



# **ANNUAL REPORT**

## **2018 - 2019**

Commemorating Achievements, Strengthening Aspirations



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Commemorating Achievements, Strengthening Aspirations

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## COMPANY INFORMATION

**Electronic Payment and Services Private Limited (EPS)** is a leading retail banking technology service provider founded in 2011, by veterans with over 150 years of combined experience in the banking, technology and retail payments industry in India.

EPS was launched to address the demand for efficient, secure and technology driven products and services for the banking industry, to primarily address end-to-end Automated Teller Machine (ATM) Operations & Outsourcing Services, as well as provide a holistic range of ATM Managed Services and Digital Payment Solutions thus enabling banks to concentrate on core banking functions. In addition to ATM services, EPS also provides a best-in-class PCI-DSS certified Transaction Switching Solution, which can drive all industry standard front-end payment devices. In the fast-moving digital payment domain, EPS intends to be an end-to-end Technology Solutions Provider for banks.

To support the Ministry of Finance (Govt. of India) led mission driving 'Financial Inclusion', EPS has paced in delivering results, reliability and dependability, having successfully deployed over 13000 ATMs for 21 banks in urban and rural locations across India.

Along with a wide array of footprints in India, EPS has expanded to the APAC region in 2017 forming a wholly owned subsidiary of Electronic Payments and Services (India) known as **Electronic Payment Australia PTY Ltd.** EPAPL provides a comprehensive suite of payment solutions and services that cater to ATM, PoS, E-commerce, payment cards and all other digital mediums of transactions.

## OUR SERVICES

- ❖ ATM Outsourcing Services
- ❖ ATM Managed Services
- ❖ White Label ATM Services
- ❖ Digital Payment Services
- ❖ Risk & Compliance Services
- ❖ Consulting Services (EPAPL)



## 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*

## EMPOWERED BY A DREAM



### **Service**

To understand, determine and deliver beyond our client’s needs with high standards of customer service and professionalism.

### **Trust**

Our endeavours exemplify our belief 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.

## MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Dear Shareholders,

I am delighted to share with you EPS' Annual Report 2018-19 with giving an overview of achievements, learnings, new beginnings, associations which further gives a future roadmap on how we are moving ahead. The good news is, we have completed 7 years of successful journey, crusading many challenges, to grow with changing times. We thank whole-heartedly to our Shareholders, Partners, Customers, Advisors, Employees, Vendors and Associates.



Firstly, you would be happy to learn that your company has continued its previous year's growth rate and grown over 35% on top line year-on-year. We are now country's Fourth largest ATM service provider, with managing over 14,000 ATMs across states and enjoying market share of 12% in ETE, 2% MS and 3% WLA respectively. Our reliable and humbling ATM management service capabilities have enabled us to serve the existing clients for consistently and has gifted us new opportunity to serve more clients.

I wish to place on record that your company has achieved full closures for BJK (NCR) portfolio of Banks, resulting in controlling losses and operational expenditures post asset acquisition from NCR; achieved full renewals / letters of extension of contract for 5 years for MoF Maharashtra portfolio of banks; Intellectual Property India, Trade Marks Registry EPS Name and EPS Logo with Tag Line "A Payment System Company" is Registered, from Registrar of Trademarks, Govt. of India. It is our great fortune that most of our customers acknowledge our quality of ATM services, which are at par with the best in the industry. In fact, a few Banks unhesitatingly ranked us above our peers.

All thanks to our dedicated team, for working towards providing safe, secure and quality services to our customers. We are now 450+ as team members and growing. Our end-to-end advanced payment system processes over 2 Million transactions a month. What more amazing can we expect than chasing one goal together - 'To be the best in the Payments System ecosystem.'

Our ATM managed services were ranked exceptionally well of our customers, which has made us proud and given us encouragement to achieve 100% in the months to come. EPAPL, our wholly owned global subsidiary in Australia, has been growing at newer heights through sailing new geographies. We are fortunate to contribute towards the Govt of India's ambitious project 'Jan Dhan Yojana' and support the 'Financial Inclusion' program.

From being recognized as India's one of the best ATM managed service players to now becoming the 'Next-Generation' payment system provider is what we are yearning for. Our new initiatives are focusing towards benchmarking digital payment services. Artificial Intelligence-led banking solutions, Robotics payment solutions, advanced fraud risk management are just some of the payment solutions that we are entering in a

big manner. The product portfolio is expected to grow bigger as we aim to create a better ecosystem for banks and financial institutions.

We have already partnered with some of the global payment experts and we are in different stages to partner to strengthen our inherent capacity to address the growing needs of online payments solutions. Digital payments in India will more than double to \$135.2 billion in 2023 from \$64.8 billion this year, according to a major report. India is expected to clock the fastest growth in digital payments transaction value between 2019 and 2023 with a compounded annual growth of 20.2%, according to the report. The study also showed that India's share of worldwide transaction value of digital payments is also set to increase from 1.56% to 2.02% in the next four years. The global digital payments market is expected to touch \$10.07 trillion by 2026.

Cooperative Banks, Small Finance Banks, Payment Banks, Fintech Companies are our next target institutions who have showed interest in working with us, and we are joining the dots to grow together. What's ahead is, our strategic aggression towards building and sustaining into digital payments ecosystem, where we can be recognized as India's one of the top new-age payment system providers. While retaining our strong position in ATM services, now we are heading to take on newer Payment and Regulatory Technologies.

In order to build market competencies, we have appointed industry experts and professionals who will not only integrate intelligentsia in building payment systems but also boost up overall flare in the EPS Team. In such a transient phase, we strongly believe that EPS has a definitive growth trajectory in all the arms extended so far. Our target of acquiring more business in the ATM, Digital Payments and APAC market is quite synonymous with what we are building in Indian diaspora. We are happy that our people have reposed faith in us in the last FY, and our attrition rate is minuscule.

We believe the Indian economy continues to be heavily reliant on cash, however, digital payment systems are gaining grounds on smartphones that are enabled with data connections, NFC and Bluetooth etc. The continued dependence on cash persists due to certain challenges deeply rooted in the digital payment ecosystem in India. As per RBI committee released an ambitious report on propelling a 10-fold rise in India's digital payments volume in the next three years, with the help of a network of PoS terminals, banks' business correspondents and ATMs to attract rural customers to adopt digital money. We, at EPS, have a long way to build a new-age payment system company to fulfil the needs of retail banking operations. I am sure together we all can create a better ecosystem around. As the payments landscape evolves rapidly, we are gearing up for managing the change effortlessly. To sustain and grow, we are contemplating to build a network of innovation partners. I urge all of you to have the entrepreneurial mindset, so that you can make those leaps which will make a difference in EPS' growth prospects.

Yours Sincerely,  
Mani Mamallan  
Chairman and Managing Director  
Mumbai

## LIST OF LENDERS

### I) Banks:

**1) Kotak Mahindra Bank Ltd.**

Powai Branch, G 6/7 Citi Park | Central Avenue Road, Hiranandani Gardens, Powai, Mumbai 400076

**2) Bank of India**

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

**3) Indusind Bank Ltd**

11th Floor, Tower 1, OneIndiaBulls Centre, 841, Sentapati Bapat Marg, Elphinstone Road West, Mumbai 400 013

**4) HDFC Bank**

Prudential Bldg. Gr. Fl. Hiranandani Business Park Powai, Mumbai 400 076.

### II) From Other Parties:

**1) Tata Capital Financial Services Private Limited**

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

**2) Hero Fincorp Ltd**

Vatika Business Centre, 7th Floor, Wing-B, Supreme Business Park, Behind Lake Castle Building, Hiranandani Gardens, Powai, Mumbai – 400076

**3) Rent Alpha Private Limited**

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

**4) RentAsset Initiatives Private Limited**

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

**5) Siemens Financial Services Private Limited**

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

**6) Capsave Finance Private Limited**

Unit No. 501, Wing D, Lotus Corporate Park, Western Exp. Highway, Goregaon (East), Mumbai 400 063.

## GOVERNANCE REPORT

### Introduction

**Corporate governance** essentially involves balancing the interests of a company's many stakeholders, such as Shareholders, Management, Customers, Suppliers, Financiers, Government and the Community.

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

The Company's philosophy on corporate governance is founded upon a rich legacy of fair, ethical and transparent governance practices. It oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising of Regulators, Employees, Customers, Vendors, Investors and the Society at large.

The framework we follow for compliance is compatible with the Domestic Standards and best industry practices. For the same, we ensure to make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

EPS Control Environment is governed by a 3 layered defence mechanism. All the departments and processes are governed by the policies & processes laid down under the Governance Framework. Process and control reviews as well policy reviews are conducted yearly and is assisted by automated system EPSafe.

1. **Statutory Compliances:** All applicable statutory compliances in our areas of operations are managed and overseen through EPSafe – an automated tool for compliance management.
2. **Assurance – ICFR & Operational controls:** All controls testing is done by third party. SOPs and control library is reviewed & revised on a periodic basis to keep the processes aligned & optimize governance & assurance.
3. **Internal Audit – Overall performance** is reviewed through Internal Audits. Audit observations are closed with risk mitigation and process improvements. Internal Auditor is approved by the Audit committee and audit reports are reviewed periodically.

EPS holds the ISO 27001-2013 – Information Security, ISO 9001:2015 – Quality Management Systems and PCI DSS - The Payment Card Industry Data Security Standard certifications.

Our structure, policies, processes and systems are based on these standards. This gives immense confidence and comfort to our customers and partners and positions us ahead of our competitors.

In order to keep our certifications intact, we ensure the renewals & surveillance audits are performed as required by the standard.

For the Financial Year 2018 – 2019, we have complied with all the relevant provisions of the legislations covered above & 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 is 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.

All spheres that are susceptible to risk within EPS have been insured by insurance policies periodically. EPS is well protected through insurance policies encompassing various aspects for instance, Business Assets deployed and in Warehouse, staff and operating environment property, Cash in ATM, Fidelity risk, Cyber risks, Group Medclaim term life, Term Life Insurance, professional indemnity, Directors & Office liability and Keyman insurance policy.

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



## STANDALONE DIRECTORS' REPORT

To,

The Members of,

### **M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED**

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report together with the Audited Standalone Accounts for the year ended 31<sup>st</sup> March 2019.

#### **FINANCIAL RESULTS:**

Particulars	Year Ended on 31 <sup>st</sup> March 2019	Year Ended on 31 <sup>st</sup> March 2018
	(Standalone)	(Standalone)
Income	3,140,120,419	2,308,372,048
Expenditure	2,715,061,011	2,087,571,730
Profit / (Loss) before Depreciation	425,059,408	220,800,318
Less: Depreciation	450,748,904	483,422,290
Profit/ (Loss) before Taxes	(25,689,496)	(262,621,972)
Less: Provisions for Taxation	4,000,000	-
Profit /(Loss)After Tax	(29,689,496)	(262,621,972)

#### **REVIEW OF THE BUSINESS OPERATIONS:**

##### **STANDALONE**

During the Year Company recorded a total income of INR. 3,140,120,419/- as compared to INR. 2,308,372,048/- in the previous financial year. The Company has incurred a net loss after tax of INR. 29,689,496/- during the year as compared to net loss after tax amounting to INR 262,621,972/- during previous financial year

**DIVIDEND:**

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

**DISCLOSURE ON CHANGE IN THE NATURE OF BUSINESS**

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

**GENERAL REVIEW**

Electronic Payment and Services Private Limited ('EPS' or 'the Company') is an ATM operations and Services company founded to provide ATM operations and 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 29<sup>th</sup> September 2011 and commenced its business from June 2012.

**CORPORATE SOCIAL RESPONSIBILITY**

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

**DIRECTORS' RESPONSIBILITY STATEMENT :**

The Board of Directors of the Company pursuant to the requirements of Section 134(3)(c) 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 March 31, 2019 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 pursuant to the provision of Section 186 of the Companies Act.

During the years under review, the Company has made an investment in the equity shares of its wholly owned Australian subsidiary company, M/s. Electronic Payment Australia Pty. Ltd. Details of the said investment are covered under Note No. 13 to the Financial Statement of the Company.

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

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

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

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

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

The information pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the 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 A" enclosed.

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

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

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

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

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

During the year, the Company availed an approval of shareholders for the remuneration paid to one of the related parties in terms of Section 188 (1)(f) of the Act, except which there were no material related party contracts entered into 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 details of approval for Related Party transactions during the year, are provided in **Annexure B "AOC-2"** in terms of Section 134 of the Companies Act, 2013. All related party transactions as per AS-18 are mentioned in Note No. 30 to the Financial Statements.

**EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure C "MGT-9"** and will be made available on the Company's website [www.electronicpay.in](http://www.electronicpay.in).

**DETAILS OF SUBSIDIARY COMPANY**

As on March 31, 2019, the Company has a Wholly Owned Subsidiary i.e. Electronic Payment Australia Pty. Ltd. The details of the said subsidiary are given in the **Annexure D "AOC -1"**.

**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 Financial Statement 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.**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report on the 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.

**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.

**DIRECTORS**

During the period under review, Mr. Rama Subramaniam Gandhi was appointed as an Independent Director of the Company effective 1<sup>st</sup> June 2018.

Further, Mr. Farroukh Kolah, Chief Financial Officer, resigned from his post effective 29<sup>th</sup> December 2018.

**MAINTENANCE OF COST RECORDS**

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

**PARTICULARS OF EMPLOYEES:**

The Company has appointed an employee who is in receipt of remuneration aggregating to Rs. 1.2 Crores per annum or more, details are as follows;

SR. NO	PARTICULARS	DETAILS
1	Name	Mr. Mani Mamallan
2	Designation	Chairman & Managing Director
3	Joining Date	1 <sup>st</sup> July 2012
4	CTC Per Annum	1.25 Cr.
5	Qualification	B. Sc
6	DOB	27 <sup>th</sup> March 1961
7	% of Equity Shares	NIL
8	Last employment	C-Edge Technologies Limited
9	Relatives of any Director or Manager	No

**DECLARATION OF INDEPENDENT DIRECTORS**

During the Financial Year 2018-19, the Company appointed Mr. Rama Subramaniam Gandhi as an Independent Director. Accordingly, he has submitted the declaration confirming the compliance of the conditions of the independence stipulated in the Section 149 of the Companies Act, 2013.

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 2018-19, the Board met seven times (7) on 10-05-2018, 27-07-2018, 20-08-2018, 10-09-2018, 11-10-2018, 29-01-2019 and 28-03-2019.

**SEXUAL HARRASSMENT POLICY**

The Company has devised a sound Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 with the proper composition of members. The policy has also been displayed on the Company's website [www.electronicpay.in](http://www.electronicpay.in). and 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.

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. A copy of the Code is available on the Company's website [www.electronicpay.in](http://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 of Director as a Loan during the year under review.

**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. The policy has also been displayed on the on the website of the Company [www.electronicpay.in](http://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 12<sup>th</sup> 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: - 263
- (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: - 125
- (f) The exercise Price: - Rs 10/- per share
- (g) Variation of terms of Options: - Nil
- (h) Money realized by exercise of Options: - Nil
- (i) Total Number of options in force: - 17,563
- (j) Total Number of options available for grant- 925
- (k) Employee wise details of options granted to: -
  - i. Key managerial Personnel-Mr. Farroukh Kolah - CFO, at the time of grant.
  - 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. - Nil
  - 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, in the Extra Ordinary General Meeting held on 19<sup>th</sup> 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.

