Formerly known as CISB ATM Services Private Limited) during the year ending March 31, 2016, the Statutory Auditor has issued certificate for compliance with requirements contained in Reserve Bank of India Circular RBI/2013-14/117 A.P. (DIR Series) Circular No. 1 dated July 4, 2013 ('the Circular') as amended from time to time.

The Statutory Auditor has certified that:

- The Company has made a downstream investment on December 31, 2015. However, the Company has notified to SIA, DIPP and FIPB on July 19, 2016 ie. after 30 days of its downstream investment and accordingly a compounding application has been made to Compounding Authorities of Foreign Exchange Department on August 5, 2016 for condoning the delay in filing the application;
- The Company has passed a board resolution dated September 14, 2015 approving downstream investment in EPS ATM Services Private Limited;
- The Company has obtained the valuation report from Katre Barwe & Associates dated July 11, 2016. The

valuation report states the value of downstream investment at Rs 14.28 crores, however the Company has invested in the downstream investment at Rs. 29.11 crores;

d) The Company has obtained requisite foreign funds through issue of Series C Compulsory Convertible Preference Shares from investors outside India amounting to Rs. 29.94 crores. The Management has represented to us, that these borrowings were utilized for the purpose of downstream investment.

e) The Company has complied with conditions stated in Consolidated FDI Policy Circular 2015 dated May 12, 2015 as regards conditions of no indirect foreign investment in prohibited sector, entry route and sectoral cap.

DISCLOSURE OF THE AMOUNT RECEIVED FROM ITS DIRECTORS/RELATIVES OF DIRECTOR AS A LOAN DURING THE YEAR UNDER REVIEW

The Company has not received any amount from its Directors or Relatives of director as Loan during the period under review.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Company has established a vigil mechanism pursuant to Section 177(9) and oversees it through Mr. Mani Mamallan, Managing Director since audit committee is not applicable to the Company. The Company has also provided adequate safeguards against victimization of employees and Directors who express their concerns.

EMPLOYEE STOCK OPTIONS

The Shareholders of the Company in the Annual General Meeting held on 12th August, 2014 had approved the Employee Stock Option Scheme (ESOP), 2014. In this connection the following are the disclosures required as per Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014.

(a) Options Granted:- 1,300

(b) Options Vested:- 16,650

(c) Options Exercised:- Nil

(d) The Total Number of Shares arising as a result of Exercise of option:- Nil

(e) Options Lapsed:- Nil

(f) The exercise price:- Rs 10/- per share

(g) Variation of terms of options:- Nil

(h) Money realized by exercise of options:- Nil

(i) Total Number of options in force to- 1,300

(j) Employee wise details of options granted to:-

i) Key managerial Personnel

ii) Any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.

iii) Identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;

Name	No. of options
Mr. Mahesh Gaitonde	150
Mr. Bharat Panchal	150
Mr. Farroukh Kolah	250
Mr. Rohit Jain	150
Mr. Mahesh Panchal	150
Mr. Nitin Gaonkar	150
Ms. Pradnya Bagade	150
Mr. Vaibhav Puranik	150

DEPOSIT:

The company has not accepted any fixed deposit within the meaning of section 73 of The Companies Act, 2013 and rules made there under from the public.

ACKNOWLEDGEMENT:

Your Directors would like to express their sincere appreciation to the Banks & the company's valued investors for their continued co-operation & support. Your Company also take this opportunity to acknowledge the dedicated efforts made by staff and officers at all level for their contribution to the company.

**FOR AND ON BEHALF OF THE BOARD OF
M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED**



Mr. Mani Mamallan
Chairman & Managing Director
(DIN: 03584512)



Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 12 August 2016

ANNEXURE “A” to Directors’ Report for the Financial Year Ended on 31st March, 2016

Particulars Required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014.

a) CONSERVATION OF ENERGY -

- i) The steps taken of impact on conservation of energy: - NIL
- ii) The Steps taken by the Company for utilizing alternate resources: -NIL
- iii) The Capital investment on energy conservation equipment’s: - NIL

b) TECHNOLOGY ABSORPTION -

- i) The efforts towards technology absorption: - NIL
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution: - NIL
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the Financial Year: - NIL
- iv) The expenditure incurred on Research & Development: - NIL

c) FOREIGN EXCHANGE EARNING AND OUTGO -

Details of Foreign Earnings

Particulars	Current Year (FY 2015-16) (Amount Rupees)	Previous Year (FY 2014-15) (Amount Rupees)
Export of Goods calculated on FOB Basis	Nil	Nil
Interest and dividend	Nil	Nil
Royalty	Nil	Nil
Know-how	Nil	Nil
Professional and Consultancy fees	Nil	Nil
Other Income	Nil	Nil
Total earning in foreign exchange	Nil	Nil

Details of expenditure in foreign exchange:

Particulars	Current Year (FY 2015-16) (Amount Rupees)	Previous Year (FY 2014-15) (Amount Rupees)
Import of Capital Goods calculated on CIF Basis:		
(i) raw material	Nil	Nil
(ii) component and spare parts	Nil	Nil
(iii) capital goods – Software Purchase	Nil	Nil
Expenditure on account of:	Nil	Nil
Royalty	Nil	Nil
Know-how	Nil	Nil
Professional and Consultancy fees	Nil	Nil
Interest	Nil	Nil
Other matters/Foreign travel	11,17,222	27,99,390
Dividend paid	Nil	Nil
Total expenditure in foreign exchange	Nil	Nil

FOR AND ON BEHALF OF THE BOARD OF
M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED



Mr. Mani Mamallan
Chairman & Managing Director
(DIN: 03584512)



Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 12 August 2016



Annexure “B”

Extract of Annual Return as on financial year ended 31.03.2016

[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 7.10(1)]

I. REGISTRATION AND OTHER DETAILS:

1	CIN Number of the Company:	U72300MH2011PTC222535
2	Registration Date:	29th September, 2011
3	Name of the Company:	ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
4	Category/ Sub-category of the Company:	Private Company Limited by Shares
5	Address of Registered office and contact details:	518 – 535, F Wing, 5th Floor Solaris – I, Saki Vihar Road, Andheri (East), Mumbai - 400 072, Phone: 022 28777391 Fax: 022 28777391 Email id: mani@electronicpay.in
6	Whether listed company:	Yes / No
7	Name, Address and contact details of Registrar and Transfer Agent :	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

All the business activities contributing to 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the product/ service	Percentage to total turnover of the company
1	Repair and maintenance of automated terminals like automatic teller machines, point-of-sale (POS) terminals, not mechanically operated	95112	100%

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage of shares held	Applicable Section
1	EPS ATM SERVICES PRIVATE LIMITED Add: 518 – 535, F Wing, 5th Floor, Solaris – I, Saki Vihar Road, Andheri (East), Mumbai – 400 072	U74120MH2012PTC234605	Wholly-Owned Subsidiary	99.99%	2(46)

IV. SHARE HOLDING PATTERN (EQUITY)

V. SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I. CATEGORY WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	131250	131250	37.78	0	131250	131250	23.12	(14.66)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-									
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-									
	0	131250	131250	37.78	0	131250	131250	23.12	(14.66)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)									
	0	0	0	0	0	0	0	0	0
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	0	8459	8459	2.43	0	8459	8459	1.48	(0.95)
(ii) Overseas	0	207718	207718	59.79	0	428166	428166	75.40	15.61
b) Individuals	0	0	0	0	0	0	0	0	0

IV. SHARE HOLDING PATTERN (EQUITY

V. SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i. CATEGORY WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	216177	216177	62.22	0	436625	436625	76.88	14.66
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	347427	347427	100	0	567875	567875	100	-
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	347427	347427	100	0	567875	567875	100	-

ii. SHAREHOLDING OF PROMOTERS :

Sr. No	Name of the shareholder	As on 01.04.2015			As on 31.03.2016			% change in shareholding during the year
		Number of shares held	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	Number of shares held	% of total Shares of the company	% of Shares Pledged / encumbe red to total shares	
1.	Vidya Rani Mani Mamallan	90000	25.90	0	90000	15.85	0	(10.05)
2.	Sanjay Kapoor	26250	7.56	0	26250	4.63	0	(2.93)
3.	Dr. Gurusamy	15000	4.32	0	15000	2.64	0	(1.68)
		131250	37.78	NIL	131250	23.12	NIL	(13.66)

iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No	Name of the shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2015		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Vidya Rani Mani Mamallan		At the beginning of the year	90000	25.90	90000	25.90
<p style="text-align: center;">During the year New Equity Shares were allotted to new allottee due to which percentage shareholding came down except this no new shares were allotted to or transferred from Promoters</p>							
			At the end of the year	90000	15.85	90000	15.85
2.	Sanjay Kapoor		At the beginning of the year	26250	7.56	26250	7.56
<p style="text-align: center;">During the year New Equity Shares were allotted to new allottee due to which percentage shareholding came down except this no new shares were allotted to or transferred from Promoters</p>							
			At the end of the year	26250	4.63	26250	4.63
3.	Dr. Gurusamy		At the beginning of the year	15000	4.32	15000	4.32
<p style="text-align: center;">During the year New Equity Shares were allotted to new allottee due to which percentage shareholding came down except this no new shares were allotted to or transferred from Promoters</p>							
			At the end of the year	15000	2.64	15000	2.64

iv. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):- GIVEN IN THE ANNEXURE-1

v. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No	Name of the shareholder	Reason	Shareholding at the beginning of the year		Shareholding at the beginning of the year	
			No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Mani Mamallan	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
2.	Sanjay Kapoor	At the beginning of the year	26250	7.56	26250	7.56
		At the end of the year	26250	4.63	26250	4.63
3.	Vineet Rai	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
4.	Noshir Colah	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
5.	Udayan Goyal	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
6.	Farroukh Kolah	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0

VI. INDEBTEDNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment(Amounts in Rupees)

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	1,372,630,966	0	0	0
i) Principal Amount				
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not Due				
Total(i+ ii+ iii)		0	0	0
Change in Indebtedness during the financial year				
• Addition	62,481,224	0	0	0
• Reduction				
Net Change	62,481,224	0	0	0
Indebtedness at the end of the financial year	1,435,112,190	0	0	0
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total(I + ii + iii)	1,435,112,190	0	0	0

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

Sr. No	Particulars of Remuneration	Name of MD/ WTD/Manager				Total Amount (Rs)
		Mani Mamallan	--	--	--	
1.	Gross salary	12500000	-	-	-	12500000
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961					
	(b)Value of perquisite/s 17(2)Income-tax Act,1961					
	(c)Profits in lieu of salary undersection17(3)Income - taxAct,1961					
2.	Stock Option					
3.	Sweat Equity					
4.	Commission					
	- as% of profit					
	- others, specify...					
5.	Others, please specify					
	Total(A)	12500000	-	-	-	12500000
	Ceiling as per the Act					

B. REMUNERATION TO OTHER DIRECTORS:

Sr. No	Particulars of Remuneration	Name of Directors				Total Amount (Rs)
		--	--	--	--	
	Independent Directors					
	Fee for attending board committee meetings					
	• Commission					
	• Others please specify					
	Total(1)					
	Other Non-Executive Directors					
	• Fee for attending board committee meetings					
	• Commission					
	• Others,pleasespecify					
	Total(2)					
	Total(B)=(1+2)					
	Total Managerial Remuneration					
	Overall Ceiling as per the Act					

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs)
		CEO	Company Secretary	CFO	
1.	Gross salary	-	-	4000000	4000000
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961				
	(b)Value of perquisite/s 17(2)Income-tax Act,1961				
	(c)Profits in lieu of salary undersection17(3)Income - taxAct,1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit-others, specify...				
5.	Others, please specify				
	Total	-	-	4000000	4000000

VII. Penalties/ Punishment/Compounding of offense- NIL

**FOR AND ON BEHALF OF THE BOARD OF
M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED**



Mr. Mani Mamallan
Chairman & Managing Director
(DIN: 03584512)



Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai

DATE : 12 August 2016

ANNEXURE 1:-

Shareholder name	Equity	Series B CCPS (conversion 1:1)	Series C CCPS (58.3755 Series C=1 Equity share)	Total Shareholding	Percentage Holding
Aavishkaar India II Company Ltd	70,953	63,590	19,90,418	21,24,961	37.18
Aavishkaar Goodwell India Microfinance Development Company II Ltd	71,340	25,161	4,98,438	5,94,939	10.41
Aavishkaar Venture Management Services P Ltd	564	351	10,619	11,534	0.20
Asia Participations B.V. (FMO)	65,425	58,635	25,00,525	26,24,585	45.92
CIS Bureaus Facility Services Pvt Ltd	7,895			7,895	0.14
Smt. Vidya Rani Mani Mamallan	90,000			90,000	1.57
Mr. Sanjay Kapoor	26,250			26,250	0.46
Dr.Ramakrishnan Gurusamy	15,000			15,000	0.26
Apis Growth 3 Ltd	2,20,448			2,20,448	3.86
Total	5,67,875	1,47,737	50,00,000	57,15,612	100

FOR AND ON BEHALF OF THE BOARD OF
M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED



Mr. Mani Mamallan
Chairman & Managing Director
(DIN: 03584512)



Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 12 August 2016

Annexure “C”

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “A”: Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in Rs.)

