

**RESILIENT
LIKE
NEVER
BEFORE**



Growth in Instant Payments Like Never Before

India recorded 25.5 billion

real-time online transactions

in 2020, which is ahead of China and US



Digital Financial Inclusion Like Never Before

Digital payments in India is expected to grow at 27% CAGR during 2020-25, from Rs 2153 lakh crore transactions in FY 20 to Rs 7092 lakh crore in FY 25.



Invisible Payments Like Never Before

With around 3.48 cr users in India,
FASTag penetration across the
country is at around 96%. It will save
around Rs 20,000 crore per year on
fuel and help the environment



National Highways Authority of India			
Chennai Bypass (Chennai - 112.000 km on NH-6)			
Toll Fee for vehicles - Rs. 1000 per km			
Category of Vehicle	Per km	Per km	Per km
Category I (Two-wheelers)	55	11	85
Category II (Cars)	90	14	139
Category III (Buses)	190	14	285
Category IV (Trucks)	290	14	445
Category V (Heavy Trucks)	290	14	445
Category VI (Heavy Trucks)	300	14	545

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OVERVIEW

Company Information

Vision Mission Core Values

Key Services & Solutions

COMPANY INFORMATION

Electronic Payment and Services Private Limited (EPS) was founded in 2011 with a profound vision of emerging as a leading provider of technology solutions in the retail banking and payments system. In the last ten years of journey, it has truly emerged as a payment technology services company that provides cross-channel, full-spectrum technology solutions across the payments value chain.

EPS was launched with an aim to bridge the gap in demand for efficient, secure and technology-driven products and services for the banking industry. EPS is backed by prolific investors from financial services and payments space with having eminent board of directors and advisors including top executives of RBI, NPCI and PSU banks.

A pioneer of ATM outsourcing in India, EPS today manages over 10,300 ATMs across India. It offers full services, ATM outsourcing services, and 24X7 ATM monitoring. Headquartered in Mumbai, EPS offers ATM services with flexible engagement models such as Brown Label ATM Services, and Managed Services. It is one of the market leaders in end-to-end Automated Teller Machine (ATM) Operations & Outsourcing Services, and ATM Managed Services. In order to support the Ministry of Finance (Govt. of India) led mission driving 'Financial Inclusion', EPS aced in delivering results, reliability and dependability, having successfully deployed ATMs in urban and rural locations across India.

EPS, which has serviced most leading Public Sector Banks, has established a leadership position as an ATM transaction processor.

EPS also enables banks and financial institutes to embark on a Payments Transformation journey by streamlining payment processing, avoiding financial slippages due to deficient reconciliation, reducing risks due to ever increasing fraud sophistication and improving customer centricity. It has expanded its digital product portfolio to cater to the changing needs of banks in 2020. It's portfolio of solutions include - Payment Card Life Cycle Management, EFT Switch, Fraud Risk Management, Enterprise Reconciliation and Exception Management, Mobile Banking, Internet Banking, and transaction switching for mobile-based instant payment mechanisms such as UPI, IMPS, AePS etc.

EPS aims to direct unique efforts towards making important technical as well as technological contributions to the advancement of industry. Innovation-led EPS is all set to transform digital customer experiences for major banks through its advanced solutions. From being known as India's one of the best ATM service players to now recognized as the 'Next-Generation' payment system provider is what EPS has yearned for in the last 10 years, and has navigated its business as per market demands. Technology has guided us to provide seamless, safe and secure mobile-based payments through UPI, IMPS, NETC, and QR-code, which have positioned as a key contender in the emerging payments space.

EPS provides a best-in-class PCI-DSS certified Transaction Switching Solution, which can drive all industry standard front-end payment devices. It has achieved certification of EPS Switch (EPSNet) on NPCI's RuPay interface for ATM shared network, infrastructure services for ATM deployment and monitoring, transaction switching and processing, interchange gateway for Electronic Journal management. It is also an NPCI approved ASP for its payment methods. In the last one year, EPS has notched some wins and established valuable credentials in the non-ATM space, and is building capabilities in emerging areas of Payment Technology (PayTech) and Regulatory Technology (Regtech). Today, it has emerged as one of the forerunners among the B2B payment transaction processors.

OUR SERVICES

01 ATM OUTSOURCING SERVICES

02 ATM MANAGED SERVICES

03 DIGITAL PAYMENT SERVICES



Vision

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

Mission

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.



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.





KEY SERVICES AND SOLUTIONS

ATM OUTSOURCING SERVICES

Our portfolio of End-to-End Outsourced ATM Services provide complete round of services not only helps in identifying sites and deploy ATMs at optimal locations, but also take care of managing the ATM network, which includes management of the electronic journal and bank's EFT switch, and coordination with Cash Replenishment Agencies (CRAs) for cash lifecycle management.

Our clients rely on our expertise and experience to build scalable ATM networks and to improve operational efficiency through continuous online monitoring of vital indicators. They bank on us to provide industry best practises, benefits of latest technologies and competitive advantage for their ATM banking channel.

Advantages:

- End-to-End Outsourced ATM Services under one roof.
- Increased ATM Availability or Uptime.
- Increased ATM Throughput per Period.
- Reduced Outage Times —24x7x365 Monitoring and Incident Management.
- Low number of FLM and SLM calls thanks to remote monitoring and support, 24x7 Help Desk.
- Minimal Cash-out Instances and Minimised Dead Cash — improved cash forecasting and cash management
- Improved Customer Experience Scores.
- Banks freed to focus on growth drivers and innovation while keeping a handle on ATM Channel Costs.
- ATM Site Infrastructure Outsourcing Services
- ATM Site Sourcing
- ATM Site Development





KEY SERVICES AND SOLUTIONS

ATM MANAGED SERVICES

Our Managed ATM Services team with their proven skills and sound knowledge of industry best practices, systems integration and banking technologies manages banks' ATM services and ensure business continuity. The Managed ATM Services team at EPS monitors operations 24x7 and coordinate with multiple agencies to boost network performance and ensure maximum availability. EPS' ATM Managed Services set free banks' managements to focus on their respective business expansion and innovations.

Advantages:

- Helps ATM Operations teams achieve customer-focused KPIs.
- Reduce the impact of lost Loss of revenue from failed transactions. Improved transaction completion rates are achieved by ensuring high ATM availability or high ATM uptime irrespective of location, time of day or peak transaction periods.
- Achieve improved ATM service performance indicators: low Payment Failure Rates, low Customer Incidents Reported by Period, high ATM Throughput, improved Operational Efficiency and Profitability metrics.
- Enhanced cash usage rates Improved due to increased accuracy in forecasting cash-in/cash-out requirements resulting.
- Incident Management with Helpdesk.
- First and Second Line ATM Maintenance.
- Electronic Journal Pulling and Content Management Services.
- Cash Management and Cash Reconciliation Support.
- Complete ATM Site Audit and Maintenance
- Actionable Intelligence Services.





KEY SERVICES AND SOLUTIONS

DIGITAL PAYMENTS

We offer a wide range of solutions in payments, which give banks competitive edge. Some of our key solutions in digital payments are as follows:

1. EFT Switching: Acquire, process, clear and settle credit and debit card payment transactions from ATM, POS, and e-Commerce across any network in real time.
2. Card Management System: Card Lifecycle management backed by comprehensive reporting and audit trails across design, issuance, processing, and administration.
3. Switching for NPCI Operated Payment Systems: Transaction processing for AePS, IMPS, UPI, NETC and BBPS.
4. Aadhaar Data Vault: Tokenization solution that ensures compliance with UIDAI guidelines.
5. Enterprise Fraud Risk Management: Unified Fraud Risk Management across mobile banking, internet banking, cards, mobile wallets, digital wallets, payment gateways. The solution proactively pre-empts, detects, and prevent frauds. It enables reduction in false positives, detection of ever-increasing sophisticated fraud patterns quicker case resolution
6. Enterprise Reconciliation Management: Automates the entire lifecycle of reconciliations across all retail payment channels, like ATM, POS, UPI, IMPS, BBPS, NETC, NEFT, RTGS, VISA, Mastercard Networks, Mobile Wallets, GL validation, NOSTRO, etc.





THE BOARD

Board of Directors



BOARD OF DIRECTORS



Mr. Mani Mamallan
DIN - 03584512
Chairman and Managing Director



Mr. Sanjay Kapoor
DIN - 03584520
Director



Mr. Vineet Chandra Rai
DIN - 00606290
Nominee Director



Mr. Udayan Goyal
DIN - 07399005
Nominee Director



Ms. Sushma Keshavamurthy Kaushik
DIN - 05142705
Nominee Director

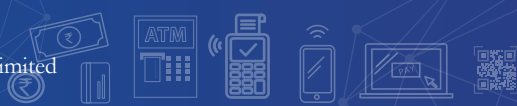


Mr. Rama Subramaniam Gandhi
DIN - 03341633
Independent Director



CHAIRMAN'S LETTER

Message from the Chairman and
Managing Director



MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



Dear Shareholders,

I sincerely hope and pray that you all are well and keeping yourselves safe amid the health and economic crisis caused by Covid-19 pandemic. Financial Year 2020-21 has been a year that put to test the resilience of nations and corporations. It was “once-in-century” kind of year, which was replete with many lessons for not only for businesses but also for human species. In FY 21, Indian economy like other global economies, witnessed one of its worst years, with growth rate contracting by 7.3%, which was the worst in last four decades.

Despite the odds, India navigated the complex environment and showed up inherent strength to reinstate its economy. Thanks to our medical professionals, frontline workers, essential service providers, serving communities and officials from the Government for extending their persistent support to enliven humankind.

Last year, immediately after complete lockdown announcement due to Coronavirus, we witnessed the toughest time for our vendors, partners, associates, and employees. In such an uncertain situation, we accorded the highest priority to the health and safety of our employees and our business associates. I thank our employees, especially field staff (our Covid Warriors), for their indomitable courage and sincere efforts to ensure maximum availability of ATM services in the in remotest region of country. Our employees worked

from home and immensely contributed to the organization’s growth while managing the physical and mental well-being of their families.

Our Remote ATM Management Solution helped many clients in intelligent routing of ATM related calls to field staff, basis the requirement in an area. The solution that automates the processes pertaining to ATM Cash Management and Incident Management was a boon in the trying times.

Measures to stimulate recovery

Our focused approach towards business continuity planning, and effective cash flow management, helped us minimize the impact of Covid-19. Necessary investments in automation & productivity enhancement tools coupled with sound risk and governance practices, boosted operational efficiency and financial performance.

It was tough, but we did take measures to conserve cash that might have caused temporary suspension of investments in building new revenue streams but surely not affected the livelihood of people. We deferred non-critical expenditures, kept capex on hold, avoided negative cash flow projects, optimized spend on marketing and advisory services, and permitted need-based traveling to create a contingency fund for achieving the bigger goal i.e. People before Profitability.

Innovating Business Sustainance

Your company has recorded a total revenue of INR 3,42,99,12,937/- as compared to INR 3,50,59,63,867/- in the previous financial year, while earning INR 53,57,523/ as net profit after tax during the year as compared to INR 8,94,06,367/- as the net profit after tax during previous financial year. Today, your company manages 10,300 ATMs across the country. Over 12 banks, including major public, private and cooperative banks form its customer portfolio.

Your Company has the technology know-how that enables banks to adopt new-age payment processing infrastructure and business models. Its framework seeks to achieve the integration of payment modes as well as backend system like CBS, Fraud Risk Management (FRM) and Enterprise Reconciliation Management that brings efficiency on various front like time-to-market, real-time reconciliation, real-time fraud monitoring, improved transaction speed and less customer disputes.

Your Company continues to have an unrelenting focus on complying with the security standard, which are critical to earn customer trust. Our PCI-DSS certified EPSNet can process transactions across all payment modes and form factors.



Challenges Brought Out the Best

We believe – “this too shall pass, but humankind need to preserve with best efforts during these pandemic times”. Our team had created a corpus fund for employees who got infected of Corona or needed financial support over and above medical insurance. We organized vaccination of our 400+ people which comprised not only the employees and their family members but also the partners. We formed a Covid task force to take care of employees during the second wave that mobilized hospital beds, oxygen cylinders, medicines and consultation with doctors and mental health experts. Our top management were engaged with Covid aggrieved families to check on their health and provide medical care and mental support. These challenging times have made all of us more humble, resilient, and humane than ever before.

In the pandemic we saw an opportunity to deepen our connect with our business ecosystem. As a service to the BFSI community, we created a unique virtual knowledge-platform that gave insights into the emerging payments landscape in a world that changed dramatically due to the breakout of pandemic. More than 100 experts from around the world, shared their discerning views on the likely renaissance in Financial Services. As many as 30,000 participants attended the marathon series of sessions hosted on this knowledge platform. Over 2+ million digital impressions and more than 4000 viewing hours tell a lot about the popularity and relevance of this year-long journey of illuminating the minds with a fresh thinking, which kept alive hope amid an unprecedented human crisis. The world’s largest business daily, The Economic Times acknowledged our contribution by conferring on us the “Most Promising Tech Marketing Award” under the category of the “Best Sustainability/CSR Initiative”. We are happy that we could measure up to the heightened expectations for societal engagement and corporate citizenship.

Future Vistas of Growth

In the last one year, we have notched some wins and established our credentials in the non-ATM space. We continue to build capabilities in Payment Technology (PayTech) and Regulatory Technology (RegTech). As we grow business and create wealth, we are sensitive to our responsibility as a good corporate citizen. We would want to democratize the education in payments technologies. Payments Academy is our foray to achieve the noble objective. You would be animated with noble pride that your Company walked the talk by partnering with Dr. Babasaheb Ambedkar Technology University (DBATU) to offer a career-oriented elective in digital payment technologies that benefited hundreds of students last year.

As we complete 10 years of proven journey, we are buoyed by aspirations and the will to grow revenues through fundraising, diversification, increased geographical footprint, organic and inorganic growth. Digital technologies and innovations that will disrupt the industry are what we would be looking at closely.

Today, your Company has covered a lot of ground in its transformation journey. You will agree that there is a visible perceptual shift in its image as India’s one of the best full services ATM services players to the “Next-Generation” payment system provider.

Enduring Values

Since our foundation days, we have adopted fair business practices, maintained transparency, delivered effective governance, have a strong track record in compliance, and shown commitment to professional enhancement and corporate social responsibility. We are happy that our customers respect our values and hold us one notch up. We shall continue to raise the bar in good governance and stakeholder value creation. I wish you good health.

Stay well.

Mani Mamallan

Chairman and Managing Director



BREAKING NEW GROUNDS

Covid-19 has been a health crisis, which paralysed the global economy like never before. The restrictions caused by the lockdown gave fillip to both e-commerce and m-commerce while bolstering online payments, which include peer-to-peer (P2P) and person-to-merchants (P2M) payments. The pandemic also highlighted the need of digitizing the government payments (G2P) to weaker sections of the society.

The sudden surge in digital payments during the pandemic led the Banks to quickly rethink their digital strategy, revamp payments infrastructure, and reimagine new revenue models. Fintechs and Banks forged alliances and accelerated the trend of Banking-as-a-Service. This collaborative approach enables a bank to harness a vast range of FinTech-led innovation to deliver more compelling services and experiences to its customers, while also facilitating the Fintechs to access to the bank's customer base and provide their services. API platform was at the center of the transition to such an innovation in the distribution of financial services as it functioned as the superglue between Banks and the Fintechs. The increased volume and value of digital transactions underscored the need to strengthen the mechanism of fraud prevention and customer dispute resolution. Pandemic was the time when most of the banks started looking at harnessing the power of advanced analytics with artificial intelligence and Machine Learning for fraud detection and prevention.

We are well positioned to surf the wave of renaissance in payments infrastructure. We have customers for whom we process transactions across all the payment instruments such as Cards, UPI, IMPS, NETC etc. Last year, we have started developing a platform, which helps Banks collaborate with third parties to consume and expose various APIs, and realize further value through API-driven integration with Backoffice systems such as core banking system, fraud risk management, enterprise reconciliation etc. This platform enables Banks bring efficiency on various fronts like accelerated time-to-market of new products, real-time reconciliation, real-time fraud monitoring, improved transaction speed, and reduced customer disputes.

With the advancements in the digital economy, financial data security also gained prominence across the world. Being a global concern, RBI brought forth the concept of data localization to protect user data from potential threats. We are a part of banks' payment data storage localization.

Last year, customer engagement model based on hosted application delivery, shot into prominence because of the financial implications of the Covid-19. We are in an excellent position to capitalize on this opportunity.

Overall, we are optimistic that our business in digital payments will grow manifolds. We are closely monitoring the advancements in this space and would continue to embark on some exciting new initiatives to solve fresh problems of our customers, create value for all the stakeholders.





FINANCIAL BACKERS

List of Lenders



LIST OF LENDERS

- 1) IDFC First Bank
C-32 G Block, Naman Chambers, BKC, Mumbai - 400051.
- 2) Kotak Mahindra Bank
G 6 & G 7, Citipark, Central Avenue, Hiranandani , Powai, Mumbai - 400076.
- 3) Bajaj Finance Limited
4th Floor, Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411014.





BOARD'S REPORTS

Governance Report

Directors' Report on the Standalone &
Consolidated Financials and its annexures



GOVERNANCE REPORT

Introduction

In today's digital world Corporate Governance must ensure organizational resilience while striking a balance between the interests of a company's many stakeholders, such as shareholders, management, employees, customers, suppliers, financiers, government, and the community at large.

Corporate governance, as per benchmarked practice, is an ethically driven business process that is committed to the values aimed at enhancing an organisation's capacity to create wealth. Thus, it forms one of the significant pillars of any efficient and growing organisation.