**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 and the same has-also been displayed on the Company's website [www.electronicpay.in](http://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 to the Banks & the Company's investors for their continued co-operation & support. 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  
M/s. Electronic Payment and Services Private Limited**

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**Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512**

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**Mr. Sanjay Kapoor  
Director  
DIN:-03584520**

**Place- Mumbai  
Date - 16<sup>th</sup> July 2019**

**ANNEXURE "A" to Directors' Report for the Financial Year Ended on 31<sup>st</sup> March 2019**

**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 equipments:- 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**

<b>Particulars</b>	<b>Current Year (FY 2018-19) (in INR)</b>	<b>Previous Year (FY 2017-18) (in INR)</b>
Export of Goods calculated on FOB Basis	NIL	NIL
Interest and Dividend	NIL	NIL
Roalvtv	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Other Income	NIL	NIL
<b>Total earning in Foreign exchange</b>	<b>NIL</b>	<b>NIL</b>

**Details of Foreign Expenditure**

<b>Particulars</b>	<b>Current Year (FY 2018-19) (in INR)</b>	<b>Previous Year (FY 2017-18) (in INR)</b>
<b>Import of Capital Goods calculated on CIF Basis:</b>	NIL	NIL
(1) Raw material	NIL	NIL
(2) Component and Spare parts	NIL	NIL
(3) Capital Goods- Software Purchase	NIL	NIL
<b>Expenditure on account of: -</b>	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Interest	NIL	NIL
Other Matters/ Foreign Travel	14,019,912	16,756,106
Dividend Paid	NIL	NIL
<b>Total Expenditure in Foreign exchange</b>	<b>14,019,912</b>	<b>16,756,106</b>

**For and on behalf of the board of  
M/s. Electronic Payment and Services Private Limited**

**Place - Mumbai  
Date - 16<sup>th</sup> July 2019**

\_\_\_\_\_  
**Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512**

\_\_\_\_\_  
**Mr. Sanjay Kapoor  
Director  
DIN:-03584520**

**Annexure "B"**  
**FORM NO. AOC -2**

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

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

1. Details of contracts or arrangements or transactions at not Arm's length basis:-

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mrs. Vidya Rani Mani Mamallan - President - HR & Administration Nature of relationship: - Wife of Mr. Mani Mamallan - Chairman & Managing Director.
2	Nature of contracts / arrangements / transaction	Place of profit in the Company
3	Duration of the contracts / arrangements / transaction	Ongoing employment contract
4	Salient terms of the contracts or arrangements or transaction including the value, if any	CTC INR. 42,26,126/-
5	Date of approval by the Board	27 <sup>th</sup> July 2018
6	Date of approval by the Shareholders of the Company	14 <sup>th</sup> September 2018
7	Amount paid as advances, if any	INR 501,313/-

2. Details of contracts or arrangements or transactions at arm's length basis: - given in Note 30 to the Financial Statements of the Company

**For and on behalf of the board of  
M/s. Electronic Payment and Services Private Limited**

**Place - Mumbai**

**Date - 16<sup>th</sup> July 2019**

\_\_\_\_\_  
**Mr. Mani Mamallan**  
**Chairman & Managing Director**  
**DIN:-03584512**

\_\_\_\_\_  
**Mr. Sanjay Kapoor**  
**Director**  
**DIN:-03584520**

**Annexure "C"**

**Extract of Annual Return as on financial year ended 31.03.2019**  
**[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 7.10(1)]**

**I. REGISTRATION AND OTHER DETAILS:**

<b>i. CIN Number of the Company:</b>	U72300MH2011PTC222535
<b>ii. Registration Date:</b>	29 <sup>th</sup> September, 2011
<b>iii. Name of the Company:</b>	ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
<b>iv. Category/ Sub-category of the Company:</b>	Private Company Limited by Shares
<b>v. Address of Registered office and contact details:</b>	Unit No. 302-303, 3 <sup>rd</sup> Floor, A-Wing, Supreme Business IT Park, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076.  Phone: +91 22 4022 2900 Fax+91 22 4022 2910  Email id: mani@electronicpay.in
<b>vi. Whether listed company:</b>	Yes / No
<b>vii. Name, Address and contact details of Registrar and Transfer Agent:</b>	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary / Associate	Percentage of shares held	Applicable Section
1.	<b>Electronic Payment Australia Pty. Ltd.</b> Address: Suite 102, 33 Lexington Drive, "Norwest Business Park", Bella Vista NSW 2153, Australia	-	Wholly-Owned Subsidiary	100%	2(87)

**IV. SHARE HOLDING PATTERN****I. CATEGORY WISE SHAREHOLDING: EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	131250	131250	18.76	0	131250	131250	18.76	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	131250	131250	18.76	0	131250	131250	18.76	0
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	131250	131250	18.76	0	131250	131250	18.76	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>	0	0	0	0	0	0	0	0	0
a) Bodies Corp.									
(i) Indian	0	8992	8992	1.28	0	8992	8992	1.28	0
(ii) Overseas	0	559546	559546	79.96	0	559546	559546	79.96	

**IV. SHARE HOLDING PATTERN****I. CATEGORY WISE SHAREHOLDING: EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	0	0	0	0	0	0	0	0
(ii) Individual shareholders holding nominal share capital in									
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	568538	568538	81.24	0	568538	568538	81.24	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	0	699788	699788	100	0	699788	699788	100	-
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	699788	699788	100	0	699788	699788	100	-

**V. SHARE HOLDING PATTERN****i. CATEGORY WISE SHAREHOLDING: COMPULSORY CONVERTIBLE PREFERENCE SHARES BREAKUP AS PERCENTAGE OF TOTAL PREFERENCE CAPITAL**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	0	0	0	0	0	0	0	0
<b>2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0

<b>B. Public Shareholding</b>									
<b>2. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks I FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>	0	0	0	0	0	0	0	0	0
d) Bodies Corp. (i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0
e) Individuals  (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in	0	0	0	0	0	0	0	0	0
f) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0

Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0

## ii. SHAREHOLDING OF PROMOTERS:

Sr. No.	Name of the shareholder	As on 01.04.2018			As on 31.03.2019			% change in shareholding during the year
		Number of shares held	% of total Shares of the company	% of Shares Pledged I encumbered to total shares	Number of shares held	% of total Shares of the company	% of Shares Pledged I encumbered to total shares	
1.	Vidya Rani Mani Mamallan	90000	12.87	0	90000	12.87	0	0
2.	Sanjay Kapoor	26250	3.75	0	26250	3.75	0	0
3.	Dr. Gurusamy	15000	2.14	0	15000	2.14	0	0
<b>TOTAL</b>		<b>131250</b>	<b>18.76</b>	<b>NI</b>	<b>131250</b>	<b>18.76</b>	<b>NIL</b>	<b>0</b>

## iii. CHANGE IN PROMOTERS' SHAREHOLDING:

There is no change in the shareholding of the promoters during the Financial Year 2018-19.

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

**VII. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No	Name of the Share Holder	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mani Mamallan	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
2	Sanjay Kapoor	At the beginning of the year	26250	3.75	26250	3.75
		At the end of the year	26250	3.75	26250	3.75
3	Vineet Rai	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
4	Udayan Goyal	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
5	Sushma Kaushik	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
6	Rama Subramaniam Gandhi	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
7	Farroukh Kolah	At the beginning of the	0	0	Resigned during the year	
		At the end of the year	0	0		
8	Pooja Panvelkar	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0

**VIII. INDEBTEDNESS:**

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

	Secured Loans excluding deposits	Unsecured	Deposits	Total
		Loans		Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i)Principal Amount	1,19,34,73,474	-	-	1,19,34,73,474
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not Due	47,58,24	-	-	47,58,247
<b>Total (i+ii+iii)</b>	<b>1,19,82,31,721</b>	-	-	<b>1,19,82,31,721</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	48,00,34,385	-	-	48,00,34,385
· (Reduction)	(77,44,94,133)	-	-	(77,44,94,133)
<b>Net Change</b>	<b>(29,44,59,748)</b>	-	-	<b>(77,44,94,133)</b>
<b>Indebtedness at the end of the financial year</b>				
i)Principal Amount	89,90,13,72	-	-	89,90,13,726
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53,43,20	-	-	53,43,201
<b>Total (i+ii+iii)</b>	<b>90,43,56,927</b>	-	-	<b>90,43,56,927</b>

**IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:  
(Details of CTC)**

SR. No.	Particulars of Remuneration	Name of MD / WTD / Manager	Total Amount (INR)
		Mani Mamallan	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	12,014,000  1,386,522 (Company provided car & Accommodation)  0	12,014,000  1,386,522 (Company provided car & Accommodation)  0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as % of profit - others, specify...	0	0
5.	Others, please specify Provident Fund (Company's contribution) National Pension Scheme	480,000  6,000	480,000  6,000
6.	<b>Total</b>	12,500,000	12,500,000
7.	Ceiling as per the Act	-	-

**B. REMUNERATION TO OTHER DIRECTORS:**

Sr. No.	Particulars of Remuneration	Name of Directors	Total Amount (INR)
		<b>Rama Subramaniam Gandhi</b>	
1	Independent Directors		400,000
	· Fee for attending Board	100,000 per meeting (Attended 4 meeting)	
	<b>Fees of attending committee meetings</b>		
	- Audit & Risk Committee	50,000 per meeting (Attended 4 meeting)	200,000
	- Finance Board Sub-Committee	50,000 per meeting (Attended 4 meeting)	200,000
	- Commission	0	0
	- Chairperson fees for Audit & Risk Committee	50,000 per meeting (Attended 4 meeting)	2,00,000
	<b>Total (1)</b>		<b>*1,000,000</b>
2	Other Non-Executive Directors		
	Fee for attending board committee meetings	-	-
	·Commission		
	·Others, please specify		
3	Total(2)	-	<b>1,000,000</b>
4	Total(B)=(1+2)	-	<b>1,000,000</b>
5	Total Managerial Remuneration	-	-
6	Overall Ceiling as per the Act	-	-

*\*as approved by the Shareholders of the Company.*

*\*Sitting fees paid after tax deductions= INR 9,00,000/-*

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD  
(Details of CTC)**

Sr. No.	Particulars of Remuneration	CEO	Company Secretary	CFO*	Total
		-	Pooja Panvelkar	Farroukh Kolah	
1.	Gross salary  (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary u/s 17(3) Income-tax Act, 1961		707,239 0 0	4,499,264 0 0	5,206,503 0 0
2.	Stock Option		0	250 ESOPs	250 ESOPs
3.	Sweat Equity		0	-	0
4.	Commission  - as % of profit-others, specify...		0	-	0
5.	Others please specify  Provident Fund (Company's contribution)  National Pension Scheme		35,597 29,664	185,856 154,880	221,453 184,544
	<b>Total</b>	-	<b>772,500</b>	<b>4,840,000</b>	<b>5,612,500</b>

*\*paid upto the month of December 2018 (Resignation)*

**X. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES- NIL**

**XI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

For and on behalf of the Board of  
M/s. Electronic Payment and Services Private Limited

Place- Mumbai  
Date- 16<sup>th</sup> July 2019

Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512

Mr. Sanjay Kapoor  
Director  
DIN:-03584520

Shareholding Pattern on Non-Diluted Basis as on 31<sup>st</sup> March 2019

## ANNEXURE 1 (NON-DILUTED SHAREHOLDING)

Shareholder name	Equity	Series B CCPS	Series C CCPS
Aavishkaar India II Company Ltd	168,635	-	-
Aavishkaar Goodwell India Microfinance Development Company II Ltd	105,038	-	-
Aavishkaar Venture Management Services P Ltd	1,097	-	-
Asia Participations B.V. (FMO)	65,425	58,635	2,500,525
CIS Bureaus Facility Services Pvt Ltd	7895	-	-
Smt. Vidya Rani Mani Mamallan	90,000	-	-
Mr. Sanjay Kapoor	26,250	-	-
Dr. Ramakrishnan Gurusamy	15,000	-	-
Apis Growth 3 Ltd	220,448	-	-
<b>Total</b>	<b>699,788</b>	<b>58,635</b>	<b>2,500,525</b>

For and on behalf of the Board of  
M/s. Electronic Payment and Services Private Limited

Place- Mumbai  
Date- 16<sup>th</sup> July 2019

\_\_\_\_\_  
Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512

\_\_\_\_\_  
Mr. Sanjay Kapoor  
Director  
DIN:-03584520

**Annexure "D"****Form AOC-1**

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

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

**Part "A" : Subsidiaries**

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

SR. No	Particulars	Details
1	Name of the subsidiary	Electronic Payment Australia Pty. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/06/2018 to 31/03/2019
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Australian Dollars Exchange Rate as on 31 <sup>st</sup> March 2019: - 49.12533
4	Share capital	2,16,41,390/- (4,10,100 Equity Shares of 1 AUD each)
5	Reserves & surplus	-1,46,69,675
6	Total assets	1,76,31,067
7	Total Liabilities	1,76,31,067
8	Investments	-
9	Turnover	2,73,37,497
10	Profit before taxation	-36,26,633
11	Provision for taxation	-
12	Profit after taxation	-36,26,633
13	Proposed Dividend	NIL
14	% of shareholding	100%

**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**

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	-	-	-

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

**For and on behalf of the Board of  
M/s. Electronic Payment and Services Private Limited**

**Place- Mumbai  
Date- 16<sup>th</sup> July 2019**

**Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512**

**Mr. Sanjay Kapoor  
Director  
DIN:-03584520**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELECTRONIC PAYMENTS AND SERVICES PRIVATE LIMITED**

### **Report on the Audit of the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, 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.

### **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 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.

### **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 including 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, 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.
  - b) In our opinion, proper books of account as required by law have been kept by the Company
  - c) The Balance Sheet, the Statement of Profit and Loss including 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2019 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) 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 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.

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

Place: Mumbai  
Date: 16<sup>th</sup> July 2019

Anjum A. Qazi  
(Partner)  
(Membership No. 104968)

**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 March 31, 2019 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 respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the 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 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 March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective 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: 16<sup>th</sup> July 2019

Anjum A. Qazi  
(Partner)  
(Membership No. 104968)

**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. In respect of the Company's fixed assets:
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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 explanation given to us, the discrepancies noted on such verification have been appropriately dealt with by the Management.
  - c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the 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 not granted any loan, made investments or provided guarantees and securities hence reporting under clause (iv) of the Order is not applicable
- v. Having regard to the nature of the Company's business / activities, reporting under clause of the Order is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause of the Order is not applicable.
- vii. According to the information and explanations given to us, in respect of statutory dues:
  - a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Cess, Value Added 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 Customs Duty, Excise Duty and Employees' State Insurance, are not applicable to the Company.

- b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Cess, ESIC(etc add the others)Value Added Tax, Goods and Services Tax and other material statutory dues in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable.
- c) Details of dues of Service Tax which have not been deposited as on 31<sup>st</sup> March, 2019 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (Rs.in Lakhs)	Amount unpaid
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Central Excise and Service Tax Appellate Tribunal	FY 2013-14	31,582,240	28,536,936
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

- 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 or banks. The company has not taken any loans or borrowings from government and 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 utilized 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 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- xiv. 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 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.

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

Place: Mumbai  
Date: 16<sup>th</sup> July 2019

Anjum A. Qazi  
(Partner)  
(Membership No. 104968)

**FINANCIAL STATEMENT FY 2018-2019**

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b>			
<b>CIN: U72300MH2011PTC222535</b>			
<b>Balance Sheet as at 31st March, 2019</b>			
<b>Amount in INR</b>			
<b>Particulars</b>	<b>Note No</b>	<b>As at</b>	<b>As at</b>
		<b>31st March, 2019</b>	<b>31st March, 2018</b>
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	3,25,89,480	3,25,89,480
Reserves and Surplus	4	1,54,81,59,397	1,57,75,00,069
		<b>1,58,07,48,877</b>	<b>1,61,00,89,549</b>
<b>Non-Current Liabilities</b>			
Long Term Borrowings	5	40,10,92,795	65,40,49,523
Other Long Term Liabilities	6	3,20,615	29,80,165
Long Term Provisions	7	8,29,11,171	10,95,55,052
		<b>48,43,24,581</b>	<b>76,65,84,740</b>
<b>Current Liabilities</b>			
Trade Payables	8		
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		6,68,21,940	1,51,18,905
(b) Total Outstanding dues other than Micro Enterprises & Small Enterprises		68,71,27,685	54,58,30,532
Other Current Liabilities	9	57,04,32,762	69,26,16,534
Short Term Provisions	10	3,31,12,508	1,36,67,651
Short Term Borrowings	11	4,99,94,831	4,98,94,831
		<b>1,40,74,89,726</b>	<b>1,31,71,28,453</b>
<b>Total</b>		<b>3,47,25,63,184</b>	<b>3,69,38,02,742</b>
<b>II. ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant & Equipment			
Tangible Assets	12	1,53,68,53,078	1,76,10,65,988
Intangible Assets	12	2,26,92,183	3,41,44,121

Capital Work-in-progress		4,76,00,590	5,94,23,643
		<b>1,60,71,45,851</b>	<b>1,85,46,33,752</b>
Non-Current Investments	13	2,16,41,390	4,940
Long Term Loans and Advances	14	29,66,79,718	25,75,19,902
Other Non-Current Assets	15	26,92,23,453	33,12,86,898
		<b>58,75,44,561</b>	<b>58,88,11,740</b>
<b>Current Assets</b>			
Current Investments	16	9,59,14,464	14,36,00,000
Trade Receivables	17	30,96,96,033	50,85,31,756
Cash and Cash Equivalents	18	30,47,83,762	16,74,77,036
Short Term Loans and Advances	19	21,18,06,506	16,83,31,941
Other Current Assets	20	35,56,72,007	26,24,16,517
		<b>1,27,78,72,772</b>	<b>1,25,03,57,250</b>
<b>Total</b>		<b>3,47,25,63,184</b>	<b>3,69,38,02,742</b>