SR. No	Particulars	Details
1	Name of the subsidiary	EPS ATM Services Private Limited (Formerly known as CSIB ATM Services Pvt. Ltd.)
2	Reporting period for the subsidiary concerned, if different from the holding company’s reporting period	1st April 2015- 31st March 2016
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Rupees
4	Share capital	Rs. 1,00,000/-
5	Reserves & surplus	Rs. 4,42,185.09/-
6	Total assets	Rs. 35,88,52,140.93/-
7	Total Liabilities	Rs. 35,83,09,955.84/-
8	Investments	NIL
9	Turnover	Rs. 1,40,97,88,294/-
10	Profit before taxation	Rs. 1,30,84,793.60/-
11	Provision for taxation	Rs. 43,58,774/-
12	Profit after taxation	Rs.87,26,019.60/-
13	Proposed Dividend	NIL
14	% of shareholding	99.99%

Notes: The following information shall be furnished at the end of the statement:

- Names of subsidiaries which are yet to commence operations - NIL
- Names of subsidiaries which have been liquidated or sold during the year

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	NA	NA	NA
Name of associates/Joint Ventures			
Latest audited Balance Sheet Date			
Shares of Associate/Joint Ventures held by the company on the year end No.			
Amount of Investment in Associates/Joint Venture			
Extend of Holding%			
Description of how there is significant influence			
Reason why the associate/joint venture is not consolidated			
Net worth attributable to shareholding as per latest audited Balance Sheet			
Profit/Loss for the year			
i. Considered in Consolidation			
ii. Not Considered in Consolidation			

- Names of associates or joint ventures which are yet to commence operations.
- Names of associates or joint ventures which have been liquidated or sold during the year.

**FOR AND ON BEHALF OF THE BOARD OF
M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED**



Mr. Mani Mamallan
Chairman & Managing Director
(DIN: 03584512)



Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 12 August 2016

Annexure “D”

FORM NO. AOC - 2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014.

Form for Disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013 including certain arm’s length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm’s length basis. - Nil

2. Details of contracts or arrangements or transactions at Arm’s length basis.

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	EPS ATM SERVICES PRIVATE LIMITED (Formerly known as CISB ATM Services Pvt. Ltd.) - Common Director Mr. Mani Mamallan
b)	Nature of contracts / arrangements / transaction	One time 1)Share Purchase Agreement 2) Escrow Agreement 3)Release Agreement 4) Waiver & Termination Agreement
c)	Duration of the contracts / arrangements / transaction	Not applicable
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	As per the Share Purchase Agreement dated 23rd Dec, 2015 EPS shall purchase 74% of the total paid-up share capital of the Company which is earlier held by M/s CIS Bureaus Facility Services Private Limited subject to terms & conditions in the Agreement.

As per Escrow Agreement, dated 23rd Dec, 2015, Kotak Mahindra Bank Limited has been appointed as an Escrow Agent in relation to Escrow Property and to avail all the services provided by an escrow agent. This Agreement is executed simultaneously with the Share Purchase Agreement.

As per Release Agreement dated 23rd Dec, 2015, CISB Bureaus, Mr. Krishna Pimple & Mrs. Sneha Pimple Directors of CISB Bureaus, release and discharge Mr. Mani Mamallan, MD of the EPS, Mr. Sanjay Kapoor, Mr. Noshir Dady Colah, Mr. Vineet Rai, Directors of EPS & Mr. Farroukh Kolah, CFO of EPS from all the future liabilities, interests, claims damages, expenses in connection with the CISB & their Directors, Employees may come across.

As per Waiver & Termination Agreement dated 23rd Dec, 2015 the Joint Venture Agreement dated 3rd September, 2012 between EPS + CISB ATM Services Private Limited + CISB Bureaus stand terminated without further liabilities obligations to each party and Consortium Agreement dated 11th September, 2012 is terminated with reference to CISB ATM

e)	Date of approval by the Board	6thNovember 2015
f)	Amount paid as advances, if any	Nil

FOR AND ON BEHALF OF THE BOARD OF
M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED


Mr. Manish Chandra
Chairman & Managing Director
(DIN: 03584512)


Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 12 August 2016

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRONIC PAYMENTS AND SERVICES (P)VT. LTD.

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91(022) 6185 4501/4601

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act, as applicable. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



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We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditor in terms of their report referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of the subsidiary company, whose financial statements reflect total assets of Rs. 35,88,52,141 as at 31st March, 2016, total revenues of Rs. 140,97,88,294 and net cash flows amounting to Rs. 3,32,370 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.



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Report on Other Legal and Regulatory Requirements

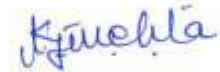
1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses a qualified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding company and its subsidiary company incorporated in India.
 - 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 26 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts, including derivative contracts.



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary company incorporated in India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J Mehta
Partner
(Membership No. 48791)

MUMBAI, 12th August, 2016

**Deloitte
Haskins & Sells LLP**

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2016, we have audited the internal financial controls over financial reporting of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies 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 its business, including adherence to the respective 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding company and its subsidiary company based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditor of the subsidiary company, which is company incorporated in India, in terms of its report referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Holding Company's internal financial controls over financial reporting as at 31st March, 2016:

- a) The Holding Company did not have an appropriate internal control system for assets sold and leased back under sale and lease back arrangement viz-a-viz assets given as security against borrowing to lender, resulting into sale and lease back assets being given as security to lenders.
- b) The Holding Company did not have an appropriate internal control system over completeness and accuracy of transaction capturing for interest income on fixed deposit, revenue from ATM services for Raha project, interest on borrowing and accounting/issue of Employee Stock Options, which could potentially result into under/over statement of expense/income and liability/asset.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Holding Company and its subsidiary have maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, 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.



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We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the year ended 31st March, 2016, and these material weaknesses does not affect our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company, which is a company incorporated in India, is based on the corresponding report of the auditor of such company, incorporated in India, which have been furnished to us by the Management.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Kalpesh J Mehta
Partner
(Membership No. 48791)

MUMBAI, 12th August, 2016



INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRONIC PAYMENTS AND SERVICES (P)VT. LTD.

REPORT ON THE STANDALONE FINANCIAL STATEMENTS

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act, as applicable.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2016, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. 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 purposes 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 Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
 - e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a report on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J Mehta
Partner
(Membership No. 48791)

MUMBAI, 12th August, 2016

**Deloitte
Haskins & Sells LLP**

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** ("the Company") as of 31st March, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management 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. 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 its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Company's internal financial controls system over financial reporting.



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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Company's internal financial controls over financial reporting as at 31st March, 2016:

- a) The Company did not have an appropriate internal control system for assets sold and leased back under sale and lease back arrangement viz-a-viz assets given as security against borrowing to lender, resulting into sale and lease back assets being given as security to lenders.
- b) The Company did not have an appropriate internal control system over completeness and accuracy of transaction capturing for interest income on fixed deposit, revenue from ATM services for Raha project, interest on borrowing and accounting/issue of Employee Stock Options, which could potentially result into under/over statement of expense/income and liability/asset.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual financial statements will not be prevented or detected on a timely basis.

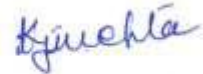
In our opinion, to the best of our information and according to the explanations given to us, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, 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.



**Deloitte
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We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended 31st March, 2016, and these material weaknesses does not affect our opinion on the said standalone financial statements of the Company.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J Mehta
Partner
(Membership No. 48791)

MUMBAI, 12th August, 2016

**Deloitte
Haskins & Sells LLP**

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory
Requirements' section of our report of even date)**

- (i)
- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals.
- According to the information and explanations given to us, the discrepancies noted on such verification have been appropriately dealt with by the Management.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and rules framed thereunder are not applicable.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 and hence reporting under clause (vi) of the CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that the operations of the Company during the year did not give rise to any liability for Custom Duty and Excise Duty.



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- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Sales Tax, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (c) Details of dues of Service Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.)
Finance Act, 1994 and Service Tax Laws	Service tax	Assistant Commissioner of Service tax	FY 13-14	28,536,936

There were no disputed dues in respect of Income tax, Sales Tax and Value Added Tax which have not been deposited as on 31st March, 2016.

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loans or borrowings from government or has not issued any debentures during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised money by way of initial public offer or further public offer (including debt instruments). The money raised by way of term loans have been applied by the Company during the year for the purposes for which they were raised.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) The Company is a private company and hence the provisions of section 197 read with Schedule V of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has made preferential allotment of shares during the year under review.

In respect of the above, we further report that:

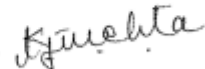
- a) the requirement of Section 42 of the Companies Act, 2013, as applicable, have been complied with; and



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- b) the amounts raised have been applied by the Company during the year for the purposes for which the funds were raised, other than temporary deployment pending application.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with the directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



Kalpesh J Mehta
Partner
(Membership No. 48791)

MUMBAI, 12th August, 2016



Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Balance Sheet as at 31st March, 2016

Amount in INR

Particulars	Notes	As at 31st March, 2016	As at 31st March, 2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	57,156,120	4,951,640
Reserves and Surplus	4	2,261,580,267	558,604,643
		2,318,736,387	563,556,283
Non-Current Liabilities			
Long-term Borrowings	5	783,667,285	1,089,074,423
Other Long-term Liabilities	6	25,090,087	37,034,703
Long-term Provisions	7	6,302,364	4,559,938
		815,059,736	1,130,669,064
Current Liabilities			
Trade Payables	8		
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		9,950,019	10,730,882
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises		243,440,271	244,369,924
Other Current Liabilities	9	822,550,074	441,787,863
Short-term Provisions	10	437,954	468,456
		1,076,378,318	697,357,125
Total		4,210,174,441	2,391,582,472
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	1,440,534,459	1,566,674,739
Intangible Assets	11	5,020,090	5,998,965
Capital Work-in-progress		19,480,047	28,482,403
		1,465,034,596	1,601,156,107
Non-Current Investments	12	291,088,153	26,000
Long term Loans and Advances	13	98,397,360	67,650,917
Other Non-Current Assets	14	217,719,677	164,899,808
		607,205,190	232,576,725
Current Assets			
Current Investments	15	482,000,178	-
Trade Receivables	16	266,038,386	162,449,641
Cash and Cash Equivalents	17	1,157,283,354	198,377,489
Short-term Loans and Advances	18	44,270,460	40,852,089
Other Current Assets	19	188,342,277	156,170,421
		2,137,934,655	557,849,640
Total		4,210,174,441	2,391,582,472

Notes 1 to 38 forms part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants

Kalpesh J. Mehta
 Partner
 (Membership No. 48791)

Date: 12 August 2016
 Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor
 Director

DIN: 03584520
 Date : 12 August 2016
 Place : Mumbai

Mani Mamallan
 Chairman & Managing Director

DIN: 03584512
 Date : 12 August 2016
 Place : Mumbai

Bimal Desai
 Group Chief Financial Officer
 Date : 12 August 2016
 Place : Mumbai

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Statement of Profit and Loss for the year ended 31st March, 2016

Amount in INR

Particulars	Notes	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Revenue from Continuing Operations:			
Revenue from operations (Net of Service tax)	20	1,650,979,086	1,268,268,508
Other Income	21	62,727,986	25,759,650
Total Revenue		1,713,707,072	1,294,028,158
Expenses:			
Employee benefit expenses	22	158,419,922	148,657,773
Finance costs	23	227,677,711	178,109,247
Depreciation and amortisation expense	11	349,953,653	279,506,225
Operating Expenses	24	927,704,986	731,146,499
Other General expenses	25	205,717,111	117,703,695
Total Expenses		1,869,473,383	1,455,123,439
Loss before tax		(155,766,311)	(161,095,281)
Tax expense:			
Current Tax		-	-
Deferred Tax		-	-
Loss for the year		(155,766,311)	(161,095,281)
Earnings per Equity Share (Face Value Rs.10/- each)			
Basic and Diluted (Rs.)	31	(398)	(464)

Notes 1 to 38 forms part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants

Kalpesh J. Mehta
 Partner
 (Membership No. 48791)

Date: 12 August 2016
 Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor
 Director

DIN: 03584520
 Date : 12 August 2016
 Place : Mumbai

Mani Mamallan
 Chairman & Managing Director

DIN: 03584512
 Date : 12 August 2016
 Place : Mumbai

Bimal Desai
 Group Chief Financial Officer
 Date : 12 August 2016
 Place : Mumbai

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Cash Flow statement for the year ended 31st March 2016