At EPS, good governance and operational efficiency form the cornerstone to become a differentiated payment technology services provider. The Company's philosophy of corporate governance is founded upon a rich legacy of fairness, accountability, ethics, and transparency. Some of the salient actions of our Corporate Governance in the last fiscal year are as illustrated below:

- 1) Our well-defined processes and systems enabled us to seamlessly transition to "Work from Home" even before the Government announced lockdown.
- 2) We covered our entire workforce and their families under the health insurance scheme "Corona Kavach"
- 3) We arranged the vaccination of people in our entire business ecosystem, which comprise employees and their entire families, partners, and suppliers to strengthen the fight against the pandemic.

It is needless to mention that our risk and governance practices had created a bottom-line impact helping the Company turn PAT positive in the pandemic year, which lent a crippling blow to the economy. The functioning of the Governance, Risk and Compliance department as a well-oiled machine has increased the resilience of the Company and mitigated the risks to the possible extent and enhanced productivity.

Our Governance Risk and Compliance framework is compatible with the domestic standards and industry best practices. We ensure to make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance.





A three-layer defence mechanism characterizes our risk and governance framework. All the departments and processes are governed by the policies and processes laid down under the Governance Framework.

- 1) Statutory Compliances: All applicable statutory compliances in our areas of operations are managed and overseen through EPSafe – a Web-based software that automates risk monitoring and compliance management.
- 2) Assurance: A third party conducts the testing of ICFR and operational controls. We review and revise SOPs and control library on a periodic basis to keep the processes aligned and optimize governance and assurance.
- 3) Internal Audit: We conduct internal audits to review overall performance. Audit observations are closed with risk mitigation and process improvements. Internal Auditor is approved by the Audit committee and audit reports are reviewed periodically.

We have completed various certifications such as ISO 27001-2013 for Information Security, ISO 9001:2015 for Quality Management Systems and PCI DSS for The Payment Card Industry Data Security. Our structure, policies, processes, and systems are based on these standards. This not only gives immense confidence and comfort to our customers and partners but also positions us ahead of our competitors. We ensure timely renewals of our certifications and perform surveillance audits to strictly adhere to the standards.

For the Financial Year 2020 – 2021, we have complied with all the relevant provisions of the legislations covered above and as applicable from time to time. All the teams within the organisation, handling specialised functionalities, support for the compliance of the relevant regulations by providing timely information and extending connectivity. Various committees and sub committees, and policies are 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

All legal documentation is prepared, entered, and executed by the Company, post meticulous legal review, to safeguard Company's legal interests.

At EPS, we aim to accomplish the stature of an organisation that people can trust. We, thus, continue to strive towards achieving becoming the gold standard in Corporate Governance that takes care of all stake holders and make EPS a respected organization.





DIRECTORS' REPORT

To,
The Members of,
ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Your Directors have pleasure in presenting the 10th Annual Report together with the Audited Standalone and Consolidated Financial Statements for the year ended 31st March 2021.

FINANCIAL RESULTS

Particulars	Year Ended on 31st March 2021	Year Ended on 31st March 2020	Year Ended on 31st March 2021	Year Ended on 31st March 2020
	(Standalone)	(Standalone)	(Consolidated)	(Consolidated)
Total Revenue	3,42,99,12,937	3,50,59,63,867	3,43,04,86,263	3,51,58,01,066
Expenditure	3,03,43,22,187	2,97,84,83,166	3,03,67,39,762	2,96,82,88,206
Profit / (Loss) before Depreciation	39,55,90,750	52,74,80,701	39,37,46,502	54,75,12,860
Less: Depreciation	39,02,33,227	44,20,74,334	39,02,33,227	44,55,92,573
Profit / (Loss) before Taxes	53,57,523	8,54,06,367	35,13,275	10,19,20,287
(Add) / Less: Taxation	-	(40,00,000)	-	(40,00,000)
Profit / (Loss) After Tax	53,57,523	8,94,06,367	35,13,275	10,59,20,287

REVIEW OF THE BUSINESS OPERATIONS

Standalone

During the year, the Company recorded a total revenue of INR 3,42,99,12,937/- as compared to INR 3,50,59,63,867/- in the previous financial year. The Company has earned the net profit after tax of INR 53,57,523/- during the year as compared to the net profit after tax of INR 8,94,06,367/- during previous financial year.

Consolidated

During the Year Company recorded a consolidated total revenue of INR 3,43,04,86,263/- as compared to INR 3,51,58,01,066/- in the previous financial year. The Company has earned the net profit after tax of INR 35,13,275/- during the year as compared to net profit after tax of INR 10,59,20,287/- during previous financial year.

CONSOLIDATED FINANCIAL STATEMENTS

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 (the "Act") and the relevant provisions of the Act, read with the Companies (Accounting Standards) Rules, 2006.

GENERAL REVIEW ON THE STATE OF COMPANY'S AFFAIRS

Electronic Payment and Services Private Limited ("EPS" or "the Company") is an ATM operation and services company, incorporated on 29th September 2011 and commenced its business in June 2012. The Company was formed to provide ATM management operations and services to banks.

Currently, the Company manages approximately 10,000 ATMs in all developed areas as well as supporting such business initiatives in remote areas too. The Company also offers Card Management Systems, EFT Switching Services, Enterprise Reconciliations Services and Fraud Risk Management to Financial Institutions.

DISCLOSURE ON CHANGE IN THE NATURE OF BUSINESS

There is no change in the nature of business of the Company.

IMPACT OF COVID-19 PANDEMIC ON THE COMPANY'S BUSINESS AND COMPANY'S RESPONSE TO IT

The outbreak of COVID-19 global pandemic, including the 2nd wave and additional disruptions, has resulted in economic and business uncertainty which has led to volatility in the global markets. India too has been impacted as a result of this global pandemic. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial statements to determine the carrying value of its assets and the impact on its liabilities.



The extent to which the COVID-19 global pandemic will impact future results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 global pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The actual impact of the COVID-19 global pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and the impact on the financial statements will be reflected in the applicable future periods.

DIVIDEND

The Board of Directors of your Company, after considering the relevant circumstances, has decided that it would be prudent, not to recommend any Dividend for the year under review.

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 Rule 8(3) of the Companies (Accounts) Rules, 2014, with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the “Annexure I” enclosed.

CORPORATE SOCIAL RESPONSIBILITY

Based on the audited financial results of FY 2019-20 and pursuant to the Section 135 of the Companies Act, 2013, the provisions of Corporate Social Responsibility (“CSR”) became applicable to the Company from FY 2020-21 onwards. Accordingly, adhering to the provision of the said section and the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amendments thereto (“CSR rules”), the Board of Directors of the Company approved the Corporate Social Responsibility Policy in the Board Meeting held on 24th February 2021. As per the compliance guidelines, the Corporate Social Responsibility Policy is displayed on the website of the Company at <https://www.electronicpay.in/wp-content/themes/hala/downloads/internal-policies/EPS-CSR-Policy.pdf> .

The Company does not meet the threshold criteria established under section 135(5) of the Companies Act, 2013 for CSR activities. However, during the current year, the Company had contributed INR 10,25,000/- towards the CSR activities and pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company intends to set off the said excess contribution amount against the requirement to spend on CSR activity up to immediate succeeding three financial years, if applicable.

Further, pursuant to Section 135(9) of the Companies Act, 2013, the Company is not required to formulate a separate CSR Committee until it meets the prescribed criteria. Hence, the Board of Directors of the Company shall be responsible for monitoring and ensuring the compliances relating to the CSR provisions.

The Annual Report on CSR activities is appended as “Annexure II” to the Directors’ Report.

DIRECTORS’ RESPONSIBILITY STATEMENT

The Board of Directors of the Company pursuant to the requirements of Section 134(3)(c) and 134(5) 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 had 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 31st March 2021 and of the profit and loss of the Company for the year ended on that date;
- 3) That the Directors 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 Directors had prepared the annual accounts on a going concern basis; and
- 5) They had 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

The Company has not given any loans or provided guarantees and securities, as applicable pursuant to the provision of Section 186 of the Companies Act, 2013.

During the years under review, the Company had made an investment in the equity shares of Electronic Payment Australia Pty. Ltd. - Wholly Owned Subsidiary Company based in Australia, complying to the provisions Section 186 of the Companies Act, 2013 and the details of the said investment are covered under Note No. 12 to the Standalone Financial Statements 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 ENDS OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT

During the financial year 2017-18, the Company had invested in Electronic Payment Australia Pty. Ltd. ("Subsidiary"), a company based in Australia. This is a wholly owned subsidiary of the Company. On 28th July 2020, the Company, as the sole shareholder of the Subsidiary, took a decision to wind up the operations of the Subsidiary and had appointed a liquidator. The Company does not expect to realize any proceeds from the liquidation. Accordingly, the Company has made a provision for diminution in the value of the investment in the Subsidiary. On 18th March 2021, the liquidator received the clearance from the Australian Securities and Investments Commission (ASIC) for the liquidation of the Subsidiary. On 29th June 2021, the liquidator has submitted a request with ASIC for deregistration of the Subsidiary along with a notice of cessation as liquidator of the Subsidiary and the deregistration of an entity generally occurs within 3 months of lodgment of notice.

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, the 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

During the year, there were no material related party contracts entered by the Company that may have potential conflict of interest with the Company at large and all the transactions were at arm's length and in ordinary course of business. The remuneration being paid to the related parties are as approved by the Board of Directors and Shareholders of the Company during previous year & there were no further changes to the same. Hence, the disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. All related party transactions as per AS-18 are mentioned in the Note No. 28 and Note No. 27 to the Standalone Financial Statements and Consolidated Financial Statements, respectively.

ANNUAL RETURN

The Ministry of Corporate Affairs vide Section 23 of the Companies (Amendment) Act, 2017, has removed the provision of enclosing the extract of annual return in form MGT-9 with the Directors' report.

Accordingly, pursuant to subsequent amendment to Section 92(3) and 134(3)(a) of the Companies Act, 2013, the Annual Return for the financial year ended on 31st March 2021, shall be placed on the website of the Company at <https://www.electronicpay.in/company-annual-return/>.

DETAILS OF SUBSIDIARY COMPANY

As on 31st March 2021, the Company has a Wholly Owned Subsidiary i.e. Electronic Payment Australia Pty. Ltd ("EPAPL"). Pursuant to the approval granted by the Members of the Company in the Extra Ordinary General Meeting held on 27th July 2020, EPAPL was put to liquidation on 28th July 2020. On 18th March 2021, the liquidator received the clearance from the Australian Securities and Investments Commission (ASIC) for the liquidation of the Subsidiary. On 29th June 2021, the liquidator has submitted a request with ASIC for deregistration of the Subsidiary along with a notice of cessation as liquidator of the Subsidiary and the deregistration of an entity generally occurs within 3 months of lodgment of notice.

A statement containing the salient features of the performance and financial position of the Subsidiaries, Associates / Jointly Controlled Entity as required under Rule 5 of the Companies (Accounts) Rules, 2014 is provided in Form AOC-1 marked as "Annexure III" and forms part of this report.

SHARE CAPITAL

There were no changes made in the Share Capital of the Company during the year under review. The details of the Share Capital are given under Note No. 3 to the Standalone and Consolidated Financial Statements of the Company.



EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS AND THE PRACTICING COMPANY SECRETARY IN THEIR REPORTS ON STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS

There were no qualifications, reservations or adverse remarks made by the Auditors in their report on the Standalone and Consolidated Financial Statements.

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

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

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.

DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL APPOINTED OR RESIGNED DURING THE YEAR

During the period under review, there were no changes in the composition of Directors 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-400 013, are the Statutory Auditors of the Company and their re-appointment & remuneration, as the Statutory Auditor for FY 2021-22, shall be ratified & approved in the ensuing Annual General Meeting for FY 2020-21. Accordingly, the eligibility certificate & consent for the proposed ratification from the Statutory Auditors have been received by the Company.

MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013, is not applicable to the Company.

PARTICULARS OF EMPLOYEES

During the year under review, no employee was in receipt of remuneration as prescribed under the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DECLARATION OF INDEPENDENT DIRECTORS

Mr. Rama Subramaniam Gandhi, is the Independent Director of the Company and as an annual compliance, the declaration confirming the compliance of the conditions of the independence stipulated in the Section 149 of the Companies Act, 2013, has been submitted by him to the Company.

Further to note that, the Company being a Private Limited Company, the provisions of Section 149 pertaining to the appointment of Independent Directors are not applicable and that the appointment has been made in order to comply with the Shareholders' Agreement signed between the Company and its Shareholders.

BOARD MEETING

During the Financial Year 2020-21, the Board met eight (8) times on 07-04-2020, 11-06-2020, 21-07-2020, 11-08-2020, 02-11-2020, 16-12-2020, 24-02-2021 and 22-03-2021. Further during the Financial Year 2020-21, the Board Sub-Committee Members met to conduct their meetings on the dates as mentioned below:

- **Audit and Risk Board Sub-Committee Meetings:** - 11-06-2020, 11-08-2020, 02-11-2020 and 24-02-2021
- **Finance Board Sub-Committee:** - 02-11-2020, 16-12-2020, 24-02-2021 and 22-03-2021
- **Business and Operations Board Sub-Committee:** - 02-11-2020 and 24-02-2021
- **Compensation Board Sub-Committee:** - 02-11-2020 and 24-02-2021

Given the ongoing Covid-19 pandemic, to maintain social distancing norms and ensure smooth conduction of the meeting, all the Board Meetings, Shareholders' Meetings and Board Sub-Committee Meetings held during the year under review, were conducted through Audio-Video Conferencing Facility, adhering to guidelines/circulars, compliance relaxation norms granted by the Ministry of Corporate Affairs ("MCA"), time to time.



SEXUAL HARRASSMENT POLICY

The Company has devised a 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. The policy highlights are regularly flashed on the desktops of all the employees to ensure the adherence to the policy. An Internal Complaint Committee (“ICC”) has been set up in compliance with the said Act which also includes an external member. The Human Resource department of the Company also ensures to conduct regular training sessions on the Company’s Sexual Harassment Policy. The Board of Directors in their meeting held on 02nd November 2020, had reviewed the Sexual Harassment Policy of the Company and the updated policy has also been displayed on the Company’s website www.electronicpay.in.

During the year under review, no complaints pertaining to sexual harassment of women employees were reported to the Committee.

CODE OF CONDUCT

The Company has a comprehensive Code of Conduct (“the Code”) applicable to all the stakeholders. During the year under review, the Board of Directors in their meeting held on 02nd November 2020, had reviewed the Code of Conduct and the copy of the Code is available on the Company’s website www.electronicpay.in.

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.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Company has established a Vigil Mechanism/Whistle Blower Policy pursuant to Section 177(9) of the Companies Act, 2013 and oversees it through Mr. Mani Mamallan, Managing Director of the Company. The formation of the Audit Committee Section 177(1) of the Companies Act, 2013, is not applicable to the Company. During the year under review, the Board of Directors in their meeting held on 02nd November 2020, had reviewed the Vigil Mechanism/Whistle Blower Policy of the Company and the updated policy has also been displayed on the Company’s website www.electronicpay.in.

The Company has also provided adequate safeguard against victimization of employees and the Directors who express their concerns.

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards.

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 during the year: - Nil
- (b) Options Vested during the year: - Nil
- (c) Options Exercised during the year: - Nil
- (d) The Total Number of Shares arising as a result of Exercise of Option: - Nil
- (e) Options Lapsed/ Forfeited during the year: - Nil
- (f) The exercise Price: - INR 10/- per share
- (g) Variation of terms of Options: - Refer below table for Variation of terms of in the Options Granted
- (h) Money realized by exercise of Options: - Nil
- (i) Total Number of options in force:- 17,788
- (j) Total Number of options available for grant- 962
- (k) Employee wise details of options granted to; -
 - i. key managerial Personnel – None, during the year under review.
 - 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.-List of employees captured below

ESOP 2014 – Granted in September 2014

Name of Grantee	No of options granted
Mr. Chandrasekaran	4500
Mr. Manohar Bhoi	4500
Mr. Prakash Joshi	4500
Mr. Thyagrajan	1500
Mr. Murali Sharma	1500
Mr. Amit Kadam	150
Ms. Supriya Shukla	150*
Total	16,800

ESOP 2014 – Granted in January 2016

Name of Grantee	No of options granted
Mr. Farroukh Kolah	250**
Mr. Bharat Panchal	150
Mr. Rohit Jain	150
Mr. Nitin Gaonkar	150
Ms. Pradnya Bagade	150
Mr. Vaibhav Puranik	150
Mr. Mahesh Panchal	150
Mr. Mahesh Gaitonde	150**
Total	1,300

*Lapsed

**Partially Lapsed

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- Nil

Further, the Board of Directors of the Company, in their meeting held on 29th January 2020, had approved the extension for exercising the ESOPs' granted in the year 2014 and 2016. The revised ESOP schedule after extending the exercise period is as follows:

Details	Grant Date	Number of options vested less lapsed	Vesting Dates	Revised Exercise Dates
First Allocation	5th September 2014	16,650	4th September 2015	12th February 2025
Second Allocation	13th January 2016	650	13th September 2018	12th February 2025
		263	13th September 2019	12th February 2025
		225	13th February 2020	12th February 2025

Further, in the Extra Ordinary General Meeting held on 19th January 2016, the Shareholders of the Company approved the issue of 43,158 equity options under the Scheme titled "Electronic Payment and Services-Employee Stock Option Plan 2015" (ESOP 2015). The Company has not granted any of these equity options to the employees of the Company.