Notes 1 to 40 forms part of the Financial Statements

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

**Anjum A Qazi**  
Partner

Date : 16th July 2019  
Place: Mumbai

**For and on behalf of the Board of Directors**

**Sanjay Kapoor**  
Director

DIN: 03584520  
Date : 16th July 2019  
Place : Mumbai

**Mani Mamallan**  
Chairman & Managing Director

DIN: 03584512  
Date : 16th July 2019  
Place : Mumbai

**Pooja Panvelkar**  
Company Secretary  
Date : 16th July 2019  
Place : Mumbai

**Sudhanshu Soman**  
Chief Financial Officer  
Date : 16th July 2019  
Place : Mumbai

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b>			
<b>CIN: U72300MH2011PTC222535</b>			
<b>Statement of Profit and Loss for the year ended 31st March, 2019</b>			
<b>Amount in INR</b>			
<b>Particulars</b>	<b>Note No</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>Revenue from Continuing Operations:</b>			
Revenue from operations (Net of GST & Service tax)	21	3,06,81,09,822	2,19,42,91,420
Other Income	22	7,20,10,597	11,40,80,628
<b>Total Revenue</b>		<b>3,14,01,20,419</b>	<b>2,30,83,72,048</b>
<b>Expenses:</b>			
Employee benefits expense	23	24,49,64,118	21,00,03,464
Finance costs	24	13,74,35,166	14,24,48,023
Depreciation and amortisation expense	12	45,07,48,904	48,34,22,290
Operating Expenses	25	2,14,91,89,561	1,48,56,76,516
Other General expenses	26	18,34,72,166	24,94,43,727
<b>Total Expenses</b>		<b>3,16,58,09,915</b>	<b>2,57,09,94,020</b>
Loss Before Tax		<b>(2,56,89,496)</b>	<b>(26,26,21,972)</b>
Tax expense:			
Current Tax		40,00,000	-
Deferred Tax		-	-
<b>Loss for the year</b>		<b>(2,96,89,496)</b>	<b>(26,26,21,972)</b>
Loss per share (Face Value INR 10/- each)			
Basic and Diluted (INR)	32	(42)	(375)
Notes 1 to 40 forms part of the Financial Statements			

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

Chartered Accountants

**Anjum A Qazi**

Partner

Date : 16th July 2019

Place: Mumbai

**For and on behalf of the Board of Directors**

**Sanjay Kapoor**

Director

DIN: 03584520

Date : 16th July 2019

Place : Mumbai

**Mani Mamallan**

Chairman & Managing  
Director

DIN: 03584512

Date : 16th July 2019

Place : Mumbai

**Pooja Panvelkar**

Company Secretary

Date : 16th July 2019

Place : Mumbai

**Sudhanshu Soman**

Chief Financial Officer

Date : 16th July 2019

Place : Mumbai

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b>		
<b>CIN: U72300MH2011PTC222535</b>		
<b>Cash Flow statement for the year ended 31st March, 2019</b>		
<b>Amount in INR</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
<b>A. Cash Flow from Operating Activities</b>		
<b>Loss Before Tax as per Statement of Profit &amp; Loss</b>	(2,56,89,496)	(26,26,21,972)
<b>Adjustments for :</b>		
Depreciation & Amortisation Expenses	45,07,48,904	48,34,22,290
Expense on employee stock options (ESOP) scheme	3,48,824	25,68,888
Expense on Gratuity	30,88,280	30,19,362
Contribution to Provident Fund	3,33,725	-
Excess provision of Performance Incentives written back	(1,83,90,281)	-
Finance Costs	13,74,35,166	14,24,48,023
Rebate received from lenders	(52,81,081)	-
Interest Income	(1,68,36,907)	(1,94,45,841)
Interest on Income Tax Refund	(34,00,946)	(52,15,955)
Net gain on sale of current investments	(97,02,347)	(7,50,33,075)
Provision for doubtful trade receivables	13,59,210	96,95,667
Bad Debts and allowances for doubtful balances	1,50,79,722	92,17,937
Insurance claim written off	34,67,330	85,62,865
Loss on Theft/Write off of Property, Plant & Equipment	3,10,87,612	2,27,17,317
Provision for Contingencies	(2,73,12,000)	2,40,98,839
Deferred profit on sale of Property Plant & Equipment	(81,20,446)	(1,43,52,240)
<b>Operating profit before Changes in Working Capital</b>	<b>52,82,15,269</b>	<b>32,90,82,105</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>	-	-
Trade receivables	13,48,86,591	(3,79,65,888)
Short-term loans and advances	40,35,635	(6,24,08,554)
Long-term loans and advances	(2,14,44,984)	(3,44,03,127)
Other current assets	(9,66,61,860)	(33,58,84,205)
Cash-in-ATM	(4,19,79,600)	(1,95,20,400)

<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
Trade payables	19,30,00,188	23,13,69,454
Other current liabilities	4,87,95,586	2,19,76,887
Short-term provisions	1,54,44,857	84,27,860
Long-term provisions	(24,20,161)	(3,99,325)
<b>Cash Generated from Operations</b>	<b>76,18,71,521</b>	<b>10,02,74,807</b>
Tax and interest on (tax paid) / refund received	(1,88,64,034)	1,26,93,018
<b>Net Cash flow from Operating Activities (A)</b>	<b>74,30,07,487</b>	<b>11,29,67,825</b>
<b><u>B. Cash Flow from Investing Activities</u></b>		
Capital expenditure on Property Plant & Equipment, including capital advances	(20,89,99,333)	(75,99,83,559)
Interest Income received	1,67,75,947	1,94,45,841
Investments in Mutual Fund	(32,81,73,924)	(39,26,00,000)
Proceeds from sale of current investments	38,55,61,807	1,07,36,32,794
Purchase of long-term investments in subsidiary	(2,16,36,450)	(4,940)
Fixed Deposits Matured / (Placed)	5,88,39,824	(7,27,75,869)
<b>Net Cash Flow (used in) Investing Activities (B)</b>	<b>(9,76,32,129)</b>	<b>(13,22,85,733)</b>
<b><u>C. Cash Flow from Financing Activities</u></b>		
Proceeds from short-term borrowings	23,22,00,000	4,98,94,831
Repayment of short-term borrowings	(23,21,00,000)	-
Proceeds from long-term borrowings	12,05,91,412	54,06,54,375
Repayment of long-term borrowings	(53,71,13,053)	(45,12,89,935)
Finance Costs	(13,68,50,212)	(14,24,48,023)
<b>Cash Flow from Financing Activities (C)</b>	<b>(55,32,71,853)</b>	<b>(31,88,752)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	9,21,03,505	(2,25,06,660)
Add: Cash & Cash Equivalents at the beginning of the year	10,64,16,207	10,34,07,538
Add: Pursuant to Scheme of Amalgamation (refer Note 39)	-	2,55,15,329
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>19,85,19,712</b>	<b>10,64,16,207</b>
<b>Notes to Cash Flow Statement:</b>		
1) Cash and Cash equivalents includes cash and bank balances in current accounts.		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Cash and Cash Equivalents comprises of</b>		

Cash on hand	4,352	1,05,757
Balance with Banks	19,85,15,360	10,63,10,450
<b>Cash and Cash equivalents as per Note 18</b>	<b>19,85,19,712</b>	<b>10,64,16,207</b>
<p>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.</p> <p>3) (a) An amount of INR 25,515,329 for FY 2017-18 relates to cash and cash equivalents balances with EPS ATM Services Private Limited consequent to Scheme of Amalgamation. (b) The Scheme of Amalgamation does not involve any cash outflow (Refer Note 39).</p> <p>4) An amount of INR 127,242,973 has been reduced from 'Proceeds from Long Term Borrowings' and from 'Capital expenditure on Property Plant &amp; Equipment, including capital advances' being a non-cash item pertaining to finance lease.</p> <p>5) An amount of INR 47,510,200 has been reduced from 'Trade receivables' and increased in 'Short-term loans and advances' being a non-cash item pertaining to Provision for Contingencies (refer Note 36).</p>		
<b>For Deloitte Haskins &amp; Sells LLP</b>		<b>For and on behalf of the Board of Directors</b>
Chartered Accountants		
<b>Anjum A Qazi</b>	<b>Sanjay Kapoor</b>	<b>Mani Mamallan</b>
Partner	Director	Chairman & Managing Director
Date : 16th July 2019	DIN: 03584520	DIN: 03584512
Place: Mumbai	Date : 16th July 2019	Date : 16th July 2019
	Place : Mumbai	Place : Mumbai
	<b>Pooja Panvelkar</b>	<b>Sudhanshu Soman</b>
	Company Secretary	Chief Financial Officer
	Date : 16th July 2019	Date : 16th July 2019
	Place : Mumbai	Place : Mumbai

**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 Standard) Amendment Rules, 2018.

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 & 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 & Equipment	Useful Life (Prior Years' in brackets)
<b>Site Assets:</b>	
Automated Teller Machine: Owned Taken on finance lease	10 Years (7 Years) 5/7 Years (5/7 Years)
Uninterrupted Power Supply Machine: Owned Taken on finance lease	7 Years (7 Years) 5/7 Years (5/7 Years)
Site Interior & Other Merchandises: Owned Taken on finance lease	7 Years (7 Years) 5/7 Years (5/7 Years)
Air Conditioner: Owned Taken on finance lease	7 Years (7 Years) 5/7 Years (5/7 Years)
VSAT: Owned Taken on finance lease	7 Years (7 Years) 5 Years (5 Years)
E-Surveillance	7 Years (7 Years)
Digital Video Recorder (DVR)	7 Years (7 Years)
Taken over ATMs and related assets like site interiors, VSAT, AC, UPS	5 Years (5 Years)
Office furniture and fixtures	3 Years (3 Years)
Office equipment	3 Years (3 Years)

The Audit & 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 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 has been reduced by INR 64,929,433 for the FY 2018-19.

Depreciation on tangible Property Plant & 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 & 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 & the Company's right to receive payment is established."

#### **h) Property, Plant & Equipment**

Property, Plant & Equipment including intangible assets are stated at cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost of Property, Plant & 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. 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."

#### **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, gratuity and compensated absences.

**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 and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term non-accumulating compensated absences is accounted, when the absences occur.

**l) Leases**

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

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

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

**m) Earnings per Share**

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

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

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

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

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

**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 / Service tax input credit**

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

**s) Employee share based payment**

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

## ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes forming part of Financial Statements

## Note 3 : Share Capital

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	INR	Number of shares	INR
<b>(a) Authorised</b>				
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
	<b>70,10,000</b>	<b>7,01,00,000</b>	<b>70,10,000</b>	<b>7,01,00,000</b>
<b>(b) Issued, Subscribed and fully paid-up</b>				
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
<b>Total</b>	<b>32,58,948</b>	<b>3,25,89,480</b>	<b>32,58,948</b>	<b>3,25,89,480</b>

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

Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	INR	Number of shares	INR
<b>i. Equity Shares</b>				
Outstanding at the beginning of the year	6,99,788	69,97,880	6,99,788	69,97,880
	-	-	-	-
Closing Balance	<b>6,99,788</b>	<b>69,97,880</b>	<b>6,99,788</b>	<b>69,97,880</b>
<b>ii. Series B CCPS:</b>				
Outstanding at the beginning of the year	58,635	5,86,350	58,635	5,86,350
	-	-	-	-
Closing Balance	58,635	5,86,350	58,635	5,86,350
<b>Series C CCPS:</b>				
Outstanding at the beginning of the year	25,00,525	2,50,05,250	25,00,525	2,50,05,250
	-	-	-	-
Closing Balance	25,00,525	2,50,05,250	25,00,525	2,50,05,250

<b>Total</b>		<b>25,59,160</b>	<b>2,55,91,600</b>	<b>25,59,160</b>	<b>2,55,91,600</b>
<b>Note 3 (b) : Details of shareholders holding more than 5% Shares in the Company</b>					
<b>Particulars</b>		<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
		<b>No. of Shares held</b>	<b>% Shareholding</b>	<b>No. of Shares held</b>	<b>% Shareholding</b>
<b>i.</b>	<b>Equity Shares</b>				
	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%
	<b>Total</b>	<b>6,99,788</b>	<b>100.00%</b>	<b>6,99,788</b>	<b>100.00%</b>
<b>ii.</b>	<b>Series B CCPS</b>				
	Asia Participations B.V.	<b>58,635</b>	<b>100.00%</b>	<b>58,635</b>	<b>100.00%</b>
<b>iii.</b>	<b>Series C CCPS</b>				
	Asia Participations B.V.	<b>25,00,525</b>	<b>100.00%</b>	<b>25,00,525</b>	<b>100.00%</b>

**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:

a. 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

b. As per Clause 1 of Schedule C of the Share Subscription Agreement dated 26th July 2013, upon the expiry of 8 (Eight) years from the Completion Date; or

c. At the option of the CCPS holder, at any time 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.

**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 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.

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b>		
<b>Notes forming part of Financial Statements</b>		
<b>Note 4 : Reserves and Surplus</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>(a) Securities Premium Account</b>		
Opening balance	2,42,77,36,588	2,71,87,24,741
Less: Goodwill for 'EPS ATM Services Private Limited' pursuant to Scheme of amalgamation (refer note 39)	-	(29,09,88,153)
Closing balance	<b>2,42,77,36,588</b>	<b>2,42,77,36,588</b>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(91,33,41,155)	(65,62,54,632)
Add: Pursuant to amalgamation of 'EPS ATM Services Private Limited' (refer note 39)	-	55,35,449
Less: (Loss) for the year	(2,96,89,496)	(26,26,21,972)
Closing balance	<b>(94,30,30,651)</b>	<b>(91,33,41,155)</b>
<b>(c) Employee Stock Options Scheme Outstanding</b>		
Opening balance	4,97,27,382	4,71,58,494
Add: Amount recorded on grants (refer note 35)	3,48,824	25,68,888
Closing balance	<b>5,00,76,206</b>	<b>4,97,27,382</b>
<b>(d) Capital Reserve</b>		
Opening balance	1,33,77,254	-
Add: Pursuant to SBI TOM portfolio acquisition (refer note 38)	-	1,33,77,254
Closing balance	<b>1,33,77,254</b>	<b>1,33,77,254</b>
<b>Total</b>	<b>1,54,81,59,397</b>	<b>1,57,75,00,069</b>
<b>Note 5 : Long Term Borrowings</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>(a) Term loans</b>		
Secured		
(i) From Banks	15,50,67,661	28,67,48,305

(ii) From Others	15,56,93,327	31,38,88,350
	31,07,60,988	60,06,36,655
<b>(b) Finance lease obligations (Refer Note 31(i))</b>	9,03,31,807	5,34,12,868
	9,03,31,807	5,34,12,868
<b>Total</b>	<b>40,10,92,795</b>	<b>65,40,49,523</b>
Note 5 (i) : Details of terms of repayment for the long-term borrowings and security provided in respect of the long-term borrowings:		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>(a) Term Loans from Banks</b>		
<u>Secured</u>	35,44,62,533	51,88,95,481
Repayable over 1 - 33 months (Previous Year 1 - 45 months) with Interest range 10.15% - 11.90% (Previous Year 9.55% - 11.70%) 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 and Directors, where applicable		
-	-	-
<b>(b) Term Loans from Others</b>		
<u>Secured</u>	30,86,04,891	44,18,39,650
Repayable over 1 - 35 months (Previous Year 1 - 47 months) with interest rate 12.05%-14% (Previous Year 11% - 14%) Secured against: 1) Specific Trade receivables and specific ATM, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment 2) Personal Guarantee of Promoters and Directors, where applicable		
<b>(c) Finance Lease Obligations: (refer note 31 (i))</b>		
Repayable in 1 - 44 monthly instalments (Previous Year 1 - 29 monthly instalments) with interest rate 13% - 28.85% (Previous Year 14% - 28.85%)	18,59,51,471	18,28,43,513
-	<b>84,90,18,895</b>	<b>1,14,35,78,644</b>
Less: Current Maturities of Term Loans from Banks, Term Loan from Others and Finance Lease Obligations (Refer Note 9)	(44,79,26,100)	(48,95,29,121)
<b>Total Long Term Borrowings</b>	<b>40,10,92,795</b>	<b>65,40,49,523</b>