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Loss Before Tax as per Statement of Profit & Loss	(155,766,311)	(161,095,281)
Adjustments for :		
Depreciation & Amortisation Expenses	349,953,653	279,506,225
Expense on employee stock options (ESOP) scheme	19,266,240	24,924,388
Finance Costs	227,677,711	178,109,247
Interest Income	(40,542,927)	(13,807,282)
Dividend Income	(5,188,300)	-
Provision for doubtful trade receivables	9,547,932	-
Bad Debts and allowances for doubtful balances	26,999,892	8,133,589
Loss on Theft/Damage/Write off of Fixed Assets	12,892,223	32,636,215
Provision for Contingencies	47,510,200	-
Deferred profit on sale of Fixed Assets	(14,399,011)	(11,759,461)
Operating profit before working capital changes	477,951,302	336,647,640
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(140,136,569)	(69,064,763)
Short-term loans and advances	(50,928,571)	(1,902,121)
Long-term loans and advances	(10,021,058)	18,182,268
Other current assets	(32,171,856)	(23,070,560)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(1,710,516)	(83,293,027)
Other current liabilities	1,791,163	3,255,139
Short-term provisions	(30,502)	(32,380)
Long-term provisions	1,742,426	2,585,049
Cash Generated from Operations	246,485,819	183,307,245
Less: Taxes Paid	19,331,595	2,474,647
Net Cash flow from Operating Activities (A)	227,154,224	180,832,598
Capital expenditure on fixed assets, including capital advances	(214,581,075)	(508,259,582)
Interest Income received	40,542,927	11,846,605
Dividend Income received	5,188,300	-
Investments in Mutual Fund	(482,000,178)	-
Purchase of long-term investments in subsidiary	(291,062,153)	-
Fixed Deposits placed	(1,059,960,918)	(85,077,090)
Net Cash Flow (used in) Investing Activities (B)	(2,001,873,097)	(581,490,067)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Proceeds from issue of equity shares	2,204,480	-
Proceeds from issue of preference shares	50,000,000	-
Proceeds from securities premium on issue of equity and preference shares	1,870,742,300	-
Proceeds from long-term borrowings	446,437,178	697,497,838
Repayment of long-term borrowings	(383,955,953)	(164,266,889)
Share Issue Expenses	(31,266,605)	-
Finance Costs	(227,677,711)	(178,109,247)
Cash Flow from Financing Activities (c)	1,726,483,689	355,121,702
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(48,235,184)	(45,535,767)
Add: Cash & Cash Equivalent at the beginning of the year	110,125,883	155,661,650
Cash & Cash Equivalent at the end of the year	61,890,699	110,125,883

Notes to Cash Flow Statement:

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statement" specified under section 133 of The Companies Act 2013.
- 2) Cash and Cash equivalents includes cash and bank balances in current accounts and term deposit accounts.
- 3) Reconciliation of Cash and cash equivalents with the Balance Sheet::

Particulars	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash equivalents as above	61,890,699	110,125,883
Add: Balances in Term Deposits	1,095,392,655	88,251,606
Cash and Cash equivalents as per Note 17	1,157,283,354	198,377,489

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date: 12 August 2016
Place: Mumbai

For and on behalf of the Board of Directors



Sanjay Kapoor
Director

DIN: 03584520
Date : 12 August 2016
Place : Mumbai



Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 12 August 2016
Place : Mumbai



Bimal Desai
Group Chief Financial Officer
Date : 12 August 2016
Place : Mumbai

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 1: Corporate Information

Electronic Payment and Services Private Limited ('EPS' or 'Company') is a payment system company founded to provide payments services to Banks and its customers. Further, EPS provide an integrated solution which includes the supply and installation of Automated Teller Machines (ATMs) in all developed areas as well as supporting such business initiatives in more remote areas. EPS is incorporated on 29th September, 2011 and commenced its business from June, 2012.

Note 2: Significant Accounting Policies

A) Basis for preparation of Financial Statements

"The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year."

B) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

C) Cash and Cash Equivalents (For purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

D) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

E) Depreciation / Amortisation

"Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. The estimated residual value for assets is taken as Nil. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on management internal/ technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of

the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:" the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Description of Assets	Useful Life
Automated Teller Machine:	
Owned	7 Years
Taken on finance lease	5 Years
Uninterrupted Power Supply Machine:	
Owned	7 Years
Taken on finance lease	5 Years
Site Interior & Other Merchandises:	
Owned	7 Years
Taken on finance lease	5 Years
Air Conditioner:	
Owned	7 Years
Taken on finance lease	5 Years
VSAT:	
Owned	7 Years
Taken on finance lease	5 Years
E-Surveillance	7 years
Digital Video Recorder (DVR)	7 years
Office furniture and fixtures	5 years
Office equipment:	
Mobile phones	3 Years
Others	5 Years

Depreciation on tangible fixed assets provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 are:

Description of Assets	Useful Life
Computers	3 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Description of Assets	Useful Life
Computer Software	3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

F) Revenue Recognition

Revenues from contracts priced on a time and material basis, are recognised when services are rendered and related costs are incurred; and there is reasonable certainty of ultimate realisation for the same. Revenues until the Balance Sheet date for ATM services provided and for which the billing is pending are aggregated and reported as Unbilled Revenue.

Financial Statement FY 2015-2016

G) Other Income

- (i) Profit/ Loss on sale of fixed assets is recognised on transfer of significant risks and rewards of ownership of the asset to the buyer.
- (ii) Interest on fixed deposits recognised on time proportion basis, having regard to the amount outstanding and the rate applicable.
- (iii) Dividend income is accounted when such dividend is declared & the Company's right to receive payment is established.

H) Fixed Assets

Fixed assets including intangible assets are stated at cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost of Fixed Assets includes all incidental expenses related to acquisition and installation and other pre-operation expenses until the asset is ready to put to use for its intended purposes.

Capital work in progress includes tangible assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

I) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate to the rate at the date of the transaction. Foreign currency monetary items of the Company, outstanding at the balance sheet date are restated at the year-end rates.

J) Investments

Investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' as specified under section 133 of The Companies Act 2013. Cost of Investments include acquisition charges such as brokerage, fees and other incidental expenses.

Long Term Investments are carried individually at cost less provision for diminution other than temporary, in the value of such Investments. Current Investments are carried individually, at cost or fair value whichever is less.

K) Employee Benefits

Employee Benefits include provident fund, gratuity & compensated absences

Defined-contribution plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due, based on the amount of contribution required to be made and when services are rendered by the employees.

Defined-benefits plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus

the present value of available refunds and reductions in future contributions to the schemes.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term non-accumulating compensated absences is accounted, when the absences occur.

L) Leases

Where the Company as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment.

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

M) Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

N) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

Financial Statement FY 2015-2016

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

O) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

P) Provisions, Contingent Liabilities and Contingent Assets

In accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets, the Company recognises provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

A disclosure of contingent liability is made when there is:

- a possible obligation arising from a past event, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Company; or
- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

When 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.

Contingent Assets, if any, are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

Q) Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Company from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

R) Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

S) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

T) Employee share based payment

The Company has constituted an Employee Stock Option Plan - "Electronic Payment and Services - Employee Stock Option Plan 2014"("EPS-ESOP 2014").

Employee Stock Options granted are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

U) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

V) Borrowing cost

Borrowing costs include interest and amortisation of ancillary costs incurred.

Costs in connection with the borrowing of funds are charged to the Statement of Profit and Loss over the tenure of the loan.

W) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 3 : Share Capital

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised				
Equity Shares of Rs. 10/- each	13,00,000	1,30,00,000	13,00,000	1,30,00,000
Compulsory Convertible Preference Shares of Rs.10/- each	57,00,000	5,70,00,000	7,00,000	70,00,000
	70,00,000	7,00,00,000	20,00,000	2,00,00,000
(b) Issued, Subscribed and fully paid-up				
Equity Shares of Rs. 10/- each	5,67,875	56,78,750	3,47,427	34,74,270
Compulsory Convertible Preference Shares ('CCPS') of Rs.10/- each	51,47,737	5,14,77,370	1,47,737	14,77,370
	57,15,612	5,71,56,120	4,95,164	49,51,640
Total	57,15,612	5,71,56,120	4,95,164	49,51,640

Note 3 (a) : Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	Number of shares	Rs.	Number of shares	Rs.
i. Equity shares				
Outstanding at the beginning of the year	3,47,427	34,74,270	3,47,427	34,74,270
Add: Issued during the year	2,20,448	22,04,480	-	-
Closing Balance	5,67,875	56,78,750	3,47,427	34,74,270
ii. Compulsorily convertible preference shares				
Series B CCPS:				
Outstanding at the beginning of the year	1,47,737	14,77,370	1,47,737	14,77,370
Add: Issued during the year	-	-	-	-
Closing Balance	1,47,737	14,77,370	1,47,737	14,77,370
Series C CCPS:				
Outstanding at the beginning of the year	-	-	-	-
Add: Issued during the year	50,00,000	5,00,00,000	-	-
Closing Balance	50,00,000	5,00,00,000	-	-
Total	51,47,737	5,14,77,370	1,47,737	14,77,370

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 3 (b) : Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares Held	% Share holding	No. of Shares Held	% Share holding
I.) Equity shares				
Sanjay Kapoor	26,250	4.62%	26,250	7.56%
Vidya Rani Mani Mamallan	90,000	15.85%	90,000	25.90%
Aavishkaar India II Company Limited	70,953	12.49%	70,953	20.42%
"Aavishkaar Goodwell India Microfinance Development Company II Limited "	71,340	12.56%	71,340	20.53%
APIS Growth III Limited	2,20,448	38.82%	-	-
Asia Participations B.V.	65,425	11.52%	65,425	18.83%
ii.) Series B CCPS				
Aavishkaar India II Company Limited	63,590	43.04%	63,590	43.04%
"Aavishkaar Goodwell India Microfinance Development Company II Limited"	25,161	17.03%	25,161	17.03%
Asia Participations B.V.	58,635	39.69%	58,635	39.69%
iii) Series C CCPS				
Aavishkaar India II Company Limited	19,90,418	39.81%	-	-
"Aavishkaar Goodwell India Microfinance Development Company II Limited"	4,98,438	9.97%	-	-
Asia Participations B.V.	25,00,525	50.01%	-	-

Note 3(c): Terms / right attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share.

Each holder of equity shares is entitled to one vote per share.

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 shareholding.

Note 3(d) :Terms of Conversion / redemption of CCPS

Series B CCPS:

During the year ended 31 March 2014, the Company issued 147,737 Series B CCPS at Rs. 10 each fully paid-up at a premium aggregating Rs. 391,503,069/-. The Series B CCPS shall be compulsorily converted into an equal number of Equity Shares on a 1:1 ratio

Conversion of the Series B CCPS into Equity Share shall happen upon the occurrence of the earlier of any of the following events:

- At the time of the Company filing a draft red herring prospectus with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange
- Upon the expiry of 8 (Eight) years from the Completion Date as per Clause 8 of the Share Subscription Agreement.

Series C CCPS:

During the year ended 31 March 2016, the Company issued 5,000,000 Series C CCPS at Rs. 10 each fully paid-up at a premium aggregating Rs. 2,500,000,000/-. The Series C CCPS shall be compulsorily converted into one Equity Share for every 58.3833 Series C CCPS.

Conversion of the Series C CCPS into Equity Share shall happen upon the occurrence of the earlier of any of the following events:

- At the time of the Company filing a draft red herring prospectus with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange
- Upon the expiry of 8 (Eight) years from the Completion Date as per Clause 8 of the Share Subscription Agreement.

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 4 : Reserves and Surplus

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Securities premium account		
Opening balance	85,46,82,406	85,46,82,406
Add: Premium on shares issued during the year	1,87,07,42,300	-
Less: Utilised during the year (Refer Note 4.1 below)	(3,12,66,605)	-
Closing balance	2,69,41,58,101	85,46,82,406
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(32,10,02,151)	(15,99,06,870)
Add: Profit / (Loss) for the year	(15,57,66,311)	(16,10,95,281)
Closing balance	(47,67,68,462)	(32,10,02,151)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	2,49,24,388	-
Add: Amount recorded on grants during the year	1,92,66,240	2,49,24,388
Closing balance	4,41,90,628	2,49,24,388
Total	2,26,15,80,267	55,86,04,643

Note:

Share issue expenses are adjusted against the securities premium account during the year ended 31st March, 2016

Note 5 : Long Term Borrowings

Particulars	As at 31st March, 2015	As at 31st March, 2014
(a) Term loans		
Secured		
(i) From Banks (Refer Note 11(c))	33,01,68,721	49,02,60,611
(ii) From Others	3,14,55,039	2,29,95,716
Unsecured		
(i) From Others	4,30,91,341	4,68,74,999
	40,47,15,101	56,01,31,326
(b) Finance lease obligations (Refer Note 30(l))		
	37,89,52,184	52,89,43,097
	37,89,52,184	52,89,43,097
Total	78,36,67,285	1,08,90,74,423

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

(I) Details of terms of repayment for the long-term borrowings and security provided in respect of the long-term borrowings:

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Term loans from Banks		
Secured	55,00,13,024	57,96,85,452
"[Repayable over 30 - 48 months Secured against: 1) Trade receivables and Specific Assets (Refer Note 11(c)) 2) Lien marked fixed deposit 3) Personal Guarantee of Promoters and Directors]"		
(b) Term loans from Others		
Secured	4,00,26,250	2,74,82,905
"[Repayable over 44 - 48 months Secured against: 1) Trade receivables and Specific Assets 2) Personal Guarantee of Promoters and Directors]"	29,53,36,501	9,68,74,999
Unsecured		
[Repayable over 9 - 34 months, including certain loans with revolving facilities]		
(c) Finance lease obligations:		
[Repayable in 21 - 52 monthly installments]	54,97,36,416	66,85,87,610
	1,43,51,12,191	1,37,26,30,966
Less: Current Maturities of Long Term Debts & finance lease obligations (Refer Note 5.1 below)	(65,14,44,906)	(28,35,56,543)
Total Long Term Borrowings	78,36,67,285	1,08,90,74,423

Note 5.1: (a) For the current maturities of long term borrowings and finance lease obligations, refer Note 9 "Other Current Liabilities"

Note 6 : Other Long Term Liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
Deferred Profit on Sale and lease back transactions	2,50,90,087	3,70,34,703
Total	2,50,90,087	3,70,34,703

Note 7 : Long Term Provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Provision for gratuity (Refer Note 26 (B))	63,02,364	45,59,938
Total	63,02,364	45,59,938

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Note 8 : Trade Payables

Particulars	As at 31st March, 2016	As at 31st March, 2015
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 8.1 below)	99,50,019	1,07,30,882
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	24,34,40,271	24,43,69,924
Total	25,33,90,290	25,51,00,806

Note 8.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March, 2016	As at 31st March, 2015
Principal amount remaining unpaid to any supplier as at the end of the accounting year	99,50,019	1,07,30,882

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 9: Other Current Liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current maturities of long term debt (Refer Note 5(I))		
Secured:		
(a) Term loans from Banks (Refer Note 11(c))	21,98,44,303	8,94,24,841
(b) Term loans from Others	85,71,211	44,87,189
Unsecured:		
(a) Term loans from Others	25,22,45,160	5,00,00,000
Current maturities of finance lease obligations (Refer Note 30(I))	17,07,84,232	13,96,44,513
Deferred Profit on Sale and lease back transactions	1,43,99,011	1,40,58,558
Security Deposits received	79,00,000	-
Other Payables:		
Statutory remittances	62,29,457	2,80,72,704
Payable to Customers	1,57,34,409	-
Payable on Purchase of Fixed Asset	12,68,42,291	11,61,00,058
Total	82,25,50,074	44,17,87,863

Note 10 : Short Term Provisions

Particulars	As at 31st March, 2016	As at 31st March, 2015
Provision for employee benefits		
Provision for gratuity (Refer Note 27 (B))	23,336	15,143
Provision for compensated absences	4,14,618	4,53,313
Total	4,37,954	4,68,456

Note 11 : Non - Current Investment

Particulars	As at 31st March, 2016	As at 31st March, 2015
Investments (At Cost) Trade		
Investment in wholly owned subsidiary:10,000 (As at 31st March, 2015: 2,600) shares of Rs. 10 each fully paid-up in EPS ATM Services Private Limited (formerly known as CISB ATM Services Private Limited)	29,10,88,153	26,000
Total	29,10,88,153	26,000

Note 12 : Long term loans and advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured & considered good:		
Security Deposits	6,89,05,511	5,88,84,453
Capital Advances	32,75,538	18,81,748
Balances with government authorities:		
Tax deducted at source credit receivable	2,62,16,311	68,84,716
Total	9,83,97,360	6,76,50,917

Note 13: Other Non-Current Assets

Particulars	As at 31st March, 2015	As at 31st March, 2014
Others		
Balances with Banks (In Earmarked Accounts)		
-Balances held as security against borrowings, guarantees	16,59,71,867	10,69,36,808
-Balances held as margin money, guarantees (Refer Note 13.1 below)	5,17,47,810	5,79,63,000
Total	21,77,19,677	16,48,99,808

Note 13.1:

On behalf of the Company, banks have issued performance bank guarantees amounting to Rs. 94,600,000/- (Rs. 87,113,000/- as at 31st March, 2015) for the deployment of cash dispenser's in respect of which the Company has placed fixed deposits under lien amounting to Rs 46,450,000/- (Rs. 57,963,000/- as at 31st March, 2015).

Note 14: Current Investments

Particulars	As at 31st March, 2016	As at 31st March, 2014
Non Trade – Investment in units of Mutual Funds - Quoted – Lower of cost or fair value		
Investments in Mutual Fund (Market Value Rs. 487,697,289) (Refer Note 15.1 below)	48,20,00,178	-
Total	48,20,00,178	-

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Note 15.1: Details of Quoted Investment

Mutual Fund Scheme	Cost	Market Value
ICICI Prudential Liquid Direct Plan Growth - 363,121 Units(Face Value Rs.100/- each)	8,02,70,782	8,14,43,226
SBI Treasury Advantage Fund Direct Growth - 179,482 Units(Face Value Rs.1,000/- each)	30,17,29,396	30,56,43,621
SBI Ultra Short Term Fund Direct Growth - 51,546 Units(Face Value Rs.1,000/- each)	10,00,00,000	10,06,10,442

Note 16 :Trade Receivables

Particulars	As at 31st March, 2016	As at 31st March, 2015
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	6,89,08,147	3,50,92,191
Less : - Provision for doubtful trade receivables	(95,47,932)	-
	5,93,60,215	3,50,92,191
Others		
Unsecured, considered good	20,66,78,171	12,73,57,451
Total	26,60,38,386	16,24,49,642

Note 16.1: Trade receivables include amounts due from:

Particulars	As at 31st March, 2016	As at 31st March, 2015
Private companies in which any director is a director:		
EPS ATM Services Private Limited (formerly known as CISB ATM Services Private Limited) (Refer Note 29)	23,97,39,051	14,93,92,836

Note 17 : Cash and Cash Equivalents

Particulars	As at 31st March, 2015	As at 31st March, 2014
Cash on hand	39,373	43,917
Balance with banks		
In Current Accounts	6,18,51,326	11,00,81,966
In Term Deposit	1,09,53,92,655	8,82,51,606
Total	1,15,72,83,354	19,83,77,489

Note 18 : Short Term Loans and Advances

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unsecured and considered good:		
Loans and advances to related parties (Refer Note 29)	-	2,63,713
Loans and advances to employees	10,62,957	4,52,974
Prepaid expenses	1,50,35,318	1,49,88,705
Balances with Government Authorities		
Cenvat Credit Receivable	2,44,66,895	2,00,94,808
Advance to suppliers (Net)	37,05,290	50,51,889
Total	4,42,70,460	4,08,52,089

Note 19: Other Current Assets

Particulars	As at 31st March, 2016	As at 31st March, 2015
Unbilled Revenue	15,31,61,203	12,30,51,044
Insurance Claim receivable (Net)	1,65,57,248	62,94,565
Interest accrued on fixed deposits	1,47,58,259	98,02,845
Other Receivables	38,65,567	1,70,21,967
Total	18,83,42,277	15,61,70,421

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes forming part of Financial Statements
Note : 11 Fixed Assets

Sr. No	FIXED ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS AT 1.04.2015	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2016	BALANCE AS AT 1.04.2015	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2016	BALANCE AS AT 31.03.2016	BALANCE AS AT 31.03.2015
A	Tangible Assets										
	Automated Teller Machine										
	Owned	62,81,42,350	10,39,95,084	2,73,45,276	70,47,92,158	9,62,14,551	9,44,65,165	58,36,285	18,48,43,431	51,99,48,727	53,19,27,799
	Taken under finance lease	58,09,51,046	2,27,22,747	34,07,300	60,02,66,493	15,44,03,704	11,54,26,339	12,83,645	26,85,46,398	33,17,20,095	42,65,47,342
	Uninterrupted Power Supply Machine										
	Owned	7,95,45,463	1,66,30,195	36,96,554	9,24,79,104	1,28,33,152	1,37,84,670	8,67,997	2,57,49,825	6,67,29,279	6,67,12,311
	Taken under finance lease	4,48,29,821	43,74,001	17,46,359	4,74,57,463	1,17,88,210	99,38,204	6,58,140	2,10,68,274	2,63,89,189	3,30,41,611
	Site Interior & Other Merchandises										
	Owned	32,98,70,140	5,87,10,407	1,41,84,300	37,43,96,247	5,27,89,618	5,50,30,290	32,69,999	10,45,49,909	26,98,46,338	27,70,80,522
	Taken under finance lease	17,26,24,349	94,26,761	35,24,855	17,85,26,255	4,76,78,457	3,32,98,970	12,84,456	7,96,92,971	9,88,33,284	12,49,45,892
	Air Conditioner										
	Owned	4,63,92,571	1,77,87,719	8,08,143	6,33,72,147	58,15,797	82,63,640	2,06,293	1,38,73,144	4,94,99,003	4,05,76,774
	Taken under finance lease	1,98,09,373	2,48,261	15,06,869	1,85,50,765	66,91,932	33,67,681	4,97,314	95,62,299	89,88,466	1,31,17,441
	VSAT										
	Owned	2,94,42,556	1,33,73,294	13,64,862	4,14,50,988	26,55,915	52,62,835	3,14,270	76,04,480	3,38,46,508	2,67,86,641
	Taken under finance lease	33,23,172	9,43,402	-	42,66,574	31,681	8,18,903	-	8,50,584	34,15,990	32,91,491
	E-Surveillance										
	Owned	1,75,72,364	93,12,413	-	2,68,84,777	4,38,540	34,18,669	-	38,57,209	2,30,27,568	1,71,33,824
	Digital Video Recorder (DVR)										
	Owned	-	21,15,546	-	21,15,546	-	88,517	-	88,517	20,27,029	-
	Furniture and Fixtures										
	Owned	19,58,762	14,43,206	-	34,01,968	6,33,616	4,77,699	-	11,11,315	22,90,653	13,25,146
	Taken under finance lease	24,34,094	14,60,168	2,38,105	36,56,157	8,72,514	7,73,132	-	16,45,646	20,10,511	15,61,580
	Computers										
	Owned	54,05,178	12,64,297	2,01,039	64,68,436	27,78,813	17,27,804	-	45,06,617	19,61,819	26,26,365
	Total	1,96,23,01,239	26,38,07,501	5,80,23,662	2,16,80,85,078	39,56,26,500	34,61,42,518	1,42,18,399	72,75,50,619	1,44,05,34,459	1,56,66,74,739
B	Intangible Assets										
	Computer Software										
	Owned	1,02,54,489	29,05,403	73,143	1,30,86,749	42,55,524	38,11,135	-	80,66,659	50,20,090	59,98,965
	Taken under finance lease	1,02,54,489	29,05,403	73,143	1,30,86,749	42,55,524	38,11,135	-	80,66,659	50,20,090	59,98,965
	Grand Total	1,97,25,55,728	26,67,12,904	5,80,96,805	2,18,11,71,827	39,98,82,024	34,99,53,653	1,42,18,399	73,56,17,278	1,44,55,54,549	1,57,26,73,704

Notes:

- (a) Additions and Disposals include assets sold under sale and lease back transaction, which has been classified as a finance lease.
- (b) The Company had during the previous year, carried out a physical verification exercise for owned/ leased assets along with reconciling the same with the Fixed Assets Register. The resultant differences amounting to Rs. 32,636,215/- had been charged off and disclosed under "Loss on Theft/Damage/Write off of Fixed Assets" in the Statement of Profit & Loss (Refer Note 25 "Other General Expenses") of the previous year.
- (c) Pursuant to this reconciliation process of Fixed Assets referred to in Note 11(b) above, the Management has identified that certain fixed assets which were taken on lease had been inadvertently provided and registered as security against a borrowing from a bank. Post Balance Sheet date, Management has initiated the process of release of the above mentioned securities by way of negotiation on prepayment of borrowing. The Management has assessed the adequacy of securities against outstanding balance of such borrowing as on 31st March 2016 and concluded that the same would be adequate even after excluding the value of such inadvertent charge.