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. This policy defines the Risk Management framework through Risk Management Structure, Risk Management Program, Risk Categories & Mitigation Measures.

During the year under review, the Board of Directors in their meeting held on 02nd November 2020, had reviewed the Risk Management Policy of the Company and the updated policy has also been displayed on the Company's website www.electronicpay.in.

**DEPOSITS**

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

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation assistance and co-operation received from the banks, Government authorities, customers, vendors, and members during the year under review. Your Company also takes this opportunity to acknowledge the dedicated efforts made by staff and officers at all levels for their contributions to the Company.

**For and on behalf of the board of
Electronic Payment and Services Private Limited**

Place - Mumbai
Date - 28th August 2021

Mani Mamallan
Chairman and Managing Director
DIN: 03584512

Sanjay Kapoor
Director
DIN: 03584520



“ANNEXURE I” to Directors’ Report for the Financial Year Ended on 31st March 2021

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 or 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 2020-21) (in INR)	Previous Year (FY 2019-20) (in INR)
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 Foreign Expenditure

Particulars	Current Year (FY 2020-21) (in INR)	Previous Year (FY 2019-20) (in INR)
Import of Capital Goods calculated on CIF Basis:	NIL	NIL
(1) Raw material	NIL	NIL
(2) Component and Spare parts	NIL	NIL
(3) 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	37,01,157	53,03,670
Dividend Paid	NIL	NIL
Total Expenditure in Foreign exchange	37,01,157	53,03,670

**For and on behalf of the board of
Electronic Payment and Services Private Limited**

Place - Mumbai
Date - 28th August 2021

Mani Mamallan
Chairman and Managing Director
DIN: 03584512

Sanjay Kapoor
Director
DIN: 03584520



ANNEXURE - II
ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY ACTIVITIES
[Pursuant to the Section 135 of the Companies Act, 2013 and Companies
(Corporate Social Responsibility Policy) Rules, 2014, as amended time to time]

1. A brief outline of the Company's Corporate Social Responsibility ("CSR") policy of the Company

The Provisions of the Corporate Social Responsibility became applicable to the Company from FY 2020-21 onwards. Accordingly, adhering to the provision of the Section 135 of the Companies Act, 2013, amended CSR provisions as per the Companies (Amendment) Act, 2020 and rules framed thereunder, the Board of Directors of the Company approved the Corporate Social Responsibility Policy in the Board Meeting held on 24th February 2021.

The objective of the CSR Policy of the Company is to lay down the approach, directions as well as the guiding principles for selection, implementation, monitoring of CSR activities and formulation of the annual action plan. The Policy covers the proposed CSR activities to be undertaken by the Company and ensuring that they are in line with Schedule VII of the Companies Act 2013 as amended time to time.

The CSR activities of the Company shall be implemented in accordance with the following principles:

- To acknowledge the business and society interdependence and contribute to the society through the CSR activities.
- To contribute towards sustainable development of the country through the CSR activities
- To recognize the corporate accountability towards the wellbeing of the society and protection of environment.
- To comply with the CSR provision of the Companies Act 2013 and rules framed thereunder as amended time to time

2. The Composition of the CSR Committee :- Pursuant to the provisions of the Companies Act, 2013 and the Companies (Amendment) Act, 2020, the Company is not required to formulate a separate CSR Committee. Hence, the duties of the said committee shall be discharged by the Board of Directors of the Company until the said provisions become applicable to EPS.

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company:-

<https://www.electronicpay.in/wp-content/themes/hala/downloads/internal-policies/EPS-CSR-Policy.pdf>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable :- Not applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :- Not applicable for FY 2020-21

Sr. No.	Financial Year	Amount available for set-off from preceding financial years (in INR)	Amount required to be set-off for the financial year, if any (in INR)
1.		NIL	
	Total		

6. Average net profit of the Company as per section 135(5) :- INR (3,38,14,344)/-

7.

a)	Two percent of average net profit of the Company as per section 135(5)	INR (6,76,287)/-
b)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years.	-
d)	Amount required to be set off for the financial year, if any	INR (6,76,287)/-
	Total CSR obligation for the financial year (7a+7b-7c)	

8. a) CSR amount spent or unspent for the financial year :- While the Company had no obligation towards CSR for FY 2020-21, it made contribution towards below CSR activities:



Total Amount Spent for the Financial Year. (in INR)	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
1,025,000/-	-	-	-	-	-

b) Details of CSR amount spent against ongoing projects for the financial year :- None

c) Details of CSR amount spent against other than ongoing projects for the financial year :-

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Name of the Project	Item from the List of activities in Schedule VII of the Act	Local area (Yes/ No)	Location of the project State District	Amount spent for the Project (in INR).	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency Name CSR Registration number
1	PM CARES Fund - Covid-19 relief	*(viii)	No	PAN India	10,00,000/-	Yes	PM CARES Fund -
2	Child Medical Aid	(i)	Yes	MH Mumbai	25,000/-	No	Abhilasha Foundation CSR000 02729

*(viii) contribution to the prime minister's national relief fund and/or Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the central govt. for socio economic development and relief and welfare of the schedule caste, tribes, other backward classes, minorities and women;

** (i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation] and making available safe drinking water.

d) Amount spent in Administrative Overheads :- NIL

e) Amount spent on Impact Assessment, if applicable :- Not applicable

f) Total amount spent for the Financial Year (8b+8c+8d+8e) :- INR 10,25,000/- (An excess contribution)

g) Excess amount for set off, if any :-

Sr. No.	Particulars	Amount (in INR)
(i)	Two percent of average net profit of the Company as per section 135(5)	(6,76,287)/-
(ii)	Total amount spent for the Financial Year	-
(iii)	Excess amount spent for the financial year [(ii)-(i)]	10,25,000/-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	10,25,000/-

9. (a) Details of Unspent CSR amount for the preceding three financial years :- Not applicable

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):- None



10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year:- Not applicable

- a) Date of creation or acquisition of the capital asset(s).
- b) Amount of CSR spent for creation or acquisition of capital asset
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per section 135(5):-

The Company does not meet the threshold criteria established under section 135(5) of the Act 2013 for CSR activities. However, during the current year, the Company had contributed INR 10,25,000/- towards the CSR activities.

**For and on behalf of the board of
Electronic Payment and Services Private Limited**

Place - Mumbai
Date - 28th August 2021

Mani Mamallan
Chairman and Managing Director
DIN: 03584512

Sanjay Kapoor
Director
DIN: 03584520



**Annexure III
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

Sr. No.	Particulars	Details
1	Name of the subsidiary	Electronic Payment Australia Pty. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2020 to 31/03/2021 Australian Dollars
3	Reporting currency and Exchange rate as on the last date of the relevant financial year.	Exchange Rate as on 31st March 2021:- INR 55.86
4	Share capital	4,52,83,637
5	Reserves & surplus	(4,56,54,356)
6	Total assets	-
7	Total Liabilities	3,70,719
8	Investments	-
9	Turnover	5,73,326
10	Profit/(Loss) before taxation	(44,71,748)
11	Provision for taxation	-
12	Profit/(Loss) after taxation	(44,71,748)
13	Proposed Dividend	-
14	% of shareholding	100%

Also refer Note 36 of the Consolidated Financial Statement for further details.

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- NIL



Part “B”: Associates and Joint Ventures

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

Particulars			
Name of associates/Joint Ventures	N.A.	N.A.	N.A.
Latest audited Balance Sheet Date	-	-	-
Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
Number of shares	-	-	-
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	-	-	-
Considered in Consolidation	-	-	-
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
Electronic Payment and Services Private Limited**

Place - Mumbai
Date - 28th August 2021

Mani Mamallan
Chairman and Managing Director
DIN: 03584512

Sanjay Kapoor
Director
DIN: 03584520

FINANCIAL STATEMENTS

Standalone Financial Statements:

Independent Auditors' Report on Standalone Financials & its Annexures

Standalone Balance Sheet

Standalone Profit & Loss Statement

Standalone Cash Flow Statement

Standalone Notes to Accounts

Consolidated Financial Statements:

Independent Auditors' Report on Consolidated Financials and its Annexures

Consolidated Balance Sheet

Consolidated Profit & Loss Statement

Consolidated Cash Flow Statement

Consolidated Notes to Accounts



INDEPENDENT AUDITOR'S REPORT

To The Members of Electronic Payment and Services Private Limited
Report on the Audit of the Standalone Financial Statements

Opinion

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 2021, and the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended (“Accounting Standards”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021, and its loss and its cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor’s Report Thereon

The Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s report, but does not include the consolidated financial statements, standalone financial statements and our auditor’s report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit 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, the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account
- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e. On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 an unmodified 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 the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
- h. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, 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 statement on the matters specified in paragraphs 3 and 4 of the Order.

Place - Mumbai
Date - 28th August 2021

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm’s Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAHW4347)



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section 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, 2021 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 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 of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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 audit opinion on the Company’s internal financial controls system over financial reporting.

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.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Place - Mumbai
Date - 28th August 2021

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAHW4347)



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.

(i) (b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, the discrepancies noted on such verification have been appropriately dealt with by the Management.

(i) (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 Order is not applicable.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order 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) Having regard to the nature of the Company's business/ activities reporting under clause (v) of the Order is not applicable.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. We have been informed that statutory dues with respect to Employees' State Insurance are not applicable to the Company.

(vii) (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service tax, Goods and Services Tax, Customs Duty, Excise Duty, Employees' State Insurance, Value Added Tax, cess and other material statutory dues in arrears as at 31st March, 2021 for a period of more than six months from the date they became payable.

(vii) (c) Details of dues of Service Tax and Value Added Tax which have not been deposited as on 31st March, 2021 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 (Rs.)	Amount Unpaid (Rs.)
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Central Excise and Service Tax Appellate Tribunal	October 2011 to March 2014	2,85,36,936	2,85,36,936
Finance Act, 1994 and Service Tax Laws	Service Tax	Commissioner of Central GST and Central Excise	FY 2014 – 15 to FY 2017-18	1,83,12,546	1,83,12,546
The Maharashtra Value Added Tax, 2002	Value Added Tax	Appeal yet to be filed	FY 2015-16	13,05,299	13,05,299

(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, banks and government. The Company has not issued any debentures.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilised the money raised by way of term loans 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 material 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 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 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 177 and 188 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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(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 holding, subsidiary company or persons connected with them 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-IA of the Reserve Bank of India Act, 1934.

Place - Mumbai

Date - 28th August 2021

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAHW4347)



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Balance Sheet as at 31st March, 2021

Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,25,89,480	3,25,89,480
Reserves and surplus	4	1,64,30,31,819	1,63,76,74,296
		1,67,56,21,299	1,67,02,63,776
Non-Current Liabilities			
Long-term borrowings	5	34,01,32,137	55,41,12,839
Long-term provisions	6	8,01,82,951	14,14,23,653
		42,03,15,088	69,55,36,492
Current Liabilities			
Trade payables	7		
(a) Total outstanding dues of Micro, Small and Medium Enterprises		7,68,91,477	8,14,79,349
(b) Total outstanding dues other than Micro, Small and Medium Enterprises		41,31,85,089	47,44,34,713
Other current liabilities	8	42,22,51,407	42,07,37,628
Short-term provisions	9	6,82,78,388	7,92,39,735
Short-term borrowings	10	11,26,06,964	13,77,40,768
		1,09,32,13,325	1,19,36,32,193
Total		3,18,91,49,712	3,55,94,32,461
II. ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
Tangible assets	11	1,30,57,39,293	1,64,22,39,918
Intangible assets	11	2,32,19,929	3,39,48,939
Capital work-in-progress		3,27,46,793	2,74,80,393
		1,36,17,06,015	1,70,36,69,250
Non-current investments	12	-	-
Long-term loans and advances	13	14,36,39,607	14,69,68,662
Other non-current assets	14	20,09,20,535	22,22,71,297
		34,45,60,142	36,92,39,959
Current Assets			
Trade receivables	15	43,63,33,388	32,11,62,895
Cash and cash equivalents	16	31,11,71,770	39,86,58,402
Short-term loans and advances	17	36,44,33,918	33,85,56,338
Other current assets	18	37,09,44,479	42,81,45,617
		1,48,28,83,555	1,48,65,23,252
Total		3,18,91,49,712	3,55,94,32,461



Notes 1 to 38 form part of the Financial Statements

For and on behalf of the Board of Directors

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

Anjum A Qazi
Partner
Date : 28th August, 2021
Place: Mumbai

Sanjay Kapoor
Director
DIN: 03584520
Date : 28th August, 2021
Place : Mumbai

Mani Mamallan
Chairman and Managing Director
DIN: 03584512
Date : 28th August, 2021
Place : Mumbai

Pooja Panvelkar
Company Secretary
Date : 28th August, 2021
Place : Mumbai

Sudhanshu Soman
Chief Financial Officer
Date : 28th August, 2021
Place : Mumbai



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

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

Particulars	Note No	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from Continuing Operations:			
Revenue from operations (Net of GST)	19	3,31,18,76,611	3,46,14,19,556
Other Income	20	11,80,36,326	4,45,44,311
Total Revenue		3,42,99,12,937	3,50,59,63,867
Expenses:			
Employee benefits expense	21	27,86,84,880	29,76,00,445
Finance costs	22	10,78,45,615	10,59,31,673
Depreciation and amortisation expense	11	39,02,33,227	44,20,74,334
Operating Expenses	23	2,40,68,51,099	2,30,59,50,076
Other General expenses	24	24,09,40,593	26,90,00,972
Total Expenses		3,42,45,55,414	3,42,05,57,500
Profit Before Tax		53,57,523	8,54,06,367
Tax expense:			
Excess provision for tax relating to prior year		-	(40,00,000)
Current Tax	31	-	-
Deferred Tax	31	-	-
Profit for the year		53,57,523	8,94,06,367
Earnings per equity share (Face Value INR 10/- each)			
Basic (INR)	30	8	128
Diluted (INR)	30	6	104

Notes 1 to 38 form part of the Financial Statements

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Anjum A Qazi

Partner

Date : 28th August, 2021

Place: Mumbai

Sanjay Kapoor

Director

DIN: 03584520

Date : 28th August, 2021

Place : Mumbai

Mani Mamallan

Chairman and Managing Director

DIN: 03584512

Date : 28th August, 2021

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 28th August, 2021

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 28th August, 2021

Place : Mumbai



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Cash Flow statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. Cash Flow from Operating Activities		
Profit Before Tax as per Statement of Profit & Loss	53,57,523	8,54,06,367
Adjustments for :		
Depreciation and amortisation expense	39,02,33,227	44,20,74,334
Expense on employee stock options (ESOP) scheme	-	1,08,532
Gratuity expense	21,30,925	58,37,450
Finance costs	10,78,45,615	10,59,31,673
Rebate received from lenders	-	(47,31,147)
Interest on Fixed Deposit	(1,57,75,984)	(1,39,61,749)
Interest on Income Tax refund	(84,15,737)	(78,58,065)
Net gain on sale of current investments	-	(39,31,556)
Provision for doubtful debts	24,06,686	22,11,437
Provision for doubtful recoveries (from Vendors/ Customers)	10,75,14,454	6,16,48,600
Provision for doubtful recoveries (Insurance)	2,17,58,261	-
Bad debts written off	34,79,108	-
Bad debts recovered	-	(13,77,030)
Loss on receivable from CRA written off	4,75,10,200	-
Insurance claims written off	-	23,31,641
Loss on Theft/Damage/Write off of Property, Plant and Equipment	16,53,113	2,93,69,391
Provision for Contingencies - Electricity written back	(9,29,59,840)	-
Provision for Loss on receivable from CRA written back	(4,75,10,200)	-
Provision for Diminution in value of Non-Current Investments	26,27,500	4,26,56,137
Profit on Sale and Lease back	(7,68,471)	(18,95,701)
Operating profit before Changes in Working Capital	52,70,86,380	74,38,20,314
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(22,85,70,741)	(7,39,49,869)
Short-term loans and advances	(13,88,21,422)	1,05,96,270
Long-term loans and advances	3,25,52,606	2,75,67,860
Other current assets	3,55,24,829	(7,51,80,652)
Cash in ATM	25,30,300	5,76,92,900
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(6,58,37,496)	(8,40,84,156)
Other current liabilities	(7,52,95,952)	6,83,68,886
Short-term provisions	(1,09,61,347)	(2,64,06,280)
Long-term provisions	2,95,88,213	5,26,75,032
Cash Generated from Operations	10,77,95,370	70,11,00,305
Net Tax and interest on (tax paid) / refund received	8,96,47,974	(59,87,038)
Net Cash flow from Operating Activities (A)	19,74,43,344	69,51,13,267
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment, including capital advances	(7,14,03,685)	(54,57,39,081)
Interest on Fixed Deposit received	1,56,94,032	1,43,37,151



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Cash Flow statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Purchase of current investments	-	(1,00,00,000)
Proceeds from sale of current investments	-	10,98,46,020
Purchase of long-term investments in subsidiary	(26,27,500)	(2,10,14,747)
Fixed Deposits Matured / (Placed)	1,50,32,129	5,15,61,925
Net Cash Flow (used in) Investing Activities (B)	(4,33,05,024)	(40,10,08,732)
C. Cash Flow from Financing Activities		
Proceeds from short-term borrowings	4,08,19,21,321	1,34,86,60,679
Repayment of short-term borrowings	(4,10,70,55,125)	(1,26,09,14,742)
Proceeds from long-term borrowings	34,56,89,450	82,30,22,475
Repayment of long-term borrowings	(47,62,81,913)	(93,91,99,614)
Payment of Finance Cost	(8,96,87,018)	(10,94,96,024)
Cash Flow from Financing Activities (C)	(24,54,13,285)	(13,79,27,226)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(9,12,74,965)	15,61,77,309
Add: Cash and Cash Equivalents at the beginning of the year	35,46,97,021	19,85,19,712
Cash and Cash Equivalents at the end of the year	26,34,22,056	35,46,97,021

Notes to Cash Flow Statement:

1) Cash and Cash equivalents includes cash and bank balances in current accounts.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalents comprises of		
Cash on hand	26,009	26,009
Balance with Banks	26,33,96,047	35,46,71,012
Cash and Cash equivalents as per Note 16	26,34,22,056	35,46,97,021

2) 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.