<b>Note 6 : Other Long Term Liabilities</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Deferred Profit on Sale and lease back transactions	3,20,615	29,80,165
<b>Total</b>	<b>3,20,615</b>	<b>29,80,165</b>
<b>Note 7 : Long Term Provisions</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Provision for employee benefits (Gratuity) (Refer Note 28 (B))	1,25,74,479	1,19,06,360
Provision for Electricity (Refer Note 36)	7,03,36,692	9,76,48,692
<b>Total</b>	<b>8,29,11,171</b>	<b>10,95,55,052</b>
<b>Note 8 : Trade Payables</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 8.1 below)	6,68,21,940	1,51,18,905
(b) Total Outstanding dues other than Micro Enterprises & Small Enterprises	68,71,27,685	54,58,30,532
<b>Total</b>	<b>75,39,49,625</b>	<b>56,09,49,437</b>
<b>Note 8.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,68,21,940	1,51,18,905
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	47,20,951	11,14,995
(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	47,20,951	11,14,995

(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	65,26,575	18,05,624
Dues to Micro and Small Enterprises have been determined based on confirmations collected by the management from such enterprises. This has been relied upon by the auditors.		
<b>Note 9: Other Current Liabilities</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Current maturities of long term debt (Refer Note 5(i))		
<u>Secured:</u>	-	-
(a) Term loans from Banks	19,93,94,872	23,21,47,176
(b) Term loans from Others	15,29,11,564	12,79,51,300
Current maturities of finance lease obligations (Refer Notes 5(i) and 31(i))	9,56,19,664	12,94,30,645
Interest Payable	44,79,26,100	48,95,29,121
Deferred Profit on Sale and lease back transactions	53,43,201	47,58,247
Security Deposits received	23,43,557	78,04,453
Other Payables:	2,53,25,000	65,70,000
Statutory remittances	2,47,99,100	1,57,51,627
Payable to employees	1,48,15,919	2,85,75,953
Payable to Bank	-	1,27,97,800
Bank, Book Overdraft	2,94,94,391	-
Payable on Purchase of Property Plant & Equipment	2,03,85,494	12,68,29,333
<b>Total</b>	<b>57,04,32,762</b>	<b>69,26,16,534</b>
<b>Note 10 : Short Term Provisions</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Provision for employee benefits :		
Provision for gratuity (Refer Note 28 (B))	2,38,019	2,28,308
Provision for compensated absences	18,99,426	14,68,849
Provision for expenses	2,69,75,063	1,19,70,494
Provision for Tax	40,00,000	-
<b>Total</b>	<b>3,31,12,508</b>	<b>1,36,67,651</b>
<b>Note 10.1:</b>		

During a Previous Year, Company has discontinued leave encashments, so there is no provision for leave encashment & accordingly company has accounted for compensated absences as per AS- 15.

**Note 11 : Short Term Borrowings**

Particulars	As at 31st March, 2019	As at 31st March, 2018
Overdraft from Bank 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 deposit 3) Personal Guarantee of Promoters and Directors	4,99,94,831	4,98,94,831
<b>Total</b>	<b>4,99,94,831</b>	<b>4,98,94,831</b>

**Note 13 : Non - Current Investment**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Investments (At Cost)</b>		
<b>Trade</b>		
<b>Investment in wholly owned subsidiary:</b>		
Electronic Payment Australia PTY Ltd (410,100 shares of AUD 1 each; 100 shares of AUD 1 each as at 31st March 2018)	2,16,41,390	4,940
<b>Total</b>	<b>2,16,41,390</b>	<b>4,940</b>

**Note 13.1:** The Company has made an investment by way of acquisition of shares in an Australia based company named as 'Electronic Payment Australia Pty. Ltd.'. Details of the said investment are covered under above note.

**Note 14 : Long Term Loans and Advances**

Particulars	As at 31st March, 2019	As at 31st March, 2018
<b>Unsecured &amp; considered good:</b>		
Security Deposits	10,74,04,009	11,30,14,711
Capital Advances	11,40,000	56,90,148
Balances with government authorities:		
Tax (TDS) refund receivable	18,81,35,709	13,88,15,043
<b>Total</b>	<b>29,66,79,718</b>	<b>25,75,19,902</b>

<b>Note 15: Other Non-Current Assets</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Others		
Balances with Banks in fixed deposit accounts > 1 year (In Earmarked Accounts)		
- Balances held as security against borrowings and guarantees	20,64,88,453	28,19,81,898
- Balances held as margin money against guarantees (Refer Note 15.1 below)	6,27,35,000	4,93,05,000
<b>Total</b>	<b>26,92,23,453</b>	<b>33,12,86,898</b>
<b>Note 15.1:</b>		
A bank, on behalf of the Company, has issued performance and other bank guarantees amounting to INR 273,750,000/- (INR 233,520,000/- as at 31st March, 2018) 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 62,735,000/- (INR 49,305,000/- as at 31st March, 2018).		
<b>Note 16: Current Investments</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Non Trade – Investment in units of Mutual Funds - Unquoted – Lower of cost or fair value</b>		
Investments in Mutual Fund (Refer Note 16.1 below)	9,59,14,464	14,36,00,000
<b>Total</b>	<b>9,59,14,464</b>	<b>14,36,00,000</b>
<b>Note 16.1: Details of Unquoted Investment</b>		
	<b>As on 31st March 2019</b>	
<b>Mutual Fund Scheme</b>	<b>Cost</b>	<b>Market Value</b>
DSP Arbitrage Fund - DIR - Growth - 8,953,926.851 units (Face Value INR 10/- each)	9,59,14,464	9,65,50,193
<b>Total</b>	<b>9,59,14,464</b>	<b>9,65,50,193</b>
<b>Note 16.1: Details of Unquoted Investment</b>		
	<b>As on 31st March 2018</b>	
<b>Mutual Fund Scheme</b>	<b>Cost</b>	<b>Market Value</b>
DSP Black Rock Liquidity Fund - Direct Plan - Growth - 58666.690 units (Face Value INR10/- each)	14,36,00,000	14,58,05,516
<b>Total</b>	<b>14,36,00,000</b>	<b>14,58,05,516</b>

<b>Note 17: Trade Receivables</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured	84,31,791	88,92,037
Less : - Provision for doubtful trade receivables	(84,31,791)	(88,92,037)
	-	-
<b>Others</b>		
Unsecured, considered good	26,63,51,583	44,62,71,296
Penalty Recoverable from Vendors	4,59,67,536	6,30,64,090
Less : - Provision for doubtful trade receivables	(26,23,086)	(8,03,630)
<b>Total</b>	<b>30,96,96,033</b>	<b>50,85,31,756</b>
<b>Note 18 : Cash and Cash Equivalents</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Cash on hand	4,352	1,05,757
Balance with banks		
In Current Accounts	19,85,15,360	10,63,10,450
<b>Total A - (Cash &amp; Cash Equivalent as per AS-3)</b>	<b>19,85,19,712</b>	<b>10,64,16,207</b>
Cash in ATM	6,15,00,000	1,95,20,400
<b>Balance in Term Deposit</b>		
Less than 12 Months	1,48,41,546	4,15,40,429
More than 12 Months	2,99,22,504	-
<b>Total (B)</b>	<b>10,62,64,050</b>	<b>6,10,60,829</b>
<b>Total (A+B)</b>	<b>30,47,83,762</b>	<b>16,74,77,036</b>
<b>Note 19 : Short Term Loans and Advances</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Unsecured and considered good:</b>		
Loans and advances to related parties (Refer Note 30)	9,09,325	7,95,417
Loans and advances to employees	3,69,051	10,910
Reimbursement of Expenses	-	26,33,810
Prepaid expenses	6,07,06,168	3,46,99,672

<b>Balances with Government Authorities</b>		
GST Input Tax Credit / Cenvat Credit receivable	5,92,28,524	10,94,23,372
Other statutory remittances recoverable	6,065	6,066
Advance to suppliers (Net)	8,20,72,787	2,07,62,694
Other receivables	85,14,586	-
<b>Total</b>	<b>21,18,06,506</b>	<b>16,83,31,941</b>
<b>Note 20: Other Current Assets</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Unbilled Revenue	32,11,32,696	23,36,41,455
Insurance Claims receivable (Net)	3,32,17,860	2,75,14,571
Interest accrued on fixed deposits	13,21,451	12,60,491
<b>Total</b>	<b>35,56,72,007</b>	<b>26,24,16,517</b>

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

Sr. No	PROPERTY PLANT & EQUIPMENT	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS AT 01.04.2018	ADDITIONS *	DISPOSALS	BALANCE AS AT 31.03.2019	BALANCE AS AT 01.04.2018	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2019	BALANCE AS AT 31.03.2019	BALANCE AS AT 31.03.2018
A	<b>Tangible Assets</b>										
	Automated Teller Machine										
	Owned	1,49,43,88,542	5,10,93,928	1,96,81,695	1,52,58,00,775	47,45,86,044	17,85,64,346	53,72,816	64,77,77,574	87,80,23,201	1,01,98,02,498
	Taken under finance lease	59,27,06,755	10,95,52,687	34,98,15,331	35,24,44,111	48,94,82,842	7,04,16,532	33,61,37,087	22,37,62,287	12,86,81,824	10,32,23,913
	<b>Uninterrupted Power Supply Machine</b>										
	Owned	14,28,63,105	31,22,107	8,21,710	14,51,63,502	5,48,27,269	2,34,93,263	1,02,723	7,82,17,809	6,69,45,692	8,80,35,835
	Taken under finance lease	4,74,19,114	72,02,497	2,47,02,051	2,99,19,560	3,85,49,786	54,02,714	2,36,23,362	2,03,29,138	95,90,422	88,69,328
	<b>Site Interior &amp; Other Merchandises</b>										
	Owned	52,81,89,186	2,90,09,392	1,63,20,859	54,08,77,719	22,65,61,070	7,91,97,924	78,12,113	29,79,46,881	24,29,30,838	30,16,28,116
	Taken under finance lease	16,70,40,275	2,91,80,811	7,84,54,846	11,77,66,240	13,49,42,674	2,15,31,626	7,53,54,363	8,11,19,937	3,66,46,303	3,20,97,601
	<b>Air Conditioner</b>										
	Owned	13,23,64,684	5,20,472	6,77,000	13,22,08,156	4,54,57,433	1,93,29,911	1,72,546	6,46,14,798	6,75,93,358	8,69,07,251
	Taken under finance lease	1,80,42,280	34,23,402	1,18,55,317	96,10,365	1,58,31,781	17,31,267	1,15,65,445	59,97,603	36,12,762	22,10,499
	<b>VSAT</b>										
	Owned	9,64,23,056	1,15,86,038	2,68,773	10,77,40,321	2,63,94,384	1,62,61,823	50,786	4,26,05,421	6,51,34,900	7,00,28,672
	Taken under finance lease	38,69,902	-	-	38,69,902	23,11,010	7,73,980	-	30,84,990	7,84,912	15,58,892
	<b>E-Surveillance</b>										
Owned	5,07,87,602	1,98,800	2,23,677	5,07,62,725	1,60,80,052	72,11,817	65,326	2,32,26,543	2,75,36,182	3,47,07,550	
<b>Digital Video Recorder (DVR)</b>											
Owned	26,13,998	1,10,586	16	27,24,568	7,21,993	4,19,871	21	11,41,843	15,82,725	18,92,005	
<b>Furniture and Fixtures</b>											
Owned	38,95,434	34,300	13,053	39,16,681	24,51,184	5,88,490	-	30,39,674	8,77,007	14,44,250	
<b>Office Equipment</b>											
Owned	78,98,944	2,55,266	11,576	81,42,634	32,09,765	18,55,793	-	50,65,558	30,77,076	46,89,179	
<b>Computers</b>											
Owned	1,15,21,095	22,19,147	35,356	1,37,04,886	75,50,699	23,18,312	-	98,69,011	38,35,875	39,70,396	
	<b>Total</b>	<b>3,30,00,23,972</b>	<b>24,75,09,433</b>	<b>50,28,81,260</b>	<b>3,04,46,52,145</b>	<b>1,53,89,57,986</b>	<b>42,90,97,669</b>	<b>46,02,56,588</b>	<b>1,50,77,99,067</b>	<b>1,53,68,53,078</b>	<b>1,76,10,65,985</b>
B	<b>Intangible Assets</b>										
	Computer software	7,19,33,522	1,01,99,309	-	8,21,32,831	3,77,89,398	2,16,51,250	-	5,94,40,648	2,26,92,183	3,41,44,124
	<b>Total</b>	<b>7,19,33,522</b>	<b>1,01,99,309</b>	<b>-</b>	<b>8,21,32,831</b>	<b>3,77,89,398</b>	<b>2,16,51,250</b>	<b>-</b>	<b>5,94,40,648</b>	<b>2,26,92,183</b>	<b>3,41,44,124</b>
	<b>Grand Total</b>	<b>3,37,19,57,494</b>	<b>25,77,08,742</b>	<b>50,28,81,260</b>	<b>3,12,67,84,976</b>	<b>1,57,67,47,384</b>	<b>45,07,48,919</b>	<b>46,02,56,588</b>	<b>1,56,72,39,715</b>	<b>1,55,95,45,261</b>	<b>1,79,52,10,109</b>

- During the previous year, pursuant to the supplier reconciliation, the management had identified a difference of INR 1,256,471 between assets capitalized on provisional basis in the previous years and the assets actually installed. These differences have been included in Disposals and adjusted against the respective creditor balance. The depreciation for the same has been reversed.

- Gross block in respect of assets taken on finance lease includes INR 149,175,814 (previous year INR 166,576,553) for which the lease schedules have expired. Management has issued a letter of intent indicating its willingness to purchase these assets, and is in the process of negotiating the price at which these assets shall be acquired.

\* Additions in FY 2017-18 include assets acquired on slump sale basis from C-Edger; Automated Teller Machine INR 53,630,885; Site Interior & Other Merchandises INR 24,221,054; VSAT INR 5,542,295; Air Conditioner INR 4,983,019 (refer note 38).

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b>		
<b>Notes forming part of Financial Statements</b>		
<b>Note 21: Revenue from Operations</b>		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income from ATM Services (net of GST & Service tax)	3,06,81,09,822	2,19,42,91,420
<b>Total</b>	<b>3,06,81,09,822</b>	<b>2,19,42,91,420</b>
<b>Note 22: Other Income</b>		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Fixed Deposit	1,68,36,907	1,94,45,841
Interest on Income tax refund	34,00,946	52,15,955
Provision for Contingencies - Electricity written back (Refer Note 36)	2,73,12,000	-
Profit on Sale and Lease back	81,20,446	1,43,52,240
Net gain on Sale of current investment	97,02,347	7,50,33,075
Other Income	66,37,951	33,517
<b>Total</b>	<b>7,20,10,597</b>	<b>11,40,80,628</b>
<b>Note 23: Employee Benefits Expense</b>		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salary, wages & bonus	21,41,75,755	18,47,50,918
Contribution to Provident Fund (Refer Note 28(A))	77,63,934	73,06,013
Gratuity expense (Refer Note 28(B))	30,88,280	30,19,362
Expense on employee stock options (ESOP) scheme (Refer Note 35)	3,48,824	25,68,888
Staff welfare expenses	1,95,87,325	1,23,58,283
<b>Total</b>	<b>24,49,64,118</b>	<b>21,00,03,464</b>
<b>Note 24: Finance Costs</b>		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018

Interest on Borrowings	10,41,15,946	8,55,97,946
Interest on Finance Lease	2,80,54,261	4,62,09,655
Loan Processing Fees	41,85,042	94,00,000
Interest on delayed payment of taxes	10,79,917	12,40,422
<b>Total</b>	<b>13,74,35,166</b>	<b>14,24,48,023</b>
<b>Note 25: Operating Expenses</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Annual Maintenance Charges	22,43,52,372	15,53,93,420
Caretaker Charges	7,48,11,565	5,65,19,522
Consumables Charges	5,03,68,009	2,35,16,896
Cash Replenishment Charges	71,37,02,749	47,32,18,573
Management Service Charges	1,63,87,983	7,357
Site Electricity	22,36,88,648	15,33,95,960
Site Housekeeping	5,31,23,883	4,37,14,564
Satellite (VSAT) Charges	4,37,09,466	3,84,28,039
Site Rent	36,66,28,214	29,21,68,255
Other Operating Charges	51,63,114	3,77,39,828
UPS charges	11,69,19,426	8,34,29,225
Insurance Premium	5,22,42,509	3,46,33,055
Repairs Charges - Sites	14,73,97,486	6,31,48,404
Shifting Charges -Sites	1,27,95,674	49,06,576
Royalty Fee	13,64,452	-
Sponsor Bank Charges	20,24,549	-
Software Management Charges	3,05,60,642	2,54,56,842
Franchise Fee	1,33,73,249	-
NPCI Charges	5,75,571	-
<b>Total</b>	<b>2,14,91,89,561</b>	<b>1,48,56,76,516</b>
<b>Note 26: Other General Expenses</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Professional and Consultancy Charges	2,74,66,600	6,09,32,220
Rates and Taxes	25,85,300	1,77,90,170
Office and guest house rent Charges	2,34,50,663	2,36,07,457
Payments to the auditor (Refer Note 26 (i) below)	82,93,042	83,40,527
Bank Charges and Commission	1,19,60,356	74,97,395