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

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Note 20: Revenue from Operations

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Income from ATM Services (net of Service tax)	1,65,09,79,086	1,26,82,68,508
Total	1,65,09,79,086	1,26,82,68,508

Note 21: Other Income

Particulars	For the year ended 31st March, 2016	As at 31st March, 2014
Interest on Fixed Deposit	4,05,42,927	1,38,07,282
Interest on Income tax refund	2,06,327	1,18,900
Profit on Sale of Fixed Asset (Net)	1,43,99,011	1,17,59,461
Dividend income	51,88,300	-
Other Income	23,91,421	74,007
Total	6,27,27,986	2,57,59,650

Note 22: Employee Benefits Expenses

Particulars	As at 31st March, 2016	As at 31st March, 2015
Salary, wages & bonus	12,18,09,542	10,47,38,797
Contribution to Provident Fund (Refer Note 27(A))	49,19,975	45,46,138
Gratuity expense (Refer Note 27(B))	17,50,619	25,92,527
Expense on employee stock options (ESOP) scheme (Refer Note 34)	1,92,66,240	2,49,24,388
Staff welfare expenses	1,06,73,546	1,18,55,923
Total	15,84,19,922	14,86,57,773

Note 23: Finance Costs

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest on Borrowings	11,23,88,730	6,65,74,437
Interest on Finance Lease	10,79,27,855	10,05,90,968
Loan Processing Fees	37,50,613	1,09,43,842
Interest on delayed payment of taxes	36,10,513	-
Total	22,76,77,711	17,81,09,247

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
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Note 24: Operating Expenses

Particulars	As at 31st March, 2016	As at 31st March, 2015
Annual Maintenance Charges	9,26,26,727	6,22,22,917
Consumables Charges	3,62,47,976	2,97,35,920
Cash Replenishment Charges	35,14,75,909	29,11,44,413
Management Service Charges	2,95,84,132	7,91,38,199
Site Electricity	13,31,90,064	6,88,65,582
Site Housekeeping	2,98,50,783	2,38,43,980
Satellite (VSAT) Charges	2,83,06,738	2,76,75,540
Site Rent	16,46,28,696	11,31,28,859
Insurance Premium	1,54,46,580	1,19,04,123
Repairs Charges - Sites	4,13,64,099	2,13,75,555
Shifting Charges -Sites	49,83,282	21,11,411
Total	92,77,04,986	73,11,46,499

Note 25: Other General Expenses

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
Professional and Consultancy Charges	2,15,29,274	98,50,335
Rates and Taxes	3,96,28,046	2,95,45,565
Rent Charges (Office)	1,07,43,600	99,34,013
Payment to auditor (Refer Note (I) below)	38,50,000	15,10,000
Bank Charges and Commission	22,00,273	30,76,764
Insurance Charges	2,79,070	1,55,886
Power and Fuel Expenses	26,34,604	21,24,360
Repairs and Maintenance	13,40,870	5,71,665
Telecom Expenses	47,98,271	32,03,240
Travelling and Conveyance Expenses	55,06,555	68,48,830
Business Promotion Expenses	23,53,905	18,86,954
Meeting Expenses	18,42,054	62,649
Membership and Registration Charges	26,01,218	16,14,103
Office Expenses	42,14,574	22,37,734
Postage and Courier	3,37,414	2,67,401
Printing and Stationery	11,22,669	12,44,245
Motor Car Expenses	4,90,105	2,11,769
Loss on Theft/Damage/Write off of Fixed Assets(Refer Note 11(b))	1,28,92,223	3,26,36,215
Provision for doubtful trade receivables	95,47,932	-
Bad Debts and allowances for doubtful balances	2,69,99,892	81,33,589
Provision for Contingencies (Refer Note 35)	4,75,10,200	-
Lease Rentals (Refer Notes 30(ii))	30,31,570	16,72,993
Miscellaneous Expenses	2,62,792	9,15,385
Total	20,57,17,111	11,77,03,695

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Notes forming part of Financial Statements

Note (i) Payments to the auditor comprise (net of service tax input credit):

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
(a) To Statutory Auditor		
For Audit	38,50,000	15,00,000
Reimbursement of expenses	-	10,000
Total	38,50,000	15,10,000

Note 26: Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent liabilities

Particulars	As at 31st March, 2016	As at 31st March, 2015
Claims against the Company not acknowledged as debt		
- Service tax	2,85,36,936	3,88,82,240

Future cash outflows in respect of the above matter is determinable only on receipt of judgments / decisions pending at various forums / authorities.

(b) Commitments

Particulars	As at 31st March, 2016	As at 31st March, 2015
Estimated amount of contracts remaining to be executed on capital account and not accounted for	3,22,12,531	53,24,61,299

Note 25: Employee Benefits

(A) Defined Contribution Plan

The Company makes Provident Fund contributions which is a defined contribution plan, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised Rs. 48,92,166/- (Year ended 31 March, 2016) and Rs. 45,46,138/- (Year ended 31 March, 2015) for Provident Fund contributions in the Statement of Profit and Loss.

(B) Defined Benefit Plan

The Company offers the following employee benefit schemes to its employees:

Gratuity

The Company is statutorily required to provide for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees. The gratuity liability is not funded by the company.

Present Liability of Gratuity has been accounted for on the basis of actuarial valuation done by a professional Actuary and this has been relied upon by the auditors.

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes forming part of Financial Statements

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets** Discount Rate***	N/A	N/A
	8.08 % p.a.	7.94 % p.a.
Attrition Rate	2.5% p.a. for all service groups	2.5% p.a. for all service groups
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<p>* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.</p>		
<p>** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.</p>		
<p>*** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations</p>		
II. Table showing change in Benefit Obligation:		
Liability at the beginning of the year	45,75,081	19,82,554
Interest cost	3,63,261	1,84,576
Current service cost	19,40,330	13,43,878
Actuarial (gain)/ loss on obligation	(5,52,972)	10,64,073
Liability at the end of the year	63,25,700	45,75,081
III. Fair value of Plan Assets:	-	-
IV. Actual return on Plan Assets:	-	-
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(63,25,700)	(45,75,081)
Net asset/ (liability) recognised in the balance sheet	(63,25,700)	(45,75,081)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets	Not Applicable	Not Applicable

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Particulars	For the year ended 31st March, 2015	For the year ended 31st March, 2014
VII. Expenses recognized in the Statement of Profit and Loss:		
Current service cost	19,40,330	13,43,878
Interest cost	3,63,261	1,84,576
Actuarial (gains)/losses	-5,52,972	10,64,073
Expenses recognized in Statement of Profit and Loss	17,50,619	25,92,527
VIII. Balance Sheet Reconciliation		
Opening net liability	45,75,081	19,82,554
Expense as above	17,50,619	25,92,527
Net Liability / (Asset) recognised in Balance Sheet	63,25,700	45,75,081

Note 28: Segmental Reporting

As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard - 17 (AS-17) "Segment Reporting" specified under section 133 of The Companies Act 2013, the Management is of the opinion that the Company's operations comprise of only ATM infrastructure services within India. There is neither more than one reportable business segment nor more than one reportable geographical segment, and therefore, segment information as per AS-17 is not required to be disclosed.

Note 29: Related party transactions

1. Details of related parties:

Description of relationship	Names of related parties
(I) Associate converted into Wholly Owned Subsidiary with effect from 31st December, 2015	EPS ATM Services Private Limited (formerly known as CISB ATM Services Private Limited)
<u>(ii) Key Managerial Personnel (KMP) & their relatives</u>	
Managing Director	Mr. Mani Mamallan
Executive Director	Mr. Sanjay Kapoor
Relative of KMP	Mrs. Vidya Rani Mani Mamallan

2. Details of related party transactions during the year ended 31st March, 2016 and outstanding balances as at 31st March, 2016:

Particulars	Associates	KMP
Rendering of Services	1,39,26,29,933	-
	(1,24,50,36,767)	(-)
Receiving of Services		
Remuneration paid	-	1,21,11,642
	(-)	(1,04,95,930)
Perquisites Paid	-	2,37,600
	(-)	(63,600)

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Balance outstanding at the end of the year

Investment in Wholly Owned Subsidiary	29,10,88,153	-
	(26,000)	(-)
Trade receivables	23,97,39,051	-
	(14,93,92,836)	(-)
Loans & Advances	-	-
	(2,63,713)	(4,52,974)

Note : Figures in bracket are of previous year

Note 30: Details of leasing arrangements

Particulars	For the year ended 31st March 2015	For the year ended 31st March 2014
As Lessee		
(I): Finance Lease Obligations		
The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end of the lease period.		
In certain finance lease, the title/ownership shall not be transferred at end of the lease term.		
The lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and condition.		
Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:		
Future minimum lease payments		
not later than one year	25,07,19,917	24,26,03,513
later than one year and not later than five years	44,67,12,106	64,55,74,727
later than five years	-	-
Unmatured finance charges	(14,76,95,607)	(21,95,90,630)
	54,97,36,416	66,85,87,610
Present value of minimum lease payments payable		
not later than one year	17,07,84,232	13,96,44,513
later than one year and not later than five years	37,89,52,184	52,89,43,097
later than five years	-	-
	54,97,36,416	66,85,87,610

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

(ii): Operating Lease Obligations

The Company has entered into operating lease arrangement for Cars for official use. The leases are non-cancellable and are for a period of four years and may be renewed based on mutual agreement of the parties.

Future minimum lease payments

not later than one year	33,35,533	21,95,136
later than one year and not later than five years	59,56,685	42,70,851
later than five years	-	-
	92,92,218	64,65,987

Lease payments recognised in the Statement of Profit and Loss

- Car Rentals	30,31,570	16,72,993
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Note 31: Earnings per share

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Net profit / (loss) after tax for the year	(15,57,66,311)	(16,10,95,281)
Net profit / (loss) after tax for the year for computation of Earnings per share	(15,57,66,311)	(16,10,95,281)
Weighted average number of equity shares	3,91,396	3,47,427
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	(398)	(464)

Note: The effect of conversion of preference shares and exercise of ESOP option is anti-dilutive.

Note 31: Deferred Tax

The Company has not recognised net deferred tax asset as there is no reasonable / virtual certainty, supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax asset can be realized, as per Accounting Standard 22, specified under section 133 of The Companies Act 2013.

Note 32: Derivative Instrument and unhedged foreign currency exposures

The Company did not have any derivative instrument outstanding as at the year end. There are no balances denominated in the foreign currencies as at year end.

Note 34: Employee Stock Option Scheme

In the Extra Ordinary general meeting held on 12th August, 2014, the shareholders approved the issue of 18,750 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2014" ("EPS-ESOP 2014"). The ESOP Scheme 2014 allows the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the board of directors grants the options to the employees deemed eligible. The exercise price of each option shall be Rs 10/- as defined in the Scheme. The vesting periods are- in respect of 16,800 options

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

granted in September 2014 over a period of one year from the date of grant- in respect of 1,300 options granted in January 2016 - (i) 50% at end of 24th month (ii) 25% at end of 37th month (iii) 25% at end of 49th month. Options may be exercised within 60 months from the date of vesting. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing Stock Compensation Expense is expensed over the vesting period.

Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2016	
	Options (Numbers)	Weighted average exercise price per option (Rs)
Option outstanding at the beginning of the year:	16,650	10
Granted during the year:	1,300	-
Vested during the year:	16,650	10
Exercised during the year:	-	-
Lapsed during the year:	-	10
Options outstanding at the end of the year:	1,300	10
Options available for grant:	800	10

Weighted average remaining contractual life for options is 18.5 months outstanding as at 31 March, 2016.

Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2015	
	Options (Numbers)	Weighted average exercise price per option (Rs)
Option outstanding at the beginning of the year:	-	-
Granted during the year:	16,800	10
Vested during the year:	-	-
Exercised during the year:	-	-
Lapsed during the year:	150	10
Options outstanding at the end of the year:	16,650	10
Options available for grant:	2,100	10

Weighted average remaining contractual life for options is 18.5 months outstanding as at 31 March, 2016.

The company believes that the fair valuation of options will not materially change the net income and accordingly the impact on earnings per share. Hence the assumption used for calculating fair value and its impact on earning per share is not disclosed.

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Notes forming part of Financial Statements

Note 35: Provision for Contingencies

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
Opening Balance	-	-
Add: Provision during the year	4,75,10,200	-
Less: Provision no longer required	-	-
Closing Balance	4,75,10,200	-

Note 36: The Financial Statement have not been authenticated by a company secretary as required under Section 134 of the Companies Act, 2013, as the Company is in the process of appointing a whole time secretary as required under Section 203(1) of the Companies Act, 2013.

Note 37: The Company does not meet the threshold criteria established under section 135 of the Companies Act 2013 for CSR activities and accordingly, no CSR activities have been undertaken by the Company during the current and previous year.