For Deloitte Haskins & Sells LLP

Chartered Accountants

Anjum A Qazi

Partner

Date : 28th August, 2021

Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor

Director

DIN: 03584520

Date : 28th August, 2021

Place : Mumbai

Mani Mamallan

Chairman and Managing Director

DIN: 03584512

Date : 28th August, 2021

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 28th August, 2021

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 28th August, 2021

Place : Mumbai



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
CIN: U72300MH2011PTC222535
NOTES TO THE FINANCIAL STATEMENTS

Note 1: Corporate Information

Electronic Payment and Services Private Limited ('EPS' or the 'Company') is an ATM operations company founded to provide ATM operation services to Banks. Further, EPS provides 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 remote areas. EPS was incorporated on 29th September, 2011 and commenced its business in 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 (the '2013 Act'), and the relevant provisions of the 2013 Act read with the Companies (Accounting Standards) Rules, 2006 .

The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those adopted 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

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 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 Property Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act 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 Property Plant and Equipment	Useful Life
Site Assets:	
Automated Teller Machine:	
Owned	12 Years
Taken on finance lease	5/7 Years
Uninterrupted Power Supply Machine:	
Owned	7 Years
Taken on finance lease	5/7 Years
Site Interior and Other Merchandises:	
Owned	7 Years
Taken on finance lease	5/7 Years
Air Conditioner:	
Owned	7 Years
Taken on finance lease	5/7 Years
VSAT:	
Owned	7 Years
Taken on finance lease	5 Years
E-Surveillance	7 Years
Digital Video Recorder (DVR)	7 Years
Taken over ATMs and related assets like site interiors, VSAT, AC, UPS	3/7 Years
Office furniture and fixtures	5 Years
Office equipment	3 Years

For FY 2020-21, the Audit and Risk Committee of the Company based on a technical assessment recommended and the Board of Directors of the Company resolved that the Company changes its accounting estimates for the useful life of the block of assets for Automated Teller Machines under Property, Plant and Equipment. Accordingly, the Company has changed its accounting estimate for the remaining useful life as shown in the above table. Due to this change in accounting estimate, the depreciation for the asset block under consideration was reduced by INR 12,76,59,634 for the FY 2020-21.

Depreciation on tangible Property Plant and Equipment provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act 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, are recognised when rendered; and there is reasonable certainty of ultimate realisation for the same. Revenues until the Balance Sheet date for ATM and related services provided and for which the billing is pending are aggregated and reported as Unbilled Revenue.

g) Other Income

- (i) Profit/ Loss on sale of Property Plant and Equipment 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 and the Company's right to receive payment is established.

h) Property, Plant and Equipment

- (i) Property, Plant and Equipment including intangible assets are stated at cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost of Property, Plant and Equipment 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.
- (ii) Capital work in progress includes, tangible assets which are not yet installed at ATM sites, are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if applicable.
- (iii) Capital work in progress also includes software related expenses that are under developmental stage or have not been given clearance for going live.

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 on 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 (except for the investment in the wholly owned subsidiary).

j) Investments

Investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' as specified under Section 133 of the 2013 Act.

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 diminution, 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 and gratuity.

Defined-contribution plans

The Company's contribution to provident fund is considered as a 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, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at the date of the Balance Sheet. 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.

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 which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**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 instruments.

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.

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.

o) 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.

**p) 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.

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) Goods and Services Tax ('GST')

GST 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') and "Electronic Payment and Services - Employee Stock Option Plan 2015" ('EPS-ESOP 2015').

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, with the loan processing fee being amortised over the tenure of the loan.

v) 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.



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes forming part of Financial Statements

Note 3 : Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	INR	Number of shares	INR
(a) Authorised				
Equity Shares of INR 10/- each	13,10,000	1,31,00,000	13,10,000	1,31,00,000
Compulsory Convertible Preference Shares of INR 10/- each	57,00,000	5,70,00,000	57,00,000	5,70,00,000
	70,10,000	7,01,00,000	70,10,000	7,01,00,000
(b) Issued, Subscribed and fully paid-up				
Equity Shares of INR 10/- each	6,99,788	69,97,880	6,99,788	69,97,880
Series B and Series C Compulsory Convertible Preference Shares ('CCPS') of INR 10/- each	25,59,160	2,55,91,600	25,59,160	2,55,91,600
Total	32,58,948	3,25,89,480	32,58,948	3,25,89,480

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	INR	Number of shares	INR
i) Equity Shares				
Outstanding at the beginning of the year	6,99,788	69,97,880	6,99,788	69,97,880
Add/(Less): Changes during the year	-	-	-	-
Closing Balance	6,99,788	69,97,880	6,99,788	69,97,880
ii) Series B CCPS:				
Outstanding at the beginning of the year	58,635	5,86,350	58,635	5,86,350
Add/(Less): Changes during the year	-	-	-	-
Closing Balance	58,635	5,86,350	58,635	5,86,350
Series C CCPS:				
Outstanding at the beginning of the year	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Add/(Less): Changes during the year	-	-	-	-
Closing Balance	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Total	25,59,160	2,55,91,600	25,59,160	2,55,91,600



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

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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, 2021		As at 31st March, 2020	
	No. of Shares held	% Shareholding	No. of Shares held	% Shareholding
i) Equity Shares				
Vidya Rani Mani Mamallan	90,000	12.86%	90,000	12.86%
Aavishkaar India II Company Limited	1,68,635	24.10%	1,68,635	24.10%
Aavishkaar Goodwell India Microfinance Development Company II Limited	1,05,038	15.01%	1,05,038	15.01%
APIS Growth 3 Limited	2,20,448	31.50%	2,20,448	31.50%
Asia Participations B.V.	65,425	9.35%	65,425	9.35%
Others	50,242	7.18%	50,242	7.18%
Total	6,99,788	100.00%	6,99,788	100.00%
ii) Series B CCPS				
Asia Participations B.V.	58,635	100.00%	58,635	100.00%
iii) Series C CCPS				
Asia Participations B.V.	25,00,525	100.00%	25,00,525	100.00%

Note 3(c): Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of INR 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, in proportion to their shareholding, the remaining assets of the Company after distribution of all preferential amounts.

Note 3(d) :Terms of Conversion of CCPS

Series B CCPS:

The Series B CCPS shall be compulsorily converted into Equity Shares in the ratio of 1 Equity Share for every Series B CCPS. The conversion of the Series B CCPS into Equity Share shall happen upon occurrence of the earlier of any of the following events:

- At the time of the Company filing a draft red herring prospectus ('DRHP') with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange; or
- As per Clause 1 of Schedule C of the Share Subscription Agreement dated 20th November, 2013, upon the expiry of 8 (Eight) years from 11th December, 2013 the Completion Date; or
- At the option of the CCPS holder, at any time prior to the timelines specified in a. and b. above; or
- In the event of the Company and / or its Promoters approach the Investors for the next round of equity investment and the Investors accede to such proposal, the CCPS shall stand converted into Equity Shares in the manner to be determined by the Promoters and the CCPS holders at such point of time, subject to guidelines in force pursuant to Applicable Laws.

**Series C CCPS:**

The Series C CCPS shall be compulsorily converted into Equity Shares in the ratio of 1 Equity Share for 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:

- a) At the time of the Company filing a DRHP with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange; or
- b) As per Clause 1 of Schedule C of the Share Subscription Agreement dated 12th May, 2015, upon the expiry of 8 (Eight) years from 31st August, 2013 the completion date as per the Share Subscription Agreement dated 26th July, 2013; or
- c) At the option of the CCPS holder, at any time on or after 4th June, 2016 and prior to the timelines specified in a. and b. above; or
- d) In the event of the Company and / or its Promoters approach the Investors for the next round of equity investment and the Investors accede to such proposal, the CCPS shall stand converted into Equity Shares in the manner to be determined by the Promoters and the CCPS holders at such point of time, subject to guidelines in force pursuant to Applicable Laws.

Capitalised terms not defined herein but used above are as defined in the respective agreements.



STANDALONE FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

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Notes forming part of Financial Statements

Note 4 : Reserves and surplus

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Securities Premium Account		
Opening balance	2,42,77,36,588	2,42,77,36,588
Add/(Less): Changes during the year	-	-
Closing balance	2,42,77,36,588	2,42,77,36,588
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(85,36,24,284)	(94,30,30,651)
Add/(Less): Profit/(Loss) for the year	53,57,523	8,94,06,367
Closing balance	(84,82,66,761)	(85,36,24,284)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	5,01,84,738	5,00,76,206
Add: Amount recorded on grants (refer note 33)	-	1,08,532
Closing balance	5,01,84,738	5,01,84,738
(d) Capital Reserve		
Opening balance	1,33,77,254	1,33,77,254
Add/(Less): Changes during the year	-	-
Closing balance	1,33,77,254	1,33,77,254
Total	1,64,30,31,819	1,63,76,74,296

Note 5 : Long-term borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Term loans		
Secured		
(i) From Banks	12,41,50,171	27,24,99,025
(ii) From Others	21,59,81,966	28,16,13,814
Total	34,01,32,137	55,41,12,839

Note 5 (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, 2021	As at 31st March, 2020
(a) Term Loans from Banks		
Secured	30,75,21,387	36,72,18,611
Repayable over 1 - 33 months (Previous Year 1 - 47 months) with interest rate of 12.25 %(Previous Year interest-12.25%)		
Secured against:		
1) Specific Trade Receivables and specific ATMs, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment		
2) Lien marked against specific fixed deposits		
3) Personal Guarantee of Promoters		



Note 5 (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, 2021	As at 31st March, 2020
(b) Term Loans from Others		
Secured	30,99,34,206	35,82,77,741
Repayable over 1 - 36 months (Previous Year 1 - 47 months) with interest rate of 9.25% (Previous Year interest -12.25%)		
Secured against:		
1) Specific Trade receivables and specific ATM, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment		
2) Lien marked against specific fixed deposits		
3) Personal Guarantee of Promoters		
(c) Finance Lease Obligations: (refer note 29 (i))	-	26,14,258
	61,74,55,593	72,81,10,610
Less: Current Maturities of Term Loans from Banks, Term Loan from Others and Finance Lease Obligations (Refer Note 8)	(27,73,23,456)	(17,39,97,771)
Total Long-term borrowings	34,01,32,137	55,41,12,839

Note 5.1:

The Company has requested and availed for the moratorium on interest and principal payments on term loans for the period from April 2020 to August 2020 as per the notifications issued by RBI in the wake of the disruptions on account of COVID-19 pandemic.

Note 6 : Long-term provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits (Refer Note 26 (B))	1,66,06,951	1,51,22,724
Provision for Electricity (Refer Note 34)	6,35,76,000	12,63,00,929
Total	8,01,82,951	14,14,23,653

Note 7 : Trade payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 7.1 below)	7,68,91,477	8,14,79,349
(b) Total outstanding dues other than Micro, Small and Medium Enterprises)	41,31,85,089	47,44,34,713
Total	49,00,76,566	55,59,14,062

**Note 7.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	7,68,91,477	8,14,79,349
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	25,57,798	38,97,664
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the respective accounting year	25,57,798	38,97,664
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1,29,82,037	1,04,24,239

Dues to Micro, Small and Medium Enterprises have been determined based on confirmations collected by the management from such enterprises. This has been relied upon by the auditors.

Note 8: Other current liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term debt (Refer Note 5(i))		
Secured:		
(a) Term loans from Banks	18,33,71,216	9,47,19,586
(b) Term loans from Others	9,39,52,240	7,66,63,927
Current maturities of finance lease obligations (Refer Notes 5(i) and 29(i))	-	26,14,258
	27,73,23,456	17,39,97,771
Interest Payable	-	17,78,850
Deferred Profit on Sale and lease back transactions	-	7,68,471
Security Deposits received	7,55,50,000	9,36,84,992
Other Payables:		
Statutory remittances	1,50,27,929	2,43,44,374
Payable to employees	7,905	41,60,392
Payable to Franchisees	3,76,400	4,46,26,400
Advance from Customers	1,23,50,281	3,09,82,177
Payable to Bank	2,86,853	3,88,476
Payable on Purchase of Property Plant and Equipment	2,00,02,707	4,39,71,340
Other Payables	2,13,25,876	20,34,385
Total	42,22,51,407	42,07,37,628

Note 9 : Short-term provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits :		
Provision for gratuity (Refer Note 26 (B))	26,23,845	31,27,078
Provision for expenses	6,56,54,543	7,61,12,657
Total	6,82,78,388	7,92,39,735

**Note 10 : Short-term borrowings**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Overdraft from Banks	11,26,06,964	13,77,40,768
Secured against:		
1) Specific Trade Receivables and Specific ATM, UPS, Site Interiors and other Merchandise, Air conditioners, VSAT and e-surveillance equipment;		
2) Lien marked against specific fixed deposits; and/or		
3) Personal Guarantee of Promoters		
Total	11,26,06,964	13,77,40,768

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

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Note : 11 Property, Plant and Equipment

Sr. PROPERTY, PLANT AND No EQUIPMENT	GROSS BLOCK			ACCUMULATED DEPRECIATION		NET BLOCK	
	BALANCE AS AT 01.04.2020	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2021	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2021
A Tangible Assets							
Automated Teller Machine							
Owned	2,04,81,33,931	2,24,93,249	1,49,05,858	2,05,57,21,322	81,91,11,324	21,72,82,418	1,03,42,38,184
Taken under finance lease	13,76,13,262	-	5,37,317	13,70,75,945	13,62,64,818	9,18,885	13,70,75,945
Uninterrupted Power Supply Machine							
Owned	14,68,27,600	17,97,277	-	14,86,24,877	9,50,55,533	2,21,31,607	11,71,87,140
Taken under finance lease	1,14,56,866	-	1,82,076	1,12,74,790	1,12,52,212	80,622	1,12,74,790
Site Interior & Other Merchandises							
Owned	57,53,69,757	1,45,31,965	12,90,809	58,86,10,913	35,96,81,774	8,11,74,485	44,02,97,059
Taken under finance lease	4,50,81,666	-	30,89,153	4,19,92,513	4,46,65,328	2,38,406	4,19,92,513
Air Conditioner							
Owned	13,28,79,248	1,34,531	-	13,30,13,779	8,22,45,040	1,79,86,453	10,02,31,493
Taken under finance lease	4,70,435	-	-	4,70,435	4,61,353	9,082	4,70,435
VSAT							
Owned	12,84,29,895	76,42,092	-	13,60,71,987	6,27,65,134	2,23,48,672	8,51,13,806
Taken under finance lease	38,69,902	-	-	38,69,902	38,28,791	41,111	38,69,902
E-Surveillance							
Owned	5,07,62,725	-	-	5,07,62,725	3,04,43,880	71,97,406	3,76,41,286
Taken under finance lease	27,24,568	-	-	27,24,568	15,66,058	4,23,074	19,89,132
Furniture and Fixtures							
Owned	39,59,681	-	74,801	38,84,880	34,94,789	3,08,684	37,51,329
Taken under finance lease	82,90,760	86,000	-	83,76,760	68,12,199	13,95,820	82,08,019
Office Equipment							
Owned	1,63,58,001	57,82,123	-	2,21,40,124	1,23,40,146	31,95,048	1,55,35,194
Taken under finance lease	-	-	-	-	-	-	-
Computers							
Owned	3,31,22,28,297	5,24,67,237	2,00,80,014	3,34,46,15,520	1,66,99,88,379	37,47,31,773	2,03,88,76,227
Taken under finance lease	-	-	-	-	-	-	-
Total	3,31,22,28,297	5,24,67,237	2,00,80,014	3,34,46,15,520	1,66,99,88,379	37,47,31,773	2,03,88,76,227
Intangible Assets							
Computer software	11,20,34,180	47,72,444	-	11,68,06,624	7,80,85,241	1,55,01,454	9,35,86,695
Taken under finance lease	-	-	-	-	-	-	-
Total	11,20,34,180	47,72,444	-	11,68,06,624	7,80,85,241	1,55,01,454	9,35,86,695
Grand Total	3,42,42,62,477	5,72,39,681	2,00,80,014	3,46,14,22,144	1,74,80,73,620	39,02,33,227	2,13,24,62,922
Balance as at 31.03.2020							
Total	1,22,90,22,607	1,22,90,22,607	1,02,14,83,138	1,02,14,83,138	1,02,14,83,138	1,02,14,83,138	1,02,14,83,138
Balance as at 31.03.2021							
Total	1,67,72,067	1,67,72,067	1,34,83,444	1,34,83,444	1,34,83,444	1,34,83,444	1,34,83,444

Notes:

1. Additions and deletions are grossed up by INR 22,79,816/- towards shifting.

2. Deletions include INR 1,03,32,400/- against cancellation of orders for EMV Upgradation which were included under additions in the previous year.