Insurance Charges	9,97,449	9,42,641
Office Electricity	16,55,545	20,00,598
Repairs and Maintenance	39,55,759	53,50,455
Telecom Expenses	25,54,374	35,76,909
Travelling and Conveyance Expenses	64,18,783	63,65,959
Business Promotion Expenses	1,62,34,905	1,76,49,594
Meeting Expenses	97,856	41,077
Membership and Registration Charges	12,49,396	17,61,271
Office Expenses	73,07,315	68,72,634
Postage and Courier	6,79,539	6,13,147
Printing and Stationery	19,68,253	24,78,603
Motor Car Expenses	4,43,247	4,21,739
Loss on Theft/Damage/Write-off of Fixed Assets	3,10,87,612	2,27,17,317
Provision for doubtful debts	13,59,210	96,95,667
Bad Debts written off	1,50,79,722	92,17,937
Insurance claim written off	34,67,330	85,62,865
Provision for Contingencies - Electricity and PF (Refer Note 36)	3,33,725	2,40,98,839
Car Lease Rentals (Refer Note 31(ii))	66,44,672	41,89,385
Miscellaneous Expenses	34,60,562	36,04,326
Interest on MSME	47,20,951	11,14,995
<b>Total</b>	<b>18,34,72,166</b>	<b>24,94,43,727</b>
<b>Note 26-(i) Payments to the auditor comprise</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
(a) To Statutory Auditor		
For Audit	35,00,000	34,00,000
For Other Services		
- Direct Tax	14,08,197	10,06,163
- Indirect Tax	28,80,350	39,34,364
- Consultancy charges	4,53,500	-
Reimbursement of expenses	50,995	-
<b>Total</b>	<b>82,93,042</b>	<b>83,40,527</b>
<b>Note 26-(ii) Amounts Paid in Foreign Currency</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Amount spent in foreign currency	1,40,19,912	1,67,56,106
<b>Total</b>	<b>1,40,19,912</b>	<b>1,67,56,106</b>

<b>Note 27: Contingent Liabilities and Commitments (to the extent not provided for):</b>		
(a) Contingent liabilities		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<u>Claims against the Company not acknowledged as debt</u>	-	-
Service Tax	4,68,49,482	2,85,36,936
Other	5,38,68,153	5,38,68,153
Service Tax: Future cash outflows in respect of the above matter is determinable only on receipt of judgments / decisions pending at various forums / authorities.		
Other: The Company entered into a service agreement with a vendor (the Vendor) in March 2013. During 2015, the Vendor started defaulting in their service obligations to the Company. The Company realized that the Vendor had committed criminal acts, which resulted in a financial loss to the Company, and accordingly filed various criminal complaints across the state of Maharashtra. Apprehending actions against the criminal complaints, the Vendor invoked arbitration as per the terms of the service agreement. The Vendor has however not filed a statement of claim with the arbitrator till date. The Company has existing claims against the Vendor in excess of the claim made by the Vendor and the Company does not foresee any unfavourable outcome under the arbitration and does not expect any liability. Hence the Company has not made any provision for the claim from the Vendor which aggregates to the amount mentioned above.		
(b) Commitments		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Estimated amount of contracts remaining to be executed on capital account and not accounted for	60,93,900	18,16,100
<b>Note 28: Employee Benefits</b>		
<b>(A) Defined Contribution Plan</b>		
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 7,763,934/- (previous year INR 7,306,013/-) for Provident Fund contributions in the Statement of Profit and Loss. The Supreme Court in its order dated 28th February 2019 held that allowances paid by employers to its employees will be included in the scope of 'basic wages' and hence be subject to Provident Fund contributions. As per opinion obtained from PF consultant, the above mentioned order will not have retrospective impact. Hence the provision has been made based on the amount due for the month of March 2019. Accordingly, an amount of INR 333,725/- was provided for, which forms part of the Provision for Contingencies - PF in the Statement of Profit and Loss.		
<b>(B) Defined Benefit Plan</b>		
The Company offers the following employee benefit schemes to its employees:		

<b>Gratuity</b>		
<p>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.</p> <p>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.</p>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>I. Actuarial assumptions:</b>		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	7.79 % p.a.	7.83 % p.a.
Attrition Rate	2.5% p.a. for all service groups	2.5% p.a. for all service groups
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<p>* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.</p> <p>** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.</p> <p>*** The discount rate is based on the prevailing market yields of Government of India securities as at the date of the Balance Sheet for the estimated term of the obligations.</p>		
<b>II. Table showing change in Benefit Obligation:</b>		
Liability at the beginning of the year	1,21,34,668	94,50,952
Interest cost	9,50,145	6,93,700
Current service cost	32,79,598	31,30,972
Past service cost (vested benefits)	-	14,23,815
Benefits paid	(24,10,450)	(3,35,646)
Actuarial (gain)/ loss on obligation	(11,41,463)	(22,29,125)
<b>Liability at the end of the year</b>	<b>1,28,12,498</b>	<b>1,21,34,668</b>
<b>III. Fair value of Plan Assets:</b>	-	-
<b>IV. Actual return on Plan Assets:</b>	-	-

<b>V. Amount Recognised in the Balance Sheet</b>		
Present value of benefit obligation	(1,28,12,498)	(1,21,34,668)
<b>Net asset/ (liability) recognised in the Balance Sheet</b>	<b>(1,28,12,498)</b>	<b>(1,21,34,668)</b>
<b>VI. Percentage of each category of Plan assets to total fair value of Plan Assets</b>		
	Not Applicable	Not Applicable
<b>VII. Expenses recognized in the Statement of Profit &amp; Loss:</b>		
Current service cost	32,79,598	31,30,972
Interest cost	9,50,145	6,93,700
Actuarial (gains)/losses	(11,41,463)	(22,29,125)
Past service cost (vested benefits) recognised during the period	-	14,23,815
	<b>30,88,280</b>	<b>30,19,362</b>
<b>Expenses recognized in Statement of Profit and Loss</b>		
<b>VIII. Balance Sheet Reconciliation</b>		
Opening net liability	1,21,34,668	94,50,952
Benefits paid	(24,10,450)	(3,35,646)
Expense as above	30,88,280	30,19,362
<b>Net Liability / (Asset) recognised in Balance Sheet</b>	<b>1,28,12,498</b>	<b>1,21,34,668</b>
Short term liability	2,38,019	2,28,308
Long term liability	1,25,74,479	1,19,06,360
<b>Net Liability / (Asset) recognised in Balance Sheet</b>	<b>1,28,12,498</b>	<b>1,21,34,668</b>
<b>Note 29: Segmental Reporting</b>		
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 comprise of only ATM infrastructure services within India. There is neither more than one reportable business segment nor more than one reportable geographical segment, and therefore, segment information as per AS-17 is not required to be disclosed.		

<b>Note 30: Related party transactions</b>		
<b>1. Details of related parties:</b>		
<b>Description of relationship</b>	<b>Names of related parties</b>	
(i) Wholly Owned Subsidiary	Electronic Payment Australia PTY Ltd (w.e.f. 23rd September 2017)	
(ii) Wholly Owned Subsidiary	EPS ATM Services Private Limited (until 31st March 2016) (refer Note 39)	
<u>(iii) Key Managerial Personnel (KMP) &amp; their relatives / Directors</u>	-	
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	
<b>2. Details of related party transactions during the year ended 31st March, 2019 and outstanding balances as at 31st March, 2019:</b>		
<b>Particulars</b>	<b>Wholly Owned Subsidiary</b>	<b>KMP &amp; their relatives / Directors</b>
<b>Rendering of Services</b>	-	-
	(-)	(-)
<b>Receiving of Services</b>	-	-
Remuneration paid	-	2,10,36,873
	(-)	(1,87,75,236)
Perquisites Paid	-	14,15,322
	(-)	(13,29,996)
Business Promotion expenses paid to 'Electronic Payment Australia PTY Ltd', Wholly Owned Subsidiary.	1,29,69,434	-
	(1,61,45,354)	(-)
<b>Balance outstanding at the end of the year</b>	-	-
Investment in 'Electronic Payment Australia PTY Ltd', Wholly Owned Subsidiary.	2,16,41,390	-
	(4,940)	(-)
Trade receivables	-	-
	(-)	(-)
Other Current Assets	-	-
	(-)	(-)

Loans & Advances	- (-)	9,09,325 (7,95,417)
Notes: 1. Payment to KMP / Directors does not include reimbursement of expenses. 2. Figures in bracket are for the previous year.		
<b>Note 31: Details of leasing arrangements</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>As Lessee</b>		
<b>(i): Finance Lease Obligations</b>		
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.		
<b>Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value:</b>		
<b>Future minimum lease payments</b>		
not later than one year	11,22,37,044	14,61,65,000
later than one year and not later than five years	10,64,61,180	5,80,56,278
later than five years	-	-
Unmatured finance charges	(3,27,46,753)	(2,13,77,765)
	<b>18,59,51,471</b>	<b>18,28,43,513</b>
<b>Present value of minimum lease payments payable</b>		
not later than one year	9,56,19,664	12,94,30,645
later than one year and not later than five years	9,03,31,807	5,34,12,868
later than five years	-	-
	<b>18,59,51,471</b>	<b>18,28,43,513</b>

<b>(ii): Operating Lease Obligations</b>		
<p>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.</p> <p>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 agreement of the parties.</p>		
<b>Future minimum lease payments</b>		
not later than one year	2,42,44,584	2,43,15,013
later than one year and not later than five years	5,96,17,500	3,96,58,861
later than five years	-	-
	<b>8,38,62,084</b>	<b>6,39,73,874</b>
<b>Lease payments recognised in the Statement of Profit and Loss</b>		
- Office Rentals	1,91,10,282	1,47,82,860
- Car Rentals	66,44,672	41,89,385
<b>Note 32: Earnings per share</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Net (Loss) after tax for the year	(2,96,89,496)	(26,26,21,972)
Net (Loss) after tax for the year for computation of Earnings per share	(2,96,89,496)	(26,26,21,972)
Weighted average number of equity shares	6,99,788	6,99,788
Par value per share	10	10
Loss per share from continuing operations - Basic & Diluted	(42)	(375)
<b>Note:</b> The effect of conversion of CCPS and exercise of ESOP option is anti-dilutive.		
<b>Note 33: Deferred Tax</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>Deferred Tax Liability</b>		
Expenses Allowed Under Income Tax Act	48,32,587	1,03,715
Finance Leased Assets	12,76,18,262	-
<b>Total (A)</b>	<b>13,24,50,850</b>	<b>1,03,715</b>

<b>Deferred Tax Asset</b>		
Expenses Disallowed Under Income Tax Act	32,07,674	67,92,604
Depreciation on Fixed Assets	5,27,61,296	2,28,06,728
Finance Leased Assets	-	44,38,172
Carried forward Losses	16,29,98,252	12,81,11,451
<b>Total (B)</b>	<b>21,89,67,221</b>	<b>16,21,48,954</b>
<b>Net Deferred Tax Asset / (Liability)</b>	<b>8,65,16,372</b>	<b>16,20,45,240</b>

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.

**Note 34: 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 35: 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, 2019, equity options aggregating to 17,563 (previous year 17,300) have vested to the eligible employees and 262 (previous year 525) equity options have not been vested. The remaining 925 equity options have not been granted as of 31st March 2019. Out of the equity options vested, 16,650 equity options which vested on 4th September 2015 are eligible for exercise till 4th September 2020; 650 equity options which vested on 13th January 2018 are eligible for exercise till 13th January 2023; 263 equity options which vested on 13th February 2019 are eligible for exercise till 13th February 2024.

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, 2019	
	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year:	650	10
Granted during the year:	-	-
Vested during the year:	263	10
Exercised during the year:	-	-
Forfeited during the year:	125	10
Options outstanding at the end of the year:	262	10
Options available for grant:	925	10
Exercisable options at the end of the year	17,563	10
Weighted average remaining contractual life for options is 10.5 months outstanding as at 31 March, 2019.		
Particulars (Scheme name: EPS-ESOP 2014)	During the year ended 31st March, 2018	
	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year:	1,300	10
Granted during the year:	-	-
Vested during the year:	650	10
Exercised during the year:	-	-
Forfeited during the year:	-	-
Options outstanding at the end of the year:	650	10
Options available for grant:	800	10
Exercisable options at the end of the year	17,300	10
Weighted average remaining contractual life for options is 16.5 months outstanding as at 31 March, 2018.		
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 36: Provision for Contingencies**

The Company carries a Provision for Contingencies towards loss on account of cash theft 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, 2019	For the year ended 31st March, 2018
Provision for cash loss		
Opening balance	4,75,10,200	4,75,10,200
Deduction during the year	(4,75,10,200)	-
Closing balance (A)	-	4,75,10,200
Provision for electricity		
Opening balance	9,76,48,692	7,35,49,853
Addition / (Deductions) during the year	(2,73,12,000)	2,40,98,839
Closing balance (B)	7,03,36,692	9,76,48,692
Provision for PF as per the Supreme Court order dated 28th February 2019		
Opening balance	-	-
Addition / (Deductions) during the year	3,33,725	-
Closing balance (C)	3,33,725	-
<b>Closing Balance (A+B+C)</b>	<b>7,06,70,417</b>	<b>14,51,58,892</b>

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

**Note 38: Note on SBI Total Outsourcing Model ("SBI TOM") portfolio acquisition (from C-Edge)**

During the previous year, through a Business Transfer Agreement dated 1st August 2017 between the Company and C-Edge Technologies Limited ("C-Edge"), the Company has acquired the C-Edge's ATM Business Undertaking for deployment of ATMs for State Bank of India (SBI) on total outsourcing model (TOM), as a going concern on a slump sale basis. The terms and conditions of the business transfer has been confirmed by Adoption and Confirmation Agreement dated 15th September 2017 between EPS, SBI and C-Edge. As per this agreement, EPS has adopted and accepted the initial agreement between C-Edge and SBI as a binding document and that the business transfer date is recorded at 15th September 2017. Further, the term as set out in the confirmation agreement is for a period of about 3 years i.e. from 15th September 2017 to 31st July 2020 and the Bank may, at its discretion, renew it for a period of three years.

The Company has paid a lump sum consideration amounting to INR 74,999,999 in respect of the business transfer. The consideration has been apportioned to various items of assets on the basis of their respective fair values at the date of acquisition as determined by an independent valuer. The resultant difference of INR 13,377,254 between the purchase consideration and asset value has been credited to the Capital Reserve.

**Note 39: Note on merger of EPS ATM**

During the previous year, the Scheme of Amalgamation (the "Scheme") amongst Electronic Payment and Services Private Limited ('EPS') and EPS ATM Services Private Limited ('EPS ATM') was approved by the National Company Law Tribunal ('NCLT') at Mumbai Bench vide its order no. Order CSP No. 540 of 2017 in CSA No. 230 of 2017, delivered on 30th November 2017, the scheme came into effect from its appointed date i.e. 1st April, 2016 and was operationalised on 19th February, 2018.

EPS ATM Services Private Limited ('EPS ATM') was incorporated with an objective of executing the contracts for the deployment of ATMs on an outsourcing model for 26 Public sector Banks in the state of Maharashtra. EPS ATM became the wholly owned subsidiary of EPS on 31st December 2015.

In accordance with Scheme:

- a. EPS ATM stands dissolved without winding up with effect from the appointed date 1st April 2016.
- b. All assets, liabilities and reserves & surplus have been deemed to be transferred to EPS with effect from 1st April 2016
- c. EPS ATM being the wholly owned subsidiary of EPS, accordingly no shares were issued and allotted by EPS for the purpose of amalgamation.