Note 38: Previous Year

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For and on behalf of the Board of Directors



Sanjay Kapoor
Director

DIN: 03584520
Date : 12 August 2016
Place : Mumbai



Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 12 August 2016
Place : Mumbai



Bimal Desai
Group Chief Financial Officer
Date : 12 August 2016
Place : Mumbai



Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Consolidated Balance Sheet as at 31 March, 2016

Amount in INR

Particulars	Notes	As at 31st March, 2016
I. EQUITY AND LIABILITIES		
Shareholders' Funds		
Share Capital	3	5,71,56,120
Reserves and Surplus	4	2,26,21,38,259
		2,31,92,94,379
Non-Current Liabilities		
Long-term Borrowings	5	78,36,67,285
Other Long-term Liabilities	6	2,50,90,087
Long-term Provisions	7	63,02,364
		81,50,59,736
Current Liabilities		
Trade Payables	8	
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		99,50,019
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises		23,45,20,921
Other Current Liabilities	9	94,56,81,555
Short-term Provisions	10	47,96,728
		1,19,49,49,223
		4,32,93,03,338
Total		
II. ASSETS		
Non-Current Assets		
Fixed Assets		
Tangible Assets	11	1,44,05,34,459
Intangible Assets	11	50,20,090
Capital Work-in-progress		1,94,80,047
		1,46,50,34,596
Goodwill on Consolidation		
	12	29,11,03,960
Long term Loans and Advances	13	9,83,97,360
Other Non-Current Assets	14	21,77,19,677
		60,72,20,997
Current Assets		
Current Investments	15	48,20,00,178
Trade Receivables	16	19,06,79,444
Cash and Cash Equivalents	17	1,17,02,14,755
Short-term Loans and Advances	18	4,42,70,460
Other Current Assets	19	36,98,82,908
		2,25,70,47,745
Total		4,32,93,03,338

Notes 1 to 38 forms part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
 Chartered Accountants

Kalpesh J. Mehta
 Partner
 (Membership No. 48791)

Date: 12 August 2016
 Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor
 Director

DIN: 03584520
 Date : 12 August 2016
 Place : Mumbai

Mani Mamallan
 Chairman & Managing Director

DIN: 03584512
 Date : 12 August 2016
 Place : Mumbai

Bimal Desai
 Group Chief Financial Officer
 Date : 12 August 2016
 Place : Mumbai

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Consolidated Statement of Profit and Loss for the year ended 31st March, 2016

Amount in INR

Particulars	Notes	For the year ended 31st March, 2016
Revenue from Continuing Operations:		
Revenue from operations (Net of Service tax)	20	1,65,45,68,643
Other Income	21	6,27,27,986
Total Revenue		1,71,72,96,629
Expenses:		
Employee benefit expenses	22	15,84,19,922
Finance costs	23	22,76,78,096
Depreciation and amortisation expense	11	34,99,53,653
Operating Expenses	24	92,77,04,986
Other General expenses	25	20,84,24,049
Total Expenses		1,87,21,80,706
Loss before tax		(15,48,84,077)
Tax expense:		
Current Tax		3,24,242
Deferred Tax		-
Loss for the year		(15,52,08,319)
Earnings per Equity Share (Face Value Rs.10/- each)		
Basic and Diluted (Rs.)	31	(397)

Notes 1 to 38 forms part of the Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date: 12 August 2016
Place: Mumbai

For and on behalf of the Board of Directors



Sanjay Kapoor
Director

DIN: 03584520
Date : 12 August 2016
Place : Mumbai



Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 12 August 2016
Place : Mumbai



Bimal Desai
Group Chief Financial Officer
Date : 12 August 2016
Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Consolidated Cash Flow statement for the year ended 31st March 2016

Particulars	For the year ended 31st March 2016
A. Cash Flow from Operating Activities	
Loss Before Tax as per Consolidated Statement of Profit & Loss	(15,48,84,077)
Adjustments for :	
Depreciation & Amortisation Expenses	34,99,53,653
Expense on employee stock options (ESOP) scheme	1,92,66,240
Finance Costs	22,76,78,096
Interest Income	(4,05,42,927)
Dividend Income	(51,88,300)
Provision for doubtful trade receivables	96,44,376
Bad Debts and allowances for doubtful balances	2,70,04,785
Loss on Theft/Damage/Write off of Fixed Assets	1,28,92,223
Provision for Contingencies	4,75,10,200
Deferred profit on sale of Fixed Assets	(1,43,99,011)
Operating profit before working capital changes	47,89,35,258
Changes in Working Capital	
Adjustments for (increase) / decrease in operating assets:	
Trade receivables	1,78,72,677
Short-term loans and advances	(5,04,04,879)
Long-term loans and advances	(1,00,21,058)
Other current assets	(4,45,55,504)
Adjustments for increase/(decrease) in operating liabilities:	
Trade payables	(14,68,41,762)
Other current liabilities	45,93,399
Short-term provisions	(7,14,981)
Long-term provisions	17,42,426
Cash Generated from Operations	25,06,05,576
Less: Taxes Paid	1,96,55,837
Net Cash flow from operating Activities (A)	23,09,49,739
B. Cash Flow from Investing Activities	
Capital expenditure on fixed assets, including capital advances	(21,45,81,075)
Interest Income received	4,05,42,927
Dividend Income received	51,88,300
Investments in Mutual Fund	(48,20,00,178)
Purchase of long-term investments in subsidiary	(29,10,62,153)
Fixed Deposits placed	(1,05,99,60,918)
Net Cash Flow (used in) Investing Activities (B)	(2,00,18,73,097)

Financial Statement FY 2015-2016

Particulars	For the year ended 31st March 2016
C. Cash Flow from Financing Activities	
Proceeds from issue of equity shares	22,04,480
Proceeds from issue of preference shares	5,00,00,000
Proceeds from securities premium on issue of equity and preference shares	1,87,07,42,300
Proceeds from long-term borrowings	44,64,37,178
Repayment of long-term borrowings	(38,39,55,953)
Share Issue Expenses	(3,12,66,605)
Finance Costs	(22,76,78,096)
Cash Flow from Financing Activities (c)	1,72,64,83,304
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	(4,44,40,054)
Add: Cash & Cash Equivalent at the beginning of the year	11,92,62,154
Cash & Cash Equivalent at the end of the year	7,48,22,100

Notes to Cash Flow Statement:

- 1) The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statement" specified under section 133 of The Companies Act 2013.
- 2) Cash and Cash equivalents includes cash and bank balances in current accounts and term deposit accounts.
- 3) Reconciliation of Cash and cash equivalents with the Balance Sheet:

Particulars	As at 31st March, 2016
Cash and Cash equivalents as above	74,822,100
Add: Balances in Term Deposits	1,095,392,655
Cash and Cash equivalents as per Note 17	1,170,214,755

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants



Kalpesh J. Mehta
Partner
(Membership No. 48791)

Date: 12 August 2016
Place: Mumbai

For and on behalf of the Board of Directors



Sanjay Kapoor
Director

DIN: 03584520
Date : 12 August 2016
Place : Mumbai



Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 12 August 2016
Place : Mumbai



Bimal Desai
Group Chief Financial Officer
Date : 12 August 2016
Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Note 1(a): Basis of Consolidation

The Consolidated Financial Statements relate to Electronic Payment and Services Private Limited (the Company) and its wholly owned subsidiary EPS ATM Services Private Limited (the Subsidiary)

Note 1(b): Basis of preparation

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, and the relevant provisions of the Companies Act, 2013 ("the 2013 Act"). The consolidated financial statements have been prepared on accrual basis under the historical cost convention.

Note 1(c): Principles of Consolidation

The consolidated financial statements have been prepared on the following basis: (i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2016. (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered as per Accounting Standard 21 on 'Consolidated Financial Statements' specified under section 133 of the Companies Act, 2013. (iii) The difference between the cost of investment in the subsidiary and the Company's share of net assets at the time of acquisition of control in the subsidiary is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be. (iv) Goodwill arising on consolidation is not amortised but tested for impairment. During the year, the Company had acquired 74% of the equity shareholding of EPS ATM Services Private Limited (EPS ATM) (formerly known as CISB ATM Services Private Limited') thereby making EPS ATM a wholly owned subsidiary of the Company with effect from 31st December, 2015. Accordingly, the Consolidated Financial Statements for the year have been prepared for the first time, and hence there are no comparative figures for previous year.

Note 2: Significant Accounting Policies

A) Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

B) Cash and Cash Equivalents (For purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily

Financial Statement FY 2015-2016

convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

C) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated based on the available information.

D) Depreciation and Amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. The estimated residual value for assets is taken as Nil. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on management internal/ technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

Description of Assets	Useful Life
Automated Teller Machine:	
Owned	7 Years
Taken on finance lease	5 Years
Uninterrupted Power Supply Machine:	
Owned	7 Years
Taken on finance lease	5 Years
Site Interior & Other Merchandises:	
Owned	7 Years
Taken on finance lease	5 Years
Air Conditioner:	
Owned	7 Years
Taken on finance lease	5 Years
VSAT:	
Owned	7 Years
Taken on finance lease	5 Years
E-Surveillance	7 years
Digital Video Recorder (DVR)	7 years
Office furniture and fixtures	5 years
Office equipment:	
Mobile phones	3 Years
Others	5 Years

Depreciation on tangible fixed assets provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 are:

Description of Assets	Useful Life
Computers	3 years

Intangible assets are amortised over their estimated useful life on straight line method as follows:

Description of Assets	Useful Life
Computer Software	3 years

The estimated useful life of the intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation period is revised to reflect the changed pattern, if any.

E) Revenue Recognition

Revenues from contracts priced on a time and material basis, are recognised when services are rendered and related costs are incurred; and there is reasonable certainty of ultimate realisation for the same. Revenues until the Balance Sheet date for ATM services provided and for which the billing is pending are aggregated and reported as Unbilled Revenue.

F) Other Income

(i) Profit/ Loss on sale of fixed assets is recognised on transfer of significant risks and rewards of ownership of the asset to the buyer. (ii) Interest on fixed deposits recognised on time proportion basis, having regard to the amount outstanding and the rate applicable. (iii) Dividend income is accounted when such dividend is declared & the Company's right to receive payment is established.

G) Fixed Assets

Fixed assets including intangible assets are stated at cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost of Fixed Assets includes all incidental expenses related to acquisition and installation and other pre-operation expenses until the asset is ready to put to use for its intended purposes. Capital work in progress includes tangible assets which are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

H) Foreign Currency Transactions

Transactions in foreign currencies entered into by the Group are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate to the rate at the date of the transaction. Foreign currency monetary items of the Group, outstanding at the balance sheet date are restated at the year-end rates.

I) Investments

Investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' as specified under section 133 of The Companies Act 2013. Cost of Investments include acquisition charges such as brokerage, fees and other incidental expenses. Long Term Investments are carried individually at cost less provision for diminution other than temporary, in the value of such Investments. Current Investments are carried individually at cost or fair value whichever is less.

J) Employee Benefits

Employee Benefits include provident fund, gratuity and compensated absences.

Financial Statement FY 2015-2016

Defined-contribution plans

The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due, based on the amount of contribution required to be made and when services are rendered by the employees.

Defined-benefits plans

For defined benefit plans in the form of gratuity fund the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost, as reduced by the fair value of scheme assets. Any asset resulting from this calculation is limited to past service cost, plus the present value of available refunds and reductions in future contributions to the schemes.

Other Employee Benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term non-accumulating compensated absences is accounted, when the absences occur.

K) Leases

Where the Group as a lessor leases assets under finance leases, such amounts are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant rate of return on the outstanding net investment. Assets leased by the Group in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Group are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year. Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease term.

L) Earnings per Share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.

M) Taxes on Income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability. Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

N) Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. Impairment loss, if any, is provided in the Statement of Profit and Loss to the extent the carrying amount of assets exceeds their estimated recoverable amount.

O) Provisions, Contingent Liabilities and Contingent Assets

In accordance with AS-29, Provisions, Contingent Liabilities and Contingent Assets, the Group recognises provisions when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made. Provisions are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates. A disclosure of contingent liability is made when there is:- a possible obligation arising from a past event, the existence of which will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not within the control of the Group; or- a present obligation arising from a past event which is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. When 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. Contingent Assets, if any, are not recognised in the financial statements since this may result in the recognition of income that may never be realized.

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P) Onerous contracts

Provisions for onerous contracts are recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable costs of meeting the future obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

Q) Share Issue Expenses

Share issue expenses are adjusted against the Securities Premium Account as permissible under Section 52 of the Companies Act, 2013, to the extent any balance is available for utilisation in the Securities Premium Account. Share issue expenses in excess of the balance in the Securities Premium Account is expensed in the Statement of Profit and Loss.

R) Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

S) Employee share based payment

The Company has constituted an Employee Stock Option Plan - "Electronic Payment and Services - Employee Stock Option Plan 2014" ("EPS-ESOP 2014"). Employee Stock Options granted are accounted under the 'Intrinsic Value Method' stated in the Guidance Note on Employee Share Based Payments issued by the Institute of Chartered Accountants of India.

T) Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

U) Borrowing cost

Borrowing costs include interest and ancillary costs incurred in connection with the borrowing of funds which are charged to the Statement of Profit and Loss.

V) Operating Cycle

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Investing Management



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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 3 : Share Capital

Particulars	As at 31st March, 2016	
	Number of shares	Rs.
(a) Authorised		
Equity Shares of Rs. 10/- each	13,00,000	1,30,00,000
Compulsory Convertible Preference Shares of Rs.10/- each	57,00,000	5,70,00,000
	70,00,000	7,00,00,000
(b) Issued, Subscribed and fully paid-up		
Equity Shares of Rs. 10/- each	5,67,875	56,78,750
Compulsory Convertible Preference Shares ('CCPS') of Rs.10/- each	51,47,737	5,14,77,370
	57,15,612	5,71,56,120
Total	57,15,612	5,71,56,120

Note 3 (a) : Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31st March, 2016	
	Number of shares	Rs.
i. Equity shares		
Outstanding at the beginning of the year	3,47,427	34,74,270
Add: Issued during the year	2,20,448	22,04,480
Closing Balance	5,67,875	56,78,750
ii. Compulsorily convertible preference shares		
Series B CCPS:		
Outstanding at the beginning of the year	-	-
Add: Issued during the year	1,47,737	14,77,370
Closing Balance		
Series C CCPS:		
Outstanding at the beginning of the year	50,00,000	5,00,00,000
Add: Issued during the year	50,00,000	5,00,00,000
Closing Balance		
Total	51,47,737	5,14,77,370

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 3 (b) : Details of shareholders holding more than 5% shares in the company

Particulars	As at 31st March, 2016	
	No. of Shares Held	% Share holding
i) Equity shares		
Sanjay Kapoor	26,250	4.62%
Vidya Rani Mani Mamallan	90,000	15.85%
Aavishkaar India II Company Limited	70,953	12.49%
Aavishkaar Goodwell India Microfinance Development Company II Limited	71,340	12.56%
Aavishkaar Venture Mgt. Services Pvt Ltd.		0.00%
APIS Growth III Limited	2,20,448	38.82%
Asia Participations B.V.	65,425	11.52%
ii) Series B CCPS		
Aavishkaar India II Company Limited	63,590	43.04%
Aavishkaar Goodwell India Microfinance Development Company II Limited	25,161	17.03%
Asia Participations B.V.	58,635	39.69%
iii) Series C CCPS		
Aavishkaar India II Company Limited	19,90,418	39.81%
Aavishkaar Goodwell India Microfinance Development Company II Limited	4,98,438	9.97%
Asia Participations B.V.	25,00,525	50.01%

Note 3(c): Terms / right attached to equity shares

The Company has only one class of equity shares having a par value of Rs.10 per share.