**Note 12 : Non-current investments**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade		
Investment in wholly owned subsidiary:		
Electronic Payment Australia PTY Ltd (At Cost) (8,85,100 shares of AUD 1 each; 8,35,100 shares of AUD 1 each as at 31st March 2020)	4,52,83,637	4,26,56,137
Less: Provision for diminution in value of investment	(4,52,83,637)	(4,26,56,137)
Total	-	-

Note 12.1: During the financial year 2017-18, the Company had invested in Electronic Payment Australia Pty. Ltd. ("Subsidiary"), a company based in Australia. This is a wholly owned subsidiary of the Company. On 28th July 2020, the Company, as the sole shareholder of the Subsidiary, took a decision to wind up the operations of the Subsidiary and had appointed a liquidator. The Company does not expect to realise any proceeds from the liquidation. Accordingly, the Company has made a provision for diminution in the value of the investment in the Subsidiary. On 18th March 2021, the liquidator received the clearance from the Australian Securities and Investments Commission (ASIC) for the liquidation of the Subsidiary. On 29th June 2021, the liquidator has submitted a request with ASIC for deregistration of the Subsidiary along with a notice of cessation as liquidator of the Subsidiary and the deregistration of an entity generally occurs within 3 months of lodgement of notice.

Note 13 : Long-term loans and advances

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured & considered good:		
Security Deposits	4,32,28,478	7,35,95,953
Prepaid expenses	40,41,611	63,94,320
Other statutory remittances recoverable	24,12,334	22,44,756
Balances with government authorities:		
- Tax (IDS) refund receivable	9,39,57,184	6,47,33,633
Total	14,36,39,607	14,69,68,662

Note 14: Other non-current assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Others:		
Balances with Banks in fixed deposit accounts (In Earmarked Accounts)		
- Balances held as security against borrowings and guarantees	12,68,89,335	14,08,19,597
- Balances held as margin money against guarantees (Refer Note 14.1 below)	7,40,31,200	8,14,51,700
Total	20,09,20,535	22,22,71,297

Note 14.1:

A bank, on behalf of the Company, has issued performance and other bank guarantees amounting to INR 27,03,38,000/- (INR 29,42,28,000/- as at 31st March, 2020) for the deployment of cash dispensers and other related assets, in respect of which the Company has placed fixed deposits under lien amounting to INR 7,40,31,200/- (INR 8,14,51,700/- as at 31st March, 2020).

**Note 15: Trade receivables**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	6,61,02,726	2,92,46,421
Less : - Provision for doubtful trade receivables	(1,56,73,000)	(1,01,81,263)
Total (A)	5,04,29,726	1,90,65,158
Others		
Unsecured	26,11,09,133	23,26,71,135
Less : - Provision for doubtful trade receivables	-	(30,85,051)
	26,11,09,133	22,95,86,084
Amounts Recoverable from Customers/Vendors	29,39,57,583	13,41,60,253
Less : - Provision for doubtful recoveries	(16,91,63,054)	(6,16,48,600)
	12,47,94,529	7,25,11,653
Total (B)	38,59,03,662	30,20,97,737
Total (A+B)	43,63,33,388	32,11,62,895

Note 16 : Cash and cash equivalents

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	26,009	26,009
Balance with banks		
In Current Accounts	26,33,96,047	35,46,71,012
Total A - (Cash and Cash Equivalent as per AS-3)	26,34,22,056	35,46,97,021
Cash in ATM	12,76,800	38,07,100
Balance in Term Deposit		
Less than 12 Months	4,64,72,914	4,01,54,281
More than 12 Months	-	-
Total (B)	4,77,49,714	4,39,61,381
Total (A+B)	31,11,71,770	39,86,58,402

Note 17 : Short-term loans and advances

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and considered good:		
Capital Advances	9,750	24,97,803
Security Deposits	13,00,24,923	-
Loans and advances to related parties (Refer Note 28)	8,52,425	8,60,941
Loans and advances to employees	11,84,974	5,71,516
Prepaid expenses	6,05,55,094	6,07,11,849
Balances with Government Authorities:		
- GST Input Tax Credit / Cenvat Credit receivable	10,07,05,508	10,53,85,850
- Tax (TDS) refund receivable	-	11,04,55,789
Advance to suppliers	4,15,47,959	1,83,42,528
Other receivables	2,95,53,285	3,97,30,062
Total	36,44,33,918	33,85,56,338

**Note 18: Other current assets**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unbilled Revenue	29,94,28,124	35,78,99,520
Insurance Claims receivable	9,22,46,615	6,93,00,048
Less : - Provision for doubtful recoveries	(2,17,58,261)	-
Insurance Claims receivable (Net)	7,04,88,354	6,93,00,048
Interest accrued on fixed deposits	10,28,001	9,46,049
Total	37,09,44,479	42,81,45,617

Note 19 : Revenue from operations

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income from ATM Services (net of GST)	3,28,99,25,852	3,46,14,19,556
Income from Non-ATM Business (net of GST)	2,19,50,759	-
Total	3,31,18,76,611	3,46,14,19,556

Note 20: Other Income

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Fixed Deposit	1,57,75,984	1,39,61,749
Interest on Income tax refund	84,15,737	78,58,065
Provision for Contingencies - Electricity written back (Refer Note 34)	9,29,59,840	-
Profit on Sale and Lease back	7,68,471	18,95,701
Net gain on Sale of current investment	-	39,31,556
Bad debts recovered	-	13,77,030
Leave encashment written back	-	18,41,456
Other Income	1,16,294	1,36,78,754
Total	11,80,36,326	4,45,44,311

Note 21: Employee Benefits Expense

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salary, wages & bonus	25,66,73,519	25,89,18,283
Contribution to Provident Fund (Refer Note 26(A))	91,41,830	92,75,156
Gratuity expense (Refer Note 26(B))	21,30,925	58,37,450
Expense on employee stock options (ESOP) scheme (Refer Note 33)	-	1,08,532
Staff welfare expenses	1,07,38,606	2,34,61,024
Total	27,86,84,880	29,76,00,445

Note 22: Finance Costs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Borrowings	9,49,70,247	7,50,58,374
Interest on Finance Lease	89,050	1,34,41,555
Loan Processing Fees	91,53,419	93,54,765
Prepayment charges	30,07,484	72,99,835
Interest on delayed payment of taxes	6,25,415	7,77,144
Total	10,78,45,615	10,59,31,673

**Note 23: Operating Expenses**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Annual Maintenance Charges	29,23,67,930	22,33,07,815
Caretaker Charges	10,67,14,760	7,59,51,855
Consumables Charges	1,71,09,907	4,08,38,486
Cash Replenishment Charges	65,16,54,672	66,66,56,480
Management Service Charges	1,57,84,992	1,47,24,944
Site Electricity	16,26,14,964	17,16,34,382
EMV and Related Expenditure	5,03,17,632	-
Site Housekeeping	5,13,85,409	5,83,85,134
Satellite (VSAT) Charges	4,46,01,090	5,37,56,587
Site Rent	34,57,21,324	37,26,21,342
Other Operating Charges	1,32,03,094	2,12,84,478
UPS charges	12,50,60,411	12,35,41,443
Insurance Premium	7,70,75,069	7,47,16,193
Site Repairs Charges	10,50,88,612	15,31,51,641
Site Shifting Charges	2,72,63,908	5,29,40,882
Royalty Fee	88,04,655	60,76,337
Sponsor Bank Charges	26,90,529	14,54,358
Software Management Charges	4,17,32,074	3,25,11,140
Franchise Fee	26,55,35,068	16,00,51,183
NPCI Charges	21,24,999	23,45,396
Total	2,40,68,51,099	2,30,59,50,076

Note 24: Other General Expenses

Particulars	As at 31st March, 2021	As at 31st March, 2020
Professional and Consultancy Charges	2,03,95,907	2,53,89,414
Rates and Taxes	4,52,872	1,01,54,098
Office and guest house rent Charges	1,72,29,526	2,24,34,071
Payments to the auditor (Refer Note 24 (i) below)	85,83,613	83,54,658
Bank Charges and Commission	51,04,532	72,86,789
Insurance Charges	11,83,285	8,89,989
Office Electricity	10,07,746	16,31,469
Repairs and Maintenance	16,65,853	56,75,534
Telecom Expenses	18,94,595	22,42,402
Travelling and Conveyance Expenses	91,45,344	67,51,834
Business Promotion Expenses	12,36,521	20,29,355
Meeting Expenses	-	16,888
Membership and Registration Charges	36,20,000	14,32,169
Office Expenses	37,59,565	64,87,425
Postage and Courier	3,05,796	10,65,151
Printing and Stationery	11,92,006	18,91,571
Motor Car Expenses	3,83,235	4,21,246
Loss on Theft/Damage/Write off of Property, Plant and Equipment	16,53,113	2,93,69,391
Provision for doubtful debts	24,06,686	22,11,437
Provision for doubtful recoveries (from Customers/Vendors)	10,75,14,454	6,16,48,600
Provision for doubtful recoveries (Insurance)	2,17,58,261	-

**Note 24: Other General Expenses**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bad Debts written off	34,79,108	-
Provision for Loss on Receivable from CRA written back	(4,75,10,200)	-
Loss on Receivable from CRA Written off	4,75,10,200	-
Provision for Diminution in value of Non-Current Investments	26,27,500	4,26,56,137
Insurance claims written off	-	23,31,641
Car Lease Rentals (Refer Note 29(ii))	40,84,766	45,72,432
CSR Expense	10,25,000	-
Miscellaneous Expenses	5,15,891	2,41,223
Interest on MSME	25,57,798	38,97,664
Software Expenses	1,61,57,620	1,79,18,384
Total	24,09,40,593	26,90,00,972

Note 24-(i) Payments to the auditor comprise

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) To Statutory Auditor		
For Audit	35,00,000	35,00,000
For Other Services		
- Direct Tax	10,00,000	19,58,403
- Indirect Tax	37,19,600	24,96,255
- Consultancy charges	3,00,000	4,00,000
Reimbursement of expenses	64,013	-
Total	85,83,613	83,54,658

Note 24-(ii) Amounts Paid in Foreign Currency

Particulars	As at 31st March, 2021	As at 31st March, 2020
Amount spent in foreign currency	37,01,157	53,03,670
Total	37,01,157	53,03,670

Note 25: Contingent Liabilities and Commitments (to the extent not provided for):**(a) Contingent liabilities**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Claims against the Company not acknowledged as debt		
Service Tax	4,68,49,482	4,68,49,482
MVAT	13,05,299	13,05,299
Other	-	5,38,68,153

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

(b) Commitments

Particulars	As at 31st March, 2021	As at 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not accounted for	52,55,510	91,03,495



Note 26: 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 INR 91,41,830/- (previous year INR 92,75,156/-) 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.

Particulars	As at 31st March, 2021	As at 31st March, 2020
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	6.44 % p.a.	6.04 % p.a.
Attrition Rate	For service 2 years and below 17.00% p.a. For service 3 years to 4 years 12.00% p.a. For service 5 years and above 6.00% p.a.	For service 2 years and below 17.00% p.a. For service 3 years to 4 years 12.00% p.a. For service 5 years and above 6.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
* 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.		
** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.		
*** The discount rate is based on the prevailing market yields of Government of India securities as at the date of the Balance Sheet for the estimated term of the obligations.		
II. Table showing change in Benefit Obligation:		
Liability at the beginning of the year	1,82,49,802	1,28,12,498
Interest cost	11,02,288	9,98,094
Current service cost	36,07,828	33,74,795
Past service cost (vested benefits)	-	-
Benefits paid	(11,49,931)	(4,00,146)
Actuarial (gain)/ loss on obligation	(25,79,191)	14,64,561
Liability at the end of the year	1,92,30,796	1,82,49,802
III. Fair value of Plan Assets:		
IV. Actual return on Plan Assets:		
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(1,92,30,796)	(1,82,49,802)
Net asset/ (liability) recognised in the Balance Sheet	(1,92,30,796)	(1,82,49,802)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets		
	Not Applicable	Not Applicable



Particulars	As at 31st March, 2021	As at 31st March, 2020
VII. Expenses recognized in the Statement of Profit & Loss:		
Current service cost	36,07,828	33,74,795
Interest cost	11,02,288	9,98,094
Actuarial (gains)/losses	(25,79,191)	14,64,561
Expenses recognized in Statement of Profit and Loss	21,30,925	58,37,450
VIII. Balance Sheet Reconciliation		
Opening net liability	1,82,49,802	1,28,12,498
Benefits paid	(11,49,931)	(4,00,146)
Expense as above	21,30,925	58,37,450
Net Liability / (Asset) recognised in Balance Sheet	1,92,30,796	1,82,49,802
Short term liability	26,23,845	31,27,078
Long term liability	1,66,06,951	1,51,22,724
Net Liability / (Asset) recognised in Balance Sheet	1,92,30,796	1,82,49,802
IX. Actuarial (Gains)/Losses on Obligations		
(i) Due to change in demographic assumptions	-	(20,45,423)
(ii) Due to change in financial assumptions	(7,36,658)	26,16,721
(iii) Due to experience adjustment	(18,42,533)	8,93,263
Actuarial (Gains)/Losses on Obligations	(25,79,191)	14,64,561

Note 27: Segment 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 2013 Act, the management is of the opinion that the Company's operations predominantly comprise of 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 28: Related party transactions

1. Details of related parties:

Description of relationship	Names of related parties
(i) Wholly Owned Subsidiary (under liquidation)	Electronic Payment Australia PTY Ltd. (Refer Note 12.1)
(ii) Key Managerial Personnel (KMP) & their relatives / Directors	
Managing Director	Mr. Mani Mamallan
Director	Mr. Sanjay Kapoor
President HR & Admin, Wife of Managing Director	Mrs. Vidya Rani Mani Mamallan
Brother of Managing Director	Mr. Gangai Kondan Mani



2. Details of related party transactions during the year ended 31st March, 2021 and outstanding balances as at 31st March, 2021:

Description of relationship	Wholly Owned Subsidiary	KMP & their relatives / Directors
Rendering of Services		
Receiving of Services		
Remuneration paid	-	1,98,99,726
		(2,37,94,602)
Perquisites paid	-	8,01,186
		(15,12,372)
Capital contribution made in 'Electronic Payment Australia PTY Ltd Wholly Owned Subsidiary. (under liquidation)	26,27,500 (2,10,14,747)	- -
Balance outstanding at the end of the year		
Investment in 'Electronic Payment Australia PTY Ltd', Wholly Owned Subsidiary. (under liquidation)	4,52,83,637 (4,26,56,137)	- -
Loans & Advances	-	8,52,425
		(8,60,941)

Notes:

1. Payment to KMP / Directors does not include reimbursement of expenses, employer's contribution to PF and provision for gratuity.
2. Figures in bracket are for the previous year.

Note 29: Details of leasing arrangements

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
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. Under certain lease arrangements, the title/ownership may 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 conditions.		
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	-	27,03,308
Later than one year and not later than five years	-	-
Later than five years	-	-
Unmatured finance charges	-	(89,050)
		26,14,258
Present value of minimum lease payments payable		
Not later than one year	-	26,14,258
Later than one year and not later than five years	-	-
Later than five years	-	-
		26,14,258



Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(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.		
The Company has entered into operating lease agreement for office premises. The lease has a lock-in-period for 3 years till date 31st May 2020 and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments		
not later than one year	-	-
later than one year and not later than five years	-	-
later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss		
- Office Rentals	-	1,90,10,177
- Car Rentals	40,84,766	45,72,432

Note 30: Earnings per share

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit after tax for the year	53,57,523	8,94,06,367
Net Profit after tax for the year for computation of Earnings per share	53,57,523	8,94,06,367
Weighted average number of equity shares (Basic)	6,99,788	6,99,788
Weighted average number of equity shares (Diluted)	8,63,160	8,63,160
Par value per share	10	10
Earnings per share from continuing operations - Basic	8	128
Earnings per share from continuing operations - Diluted	6	104

Note 31: Deferred Tax

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Deferred Tax Asset		
Expenses Disallowed Under Income Tax Act	3,46,48,002	2,39,59,129
Depreciation on Fixed Assets	9,84,88,879	8,12,13,040
Carried forward Losses	6,34,98,327	9,65,06,483
Total	19,66,35,208	20,16,78,652

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 AS - 22, specified under the Section 133 of the 2013 Act.

The Company has opted for lower rate of tax of 22% plus surcharge and cess as per the provisions of section 115BAA, the provisions of computation of book profit and MAT liability under section 115JB shall not be applicable to the Company from the AY 2021-22.

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 33: Employee Stock Option Scheme

In the Extra Ordinary general meeting held on 12th August, 2014, the Shareholders of the Company 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 2014 allows the issue of equity options to the employees of the Company. Each option comprises one underlying equity share. As per the ESOP 2014, the Board of Directors of the Company can grant the equity options to the employees deemed eligible. The exercise price of each option shall be Rs 10/- as defined in the ESOP 2014 scheme. The vesting periods are:

- in respect of 16,800 equity options granted in September 2014 – 12 months from the date of grant
- in respect of 1,300 equity options granted in January 2016 - 50% in the 24th month; 25% in the 37th month and 25% in the 49th month from the date of the grant.

The equity options may be exercised by the eligible employees within 60 months from the date of each vesting.

As at 31st March, 2021, equity options aggregating to 17,788 (previous year 17,788) have vested to the eligible employees. The remaining 962 (previous year 962) equity options have not been granted as of 31st March, 2021. Equity options are eligible for exercise till 12th February, 2025.

The difference between the fair price of the equity share underlying the equity options granted on the date of grant of the equity option and the exercise price of the equity option representing Stock Compensation Expense is expensed over the vesting period.