The amalgamation has been accounted under the "Pooling of Interests" method as envisaged in Accounting Standards (AS) – 14 on Accounting for Amalgamation specified in Companies (Accounting Standard) Rules 2006, whereby:

1. In accordance with the Scheme, the assets, liabilities and reserves of EPS ATM have been recorded at their book values. Further, equity share capital and investments in the equity shares of EPS ATM has been eliminated and resultant balance amount of INR 290,988,153, has been set off and deducted from the securities premium account of EPS as the order of the NCLT approving the Scheme, as legally advised, has been deemed to be the order under Section 66(3) of the Companies Act, 2013 confirming reduction as an integral part of the Scheme.
2. The accumulated profits of EPS ATM upto the appointed date and from 1st April 2016 to 31st March 2017 of INR 5,535,449 have been transferred to the Surplus in Profit and Loss of the Company under Reserves and Surplus. The operations of EPS ATM during the year have been accounted for in the current year's Statement of Profit and Loss of the Company.
3. In terms of the Scheme inter-company balances (payables, receivables, loans, advances, etc) between EPS ATM and EPS (after giving effect of amalgamation) as at appointed date have been cancelled.

**Note 40: 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 : 16th July 2019

Place : Mumbai

**Mani Mamallan**

Chairman & Managing  
Director

DIN: 03584512

Date : 16th July 2019

Place : Mumbai

**Pooja Panvelkar**

Company Secretary

Date : 16th July 2019

Place : Mumbai

**Sudhanshu Soman**

Chief Financial Officer

Date : 16th July 2019

Place : Mumbai

## CONSOLIDATED DIRECTORS' REPORT

To,  
The Members of,

### M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report together with the Audited Consolidated Accounts for the year ended 31<sup>st</sup> March 2019.

#### CONSOLIDATED FINANCIAL RESULTS:

Particulars	Year Ended on 31 <sup>st</sup> March 2019	Year Ended on 31 <sup>st</sup> March 2018
	(Consolidated)	(Consolidated)
Income	3,142,721,975	2,308,549,052
Expenditure	2,733,055,708	2,087,395,988
Profit / (Loss) before Depreciation	409,666,267	221,153,064
Less: Depreciation	450,748,904	483,422,290
Profit/ (Loss) before Taxes	(41,082,637)	(262,269,226)
Less: Provisions for Taxation	4,000,000	-
Profit /(Loss)After Tax	(45,082,637)	(262,269,226)

#### REVIEW OF THE BUSINESS OPERATIONS ON THE BASIS OF CONSOLIDATED FINANCIALS:

During the Year Company recorded a total income of INR. 3,142,721,975/- as compared to INR. 2,308,549,052/- in the previous financial year. The Company has incurred a net loss after tax of INR. 45,082,637/- during the year as compared to net loss after tax amounting to INR 262,269,226/- during previous financial year.

#### CONSOLIDATED FINANCIAL STATEMENT

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

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

There was no qualification, reservation or adverse remark made by the Auditors in their report on the Consolidated Financial Statements for FY 2018-19.

**AUDITORS:**

**M/s. DELOITTE HASKINS & SELLS LLP, CHARTERED ACCOUNTANTS**, firm registration number 117366W/W1000-18 situated at Indiabulls Finance Centre, Tower 3, 27<sup>th</sup>-32<sup>nd</sup> Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-13, are the Statutory Auditors of the Company and their appointment as the Statutory Auditor for FY 2019-20, shall be ratified in the ensuing Annual General Meeting for FY 2018 - 19. Accordingly, the eligibility certificate & consent for the proposed ratification from the Statutory Auditors have been received by the Company.

**DISCLOSURE**

Since the Consolidated Financials for FY 2018-19 were under the finalization stage, they were not placed before the Board for approval in the Board Meeting held on 16<sup>th</sup> July 2019 wherein Standalone Financials along with Directors' Report were approved. Considering this, the Directors' Report on Consolidated Financials was being presented to the Board separately in which details of consolidated financial results were presented. Further, all other disclosure pursuant to the provisions of Section 134(3) of the Companies Act, 2013 and annexures remain the same as presented in the Directors' Report approved in the Board Meeting dated 16<sup>th</sup> July 2019 which is enclosed herewith as "Annexure - I".

**For and on behalf of the Board of  
M/s. Electronic Payment and Services Private Limited**

Place- Mumbai  
Date- 16<sup>th</sup> July 2019

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**Mr. Mani Mamallan**  
Chairman & Managing Director  
DIN:-03584512

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**Mr. Sanjay Kapoor**  
Director  
DIN:-03584520

## Annexure - I

### DIRECTORS' REPORT

To,

The Members of,

### **M/S. ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED**

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report together with the Audited Standalone Accounts for the year ended 31<sup>st</sup> March 2019.

### FINANCIAL RESULTS:

Particulars	Year Ended on 31 <sup>st</sup> March 2019	Year Ended on 31 <sup>st</sup> March 2018
	(Standalone)	(Standalone)
Income	3,140,120,419	2,308,372,048
Expenditure	2,715,061,011	2,087,571,730
Profit / (Loss) before Depreciation	425,059,408	220,800,318
Less: Depreciation	450,748,904	483,422,290
Profit/ (Loss) before Taxes	(25,689,496)	(262,621,972)
Less: Provisions for Taxation	4,000,000	-
Profit /(Loss)After Tax	(29,689,496)	(262,621,972)

### REVIEW OF THE BUSINESS OPERATIONS:

#### STANDALONE

During the Year Company recorded a total income of INR. 3,140,120,419/- as compared to INR. 2,308,372,048/- in the previous financial year. The Company has incurred a net loss after tax of INR. 29,689,496/- during the year as compared to net loss after tax amounting to INR 262,621,972/- during previous financial year

**DIVIDEND:**

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

**DISCLOSURE ON CHANGE IN THE NATURE OF BUSINESS**

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

**GENERAL REVIEW**

Electronic Payment and Services Private Limited ('EPS' or 'the Company') is an ATM operations and Services company founded to provide ATM operations and 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 29<sup>th</sup> September 2011 and commenced its business from June 2012.

**CORPORATE SOCIAL RESPONSIBILITY**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

The Board of Directors of the Company pursuant to the requirements of Section 134(3)(c) 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 March 31, 2019 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 pursuant to the provision of Section 186 of the Companies Act.

During the years under review, the Company has made an investment in the equity shares of its wholly owned Australian subsidiary company, M/s. Electronic Payment Australia Pty. Ltd. Details of the said investment are covered under Note No. 13 to the Financial Statement of the Company.

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

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

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

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

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

The information pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the 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 A" enclosed.

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

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

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

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

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

During the year, the Company availed an approval of shareholders for the remuneration paid to one of the related parties in terms of Section 188 (1)(f) of the Act, except which there were no material related party contracts entered into 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 details of approval for Related Party transactions during the year, are provided in **Annexure B "AOC-2"** in terms of Section 134 of the Companies Act, 2013. All related party transactions as per AS-18 are mentioned in Note No. 30 to the Financial Statements.

**EXTRACT OF ANNUAL RETURN**

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure C "MGT-9"** and will be made available on the Company's website [www.electronicpay.in](http://www.electronicpay.in).

**DETAILS OF SUBSIDIARY COMPANY**

As on March 31, 2019, the Company has a Wholly Owned Subsidiary i.e. Electronic Payment Australia Pty. Ltd. The details of the said subsidiary are given in the **Annexure D "AOC -1"**.

**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 Financial Statement 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.**

There were no qualifications, reservations or adverse remarks made by the Auditors in their report on the 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.

**COMPAN Y' S POLICIE S 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.

**DIRECTORS**

During the period under review, Mr. Rama Subramaniam Gandhi was appointed as an Independent Director of the Company effective 1<sup>st</sup> June 2018.

Further, Mr. Farroukh Kolah, Chief Financial Officer, resigned from his post effective 29<sup>th</sup> December 2018.

**MAINTENANCE OF COST RECORDS**

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

**PARTICULARS OF EMPLOYEES:**

The Company has appointed an employee who is in receipt of remuneration aggregating to Rs. 1.2 Crores per annum or more, details are as follows;

SR. NO	PARTICULARS	DETAILS
1	Name	Mr. Mani Mamallan
2	Designation	Chairman & Managing Director
3	Joining Date	1 <sup>st</sup> July 2012
4	CTC Per Annum	1.25 Cr.
5	Qualification	B. Sc
6	DOB	27 <sup>th</sup> March 1961
7	% of Equity Shares	NIL
8	Last employment	C-Edge Technologies Limited
9	Relatives of any Director or Manager	No

**DECLARATION OF INDEPENDENT DIRECTORS**

During the Financial Year 2018-19, the Company appointed Mr. Rama Subramaniam Gandhi as an Independent Director. Accordingly, he has submitted the declaration confirming the compliance of the conditions of the independence stipulated in the Section 149 of the Companies Act, 2013.

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 2018-19, the Board met seven times (7) on 10-05-2018, 27-07-2018, 20-08-2018, 10-09-2018, 11-10-2018, 29-01-2019 and 28-03-2019.

**SEXUAL HARRASSMENT POLICY**

The Company has devised a sound Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 with the proper composition of members. The policy has also been displayed on the Company's website [www.electronicpay.in](http://www.electronicpay.in). and 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.

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. A copy of the Code is available on the Company's website [www.electronicpay.in](http://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 of Director as a Loan during the year under review.

**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. The policy has also been displayed on the on the website of the Company [www.electronicpay.in](http://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 12<sup>th</sup> 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: - 263
- (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: - 125 (f)

The exercise Price: - Rs 10/- per share

- (g) Variation of terms of Options: - Nil
- (h) Money realized by exercise of Options: - Nil
- (i) Total Number of options in force :- 17,563
- (j) Total Number of options available for grant- 925 (k)

Employee wise details of options granted to; -

- i. Key managerial Personnel-Mr. Farroukh Kolah- CFO, at the time of grant.
- 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.-Nil
- 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, in the Extra Ordinary General Meeting held on 19<sup>th</sup> 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.

**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 and the same has also been displayed on the Company's website [www.electronicpay.in](http://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 to the Banks & the Company's investors for their continued co-operation & support. 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  
M/s. Electronic Payment and Services Private Limited**

**Place- Mumbai  
Date- 16<sup>th</sup> July 2019**

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**Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512**

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**Mr. Sanjay Kapoor  
Director  
DIN:-03584520**

**ANNEXURE "A" to Directors' Report for the Financial Year Ended on 31<sup>st</sup> March 2019****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 equipments:- 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**

<b>Particulars</b>	<b>Current Year (FY 2018-19) (in INR)</b>	<b>Previous Year (FY 2017-18) (in INR)</b>
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
<b>Total earning in Foreign exchange</b>	NIL	NIL

**Details of Foreign Expenditure**

<b>Particulars</b>	<b>Current Year (FY 2018-19) (in INR)</b>	<b>Previous Year (FY 2017-18) (in INR)</b>
<b>Import of Capital Goods calculated on CIF Basis:</b>	NIL	NIL
(1) Raw material	NIL	NIL
(2) Component and Spare parts	NIL	NIL
(3) Capital Goods- Software Purchase	NIL	NIL
<b>Expenditure on account of:-</b>	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Interest	NIL	NIL
Other Matters/ Foreign Travel	14,019,912	16,756,106
Dividend Paid	NIL	NIL
<b>Total Expenditure in Foreign exchange</b>	<b>14,019,912</b>	<b>16,756,106</b>

For and on behalf of the board of  
M/s. Electronic Payment and Services Private Limited

Place - Mumbai

Date - 16<sup>th</sup> July 2019

\_\_\_\_\_  
Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512

\_\_\_\_\_  
Mr. Sanjay Kapoor  
Director  
DIN:-03584520

**Annexure "B"**  
**FORM NO. AOC -2**

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

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

1. Details of contracts or arrangements or transactions at not Arm's length basis:-

SL. No.	Particulars	Details
1	Name (s) of the related party & nature of relationship	Mrs. Vidya Rani Mani Mamallan- President -HR & Administration Nature of relationship: - Wife of Mr. Mani Mamallan- Chairman & Managing Director.
2	Nature of contracts/arrangements/transaction	Place of profit in the Company
3	Duration of the contracts/arrangements/transaction	Ongoing employment contract
4	Salient terms of the contracts or arrangements or transaction including the value, if any	CTC INR. 42,26,126/-
5	Date of approval by the Board	27 <sup>th</sup> July 2018
6	Date of approval by the Shareholders of the Company	14 <sup>th</sup> September 2018
7	Amount paid as advances, if any	INR 501,313/-

2. Details of contracts or arrangements or transactions at arm's length basis: - given in Note 30 to the Financial Statements of the Company

**For and on behalf of the board of**  
**M/s. Electronic Payment and Services Private Limited**

**Place - Mumbai**  
**Date - 16<sup>th</sup> July 2019**

\_\_\_\_\_  
**Mr. Mani Mamallan**  
**Chairman & Managing Director**  
**DIN:-03584512**

\_\_\_\_\_  
**Mr. Sanjay Kapoor**  
**Director**  
**DIN:-03584520**

**Annexure "C"****Extract of Annual Return as on financial year ended 31.03.2019  
[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 7.10(1)]****I. REGISTRATION AND OTHER DETAILS:**

<b>i. CIN Number of the Company:</b>	U72300MH2011PTC222535
<b>ii. Registration Date:</b>	29 <sup>th</sup> September, 2011
<b>iii. Name of the Company:</b>	ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
<b>iv. Category/ Sub-category of the Company:</b>	Private Company Limited by Shares
<b>v. Address of Registered office and contact details:</b>	Unit No. 302-303, 3 <sup>rd</sup> Floor, A-Wing, Supreme Business IT Park, Hiranandani Gardens, Powai, Mumbai, Maharashtra - 400 076.  Phone: +91 22 4022 2900 Fax+91 22 4022 2910  Email id: mani@electronicpav.in
<b>vi. Whether listed company:</b>	Yes / No
<b>vii. Name, Address and contact details of Registrar and Transfer Agent:</b>	Not Applicable

**II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:**

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

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

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage of shares held	Applicable Section
1.	<b>Electronic Payment Australia Pty. Ltd.</b> Address: Suite 102, 33 Lexington Drive, "Norwest Business Park", Bella Vista NSW 2153, Australia	-	Wholly-Owned Subsidiary	100%	2(87)

**IV. SHARE HOLDING PATTERN****i. CATEGORY WISE SHAREHOLDING: EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual/ HUF	0	131250	131250	18.76	0	131250	131250	18.76	0
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	131250	131250	18.76	0	131250	131250	18.76	0
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	131250	131250	18.76	0	131250	131250	18.76	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIs	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non-Institutions</b>	0	0	0	0	0	0	0	0	0
a) Bodies Corp. (i) Indian	0	8992	8992	1.28	0	8992	8992	1.28	0
(ii) Overseas	0	559546	559546	79.96	0	559546	559546	79.96	

b) Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital									
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	568538	568538	81.24	0	568538	568538	81.24	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	699788	699788	100	0	699788	699788	100	-
C.Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	699788	699788	100	0	699788	699788	100	-

#### V. SHARE HOLDING PATTERN

##### i. CATEGORY WISE SHAREHOLDING: COMPULSORY CONVERTIBLE PREFERENCE SHARES BREAKUP AS PERCENTAGE OF TOTAL PREFERENCE CAPITAL

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	De mat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a)Individual/ HUF	0	0	0	0	0	0	0	0	0
b)Central Govt	0	0	0	0	0	0	0	0	0
c)State Govt(s)	0	0	0	0	0	0	0	0	0
d)Bodies Corp	0	0	0	0	0	0	0	0	0
e)Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	0	0	0	0	0	0	0	0	0
<b>2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0	0	0	0	0	0
b) Other-Individuals	0	0	0	0	0	0	0	0	0

c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks / FI	0	0	0	0	0	0	0	0	0
e) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>									
<b>2. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b)Banks I FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d)State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0
h)Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>	0	0	0	0	0	0	0	0	0
d) Bodies Corp. (i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas	0	2559160	2559160	100	0	2559160	2559160	100	0
e) Individuals	0	0	0	0	0	0	0	0	0
f) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	2559160	2559160	100	0	2559160	2559160	100	0
<b>B. Public Shareholding</b>									
<b>2. Institutions</b>									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b)Banks I FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d)State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIs	0	0	0	0	0	0	0	0	0

h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	0	0	0	0	0	0	0	0	0
<b>2. Non Institutions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
d) Bodies Corp. (i) Indian	0	0	0	0	0	0	0	0	0
(ii) Overseas	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0
e) Individuals  (i) Individual shareholders holding nominal share capital upto Rs. 1 lakh  (ii) Individual shareholders holding nominal share capital in	0	0	0	0	0	0	0	0	0
f) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0

Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0	2559160 (Series B 58635 + Series C 2500525)	2559160	100	0

## ii. SHAREHOLDING OF PROMOTERS:

Sr. No.	Name of the shareholder	As on 01.04.2018			As on 31.03.2019			% change in shareholding during the year
		Number of shares held	% of total Shares of the company	% of Shares Pledged I encumbered to total shares	Number of shares held	% of total Shares of the company	% of Shares Pledged I encumbered to total shares	
1.	Vidya Rani Mani Mamallan	90000	12.87	0	90000	12.87	0	0
2.	Sanjay Kapoor	26250	3.75	0	26250	3.75	0	0
3.	Dr. Gurusamy	15000	2.14	0	15000	2.14	0	0
<b>TOTAL</b>		<b>131250</b>	<b>18.76</b>	<b>NIL</b>	<b>131250</b>	<b>18.76</b>	<b>NIL</b>	<b>0</b>

## iii. CHANGE IN PROMOTERS' SHAREHOLDING:

There is no change in the shareholding of the promoters during the Financial Year 2018-19.