Each holder of equity shares is entitled to one vote per share.

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 shareholding.

Note 3(d) :Terms of Conversion / redemption of CCPS**Series B CCPS:**

During the year ended 31 March 2014, the Company issued 147,737 Series B CCPS at Rs. 10 each fully paid-up at a premium aggregating Rs. 391,503,069/-. The Series B CCPS shall be compulsorily converted into an equal number of Equity Shares on a 1:1 ratio

Conversion of the Series B CCPS into Equity Share shall happen upon the occurrence of the earlier of any of the following events:

- At the time of the Company filing a draft red herring prospectus with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange
- Upon the expiry of 8 (Eight) years from the Completion Date as per Clause 8 of the Share Subscription Agreement.

Series C CCPS:

During the year ended 31 March 2016, the Company issued 5,000,000 Series C CCPS at Rs. 10 each fully paid-up at a premium aggregating Rs. 2,500,000,000/-. The Series C CCPS shall be compulsorily converted into one Equity Share for every 58.3833 Series C CCPS.

Conversion of the Series C CCPS into Equity Share shall happen upon the occurrence of the earlier of any of the following events:

- At the time of the Company filing a draft red herring prospectus with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange
- Upon the expiry of 8 (Eight) years from the Completion Date as per Clause 8 of the Share Subscription Agreement.

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 4 : Reserves and Surplus

Particulars	As at 31st March, 2016
(a) Securities premium account	
Opening balance	85,46,82,406
Add: Premium on shares issued during the year	1,87,07,42,300
Less: Utilised during the year (Refer Note 4.1 below)	(3,12,66,605)
Closing balance	2,69,41,58,101
(b) Surplus / (Deficit) in Consolidated Statement of Profit and Loss	
Opening balance	(30,52,38,081)
Less : Appropriation for Interim Dividend	(49,55,000)
Less : Appropriation for Final Dividend	(1,50,00,000)
Less : Appropriation for Dividend Distribution Tax on Equity Dividend	(40,92,904)
Less : Consolidation adjustment	1,15,807
Add: Profit / (Loss) for the year	(14,70,40,292)
Closing balance	(47,62,10,470)
(c) Employee Stock Options Scheme Outstanding	
Opening balance	2,49,24,388
Add: Amount recorded on grants during the year	1,92,66,240
Closing balance	4,41,90,628
Total	2,26,21,38,259

Note 4.1:

Share issue expenses are adjusted against the securities premium account during the year ended 31st March, 2016

Note 5 : Long Term Borrowings

Particulars	As at 31st March, 2016
(a) Term loans	
Secured	
(i) From Banks (Refer Note 11(c))	33,01,68,721
(ii) From Others	3,14,55,039
Unsecured	
(i) From Others	4,30,91,341
	40,47,15,101
(b) Finance lease obligations (Refer Note 30(I))	
	37,89,52,184
Total	78,36,67,285



ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

(I) Details of terms of repayment for the long-term borrowings and security provided in respect of the long-term borrowings:

Particulars	As at 31st March, 2016
(a) Term loans from Banks	
Secured	55,00,13,024
"[Repayable over 30 - 48 months Secured against:1) Trade receivables and Specific Assets (Refer Note 11(c))2) Lien marked fixed deposit3) Personal Guarantee of Promoters and Directors]"	
(b) Term loans from Others	
Secured	4,00,26,250
"[Repayable over 44 - 48 months Secured against:1) Trade receivables and Specific Assets2) Personal Guarantee of Promoters and Directors]"	
Unsecured	29,53,36,501
[Repayable over 9 - 34 months, including certain loans with revolving facilities]	
(c) Finance lease obligations:	
[Repayable in 21 - 52 monthly installments]	54,97,36,416
	1,43,51,12,191
Less: Current Maturities of Long Term Debts & finance lease obligations (Refer Note 5.1 below)	(65,14,44,906)
Total Long Term Borrowings	78,36,67,285

Note 5.1: (a) For the current maturities of long term borrowings and finance lease obligations, refer Note 9 "Other Current Liabilities"

Note 6 : Other Long Term Liabilities

Particulars	As at 31st March, 2016
Deferred Profit on Sale and lease back transactions	2,50,90,087
Total	2,50,90,087

Note 7 : Long Term Provisions

Particulars	As at 31st March, 2016
Provision for employee benefits	
Provision for gratuity (Refer Note 27 (B))	63,02,364
Total	63,02,364

Financial Statement FY 2015-2016

Note 8 : Trade Payables

Particulars	As at 31st March, 2016
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 8.1 below)	99,50,019
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	23,45,20,921
Total	24,44,70,940

Note 8.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31st March, 2016
Principal amount remaining unpaid to any supplier as at the end of the accounting year	99,50,019

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

Note 9: Other Current Liabilities

Particulars	As at 31st March, 2016
Current maturities of long term debt (Refer Note 5(l))	
Secured:	
(a) Term loans from Banks (Refer Note 11(c))	21,98,44,303
(b) Term loans from Others	85,71,211
Unsecured:	
(a) Term loans from Others	25,22,45,160
Current maturities of finance lease obligations (Refer Note 30(l))	17,07,84,232
Deferred Profit on Sale and lease back transactions	1,43,99,011
Security Deposits received	79,00,000
Other Payables:	
Statutory remittances	64,17,756
Payable to Customers	1,57,34,409
Payable on Purchase of Fixed Asset	12,68,42,291
	12,29,43,182
Total	94,56,81,555

Note 10 : Short Term Provisions

Particulars	As at 31st March, 2016
Provision for employee benefits	
Provision for gratuity (Refer Note 27 (B))	23,336
Provision for compensated absences	4,14,618
Provision For Income Tax	43,58,774
Total	47,96,728

Note 11 : Goodwill on Consolidation

Particulars	As at 31st March, 2015
Opening Balance	-
Add: On acquisition of subsidiary during the year	29,11,03,960
Total	29,11,03,960

Note 12 : Long term loans and advances

Particulars	As at 31st March, 2016
Unsecured & considered good:	
Security Deposits	6,89,05,511
Capital Advances	32,75,538
Balances with government authorities:	
Tax deducted at source credit receivable	2,62,16,311
Total	9,83,97,360

Note 13: Other Non-Current Assets

Particulars	As at 31st March, 2014
Others	
Balances with Banks (In Earmarked Accounts)	
-Balances held as security against borrowings, guarantees	16,59,71,867
-Balances held as margin money, guarantees (Refer Note 13.1 below)	5,17,47,810
Total	21,77,19,677

Note 13.1:

On behalf of the Company, banks have issued performance bank guarantees amounting to Rs. 94,600,000/- for the deployment of cash dispenser's in respect of which the Company has placed fixed deposits under lien amounting to Rs 46,450,000/-

Note 14: Current Investments

Particulars	As at 31st March, 2016
Non Trade – Investment in units of Mutual Funds - Quoted – Lower of cost or fair value	
Investments in Mutual Fund (Market Value Rs. 487,697,289) (Refer Note 15.1 below)	48,20,00,178
Total	48,20,00,178

Financial Statement FY 2015-2016

Note 15.1: Details of Quoted Investment

Mutual Fund Scheme	Cost
ICICI Prudential Liquid Direct Plan Growth Units - 363,121 Market Price Rs.81,443,226/- Face Value Rs.100/- each	8,02,70,782
SBI Treasury Advantage Fund Direct GrowthUnits - 179,482Market Price Rs.305,643,621/- Face Value Rs.1000/- each	30,17,29,396
SBI Ultra Short Term Fund Direct GrowthUnits -51,546 Market Price Rs.100,610,442/- Face Value Rs.1000 /- each	10,00,00,000

Note 16 :Trade Receivables

Particulars	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they were due for payment	
Unsecured	7,92,86,550
Less : - Provision for doubtful trade receivables	(96,44,376)
	6,96,42,174
Others	
Unsecured, considered good	12,10,37,270
Total	19,06,79,444

Note 17 : Cash and Cash Equivalents

Particulars	As at 31st March, 2016
Cash on hand	1,13,373
Balance with banks	
In Current Accounts	7,47,08,727
In Term Deposit	1,09,53,92,655
Total	1,17,02,14,755

Note 18 : Short Term Loans and Advances

Particulars	As at 31st March, 2015
Unsecured and considered good:	
Loans and advances to employees	10,62,957
Prepaid expenses	1,50,35,318
Balances with Government Authorities	
Cenvat Credit Receivable	2,44,66,895
Advance to suppliers (Net)	37,05,290
Total	4,42,70,460

Note 19: Other Current Assets

Particulars	As at 31st March, 2016
Unbilled Revenue	27,73,46,235
Insurance Claim receivable (Net)	3,75,35,172
Interest accrued on fixed deposits	1,47,58,259
Other Receivables	4,02,43,242
Total	36,98,82,908

Financial Statement FY 2014-2015
ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes to the consolidated financial statements
Note : 11 Fixed Assets

Sr. No	FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
		BALANCE AS AT 1.04.2015	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2016	BALANCE AS AT 1.04.2015	DEPRECIATION/AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2016	BALANCE AS AT 31.03.2015
A	Tangible Assets									
	Automated Teller Machine									
	Owned	62,81,42,350	10,39,95,084	2,73,45,276	70,47,92,158	9,62,14,551	58,36,285	18,48,43,431	51,99,48,727	53,19,27,799
	Taken under finance lease	58,09,51,046	2,27,22,747	34,07,300	60,02,66,493	15,44,03,704	12,83,645	26,85,46,398	33,17,20,095	42,65,47,342
	Uninterrupted Power Supply Machine									
	Owned	7,95,45,463	1,66,30,195	36,96,554	9,24,79,104	1,28,33,152	8,67,997	2,57,49,825	6,67,29,279	6,67,12,311
	Taken under finance lease	4,48,29,821	43,74,001	17,46,359	4,74,57,463	1,17,89,210	6,58,140	2,10,68,274	2,63,89,189	3,30,41,611
	Site Interior & Other Merchandises									
	Owned	32,98,70,140	5,87,10,407	1,41,84,300	37,43,96,247	5,27,89,618	32,69,999	10,45,49,909	26,98,46,338	27,70,80,522
	Taken under finance lease	17,26,24,349	94,26,761	35,24,855	17,85,26,255	4,76,78,457	12,84,456	7,96,92,971	9,88,33,284	12,49,45,892
	Air Conditioner									
	Owned	4,63,92,571	1,77,87,719	8,08,143	6,33,72,147	58,15,797	2,06,293	1,38,73,144	4,94,99,003	4,05,76,774
	Taken under finance lease	1,98,09,373	2,48,261	15,06,869	1,85,50,765	66,91,932	4,97,314	95,62,299	89,88,466	1,31,17,441
	VSAT									
	Owned	2,94,42,556	1,33,73,294	13,64,862	4,14,50,988	26,55,915	3,14,270	76,04,480	3,38,46,508	2,67,86,641
	Taken under finance lease	33,23,172	9,43,402	-	42,66,574	31,681	-	8,50,584	34,15,990	32,91,491
	E-Surveillance									
	Owned	1,75,72,364	93,12,413	-	2,68,84,777	4,38,540	-	38,57,209	2,30,27,568	1,71,33,824
	Digital Video Recorder (DVR)	-	21,15,546	-	21,15,546	-	-	88,517	20,27,029	-
	Furniture and Fixtures									
	Owned	19,58,762	14,43,206	-	34,01,968	6,33,616	-	11,11,315	22,90,653	13,25,146
	Taken under finance lease	24,34,094	14,60,168	2,38,105	36,56,157	8,72,514	-	16,45,646	20,10,511	15,61,580
	Computers									
	Owned	54,05,178	12,64,297	2,01,039	64,68,436	27,78,813	-	45,06,617	19,61,819	26,26,365
	Taken under finance lease	-	-	-	-	-	-	-	-	-
	Total	1,96,23,01,239	26,38,07,501	5,80,23,662	2,16,80,85,078	39,56,26,500	1,42,18,399	72,75,50,619	1,44,05,34,459	1,56,66,74,739
B	Intangible Assets									
	Computer Software									
	Owned	1,02,54,489	29,05,403	73,143	1,30,86,749	42,55,524	-	80,66,659	50,20,090	59,98,965
	Taken under finance lease	1,02,54,489	29,05,403	73,143	1,30,86,749	42,55,524	-	80,66,659	50,20,090	59,98,965
	Total	1,97,25,55,728	26,67,12,904	5,80,96,805	2,18,11,71,827	39,98,82,024	1,42,18,399	73,56,17,278	1,44,55,54,549	1,57,26,73,704

Notes:

(a) Additions and Disposals include assets sold under sale and lease back transaction, which has been classified as a finance lease.