Particulars (Scheme name: EPS-ESOP 2014)	During the year ended 31st March, 2021	
	Options (Numbers)	Weighted average exercise price per option (INR)
Exercisable options at the beginning of the year:	17,788	10
Option outstanding at the beginning of the year:	-	-
Granted during the year:	-	-
Vested during the year:	-	-
Exercised during the year:	-	-
Forfeited during the year:	-	-
Options outstanding at the end of the year:	-	-
Options available for grant:	962	-
Exercisable options at the end of the year	17,788	10

Weighted average remaining contractual life for options is NIL as at 31st March, 2021.

Particulars (Scheme name: EPS-ESOP 2014)	During the year ended 31st March, 2020	
	Options (Numbers)	Weighted average exercise price per option (INR)
Exercisable options at the beginning of the year:	17,563	10
Option outstanding at the beginning of the year:	262	10
Granted during the year:	-	-
Vested during the year:	225	10
Exercised during the year:	-	-
Forfeited during the year:	37	10
Options outstanding at the end of the year:	-	10
Options available for grant:	962	10
Exercisable options at the end of the year	17,788	10

Weighted average remaining contractual life for options is nil outstanding as at 31st March, 2020.

The Company believes that the fair valuation of Equity Options will not materially change the net income of the Company 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.

Further, in the Extra Ordinary general meeting held on 19th January, 2016, the Shareholders of the Company approved the issue of 43,158 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2015" ('EPS-ESOP 2015'). The Company has not granted any of these equity options to the employees of the Company.

**Note 34: Provision for Contingencies**

The Company carries a Provision for Contingencies towards loss on account and electricity charges. The management estimates the same to be settled in the upcoming years. The movement of the said provision is summarised below:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Provision for electricity		
Opening balance	12,63,00,929	7,03,36,692
Addition during the year	3,02,34,911	5,59,64,237
Deductions during the year	(9,29,59,840)	-
Closing balance (A)	6,35,76,000	12,63,00,929
Provision for PF as per the Supreme Court order dated 28th February 2019		
Opening balance	3,33,725	3,33,725
Addition / (Deductions) during the year	-	-
Closing balance (B)	3,33,725	3,33,725
Closing Balance (A+B)	6,39,09,725	12,66,34,654

Note 35: Corporate Social Responsibility

The Company does not meet the threshold criteria established under section 135 of the Act 2013 for CSR activities. However, during the current year, the Company had contributed INR 10,25,000/- towards the CSR activities and pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company intends to set off the said excess contribution amount against the requirement to spend on CSR activity up to immediate succeeding three financial years, if applicable.

Note 36: Impact due to pandemic - Covid-19

"The outbreak of COVID-19 global pandemic including the 2nd wave and additional disruptions, has resulted in economic and business uncertainty which has led to volatility in the global markets. India too has been impacted as a result of this global pandemic. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial statements to determine the carrying value of its assets and the impact on its liabilities.

The extent to which the COVID-19 global pandemic will impact future results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 global pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The actual impact of the COVID-19 global pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and the impact on the financial statements will be reflected in the applicable future periods.

Note 37: Foreign Currency Exposure

The company does not have any unhedged/hedged exposure to Foreign Currency.

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 : 28th August, 2021
Place : Mumbai

Mani Mamallan

Chairman and Managing Director
DIN: 03584512
Date : 28th August, 2021
Place : Mumbai

Pooja Panvelkar

Company Secretary
Date : 28th August, 2021
Place : Mumbai

Sudhanshu Soman

Chief Financial Officer
Date : 28th August, 2021
Place : Mumbai



INDEPENDENT AUDITOR'S REPORT

To The Members of Electronic Payment and Services Private Limited
Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Electronic Payment and Services Private Limited (“the Holding Company”) and its subsidiary, (Holding Company and its subsidiary together referred to as “the Group”), which comprise the Consolidated Balance Sheet as at 31st March 2021, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended (“Accounting Standards”), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March 2021, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

Information Other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements 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 Standards and other accounting principles generally accepted in India. 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; 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.



Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and financial information of the subsidiary referred to in the Other Matters section above 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.



d) 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.

e) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

f) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Company, none of the directors of the Holding Company is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

g) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' report of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of that Company.

h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the Holding Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.

i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company.

Place - Mumbai
Date - 28th August 2021

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAHW4347)



ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph (g) under ‘Report on Other Legal and Regulatory Requirements’ section 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, 2021, we have audited the internal financial controls over financial reporting of Electronic Payments and Services Private Limited (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Holding company, 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 issued by the Institute of Chartered Accountants of India (“the 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 Holding 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 Holding Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India 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 audit opinion on the Holding Company’s internal financial controls system over financial reporting.

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.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2021, 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 issued by the Institute of Chartered Accountants of India.

Place - Mumbai
Date - 28th August 2021

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
(Partner)
(Membership No. 104968)
(UDIN: 21104968AAAAHW4347)



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Consolidated Balance Sheet as at 31st March, 2021

Particulars	Note No	As at 31st March, 2021	As at 31st March, 2020
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,25,89,480	3,25,89,480
Reserves and surplus	4	1,64,30,31,819	1,63,95,18,541
		1,67,56,21,299	1,67,21,08,021
Non-Current Liabilities			
Long-term borrowings	5	34,01,32,137	55,41,12,839
Long-term provisions	6	8,01,82,951	14,14,23,653
		42,03,15,088	69,55,36,492
Current Liabilities			
Trade payables	7		
(a) Total outstanding dues of Micro, Small and Medium Enterprises		7,68,91,477	8,14,79,349
(b) Total outstanding dues other than Micro, Small and Medium Enterprises		41,31,85,089	47,44,34,713
Other current liabilities	8	42,22,51,407	42,19,63,288
Short-term provisions	9	6,82,78,388	7,92,39,735
Short-term borrowings	10	11,26,06,964	13,77,40,768
		1,09,32,13,325	1,19,48,57,853
Total		3,18,91,49,712	3,56,25,02,366
II. ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
Tangible assets	11	1,30,57,39,293	1,64,22,39,918
Intangible assets	11	2,32,19,929	3,39,48,939
Capital work-in-progress		3,27,46,793	2,74,80,393
		1,36,17,06,015	1,70,36,69,250
Long-term loans and advances	12	14,36,39,607	14,69,68,662
Other non-current assets	13	20,09,20,535	22,22,71,297
		34,45,60,142	36,92,39,959
Current Assets			
Trade receivables	14	43,63,33,388	32,11,62,895
Cash and cash equivalents	15	31,11,71,770	40,12,04,832
Short-term loans and advances	16	36,44,33,918	33,90,79,813
Other current assets	17	37,09,44,479	42,81,45,617
		1,48,28,83,555	1,48,95,93,157
Total		3,18,91,49,712	3,56,25,02,366



Notes 1 to 37 form part of the Financial Statements

For and on behalf of the Board of Directors

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

Anjum A Qazi
Partner
Date : 28th August, 2021
Place: Mumbai

Sanjay Kapoor
Director
DIN: 03584520
Date : 28th August, 2021
Place : Mumbai

Mani Mamallan
Chairman and Managing Director
DIN: 03584512
Date : 28th August, 2021
Place : Mumbai

Pooja Panvelkar
Company Secretary
Date : 28th August, 2021
Place : Mumbai

Sudhanshu Soman
Chief Financial Officer
Date : 28th August, 2021
Place : Mumbai



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

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

Particulars	Note No	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Revenue from Continuing Operations:			
Revenue from operations (Net of GST)	18	3,31,18,76,611	3,47,12,56,755
Other Income	19	11,86,09,652	4,45,44,311
Total Revenue		3,43,04,86,263	3,51,58,01,066
Expenses:			
Employee benefits expense	20	28,10,00,964	30,92,35,074
Finance costs	21	10,78,45,615	10,59,31,673
Depreciation and amortisation expense	11	39,02,33,227	44,55,92,573
Operating Expenses	22	2,40,68,51,099	2,30,76,10,166
Other General expenses	23	24,10,42,083	24,55,11,293
Total Expenses		3,42,69,72,988	3,41,38,80,779
Profit Before Tax		35,13,275	10,19,20,287
Tax expense:			
Excess provision for tax relating to prior year		-	(40,00,000)
Current Tax	30	-	-
Deferred Tax	30	-	-
Profit for the year		35,13,275	10,59,20,287
Earnings per equity share (Face Value INR 10/- each)			
Basic (INR)	29	5	151
Diluted (INR)	29	4	123

Notes 1 to 37 form part of the Financial Statements

For and on behalf of the Board of Directors

In terms of our report attached

For Deloitte Haskins & Sells LLP

Chartered Accountants

Anjum A Qazi

Partner

Date : 28th August, 2021

Place: Mumbai

Sanjay Kapoor

Director

DIN: 03584520

Date : 28th August, 2021

Place : Mumbai

Mani Mamallan

Chairman and Managing Director

DIN: 03584512

Date : 28th August, 2021

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 28th August, 2021

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 28th August, 2021

Place : Mumbai

CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Consolidated Cash Flow statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
A. Cash Flow from Operating Activities		
Profit Before Tax as per Statement of Profit & Loss	35,13,275	10,19,20,287
Adjustments for :		
Depreciation and amortisation expense	39,02,33,227	44,55,92,573
Expense on employee stock options (ESOP) scheme	-	1,08,532
Gratuity expense	21,30,925	69,45,756
Finance costs	10,78,45,615	10,59,31,673
Rebate received from lenders	-	(47,31,147)
Interest on Fixed Deposit	(1,57,75,984)	(1,39,61,749)
Interest on Income Tax refund	(84,15,737)	(78,58,065)
Net gain on sale of current investments	-	(39,31,556)
Provision for doubtful debts	24,06,686	22,11,437
Provision for doubtful recoveries (from Vendors/ Customers)	10,75,14,454	6,16,48,600
Provision for doubtful recoveries (Insurance)	2,17,58,261	-
Bad debts written off	34,79,108	-
Bad debts recovered	-	(13,77,030)
Loss on receivable from CRA written off	4,75,10,200	-
Insurance claims written off	-	23,31,641
Loss on Theft/Damage/Write off of Property, Plant and Equipment	16,53,113	2,94,21,514
Provision for Contingencies - Electricity written back	(9,29,59,840)	-
Provision for Loss on receivable from CRA written back	(4,75,10,200)	-
Provision for Diminution in value of Non-Current Investments	-	1,40,73,052
Profit on Sale and Lease back	(7,68,471)	(18,95,701)
Operating profit before Changes in Working Capital	52,26,14,632	73,64,29,817
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(22,85,70,741)	(7,39,49,869)
Short-term loans and advances	(13,82,97,947)	1,09,99,153
Long-term loans and advances	3,25,52,606	2,75,67,860
Other current assets	3,55,24,829	(7,51,80,650)
Cash in ATM	25,30,300	5,76,92,900
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	(6,58,37,496)	(8,43,82,283)
Other current liabilities	(7,65,21,611)	6,89,89,520
Short-term provisions	(1,09,61,345)	(2,81,27,295)
Long-term provisions	2,95,88,214	5,15,66,726
Cash Generated from Operations	10,26,21,441	69,16,05,879
Net Tax and interest on (tax paid) / refund received	8,96,47,974	(59,87,038)
Net Cash flow from Operating Activities (A)	19,22,69,415	68,56,18,841
B. Cash Flow from Investing Activities		
Capital expenditure on Property, Plant and Equipment, including capital advances	(7,14,03,685)	(55,58,25,016)
Interest on Fixed Deposit received	1,56,94,032	1,43,37,151



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
CIN: U72300MH2011PTC222535
Consolidated Cash Flow statement for the year ended 31st March, 2021

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Investments in Mutual Fund	-	(1,00,00,000)
Proceeds from sale of current investments	-	10,98,46,020
Fixed Deposits Matured / (Placed)	1,50,32,129	5,15,61,925
Net Cash Flow (used in) Investing Activities (B)	(4,06,77,524)	(39,00,79,920)
C. Cash Flow from Financing Activities		
Proceeds from short-term borrowings	4,08,19,21,321	1,34,86,60,679
Repayment of short-term borrowings	(4,10,70,55,125)	(1,26,09,14,742)
Proceeds from long-term borrowings	34,56,89,450	82,30,22,475
Repayment of long-term borrowings	(47,62,81,914)	(93,91,99,614)
Payment of Finance Cost	(8,96,87,018)	(10,94,96,024)
Cash Flow (used in) Financing Activities (C)	(24,54,13,286)	(13,79,27,226)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	(9,38,21,395)	15,76,11,695
Add: Cash and Cash Equivalents at the beginning of the year	35,72,43,451	19,96,31,756
Cash and Cash Equivalents at the end of the year	26,34,22,056	35,72,43,451

Notes to Cash Flow Statement:

1) Cash and Cash equivalents includes cash and bank balances in current accounts.

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash and Cash Equivalents comprises of		
Cash on hand	26,009	26,009
Balance with Banks	26,33,96,047	35,72,17,442
Cash and Cash equivalents as per Note 15	26,34,22,056	35,72,43,451

2) 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.

For Deloitte Haskins & Sells LLP
Chartered Accountants

Anjum A Qazi
Partner
Date : 28th August, 2021
Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor
Director
DIN: 03584520
Date : 28th August, 2021
Place : Mumbai

Mani Mamallan
Chairman and Managing Director
DIN: 03584512
Date : 28th August, 2021
Place : Mumbai

Pooja Panvelkar
Company Secretary
Date : 28th August, 2021
Place : Mumbai

Sudhanshu Soman
Chief Financial Officer
Date : 28th August, 2021
Place : Mumbai



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of Consolidation and significant accounting policies

Note 1(a): Basis of Consolidation

The Consolidated Financial Statements relate to Electronic Payment and Services Private Limited ('EPS' or the 'Holding Company' or the 'Company') and its wholly owned subsidiary Electronic Payment Australia PTY Ltd (the 'Subsidiary' or 'EPAPL') located in Australia.

Note 1(b): Basis for preparation of Financial Statements

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 2013 Act (the '2013 Act') read with the Companies (Accounting Standards) Rules, 2006.

The consolidated 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 adopted in the previous year.

Due to uncertain business prospects, on 28th July 2020, the Holding Company, as the sole shareholder of the Subsidiary, took a decision to wind up the operations of the Subsidiary and had appointed a liquidator. Consequently the going concern assumption was no longer appropriate for the Subsidiary. Hence, like for the previous year, the financial statements of the Subsidiary as at 31st March 2021 have been prepared under liquidation basis of accounting. As at 31st March 2021, the liquidator has realised all the assets and has distributed the proceeds to the creditors of the Subsidiary. The Company has not realised any proceeds from the liquidation. On 18th March 2021, the liquidator received the clearance from the Australian Securities and Investments Commission (ASIC) for the liquidation of the Subsidiary. On 29th June 2021, the liquidator has submitted a request with ASIC for deregistration of the Subsidiary along with a notice of cessation as liquidator of the Subsidiary and the deregistration of an entity generally occurs within 3 months of lodgement of notice.

Note 1(c): Principles of Consolidation

As at 31st March 2021, in the standalone financials statements, the Holding Company has made a provision for diminution in the full value of the investment and marked down the investment in the subsidiary company to NIL. Hence, the Company believes that it does not have any realisable value from the subsidiary company as at 31st March 2021.

For the previous year, 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, 2020.
- (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.

Note 2: Significant Accounting Policies

a) Use of Estimates

The preparation of the consolidated 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 consolidated 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

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.



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 Property Plant and Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act 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 Property Plant and Equipment	Useful Life
Site Assets:	
Automated Teller Machine:	
Owned	12 Years
Taken on finance lease	5/7 Years
Uninterrupted Power Supply Machine:	
Owned	7 Years
Taken on finance lease	5/7 Years
Site Interior and Other Merchandises:	
Owned	7 Years
Taken on finance lease	5/7 Years
Air Conditioner:	
Owned	7 Years
Taken on finance lease	5/7 Years
VSAT:	
Owned	7 Years
Taken on finance lease	5 Years
E-Surveillance	7 Years
Digital Video Recorder (DVR)	7 Years
Taken over ATMs and related assets like site interiors, VSAT, AC, UPS	3/7 Years
Office furniture and fixtures	5 Years
Office equipment	3 Years

For FY 2020-21, the Audit and Risk Committee of the Company based on a technical assessment recommended and the Board of Directors of the Company resolved that the Company changes its accounting estimates for the useful life of the block of assets for Automated Teller Machines under Property, Plant and Equipment. Accordingly, the Company has changed its accounting estimate for the remaining useful life as shown in the above table. Due to this change in accounting estimate, the depreciation for the asset block under consideration was reduced by INR 12,76,59,634 for the FY 2020-21.

Depreciation on tangible Property Plant & Equipment 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, are recognised when rendered; and there is reasonable certainty of ultimate realisation for the same. Revenues until the Balance Sheet date for ATM and related 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 Property Plant and Equipment 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 and the Company's right to receive payment is established.

g) Property, Plant and Equipment

- (i) Property, Plant and Equipment including intangible assets are stated at cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost of Property, Plant and Equipment 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.
- (ii) Capital work in progress includes, tangible assets which are not yet installed at ATM sites, are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if applicable.
- (iii) Capital work in progress also includes software related expenses that are under developmental stage or have not been given clearance for going live.

h) 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 on 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 (except for the investment in the wholly owned subsidiary).

i) Investments

Investments are accounted for and valued as per Accounting Standard (AS) 13 - 'Accounting for Investments' as specified under Section 133 of the 2013 Act.

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 diminution, 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 and gratuity.

Defined-contribution plans

The Company's contribution to provident fund is considered as a 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, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at the date of the Balance Sheet. 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.