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

**VII. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

Sl. No	Name of the Share Holder	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mani Mamallan	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
2	Sanjay Kapoor	At the beginning of the year	26250	3.75	26250	3.75
		At the end of the year	26250	3.75	26250	3.75
3	Vineet Rai	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
4	Udayan Goyal	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
5	Sushma Kaushik	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
6	Rama Subramaniam Gandhi	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0
7	Farroukh Kolah	At the beginning of the	0	0	Resigned during the year	
		At the end of the year	0	0		
8	Pooja Panvelkar	At the beginning of the	0	0	0	0
		At the end of the year	0	0	0	0

**VIII. INDEBTEDNESS:**

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

	Secured Loans excluding deposits	Unsecured	Deposits	Total
		Loans		Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i)Principal Amount	1,19,34,73,474	-	-	1,19,34,73,474
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not Due	47,58,247	-	-	47,58,247
<b>Total(i+ii+iii)</b>	<b>1,19,82,31,721</b>	<b>-</b>	<b>-</b>	<b>1,19,82,31,721</b>
<b>Change in Indebtedness during the financial year</b>				
· Addition	48,00,34,385	-	-	48,00,34,385
· (Reduction)	(77,44,94,133)	-	-	(77,44,94,133)
<b>Net Change</b>	<b>(29,44,59,748)</b>	<b>-</b>	<b>-</b>	<b>(77,44,94,133)</b>
<b>Indebtedness at the end of the financial year</b>				
i)Principal Amount	89,90,13,726	-	-	89,90,13,726
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	53,43,201	-	-	53,43,201
<b>Total(i+ii+iii)</b>	<b>90,43,56,927</b>	<b>-</b>	<b>-</b>	<b>90,43,56,927</b>

**IX. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:****A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER: (Details of CTC)**

Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (INR)
		Mani Mamallan	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	12,014,000 1,386,522 (Company provided car & Accommodation) 0	12,014,000 1,386,522 (Company provided car & Accommodation) 0
2.	Stock Option	0	0
3.	Sweat Equity	0	0
4.	Commission - as% of profit - others, specify...	0	0
5.	Others, please specify Provident Fund (Company's contribution) National Pension Scheme	480,000 6,000	480,000 6,000
6.	<b>Total</b>	12,500,00	12,500,00
7.	Ceiling as per the Act	-	-

**B. REMUNERATION TO OTHER DIRECTORS:**

SI N	Particulars of Remuneration	Name of Directors	Total Amount (INR)
		<b>Rama Subramaniam Gandhi</b>	
1	Independent Directors -Fee for attending Board  <b>. Fees of attending committee meetings</b>  -Audit & Risk Committee  -Finance Board Sub-Committee  -Commission  -Chairperson fees for Audit & Risk Committee	100,000 per meeting (Attended 4 meeting)    50,000 per meeting (Attended 4 meeting)   50,000 per meeting (Attended 4 meeting)  0  0	400,000    200,000  200,000  0  2,00,000
	<b>Total (1)</b>		<b>*1,000,000</b>
2	Other Non-Executive Directors -Fee for attending board committee meetings -Commission -Others, please specify	-	-
3	Total(2)	-	<b>1,000,000</b>
4	Total(B)=(1+2)	-	<b>1,000,000</b>
5	Total Managerial Remuneration	-	-
6	Overall Ceiling as per the Act	-	-

*\*as approved by the Shareholders of the Company.*

*\*Sitting fees paid after tax deductions= INR 9,00,000/-*

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (Details of CTC)**

Sl. No.	Particulars of Remuneration	CEO	Company Secretary	CFO*	Total
		-	Pooja Panvelkar	Farroukh Kolah	
1.	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961  (b)Value of perquisites u/s 17(2) Income-tax Act,1961  (c)Profits in lieu of salary u/s 17(3) Income-tax Act,1961		707,239	4,499,264	5,206,503
2.	Stock Option		0	250 ESOPS'S	250 ESOPS'S
3.	Sweat Equity		0	-	0
4.	Commission - as % of profit-others, specify...		0	-	0
5.	Others please specify Provident Fund (Company's contribution)  National Pension Scheme		35,597  29,664	185,856  154,88	221,453  184,54
	<b>Total</b>	-	<b>772,500</b>	<b>4,840,000</b>	<b>5,612,500</b>

*\*paid upto the month of December 2018 (Resignation)*

**X. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES- NIL**

**XI. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

**For and on behalf of the board of  
M/s. Electronic Payment and Services Private Limited**

**Place - Mumbai**

**Date - 16<sup>th</sup> July 2019**

\_\_\_\_\_  
**Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512**

\_\_\_\_\_  
**Mr. Sanjay Kapoor  
Director  
DIN:-03584520**

Shareholding Pattern on Non-Diluted Basis as on 31<sup>st</sup> March 2019

## ANNEXURE 1 (NON-DILUTED SHAREHOLDING)

Shareholder name	Equity	Series B CCPS	Series C CCPS
Aavishkaar India II Company Ltd	168,635	-	-
Aavishkaar Goodwill India Microfinance Development Company II Ltd	105,038	-	-
Aavishkaar Venture Management Services P Ltd	1,097	-	-
Asia Participations B.V. (FMO)	65,425	58,635	2,500,525
CIS Bureaus Facility Services Pvt Ltd	7895	-	-
Smt. Vidya Rani Mani Mamallan	90,000	-	-
Mr. Sanjay Kapoor	26,250	-	-
Dr. Ramakrishnan Gurusamy	15,000	-	-
Apis Growth 3 Ltd	220,448	-	-
<b>Total</b>	<b>699,788</b>	<b>58,635</b>	<b>2,500,525</b>

For and on behalf of the board of  
M/s. Electronic Payment and Services Private Limited

Place - Mumbai  
Date - 16<sup>th</sup> July 2019

\_\_\_\_\_  
Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512

\_\_\_\_\_  
Mr. Sanjay Kapoor  
Director  
DIN:-03584520

**Annexure "D"****Form AOC-1**

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

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

**Part "A" : Subsidiaries**

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

SR. No	Particulars	Details
1	Name of the subsidiary	Electronic Payment Australia Pty. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/06/2018 to 31/03/2019
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Australian Dollars Exchange Rate as on 31 <sup>st</sup> March 2019:- 49.12533
4	Share capital	2,16,41,390/- (4,10,100 Equity Shares of 1 AUD each)
5	Reserves & surplus	-1,46,69,675
6	Total assets	1,76,31,067
7	Total Liabilities	1,76,31,067
8	Investments	-
9	Turnover	2,73,37,497
10	Profit before taxation	-36,26,633
11	Provision for taxation	-
12	Profit after taxation	-36,26,633
13	Proposed Dividend	NIL
14	% of shareholding	100%

**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**

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	-	-	-
Extent 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  
M/s. Electronic Payment and Services Private Limited**

**Place - Mumbai  
Date - 16<sup>th</sup> July 2019**

\_\_\_\_\_  
**Mr. Mani Mamallan  
Chairman & Managing Director  
DIN:-03584512**

\_\_\_\_\_  
**Mr. Sanjay Kapoor  
Director  
DIN:-03584520**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELECTRONIC PAYMENTS AND SERVICES PRIVATE LIMITED**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying consolidated financial statements of **Electronic Payments and Services Private Limited** ("the Company" or "the Holding Company") and its subsidiary (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2019, 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, and based on the consideration of financial information of the subsidiary referred to in the Other Matters section below, 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 31 March 2019, and their consolidated loss 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 Directors' 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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 and its associates and jointly controlled entities/ joint ventures 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 and its associates and jointly controlled entities/ joint ventures 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the subsidiary, entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such subsidiaries or entities or business activities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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 and such other entities included in the consolidated financial statements of which we are the independent auditors 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Other Matters**

We did not audit the financial statements of the subsidiary; whose financial statements reflect total assets of Rs. 1,76,31,067 as at 31st March, 2019, total revenues of Rs. 26,01,556 and net cash outflows amounting to Rs. 7,83,318 for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements / financial information certified by the Management.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept.

- b) 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.
- c) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- d) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Company,

none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

- e) 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' reports of the Holding company. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- f) 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.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There were no amounts which were required to be transferred to the Investor Education and
  - iv. Protection Fund by the Holding Company, and its subsidiary company.

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

Place: Mumbai  
Date: 16<sup>th</sup> July 2019

Anjum A. Qazi  
(Partner)  
(Membership No. 104968)

## **ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph (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")**

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note 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: 16<sup>th</sup> July 2019

Anjum A. Qazi  
(Partner)  
(Membership No. 104968)

## FINANCIAL STATEMENT FY 2018 - 2019

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED			
CIN: U72300MH2011PTC222535			
Consolidated Balance Sheet as at 31st March, 2019			
Particulars	Note No	As at	
		31st March, 2019	31st March, 2018
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	3	3,25,89,480	3,25,89,480
Reserves and Surplus	4	1,53,34,89,721	1,57,82,23,534
		<b>1,56,60,79,201</b>	<b>1,61,08,13,014</b>
<b>Non-Current Liabilities</b>			
Long-term Borrowings	5	40,10,92,795	65,40,49,523
Other Long-term Liabilities	6	3,20,615	29,80,165
Long-term Provisions	7	8,29,11,171	10,95,55,052
		<b>48,43,24,581</b>	<b>76,65,84,740</b>
<b>Current Liabilities</b>			
Trade Payables	8		
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		6,68,21,939	1,51,18,905
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises		68,74,25,812	54,58,30,532
Other Current Liabilities	9	57,90,72,972	69,41,36,511
Short-term Provisions	10	3,48,33,523	1,36,67,651
Short-term Borrowings	11	4,99,94,831	4,98,94,831
		<b>1,41,81,49,077</b>	<b>1,31,86,48,430</b>
<b>Total</b>		<b>3,46,85,52,859</b>	<b>3,69,60,46,184</b>
<b>II. ASSETS</b>			

<b>Non-Current Assets</b>			
Property, Plant & Equipment			
Tangible Assets	12	1,53,68,53,080	1,76,10,65,988
Intangible Assets	12	2,26,92,180	3,41,44,121
Capital Work-in-progress		6,31,93,254	5,94,23,643
		<b>1,62,27,38,514</b>	<b>1,85,46,33,752</b>
Long term Loans and Advances	13	29,66,79,718	25,75,19,902
Other Non-Current Assets	14	26,92,23,453	33,12,86,898
		<b>56,59,03,171</b>	<b>58,88,06,800</b>
<b>Current Assets</b>			
Current Investments	15	9,59,14,464	14,36,00,000
Trade Receivables	16	30,96,96,033	50,85,31,756
Cash and Cash Equivalents	17	30,58,95,806	16,93,72,398
Short-term Loans and Advances	18	21,27,32,864	16,86,84,961
Other Current Assets	19	35,56,72,007	26,24,16,517
		<b>1,27,99,11,174</b>	<b>1,25,26,05,632</b>
<b>Total</b>		<b>3,46,85,52,859</b>	<b>3,69,60,46,184</b>

Notes 1 to 40 forms part of the Financial Statements

In terms of our report attached

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Anjum A Qazi**

Partner

Date : 5th August 2019

Place: Mumbai

**For and on behalf of the Board of Directors**

**Sanjay Kapoor**

Director

DIN: 03584520

Date : 5th August 2019

Place : Mumbai

**Mani Mamallan**

Chairman & Managing  
Director

DIN: 03584512

Date : 5th August 2019

Place : Mumbai

**Pooja Panvelkar**

Company Secretary

Date : 5th August 2019

Place : Mumbai

**Sudhanshu Soman**

Chief Financial Officer

Date : 5th August 2019

Place : Mumbai

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b>			
<b>CIN: U72300MH2011PTC222535</b>			
<b>Consolidated Statement of Profit and Loss for the year ended 31st March, 2019</b>			
<b>Amount in INR</b>			
<b>Particulars</b>	<b>Note No</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>Revenue from Continuing Operations:</b>			
Revenue from operations (Net of GST & Service tax)	20	3,07,07,11,378	2,19,42,91,420
Other Income	21	7,20,10,597	11,42,57,632
<b>Total Revenue</b>		<b>3,14,27,21,975</b>	<b>2,30,85,49,052</b>
<b>Expenses:</b>			
Employee benefits expense	22	26,43,06,588	21,87,44,354
Finance costs	23	13,74,35,166	14,24,48,023
Depreciation and amortisation expense	12	45,07,48,904	48,34,22,290
Operating Expenses	24	2,14,91,89,561	1,48,56,76,516
Other General expenses	25	18,21,24,393	24,05,27,095
<b>Total Expenses</b>		<b>3,18,38,04,612</b>	<b>2,57,08,18,278</b>
Loss Before Tax		<b>(4,10,82,637)</b>	<b>(26,22,69,226)</b>
Tax expense:			
Current Tax		40,00,000	-
Deferred Tax		-	-
<b>Loss for the year</b>		<b>(4,50,82,637)</b>	<b>(26,22,69,226)</b>
Loss per share (Face Value INR 10/- each)			
Basic and Diluted (INR)	31	(64)	(375)
Notes 1 to 40 forms part of the Financial Statements In terms of our report attached			

**For Deloitte Haskins & Sells LLP**

Chartered Accountants

**Anjum A Qazi**

Partner

Date : 5th August 2019

Place: Mumbai

**For and on behalf of the Board of Directors****Sanjay Kapoor**

Director

DIN: 03584520

Date : 5th August 2019

Place : Mumbai

**Mani Mamallan**Chairman & Managing  
Director

DIN: 03584512

Date : 5th August 2019

Place : Mumbai

**Pooja Panvelkar**

Company Secretary

Date : 5th August 2019

Place : Mumbai

**Sudhanshu Soman**

Chief Financial Officer

Date : 5th August 2019

Place : Mumbai

CIN: U72300MH2011PTC222535		
Consolidated Cash Flow statement for the year ended 31st March 2019		
Amount in INR		
Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
<b>A. Cash Flow from Operating Activities</b>		
<b>Loss Before Tax as per Statement of Profit &amp; Loss</b>	(4,10,82,637)	(26,22,69,226)
<b>Adjustments for :</b>		
Depreciation & Amortisation Expenses	45,07,48,904	48,34,22,290
Expense on employee stock options (ESOP) scheme	3,48,824	25,68,888
Expense on Gratuity	30,88,280	30,19,362
Contribution to Provident Fund	3,33,725	-
Excess provision of Performance Incentives written back	(1,83,90,281)	-
Finance Costs	13,74,35,166	14,24,48,023
Rebate received from lenders	(52,81,081)	-
Interest Income	(1,68,36,907)	(1,94,45,841)
Interest on Income Tax Refund	(34,00,946)	(52,15,955)
Net gain on sale of current investments	(97,02,347)	(7,50,33,075)
Provision for doubtful trade receivables	13,59,210	96,95,667
Bad Debts and allowances for doubtful balances	1,50,79,722	92,17,937
Insurance claim written off	34,67,330	85,62,865
Loss on Theft/Write off of Property, Plant & Equipment	3,10,87,612	2,27,17,317
Provision for Contingencies	(2,73,12,000)	2,40,98,839
Deferred profit on sale of Property Plant & Equipment	(81,20,446)	(1,43,52,240)
<b>Operating profit before Changes in Working Capital</b>	<b>51,28,22,128</b>	<b>32,94,34,851</b>
<b>Changes in Working Capital</b>		
<b>Adjustments for (increase) / decrease in operating assets:</b>	-	-
Trade receivables	13,48,86,591	(3,75,95,169)
Short-term loans and advances	34,62,297	(6,27,61,574)
Long-term loans and advances	(2,14,44,984)	(3,44,03,127)
Other current assets	(9,66,61,860)	(33,58,84,205)
Cash-in-ATM	(4,19,79,600)	(1,95,20,400)
<b>Adjustments for increase/(decrease) in operating liabilities:</b>		
Trade payables	19,32,98,315	23,13,69,454
Other current liabilities	4,90,50,542	2,34,96,864
Short-term provisions	1,71,65,872	84,27,860