(b) The Company had during the previous year, carried out a physical verification exercise for owned/ leased assets along with reconciling the same with the Fixed Assets Register. The resultant differences amounting to Rs. 32,636,215/- had been charged off and disclosed under "Loss on Theft/Damage/Write off of Fixed Assets" in the Statement of Profit & Loss (Refer Note 25 "Other General Expenses") of the previous year.

(c) Pursuant to this reconciliation process of Fixed Assets referred to in Note 11(b) above, the Management has identified that certain fixed assets which were taken on lease had been inadvertently provided and registered as security against a borrowing from a bank. Post Balance Sheet date, Management has initiated the process of release of the above mentioned securities by way of negotiation on prepayment of borrowing.

The Management has assessed the adequacy of securities against outstanding balance of such borrowing as on 31st March 2016 and concluded that the same would be adequate even after excluding the value of such inadvertent charge.

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 20: Revenue from Operations

Particulars	For the year ended 31st March, 2016
Income from ATM Services (net of Service tax)	1,65,45,68,643
Total	1,65,45,68,643

Note 21: Other Income

Particulars	For the Year ended 31st March, 2016
Interest on Fixed Deposit	4,05,42,927
Interest on Income tax refund	2,06,327
Profit on Sale of Fixed Asset (Net)	1,43,99,011
Dividend income	51,88,300
Other Income	23,91,421
Total	6,27,27,986

Note 22: Employee Benefits Expenses

Particulars	For the Year ended 31st March, 2016
Salary, wages & bonus	12,18,09,542
Contribution to Provident Fund (Refer Note 27(A))	49,19,975
Gratuity expense (Refer Note 27(B))	17,50,619
Expense on employee stock options (ESOP) scheme (Refer Note 34)	1,92,66,240
Staff welfare expenses	1,06,73,546
Total	15,84,19,922

Note 23: Finance Costs

Particulars	For the Year ended 31st March, 2016
Interest on Borrowings	11,23,88,730
Interest on Finance Lease	10,79,27,855
Loan Processing Fees	37,50,613
Interest on delayed payment of taxes	36,10,898
Total	22,76,78,096

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 24: Operating Expenses

Particulars	For the Year ended 31st March, 2016
Annual Maintenance Charges	9,26,26,727
Consumables Charges	3,62,47,976
Cash Replenishment Charges	35,14,75,909
Management Service Charges	2,95,84,132
Site Electricity	13,31,90,064
Site Housekeeping	2,98,50,783
Satellite (VSAT) Charges	2,83,06,738
Site Rent	16,46,28,696
Insurance Premium	1,54,46,580
Repairs Charges - Sites	4,13,64,099
Shifting Charges -Sites	49,83,282
Total	92,77,04,986

Note 25: Other General Expenses

Particulars	For the year ended 31st March 2016
Professional and Consultancy Charges	2,23,37,699
Rates and Taxes	4,14,08,999
Rent Charges (Office)	1,07,43,600
Payment to auditor (Refer Note (I) below)	38,50,000
Bank Charges and Commission	22,00,273
Insurance Charges	2,79,070
Power and Fuel Expenses	26,34,604
Repairs and Maintenance	13,40,870
Telecom Expenses	47,98,271
Travelling and Conveyance Expenses	55,06,555
Business Promotion Expenses	23,53,905
Meeting Expenses	18,42,054
Membership and Registration Charges	26,01,218
Office Expenses	42,14,574
Postage and Courier	3,37,414
Printing and Stationery	11,22,669
Motor Car Expenses	4,90,105
Loss on Theft/Damage/Write off of Fixed Assets(Refer Note 11(b))	1,28,92,223
Provision for doubtful trade receivables	96,44,376
Bad Debts and allowances for doubtful balances	2,70,04,785
Provision for Contingencies (Refer Note 35)	4,75,10,200
Lease Rentals (Refer Notes 30(ii))	30,31,570
Miscellaneous Expenses	2,79,015
Total	20,84,24,049

Financial Statement FY 2015-2016

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note (i) Payments to the auditor comprise (net of service tax input credit):

Particulars	For the year ended 31st March, 2016
(a) To Statutory Auditor	
For Audit	38,50,000
Total	38,50,000

Note 26: Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent liabilities

Particulars	As at 31st March, 2015
Claims against the Company not acknowledged as debt	
- Service tax	2,85,36,936

Future cash outflows in respect of the above matter is determinable only on receipt of judgments / decisions pending at various forums / authorities.

(b) Commitments

Particulars	As at 31st March, 2015
Estimated amount of contracts remaining to be executed on capital account and not accounted for	3,22,12,531

Note 27: Employee Benefits

(A) Defined Contribution Plan

The Company makes Provident Fund contributions which is a defined contribution plan, for qualifying employees. Under the Scheme, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits.

The Company recognised Rs. 48,92,166/- (Year ended 31 March, 2016) for Provident Fund contributions in the Statement of Profit and Loss.

(B) Defined Benefit Plan

The Company offers the following employee benefit schemes to its employees:

Gratuity

The Company is statutorily required to provide for gratuity, a defined benefit retirement plan covering eligible employees. Gratuity plan provides for a lump sum payment to employees on retirement, death, incapacitation, termination of employment, of amounts that are based on salaries and tenure of the employees. The gratuity liability is not funded by the company.

Present Liability of Gratuity has been accounted for on the basis of actuarial valuation done by a professional Actuary and this has been relied upon by the auditors.

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes to the consolidated financial statements

Particulars	For the year ended 31st March 2016
I. Actuarial assumptions:	
Salary Escalation*	10.00 % p.a.
Expected Return on Plan Assets** Discount Rate***	N/A
	8.08 % p.a.
Attrition Rate	2.5% p.a. for all service groups
	Indian Assured Lives
Mortality Rate	Mortality (2006-08) Ultimate
<p>* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.</p>	
<p>** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.</p>	
<p>*** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations</p>	
II. Table showing change in Benefit Obligation:	
Liability at the beginning of the year	45,75,081
Interest cost	3,63,261
Current service cost	19,40,330
Actuarial (gain)/ loss on obligation	(5,52,972)
Liability at the end of the year	63,25,700
III. Fair value of Plan Assets:	-
IV. Actual return on Plan Assets:	-
V. Amount Recognised in the Balance Sheet	
Present value of benefit obligation	(63,25,700)
Net asset/ (liability) recognised in the balance sheet	(63,25,700)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets	Not Applicable

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Particulars	For the year ended 31st March, 2016
VII. Expenses recognized in the Statement of Profit and Loss:	
Current service cost	19,40,330
Interest cost	3,63,261
Actuarial (gains)/losses	(5,52,972)
Expenses recognized in Statement of Profit and Loss	17,50,619
VIII. Balance Sheet Reconciliation	
Opening net liability	45,75,081
Expense as above	17,50,619
Net Liability / (Asset) recognised in Balance Sheet	63,25,700

Note 28: Segmental Reporting

As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard - 17 (AS-17) "Segment Reporting" specified under section 133 of The Companies Act 2013, the Management is of the opinion that the Company's operations comprise of only ATM infrastructure services within India. There is neither more than one reportable business segment nor more than one reportable geographical segment, and therefore, segment information as per AS-17 is not required to be disclosed.

Note 29: Related party transactions

1. Details of related parties:

Description of relationship	Names of related parties
<u>(I) Key Managerial Personnel (KMP)</u>	
Managing Director	Mr. Mani Mamallan
Executive Director	Mr. Sanjay Kapoor
Relative of KMP	Mrs. Vidya Rani Mani Mamallan

2. Details of related party transactions during the year ended 31st March, 2016 and outstanding balances as at 31st March, 2016:

Particulars	KMP
Rendering of Services	
Remuneration paid	1,21,11,642
Perquisites Paid	2,37,600

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes to the consolidated financial statements

Note 30: Details of leasing arrangements

Particulars	For the year ended 31st March 2016
As Lessee	
(I): Finance Lease Obligations	
The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end of the lease period. In certain finance lease, the title/ownership shall not be transferred at end of the lease term.	
The lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and condition.	
Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:	
Future minimum lease payments	
not later than one year	25,07,19,917
later than one year and not later than five years	44,67,12,106
later than five years	-
Unmatured finance charges	(14,76,95,607)
	54,97,36,416
Present value of minimum lease payments payable	
not later than one year	17,07,84,232
later than one year and not later than five years	37,89,52,184
later than five years	-
	54,97,36,416
(ii): Operating Lease Obligations	
The Company has entered into operating lease arrangement for Cars for official use. The leases are non-cancellable and are for a period of four years and may be renewed based on mutual agreement of the parties.	
Future minimum lease payments	
not later than one year	33,35,533
later than one year and not later than five years	59,56,685
later than five years	-
	92,92,218
Lease payments recognised in the Statement of Profit and Loss	
- Car Rentals	30,31,570

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 31: Earnings per share

Particulars	For the year ended 31st March, 2016
Net profit / (loss) after tax for the year	(15,52,08,319)
Net profit / (loss) after tax for the year for computation of Earnings per share	(15,52,08,319)
Weighted average number of equity shares	3,91,396
Par value per share	10
Earnings per share from continuing operations - Basic & Diluted	(397)

Note: The effect of conversion of preference shares and exercise of ESOP option is anti-dilutive.

Note 32: Deferred Tax

The Company has not recognised net deferred tax asset as there is no reasonable / virtual certainty, supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax asset can be realized, as per Accounting Standard 22, specified under section 133 of The Companies Act 2013.

Note 33: Derivative Instrument and unhedged foreign currency exposures

The Company did not have any derivative instrument outstanding as at the year end. There are no balances denominated in the foreign currencies as at year end.

Note 34: Employee Stock Option Scheme

In the Extra Ordinary general meeting held on 12th August, 2014, the shareholders approved the issue of 18,750 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2014 ("EPS-ESOP 2014"). The ESOP Scheme 2014 allows the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the board of directors grants the options to the employees deemed eligible. The exercise price of each option shall be Rs 10/- as defined in the Scheme. The vesting periods are

- in respect of 16,800 options granted in September 2014 over a period of one year from the date of grant

- in respect of 1,300 options granted in January 2016 -

(i) 50% at end of 24th month

(ii) 25% at end of 37th month

(iii) 25% at end of 49th month. Options may be exercised within 60 months from the date of vesting. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing Stock Compensation Expense is expensed over the vesting period.

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes to the consolidated financial statements

Note 3 : Share Capital

Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2016	
	Options (Numbers)	Weighted average exercise price per option (Rs)
Option outstanding at the beginning of the year:	16,650	10
Granted during the year:	1,300	-
Vested during the year:	16,650	10
Exercised during the year:	-	-
Lapsed during the year:	-	10
Options outstanding at the end of the year:	1,300	10
Options available for grant:	800	10

Weighted average remaining contractual life for options is 18.5 months outstanding as at 31 March, 2016.

The company believes that the fair valuation of options will not materially change the net income and accordingly the impact on earnings per share. Hence the assumption used for calculating fair value and its impact on earning per share is not disclosed.

Note 35: Provision for Contingencies

Particulars	For the year ended 31st March, 2016
Opening Balance	-
Add: Provision during the year	4,75,10,200
Less: Provision no longer required	-
Closing Balance	4,75,10,200

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ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

Note 36: Additional information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013

Particulars	Net assets, i.e., total assets minus total liabilities		Share of profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent				
Electronic Payment and Services Private Limited	99.98%	2,31,87,36,387	100.36%	(15,57,66,311)
Subsidiary				
Indian				
EPS ATM Services Private Limited	0.02%	5,42,185	-0.36%	5,57,992
Elimination	0.00%	15,807	0.00%	-
Total	100.00%	2,31,92,94,379	100.00%	(15,52,08,319)

Note 37: The Financial Statement have not been authenticated by a company secretary as required under Section 134 of the Companies Act, 2013, as the Company is in the process of appointing a whole time secretary as required under Section 203(1) of the Companies Act, 2013.

Note 38: The Group does not meet the threshold criteria established under section 135 of the Companies Act 2013 for CSR activities and accordingly, no CSR activities have been undertaken by the Group during the current and previous year.

For and on behalf of the Board of Directors



Sanjay Kapoor
Director

DIN: 03584520
Date : 12 August 2016
Place : Mumbai



Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 12 August 2016
Place : Mumbai



Bimal Desai
Group Chief Financial Officer
Date : 12 August 2016
Place : Mumbai





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A payment system company

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