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 which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

k) 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.

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 instruments.

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.

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.

n) 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.

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) 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.

q) Goods and Services Tax ('GST')

GST 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.

r) 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') and "Electronic Payment and Services - Employee Stock Option Plan 2015" ('EPS-ESOP 2015').

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.

s) 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.

t) 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, with the loan processing fee being amortised over the tenure of the loan.

u) 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.



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes forming part of Financial Statements

Note 3 : Share Capital

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	INR	Number of shares	INR
(a) Authorised				
Equity Shares of INR 10/- each	13,10,000	1,31,00,000	13,10,000	1,31,00,000
Compulsory Convertible Preference Shares of INR 10/- each	57,00,000	5,70,00,000	57,00,000	5,70,00,000
	70,10,000	7,01,00,000	70,10,000	7,01,00,000
(b) Issued, Subscribed and fully paid-up				
Equity Shares of INR 10/- each	6,99,788	69,97,880	6,99,788	69,97,880
Series B and Series C Compulsory Convertible Preference Shares ('CCPS') of INR 10/- each	25,59,160	2,55,91,600	25,59,160	2,55,91,600
Total	32,58,948	3,25,89,480	32,58,948	3,25,89,480

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	INR	Number of shares	INR
i) Equity Shares				
Outstanding at the beginning of the year	6,99,788	69,97,880	6,99,788	69,97,880
Add/(Less): Changes during the year	-	-	-	-
Closing Balance	6,99,788	69,97,880	6,99,788	69,97,880
ii) Series B CCPS:				
Outstanding at the beginning of the year	58,635	5,86,350	58,635	5,86,350
Add/(Less): Changes during the year	-	-	-	-
Closing Balance	58,635	5,86,350	58,635	5,86,350
Series C CCPS:				
Outstanding at the beginning of the year	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Add/(Less): Changes during the year	-	-	-	-
Closing Balance	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Total	25,59,160	2,55,91,600	25,59,160	2,55,91,600



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

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, 2021		As at 31st March, 2020	
	No. of Shares held	% Shareholding	No. of Shares held	% Shareholding
i) Equity Shares				
Vidya Rani Mani Mamallan	90,000	12.86%	90,000	12.86%
Aavishkaar India II Company Limited	1,68,635	24.10%	1,68,635	24.10%
Aavishkaar Goodwell India Microfinance Development Company II Limited	1,05,038	15.01%	1,05,038	15.01%
APIS Growth 3 Limited	2,20,448	31.50%	2,20,448	31.50%
Asia Participations B.V.	65,425	9.35%	65,425	9.35%
Others	50,242	7.18%	50,242	7.18%
Total	6,99,788	100.00%	6,99,788	100.00%
ii) Series B CCPS				
Asia Participations B.V.	58,635	100.00%	58,635	100.00%
iii) Series C CCPS				
Asia Participations B.V.	25,00,525	100.00%	25,00,525	100.00%

Note 3(c): Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of INR 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, in proportion to their shareholding, the remaining assets of the Company after distribution of all preferential amounts.

Note 3(d) :Terms of Conversion of CCPS

Series B CCPS:

The Series B CCPS shall be compulsorily converted into Equity Shares in the ratio of 1 Equity Share for every Series B CCPS.

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

- At the time of the Company filing a draft red herring prospectus ('DRHP') with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange; or
- As per Clause 1 of Schedule C of the Share Subscription Agreement dated 20th November, 2013, upon the expiry of 8 (Eight) years from 11th December, 2013 the Completion Date; or
- At the option of the CCPS holder, at any time prior to the timelines specified in a. and b. above; or
- In the event of the Company and / or its Promoters approach the Investors for the next round of equity investment and the Investors accede to such proposal, the CCPS shall stand converted into Equity Shares in the manner to be determined by the Promoters and the CCPS holders at such point of time, subject to guidelines in force pursuant to Applicable Laws.

Series C CCPS:

The Series C CCPS shall be compulsorily converted into Equity Shares in the ratio of 1 Equity Share for 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:



- a) At the time of the Company filing a DRHP with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange; or
- b) As per Clause 1 of Schedule C of the Share Subscription Agreement dated 12th May, 2015, upon the expiry of 8 (Eight) years from 31st August, 2013 the completion date as per the Share Subscription Agreement dated 26th July, 2013; or
- c) At the option of the CCPS holder, at any time on or after 4th June, 2016 and prior to the timelines specified in a. and b. above; or
- d) In the event of the Company and / or its Promoters approach the Investors for the next round of equity investment and the Investors accede to such proposal, the CCPS shall stand converted into Equity Shares in the manner to be determined by the Promoters and the CCPS holders at such point of time, subject to guidelines in force pursuant to Applicable Laws.

Capitalised terms not defined herein but used above are as defined in the respective agreements.



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes forming part of Financial Statements

Note 4 : Reserves and surplus

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Securities Premium Account		
Opening balance	2,42,77,36,588	2,42,77,36,588
Add/(Less): Changes during the year	-	-
Closing balance	2,42,77,36,588	2,42,77,36,588
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(85,21,50,755)	(95,80,71,045)
Add/(Less): Profit/(Loss) for the year	35,13,275	10,59,20,287
Closing balance	(84,86,37,480)	(85,21,50,758)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	5,01,84,738	5,00,76,206
Add: Amount recorded on grants (refer note 32)	-	1,08,532
Closing balance	5,01,84,738	5,01,84,738
(d) Capital Reserve		
Opening balance	1,37,47,973	1,37,47,973
Add/(Less): Changes during the year	-	-
Closing balance	1,37,47,973	1,37,47,973
Total	1,64,30,31,819	1,63,95,18,541

Note 5 : Long-term borrowings

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Term loans		
Secured		
(i) From Banks	12,41,50,171	27,24,99,025
(ii) From Others	21,59,81,966	28,16,13,814
Total	34,01,32,137	55,41,12,839

Note 5 (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, 2021	As at 31st March, 2020
(a) Term Loans from Banks		
Secured	30,75,21,387	36,72,18,611
Repayable over 1 - 33 months (Previous Year 1 - 47 months) with interest rate of 12.25 %(Previous Year interest-12.25%)		
Secured against:		
1) Specific Trade Receivables and specific ATMs, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment		
2) Lien marked against specific fixed deposits		
3) Personal Guarantee of Promoters		



Note 5 (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, 2021	As at 31st March, 2020
(b) Term Loans from Others		
Secured	30,99,34,206	35,82,77,741
Repayable over 1 - 36 months (Previous Year 1 - 47 months) with interest rate of 9.25% (Previous Year interest -12.25%)		
Secured against:		
1) Specific Trade receivables and specific ATM, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment	-	
2) Lien marked against specific fixed deposits		
3) Personal Guarantee of Promoters		
(c) Finance Lease Obligations: (refer note 28 (i))	-	26,14,258
	61,74,55,593	72,81,10,610
Less: Current Maturities of Term Loans from Banks, Term Loan from Others and Finance Lease Obligations (Refer Note 8)	(27,73,23,456)	(17,39,97,771)
Total Long-term borrowings	34,01,32,137	55,41,12,839

Note 5.1:

The Company has requested and availed for the moratorium on interest and principal payments on term loans for the period from April 2020 to August 2020 as per the notifications issued by RBI in the wake of the disruptions on account of COVID-19 pandemic.

Note 6 : Long-term provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits (Refer Note 25 (B))	1,66,06,951	1,51,22,724
Provision for Electricity (Refer Note 33)	6,35,76,000	12,63,00,929
Total	8,01,82,951	14,14,23,653

Note 7 : Trade payables

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 7.1 below)	7,68,91,477	8,14,79,349
(b) Total outstanding dues other than Micro, Small and Medium Enterprises)	41,31,85,089	47,44,34,713
Total	49,00,76,566	55,59,14,062

**Note 7.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at 31st March, 2021	As at 31st March, 2020
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	7,68,91,477	8,14,79,349
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	25,57,798	38,97,664
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the respective accounting year	25,57,798	38,97,664
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1,29,82,037	1,04,24,239

Dues to Micro, Small and Medium Enterprises have been determined based on confirmations collected by the Management from such enterprises. This has been relied upon by the auditors.

Note 8: Other current liabilities

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long term debt (Refer Note 5(i))		
Secured:		
(a) Term loans from Banks	18,33,71,216	9,47,19,586
(b) Term loans from Others	9,39,52,240	7,66,63,927
Current maturities of finance lease obligations (Refer Notes 5(i) and 28(i))	-	26,14,258
Interest Payable	27,73,23,456	17,39,97,771
Deferred Profit on Sale and lease back transactions	-	17,78,850
Security Deposits received	-	7,68,471
Other Payables:	7,55,50,000	9,36,84,992
Statutory remittances	1,50,27,929	2,55,70,034
Payable to employees	7,905	41,60,392
Payable to Franchisees	3,76,400	4,46,26,400
Advance from Customers	1,23,50,281	3,09,82,177
Payable to Bank	2,86,853	3,88,476
Payable on Purchase of Property Plant and Equipment	2,00,02,707	4,39,71,340
Other Payables	2,13,25,876	20,34,385
Total	42,22,51,407	42,19,63,288

Note 9 : Short-term provisions

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits :		
Provision for gratuity (Refer Note 25 (B))	26,23,845	31,27,078
Provision for expenses	6,56,54,543	7,61,12,657
Total	6,82,78,388	7,92,39,735

**Note 10 : Short-term borrowings**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Overdraft from Banks	11,26,06,964	13,77,40,768
Secured against:		
1) Specific Trade Receivables and Specific ATM, UPS, Site Interiors and other Merchandise, Air conditioners, VSAT and e-surveillance equipment;		
2) Lien marked against specific fixed deposits; and/or		
3) Personal Guarantee of Promoters		
Total	11,26,06,964	13,77,40,768

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note : 11 Property, Plant and Equipment

Sr. PROPERTY, PLANT AND No EQUIPMENT	GROSS BLOCK			ACCUMULATED DEPRECIATION		NET BLOCK	
	BALANCE AS AT 01.04.2020	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2021	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2021
A Tangible Assets							
Automated Teller Machine							
Owned	2,04,81,33,931	2,24,93,249	1,49,05,858	2,05,57,21,322	21,72,82,418	21,55,558	1,03,42,38,184
Taken under finance lease	13,76,13,262	-	5,37,317	13,70,75,945	9,18,885	1,07,758	13,70,75,945
Uninterrupted Power Supply Machine							
Owned	14,68,27,600	17,97,277	-	14,86,24,877	2,21,31,607	-	11,71,87,140
Taken under finance lease	1,14,56,866	-	1,82,076	1,12,74,790	80,622	58,044	1,12,74,790
Site Interior & Other Merchandises							
Owned	57,53,69,757	1,45,31,965	12,90,809	58,86,10,913	8,11,74,485	5,59,200	44,02,97,059
Taken under finance lease	4,50,81,666	-	30,89,153	4,19,92,513	2,38,406	29,11,221	4,19,92,513
Air Conditioner							
Owned	13,28,79,248	1,34,531	-	13,30,13,779	8,22,45,040	1,79,86,453	10,02,31,493
Taken under finance lease	4,70,435	-	-	4,70,435	4,61,353	-	4,70,435
VSAT							
Owned	12,84,29,895	76,42,092	-	13,60,71,987	6,27,65,134	-	8,51,13,806
Taken under finance lease	38,69,902	-	-	38,69,902	41,111	-	38,69,902
E-Surveillance							
Owned	5,07,62,725	-	-	5,07,62,725	71,97,406	-	3,76,41,286
Taken under finance lease	27,24,568	-	-	27,24,568	4,23,074	-	19,89,132
Furniture and Fixtures							
Owned	39,59,681	-	74,801	38,84,880	34,94,789	52,144	37,51,329
Taken under finance lease	82,90,760	86,000	-	83,76,760	68,12,199	-	82,08,019
Office Equipment							
Owned	1,63,58,001	57,82,123	-	2,21,40,124	1,23,40,146	-	1,55,35,194
Taken under finance lease	-	-	-	-	-	-	-
Computers							
Owned	3,31,22,28,297	5,24,67,237	2,00,80,014	3,34,46,15,520	1,66,99,88,379	58,43,925	2,03,88,76,227
Taken under finance lease	-	-	-	-	-	-	-
Total	3,31,22,28,297	5,24,67,237	2,00,80,014	3,34,46,15,520	1,66,99,88,379	58,43,925	2,03,88,76,227
Total	3,31,22,28,297	5,24,67,237	2,00,80,014	3,34,46,15,520	1,66,99,88,379	58,43,925	2,03,88,76,227
B Intangible Assets							
Computer software	11,20,34,180	47,72,444	-	11,68,06,624	7,80,85,241	1,55,01,454	9,35,86,695
Taken under finance lease	-	-	-	-	-	-	-
Total	11,20,34,180	47,72,444	-	11,68,06,624	7,80,85,241	1,55,01,454	9,35,86,695
Total	11,20,34,180	47,72,444	-	11,68,06,624	7,80,85,241	1,55,01,454	9,35,86,695
Grand Total	3,42,42,62,477	5,72,39,681	2,00,80,014	3,46,14,22,144	1,74,80,73,620	58,43,925	2,13,24,62,922
Grand Total	3,42,42,62,477	5,72,39,681	2,00,80,014	3,46,14,22,144	1,74,80,73,620	58,43,925	2,13,24,62,922

Notes:

1. Additions and deletions are grossed up by INR 22,79,816/- towards shifting.

2. Deletions include INR 1,03,32,400/- against cancellation of orders for EMV Upgradation which were included under additions in the previous year.

**Note 12 : Long-term loans and advances**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured & considered good:		
Security Deposits	4,32,28,478	7,35,95,953
Prepaid expenses	40,41,611	63,94,320
Other statutory remittances recoverable	24,12,334	22,44,756
Balances with government authorities:		
- Tax (IDS) refund receivable	9,39,57,184	6,47,33,633
Total	14,36,39,607	14,69,68,662

Note 13: Other non-current assets

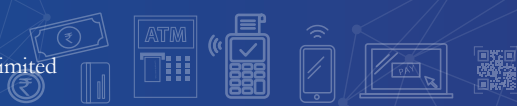
Particulars	As at 31st March, 2021	As at 31st March, 2020
Others:		
Balances with Banks in fixed deposit accounts (In Earmarked Accounts)		
- Balances held as security against borrowings and guarantees	12,68,89,335	14,08,19,597
- Balances held as margin money against guarantees (Refer Note 13.1 below)	7,40,31,200	8,14,51,700
Total	20,09,20,535	22,22,71,297

Note 13.1:

A bank, on behalf of the Company, has issued performance and other bank guarantees amounting to INR 27,03,38,000/- (INR 29,42,28,000/- as at 31st March, 2020) for the deployment of cash dispensers and other related assets, in respect of which the Company has placed fixed deposits under lien amounting to INR 7,40,31,200/- (INR 8,14,51,700/- as at 31st March, 2020).

Note 14: Trade receivables

Particulars	As at 31st March, 2021	As at 31st March, 2020
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	6,61,02,726	2,92,46,421
Less : - Provision for doubtful trade receivables	(1,56,73,000)	(1,01,81,263)
	5,04,29,726	1,90,65,158
Others		
Unsecured	26,11,09,133	23,26,71,135
Less : - Provision for doubtful trade receivables	-	(30,85,051)
	26,11,09,133	22,95,86,084
Amounts Recoverable from Customers/Vendors	29,39,57,583	13,41,60,253
Less : - Provision for doubtful recoveries	(16,91,63,054)	(6,16,48,600)
	12,47,94,529	7,25,11,653
Total	43,63,33,388	32,11,62,895

**Note 15 : Cash and cash equivalents**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	26,009	26,009
Balance with banks		
In Current Accounts	26,33,96,047	35,72,17,442
Total A - (Cash and Cash Equivalent as per AS-3)	26,34,22,056	35,72,43,451
Cash in ATM	12,76,800	38,07,100
Balance in Term Deposit		
Less than 12 Months	4,64,72,914	4,01,54,281
More than 12 Months	-	-
Total (B)	4,77,49,714	4,39,61,381
Total (A+B)	31,11,71,770	40,12,04,832

Note 16 : Short-term loans and advances

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured and considered good:		
Capital Advances	9,750	24,97,803
Security Deposits	13,00,24,923	
Loans and advances to related parties (Refer Note 27)	8,52,425	8,60,941
Loans and advances to employees	11,84,974	5,71,516
Prepaid expenses	6,05,55,094	6,07,11,849
Balances with Government Authorities:		
GST Input Tax Credit / Cenvat Credit receivable	10,07,05,508	10,57,58,259
Tax (TDS) refund receivable	-	11,04,55,789
Other statutory remittances recoverable	-	1,19,993
Advance to suppliers	4,15,47,959	1,83,73,601
Other receivables	2,95,53,285	3,97,30,062
Total	36,44,33,918	33,90,79,812

Note 17: Other current assets

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unbilled Revenue	29,94,28,124	35,78,99,520
Insurance Claims receivable	9,22,46,615	6,93,00,048
Less : - Provision for doubtful recoveries	(2,17,58,261)	-
Insurance Claims receivable (Net)	7,04,88,354	6,93,00,048
Interest accrued on fixed deposits	10,28,001	9,46,049
Total	37,09,44,479	42,81,45,617



CONSOLIDATED FINANCIAL STATEMENTS FY 2020 – 2021

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes forming part of Financial Statements

Note 18 : Revenue from operations

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Income from ATM Services (net of GST)	3,28,99,25,852	3,46,14,19,556
Income from Non-ATM Business (net of GST)	2,19,50,759	-
Income from Prepaid Card Management Services	-	98,37,199
Total	3,31,18,76,611	3,47,12,56,755

Note 19: Other Income

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Fixed Deposit	1,57,75,984	1,39,61,749
Interest on Income tax refund	84,15,737	78,58,065
Provision for Contingencies - Electricity written back (Refer Note 33)	9,29,59,840	-
Profit on Sale and Lease back	7,68,471	18,95,701
Net gain on Sale of current investment	-	39,31,556
Bad debts recovered	-	13,77,030
Leave encashment written back	-	18,41,456
Other Income	1,16,294	1,36,78,754
Amounts Written Back	5,73,326	-
Total	11,86,09,652	4,45,44,311

Note 20: Employee Benefits Expense

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Salary, wages & bonus	25,88,63,676	26,93,95,490
Contribution to Provident Fund (Refer Note 25(A))	91,41,830	92,75,156
Gratuity expense (Refer Note 25(B))	21,30,925	69,45,756
Expense on employee stock options (ESOP) scheme (Refer Note 32)	-	1,08,532
Staff welfare expenses	1,08,64,533	2,35,10,140
Total	28,10,00,964	30,92,35,074

Note 21: Finance Costs

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Interest on Borrowings	9,49,70,247	7,50,58,374
Interest on Finance Lease	89,050	1,34,41,555
Loan Processing Fees	91,53,419	93,54,765
Prepayment charges	30,07,484	72,99,835
Interest on delayed payment of taxes	6,25,415	7,77,144
Total	10,78,45,615	10,59,31,673

**Note 22: Operating Expenses**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Annual Maintenance Charges	29,23,67,930	22,33,07,815
Caretaker Charges	10,67,14,760	7,59,51,855
Consumables Charges	1,71,09,907	4,08,38,486
Cash Replenishment Charges	65,16,54,672	66,66,56,480
Management Service Charges	1,57,84,992	1,47,24,944
Site Electricity	16,26,14,964	17,16,34,382
EMV and Related Expenditure	5,03,17,632	-
Site Housekeeping	5,13,85,409	5,83,85,134
Satellite (VSAT) Charges	4,46,01,090	5,37,56,587
Site Rent	34,57,21,324	37,26,21,342
Other Operating Charges	1,32,03,094	2,12,84,478
UPS charges	12,50,60,411	12,35,41,443
Insurance Premium	7,70,75,069	7,47,16,193
Site Repairs Charges	10,50,88,612	15,31,51,641
Site Shifting Charges	2,72,63,908	5,29,40,882
Royalty Fee	88,04,655	60,76,337
Sponsor Bank Charges	26,90,529	14,54,358
Software Management Charges	4,17,32,074	3,41,71,230
Franchise Fee	26,55,35,068	16,00,51,183
NPCI Charges	21,24,999	23,45,396
Total	2,40,68,51,099	2,30,76,10,166

Note 23: Other General Expenses

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Professional and Consultancy Charges	2,05,43,718	2,67,71,460
Rates and Taxes	4,66,540	1,01,82,600
Office and guest house rent Charges	1,76,01,164	2,32,49,309
Payments to the auditor (Refer Note 23 (i) below)	85,83,613	83,54,658
Bank Charges and Commission	51,13,879	72,99,738
Insurance Charges	11,83,285	9,65,069
Office Electricity	10,07,746	16,31,469
Repairs and Maintenance	16,65,853	56,75,534
Telecom Expenses	18,94,595	24,85,293
Travelling and Conveyance Expenses	91,45,344	79,46,261
Business Promotion Expenses	12,36,521	22,01,764
Meeting Expenses	-	16,888
Membership and Registration Charges	39,25,391	15,16,745
Office Expenses	37,59,565	65,93,347
Postage and Courier	3,05,796	10,65,151
Printing and Stationery	11,92,006	18,91,571
Motor Car Expenses	3,83,235	4,21,246
Loss on Theft/Damage/Write off of Property, Plant and Equipment	16,53,113	2,94,21,514
Provision for doubtful debts	24,06,686	22,11,437
Provision for doubtful recoveries (from Customers/Vendors)	10,75,14,454	6,16,48,600
Provision for doubtful recoveries (Insurance)	2,17,58,261	-

**Note 23: Other General Expenses**

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Bad Debts written off	34,79,108	-
Provision for Loss on Receivable from CRA written back	(4,75,10,200)	-
Loss on Receivable from CRA Written off	4,75,10,200	-
Provision for Diminution in value of Non-Current Investments	-	1,40,73,052
Insurance claims written off	-	23,31,641
Car Lease Rentals (Refer Note 28(ii))	40,84,766	45,72,432
CSR Expense	10,25,000	-
Miscellaneous Expenses	5,15,891	2,41,223
Interest on MSME	25,57,798	38,97,664
Software Expenses	1,61,57,620	1,79,18,384
Foreign exchange loss / (gain)	(1,17,214)	9,27,243
Liquidators Expenses	19,98,349	-
Total	24,10,42,083	24,55,11,293

Note 23-(i) Payments to the auditor comprise

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(a) To Statutory Auditor		
For Audit	35,00,000	35,00,000
For Other Services		
- Direct Tax	10,00,000	19,58,403
- Indirect Tax	37,19,600	24,96,255
- Consultancy charges	3,00,000	4,00,000
Reimbursement of expenses	64,013	-
Total	85,83,613	83,54,658

Note 23-(ii) Amounts Paid in Foreign Currency

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Amount spent in foreign currency	37,01,157	53,03,670
Total	37,01,157	53,03,670

Note 24: Contingent Liabilities and Commitments (to the extent not provided for):

(a) Contingent liabilities

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Claims against the Company not acknowledged as debt		
Service Tax	4,68,49,482	4,68,49,482
MVAT	13,05,299	13,05,299
Other	-	5,38,68,153

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

(b) Commitments

Particulars	As at 31st March, 2021	As at 31st March, 2020
Estimated amount of contracts remaining to be executed on capital account and not accounted for	52,55,510	91,03,495



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 INR 91,41,830/- (previous year INR 92,75,156/-) 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.

Particulars	As at 31st March, 2021	As at 31st March, 2020
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	6.44 % p.a.	6.04 % p.a.
Attrition Rate	For service 2 years and below 17.00% p.a. For service 3 years to 4 years 12.00% p.a. For service 5 years and above 6.00% p.a.	For service 2 years and below 17.00% p.a. For service 3 years to 4 years 12.00% p.a. For service 5 years and above 6.00% p.a.
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
* 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.		
** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.		
*** The discount rate is based on the prevailing market yields of Government of India securities as at the date of the Balance Sheet for the estimated term of the obligations.		
II. Table showing change in Benefit Obligation:		
Liability at the beginning of the year	1,82,49,802	1,28,12,498
Interest cost	11,02,288	9,98,094
Current service cost	36,07,828	33,74,795
Past service cost (vested benefits)	-	-
Benefits paid	(11,49,931)	(4,00,146)
Actuarial (gain)/ loss on obligation	(25,79,191)	14,64,561
Liability at the end of the year	1,92,30,796	1,82,49,802
III. Fair value of Plan Assets:		
IV. Actual return on Plan Assets:		
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(1,92,30,796)	(1,82,49,802)
Net asset/ (liability) recognised in the Balance Sheet	(1,92,30,796)	(1,82,49,802)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets		
	Not Applicable	Not Applicable

Particulars	As at 31st March, 2021	As at 31st March, 2020
VII. Expenses recognized in the Statement of Profit & Loss:		
Current service cost	36,07,828	33,74,795
Interest cost	11,02,288	9,98,094
Actuarial (gains)/losses	(25,79,191)	14,64,561
Past service cost (vested benefits) recognised during the period	-	-
Expenses recognized in Statement of Profit and Loss	21,30,925	58,37,450
VIII. Balance Sheet Reconciliation		
Opening net liability	1,82,49,802	1,28,12,498
Benefits paid	(11,49,931)	(4,00,146)
Expense as above	21,30,925	58,37,450
Net Liability / (Asset) recognised in Balance Sheet	1,92,30,796	1,82,49,802
Short term liability	26,23,845	31,27,078
Long term liability	1,66,06,951	1,51,22,724
Net Liability / (Asset) recognised in Balance Sheet	1,92,30,796	1,82,49,802
IX. Experience adjustment on obligations- Gains/(Losses)		
(i) Due to change in demographic assumptions	-	(20,45,423)
(ii) Due to change in financial assumptions	(7,36,658)	26,16,721
(iii) Due to experience adjustment	(18,42,533)	8,93,263
Actuarial (Gains)/Losses on Obligations	(25,79,191)	14,64,561

Note 26: Segment 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 2013 Act, the management is of the opinion that the Company's operations predominantly comprise of 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 27: Related party transactions

1. Details of related parties:

Description of relationship	Names of related parties
(i) Wholly Owned Subsidiary (under liquidation)	Electronic Payment Australia PTY Ltd.
(ii) Key Managerial Personnel (KMP) & their relatives / Directors	
Managing Director	Mr. Mani Mamallan
Director	Mr. Sanjay Kapoor
President HR & Admin, Wife of Managing Director	Mrs. Vidya Rani Mani Mamallan
Brother of Managing Director	Mr. Gangai Kondan Mani



2. Details of related party transactions during the year ended 31st March, 2021 and outstanding balances as at 31st March, 2021:

Particulars	KMP & their relatives / Directors / Independent Director
Rendering of Services	-
Receiving of Services	
Remuneration paid	1,98,99,726
	(2,37,94,602)
Perquisites Paid	8,01,186
	(15,12,372)
Loans & Advances	8,52,425
	(8,60,941)

Notes:

1. Payment to KMP / Directors does not include reimbursement of expenses, employer's contribution to PF and provision for gratuity.
2. Figures in bracket are for the previous year.

Note 28: Details of leasing arrangements

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
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. Under certain lease arrangements, the title/ownership may 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 conditions.		
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	-	27,03,308
Later than one year and not later than five years	-	-
Later than five years	-	-
Unmatured finance charges	-	(89,050)
	-	26,14,258
Present value of minimum lease payments payable		
Not later than one year	-	26,14,258
Later than one year and not later than five years	-	-
Later than five years	-	-
	-	26,14,258



Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
(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.		
The Company has entered into operating lease agreement for office premises. The lease has a lock-in-period for 3 years till date 31st May 2020 and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments		
not later than one year	-	-
later than one year and not later than five years	-	-
later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss		
- Office Rentals	-	1,98,25,415
- Car Rentals	40,84,766	45,72,432

Note 29: Earnings per share

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Net Profit after tax for the year	35,13,275	10,59,20,287
Net Profit after tax for the year for computation of Earnings per share	35,13,275	10,59,20,287
Weighted average number of equity shares (Basic)	6,99,788	6,99,788
Weighted average number of equity shares (Diluted)	8,63,160	8,63,160
Par value per share	10	10
Earnings per share from continuing operations - Basic	5	151
Earnings per share from continuing operations - Diluted	4	123

Note 30: Deferred Tax

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Deferred Tax Asset		
Expenses Disallowed Under Income Tax Act	3,46,48,002	2,39,59,129
Depreciation on Fixed Assets	9,84,88,879	8,12,13,040
Carried forward Losses	6,34,98,327	9,65,06,483
Total	19,66,35,208	20,16,78,652

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 AS - 22, specified under the Section 133 of the 2013 Act.

The Company has opted for lower rate of tax of 22% plus surcharge and cess as per the provisions of section 115BAA, the provisions of computation of book profit and MAT liability under section 115JB shall not be applicable to the Company from the AY 2021-22.

Note 31: 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 32: Employee Stock Option Scheme

In the Extra Ordinary general meeting held on 12th August, 2014, the Shareholders of the Company 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 2014 allows the issue of equity options to the employees of the Company. Each option comprises one underlying equity share. As per the ESOP 2014, the Board of Directors of the Company can grant the equity options to the employees deemed eligible. The exercise price of each option shall be Rs 10/- as defined in the ESOP 2014 scheme. The vesting periods are:

- in respect of 16,800 equity options granted in September 2014 – 12 months from the date of grant
- in respect of 1,300 equity options granted in January 2016 - 50% in the 24th month; 25% in the 37th month and 25% in the 49th month from the date of the grant.

The equity options may be exercised by the eligible employees within 60 months from the date of each vesting.

As at 31st March, 2021, equity options aggregating to 17,788 (previous year 17,788) have vested to the eligible employees. The remaining 962 (previous year 962) equity options have not been granted as of 31st March, 2021. Equity options are eligible for exercise till 12th February, 2025.

The difference between the fair price of the equity share underlying the equity options granted on the date of grant of the equity option and the exercise price of the equity option representing Stock Compensation Expense is expensed over the vesting period.

Particulars (Scheme name: EPS-ESOP 2014)	During the year ended 31st March, 2021	
	Options (Numbers)	Weighted average exercise price per option (INR)
Exercisable options at the beginning of the year:	17,788	10
Option outstanding at the beginning of the year:	-	-
Granted during the year:	-	-
Vested during the year:	-	-
Exercised during the year:	-	-
Forfeited during the year:	-	-
Options outstanding at the end of the year:	-	-
Options available for grant:	962	-
Exercisable options at the end of the year	17,788	10

Weighted average remaining contractual life for options is NIL as at 31st March, 2021.

Particulars (Scheme name: EPS-ESOP 2014)	During the year ended 31st March, 2020	
	Options (Numbers)	Weighted average exercise price per option (INR)
Exercisable options at the beginning of the year:	17,563	10
Option outstanding at the beginning of the year:	262	10
Granted during the year:	-	-
Vested during the year:	225	10
Exercised during the year:	-	-
Forfeited during the year:	37	10
Options outstanding at the end of the year:	-	10
Options available for grant:	962	10
Exercisable options at the end of the year	17,788	10

Weighted average remaining contractual life for options is nil months outstanding as at 31st March, 2020.

The Company believes that the fair valuation of Equity Options will not materially change the net income of the Company 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.

Further, in the Extra Ordinary general meeting held on 19th January, 2016, the Shareholders of the Company approved the issue of 43,158 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2015" ('EPS-ESOP 2015'). The Company has not granted any of these equity options to the employees of the Company.

**Note 33: Provision for Contingencies**

The Company carries a Provision for Contingencies towards loss on account of electricity charges. The management estimates the same to be settled in the upcoming years. The movement of the said provision is summarised below:

Particulars	For the year ended 31st March, 2021	For the year ended 31st March, 2020
Provision for electricity		
Opening balance	12,63,00,929	7,03,36,692
Addition during the year	3,02,34,911	5,59,64,237
Deductions during the year	(9,29,59,840)	-
Closing balance (B)	6,35,76,000	12,63,00,929
Provision for PF as per the Supreme Court order dated 28th February 2019		
Opening balance	3,33,725	3,33,725
Addition / (Deductions) during the year	-	-
Closing balance (C)	3,33,725	3,33,725
Closing Balance (A+B+C)	6,39,09,725	12,66,34,654

Note 34: Corporate Social Responsibility

The Company does not meet the threshold criteria established under section 135 of the Act 2013 for CSR activities. However, during the current year, the Company had contributed INR 10,25,000/- towards the CSR activities and pursuant to the Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021, the Company intends to set off the said excess contribution amount against the requirement to spend on CSR activity up to immediate succeeding three financial years, if applicable.

Note 35: Impact due to pandemic - Covid-19

The outbreak of COVID-19 global pandemic including the 2nd wave and additional disruptions, has resulted in economic and business uncertainty which has led to volatility in the global markets. India too has been impacted as a result of this global pandemic. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial statements to determine the carrying value of its assets and the impact on its liabilities.

The extent to which the COVID-19 global pandemic will impact future results of the Company will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 global pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Company. The actual impact of the COVID-19 global pandemic may be different from that estimated as at the date of approval of these financial statements. The Company will continue to closely monitor any material changes to future economic conditions and the impact on the financial statements will be reflected in the applicable future periods.

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 as on 31st March 2021		Net assets, i.e., total assets minus total liabilities as on 31st March 2020		Share of profit or loss as on 31st March 2021		Share of profit or loss as on 31st March 2020	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Electronic Payment and Services Private Limited	100.00%	1,67,56,21,299	99.89%	1,67,02,63,776	227.28%	79,85,024	124.68%	13,20,62,501
Subsidiary								
Australian								
Electronic Payment Australia PTY Ltd	0.00%	(0)	0.11%	18,44,245	-127.28%	(44,71,748)	(24.68%)	(2,61,42,214)
Total	100.00%	1,67,56,21,299	100.00%	1,67,21,08,021	100.00%	35,13,275	100.00%	10,59,20,287

On 28th July 2020, the Company, as the sole shareholder of the Subsidiary, took a decision to wind up the operations of the Subsidiary and had appointed a liquidator. The Company does not expect to realise any proceeds from the liquidation. Accordingly, the Company has made a provision for diminution in the value of the investment in the Subsidiary. On 18th March 2021, the liquidator received the clearance from the Australian Securities and Investments Commission (ASIC) for the liquidation of the Subsidiary. On 29th June 2021, the liquidator has submitted a request with ASIC for deregistration of the Subsidiary along with a notice of cessation as liquidator of the Subsidiary and the deregistration of an entity generally occurs within 3 months of lodgement of notice.

Note 37: 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 : 28th August, 2021
Place : Mumbai

Mani Mamallan

Chairman and Managing Director
DIN: 03584512
Date : 28th August, 2021
Place : Mumbai

Pooja Panvelkar

Company Secretary
Date : 28th August, 2021
Place : Mumbai

Sudhanshu Soman

Chief Financial Officer
Date : 28th August, 2021
Place : Mumbai



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