Long-term provisions	(24,20,161)	(3,99,325)
<b>Cash Generated from Operations</b>	<b>74,81,79,139</b>	<b>10,21,65,230</b>
Tax and interest on (tax paid) / refund received	(1,88,64,034)	1,26,93,018
<b>Net Cash flow from Operating Activities (A)</b>	<b>72,93,15,105</b>	<b>11,48,58,247</b>
<b>Amount in INR</b>		
<b>Particulars</b>	<b>For the year ended 31st March 2019</b>	<b>For the year ended 31st March 2018</b>
<b>B. Cash Flow from Investing Activities</b>		
Capital expenditure on Property Plant & Equipment, including capital advances	(21,65,56,811)	(75,99,83,559)
Interest Income received	1,67,75,947	1,94,45,841
Investments in Mutual Fund	(32,81,73,924)	(39,26,00,000)
Proceeds from sale of current investments	38,55,61,807	1,07,36,32,794
Fixed Deposits Matured / (Placed)	5,88,39,824	(7,27,75,869)
<b>Net Cash Flow (used in) Investing Activities (B)</b>	<b>(8,35,53,157)</b>	<b>(13,22,80,793)</b>
<b>C. Cash Flow from Financing Activities</b>		
Proceeds from short-term borrowings	23,22,00,000	4,98,94,831
Repayment of short-term borrowings	(23,21,00,000)	-
Proceeds from long-term borrowings	12,05,91,412	54,06,54,375
Repayment of long-term borrowings	(53,71,13,053)	(45,12,89,935)
Interest Expense paid	(13,80,20,120)	(14,24,48,023)
<b>Cash Flow (used in) Financing Activities (C)</b>	<b>(55,44,41,761)</b>	<b>(31,88,752)</b>
Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	9,13,20,186	(2,06,11,298)
Add: Cash & Cash Equivalents at the beginning of the year	10,83,11,569	10,34,07,538
Add: Pursuant to Scheme of Amalgamation (refer Note 38)	-	2,55,15,329
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>19,96,31,756</b>	<b>10,83,11,569</b>
<b>Notes to Cash Flow Statement:</b>		
1)	Cash and Cash equivalents includes cash and bank balances in current accounts.	
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Cash and Cash equivalents comprises of</b>		
Cash on hand	4,352	1,10,755
Balance with Banks	19,96,27,404	10,82,00,814

Cash and Cash equivalents as per Note 17	19,96,31,756	10,83,11,569
<p>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.</p> <p>3) (a) An amount of INR 25,515,329 for previous year 2017-18 relates to cash and cash equivalents balances with EPS ATM Services Private Limited on the date of becoming part of the Company, consequent to Scheme of Amalgamation. (b) The Scheme of Amalgamation does not involve any cash outflow (Refer Note 38).</p> <p>4) An amount of INR 127,242,973 has been reduced from 'Proceeds from Long Term Borrowings' and from 'Capital expenditure on Property Plant &amp; Equipment, including capital advances' being a non-cash item pertaining to finance lease.</p>		
<p>5) An amount of INR 47,510,200 has been reduced from 'Trade receivables' and increased in 'Short-term loans and advances' being a non-cash item pertaining to Provision for Contingencies (refer Note 35).</p>		
<b>For Deloitte Haskins &amp; Sells LLP</b>	<b>For and on behalf of the Board of Directors</b>	
Chartered Accountants		
<b>Anjum A Qazi</b> Partner	<b>Sanjay Kapoor</b> Director	<b>Mani Mamallan</b> Chairman & Managing Director
Date : 5th August 2019	DIN: 03584520	DIN: 03584512
Place: Mumbai	Date : 5th August 2019	Date : 5th August 2019
	Place : Mumbai	Place : Mumbai
	<b>Pooja Panvelkar</b> Company Secretary	<b>Sudhanshu Soman</b> Chief Financial Officer
	Date : 5th August 2019	Date : 5th August 2019
	Place : Mumbai	Place : Mumbai

**CIN: U72300MH2011PTC222535**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

Basis of Consolidation and significant accounting policies

Note 1(a): Corporate Information

The Consolidated Financial Statements relate to Electronic Payment and Services Private Limited ('EPS' or the 'Company') and its wholly owned subsidiary Electronic Payment Australia PTY Ltd (the 'Subsidiary' or 'EPAPL'), Australia. The principal business of EPAPL is to provide IT Consultancy Services.

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 (the '2013 Act'), and the relevant provisions of the 2013 Act read with the Companies (Accounting Standard) Amendment 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.

Note 1(c): Principles of Consolidation

The consolidated financial statements have been prepared on the following basis:

(i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2019.

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

b) Cash and Cash Equivalents

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 Company 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 & 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 & Equipment	Useful Life
<b>Site Assets:</b>	
Automated Teller Machine: Owned Taken on finance lease	10 Years (7 Years) 5/7 Years (5/7 Years)
Uninterrupted Power Supply Machine: Owned Taken on finance lease	7 Years (7 Years) 5/7 Years (5/7 Years)
Site Interior & Other Merchandises: Owned Taken on finance lease	7 Years (7 Years) 5/7 Years (5/7 Years)
Air Conditioner: Owned Taken on finance lease	7 Years (7 Years) 5/7 Years (5/7 Years)
VSAT: Owned Taken on finance lease	7 Years (7 Years) 5 Years (5 Years)
E-Surveillance	7 Years (7 Years)
Digital Video Recorder (DVR)	7 Years (7 Years)
Taken over ATMs and related assets like site interiors, VSAT, AC, UPS	5 Years (5 Years)
Office furniture and fixtures	3 Years (3 Years)
Office equipment	3 Years (3 Years)

The Audit & 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

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 has been reduced by INR 64,929,433 for the FY 2018-19.

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 & 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 & the Company's right to receive payment is established."

#### g) Property, Plant & Equipment

Property, Plant & Equipment including intangible assets are stated at cost of acquisition less accumulated depreciation, amortisation and impairment, if any. The cost of Property, Plant & 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.

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."

#### 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, gratuity and compensated absences.

- **Defined-contribution plans**  
The Company's contribution to provident fund is considered as defined contribution plan and is charged as an expense as they fall due, based on the amount of contribution required to be made and when services are rendered by the employees.
- **Defined-benefits plans**  
For defined benefit plans in the form of gratuity, 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 and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The cost of short-term non-accumulating compensated absences is accounted, when the absences occur.

#### k) Leases

"Where the 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.

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

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

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

#### n) 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 / Service tax input credit

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

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 tenor 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.

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED				
CIN: U72300MH2011PTC222535				
Notes forming part of Consolidated Financial Statements				
<b>Note 3 : Share Capital</b>				
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	INR	Number of shares	INR
<b>(a) Authorised</b>				
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
	<b>70,10,000</b>	<b>7,01,00,000</b>	<b>70,10,000</b>	<b>7,01,00,000</b>
<b>(b) Issued, Subscribed and fully paid-up</b>				
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
<b>Total</b>	<b>32,58,948</b>	<b>3,25,89,480</b>	<b>32,58,948</b>	<b>3,25,89,480</b>
<b>Note 3 (a) : Reconciliation of the shares outstanding at the beginning and at the end of the reporting year</b>				
Particulars	As at 31st March, 2019		As at 31st March, 2018	
	Number of shares	INR	Number of shares	INR
<b>i. Equity Shares</b>				
Outstanding at the beginning of the year	6,99,788	69,97,880	6,99,788	69,97,880
	-	-	-	-
Closing Balance	<b>6,99,788</b>	<b>69,97,880</b>	<b>6,99,788</b>	<b>69,97,880</b>
<b>ii. Series B CCPS:</b>				
Outstanding at the beginning of the year	58,635	5,86,350	58,635	5,86,350
	-	-	-	-
Closing Balance	<b>58,635</b>	<b>5,86,350</b>	<b>58,635</b>	<b>5,86,350</b>
<b>Series C CCPS:</b>				
Outstanding at the beginning of the year	25,00,525	2,50,05,250	25,00,525	2,50,05,250
	-	-	-	-
Closing Balance	<b>25,00,525</b>	<b>2,50,05,250</b>	<b>25,00,525</b>	<b>2,50,05,250</b>

	<b>Total</b>	<b>25,59,160</b>	<b>2,55,91,600</b>	<b>25,59,160</b>	<b>2,55,91,600</b>
<b>Note 3 (b) : Details of shareholders holding more than 5% shares in the company</b>					
<b>Particulars</b>		<b>As at 31st March, 2019</b>		<b>As at 31st March, 2018</b>	
		<b>No. of Shares held</b>	<b>% Shareholding</b>	<b>No. of Shares held</b>	<b>% Shareholding</b>
<b>i.</b>	<b>Equity Shares</b>				
	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%
	<b>Total</b>	<b>6,99,788</b>	<b>100.00%</b>	<b>6,99,788</b>	<b>100.00%</b>
<b>ii.</b>	<b>Series B CCPS</b>				
	Asia Participations B.V.	58,635	100.00%	58,635	100.00%
<b>iii.</b>	<b>Series C CCPS</b>				
	Asia Participations B.V.	25,00,525	100.00%	25,00,525	100.00%
<b>Note 3(c): Terms / rights attached to Equity Shares</b>					
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.					
<b>Note 3(d) :Terms of Conversion of CCPS</b>					
<b>Series B CCPS:</b>					
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:					
a. 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					
b. As per Clause 1 of Schedule C of the Share Subscription Agreement dated 26th July 2013, upon the expiry of 8 (Eight) years from the Completion Date; or					
c. At the option of the CCPS holder, at any time 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.					
<b>Series C CCPS:</b>					
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 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.					

<b>ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED</b> <b>Notes forming part of Consolidated Financial Statements</b>		
<b>Note 4 : Reserves and Surplus</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>(a) Securities Premium Account</b>		
Opening balance	2,42,77,36,588	2,71,87,24,741
Less: Goodwill for 'EPS ATM Services Private Limited' pursuant to Scheme of amalgamation (refer note 38)	-	(29,09,88,153)
Closing balance	<b>2,42,77,36,588</b>	<b>2,42,77,36,588</b>
<b>(b) Surplus / (Deficit) in Statement of Profit and Loss</b>		
Opening balance	(91,29,88,409)	(65,62,54,632)
Add: Pursuant to amalgamation of 'EPS ATM Services Private Limited' (refer note 38)	-	55,35,449
Add: Profit / (Loss) for the year	(4,50,82,637)	(26,22,69,226)
Closing balance	<b>(95,80,71,046)</b>	<b>(91,29,88,409)</b>
<b>(c) Employee Stock Options Scheme Outstanding</b>		
Opening balance	4,97,27,382	4,71,58,494
Add: Amount recorded on grants (refer note 34)	3,48,824	25,68,888
Closing balance	<b>5,00,76,206</b>	<b>4,97,27,382</b>
<b>(d) Capital Reserve</b>		
Opening balance	1,37,47,973	-
Add: Pursuant to investment in Electronic Payment Australia PTY Ltd	-	3,70,719
Add: Pursuant to SBI TOM portfolio acquisition (refer note 37)	-	1,33,77,254
Closing balance	<b>1,37,47,973</b>	<b>1,37,47,973</b>
<b>Total</b>	<b>1,53,34,89,721</b>	<b>1,57,82,23,534</b>
<b>Note 5 : Long Term Borrowings</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>

<b>(a) Term loans</b>		
Secured		
(i) From Banks	15,50,67,661	28,67,48,305
(ii) From Others	15,56,93,327	31,38,88,350
	31,07,60,988	60,06,36,655
<b>(b) Finance lease obligations (Refer Note 30(i))</b>	9,03,31,807	5,34,12,868
	9,03,31,807	5,34,12,868
<b>Total</b>	<b>40,10,92,795</b>	<b>65,40,49,523</b>
Note 5 (i) : Details of terms of repayment for the long-term borrowings and security provided in respect of the long-term borrowings:		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>(a) Term loans from Banks</b>		
<u>Secured</u>	35,44,62,533	51,88,95,481
Repayable over 1 - 33 months (Previous Year 1 - 45 months) with Interest range 10.15% - 11.90% (Previous Year 9.55% - 11.70%)		
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 and Directors, where applicable		
-		-
<b>(b) Term Loans from Others</b>		
<u>Secured</u>	30,86,04,891	44,18,39,650
Repayable over 1 - 35 months (Previous Year 1 - 47 months) with interest rate 12.05%-14% (Previous Year 11% - 14%)		
Secured against:		
1) Specific Trade receivables and specific ATM, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment		
2) Personal Guarantee of Promoters and Directors, where applicable		
<b>(c) Finance Lease Obligations: (refer note 30(i))</b>		

Repayable in 1 - 44 monthly instalments (Previous Year 1 - 29 monthly instalments) with interest rate 13% - 28.85% (Previous Year 14% - 28.85%)	18,59,51,471	18,28,43,513
-	<b>84,90,18,895</b>	<b>1,14,35,78,644</b>
Less: Current Maturities of Term Loans from Banks, Term Loan from Others and Finance Lease Obligations (Refer Note 9)	(44,79,26,100)	(48,95,29,121)
<b>Total Long Term Borrowings</b>	<b>40,10,92,795</b>	<b>65,40,49,523</b>
-		
<b>Note 6 : Other Long Term Liabilities</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Deferred Profit on Sale and lease back transactions	3,20,615	29,80,165
<b>Total</b>	<b>3,20,615</b>	<b>29,80,165</b>
<b>Note 7 : Long Term Provisions</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Provision for employee benefits (Gratuity) (Refer Note 27 (B))	1,25,74,479	1,19,06,360
Provision for Electricity (Refer Note 35)	7,03,36,692	9,76,48,692
<b>Total</b>	<b>8,29,11,171</b>	<b>10,95,55,052</b>
<b>Note 8 : Trade Payables</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 8.1 below)	6,68,21,940	1,51,18,905
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	68,74,25,812	54,58,30,532
<b>Total</b>	<b>75,42,47,752</b>	<b>56,09,49,437</b>
<b>Note 8.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	6,68,21,940	1,51,18,905

(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	47,20,951	11,14,995
(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 accounting year 2017	47,20,951	11,14,995
(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	65,26,575	18,05,624

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

#### Note 9: Other Current Liabilities

Particulars	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long term debt (Refer Note 5(i))		
<u>Secured:</u>	-	-
(a) Term loans from Banks	19,93,94,872	23,21,47,176
(b) Term loans from Others	15,29,11,564	12,79,51,300
Current maturities of finance lease obligations (Refer Notes 5(i) and 30(i))	9,56,19,664	12,94,30,645
	44,79,26,100	48,95,29,121
Interest Payable	53,43,201	47,58,247
Deferred Profit on Sale and lease back transactions	23,43,557	78,04,453
Security Deposits received	2,53,25,000	65,70,000
Other Payables:		
Statutory remittances	2,54,04,126	1,72,71,604
Payable to employees	1,48,15,918	2,85,75,953

Payable to Bank	-	1,27,97,800
Bank, Book Overdraft	2,94,94,391	-
Payable on Purchase of Property Plant & Equipment	2,84,20,679	12,68,29,333
<b>Total</b>	<b>57,90,72,972</b>	<b>69,41,36,511</b>
<b>Note 10 : Short Term Provisions</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Provision for employee benefits :		
Provision for gratuity (Refer Note 27 (B))	3,64,738	2,28,308
Provision for compensated absences	34,93,721	14,68,849
Provision for expenses	2,69,75,063	1,19,70,494
Provision for Tax	40,00,000	-
<b>Total</b>	<b>3,48,33,523</b>	<b>1,36,67,651</b>
<b>Note 10.1:</b> During the Previous Year, company has discontinued leave encashments, so there is no provision for leave encashment & accordingly company has accounted for compensated absences as per AS-15.		
<b>Note 11 : Short Term Borrowings</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Overdraft from Bank 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 deposit 3) Personal Guarantee of Promoters and Directors		
	4,99,94,831	4,98,94,831
<b>Total</b>	<b>4,99,94,831</b>	<b>4,98,94,831</b>
<b>Note 13 : Long term loans and advances</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Unsecured &amp; considered good:</b>		
Security Deposits	10,74,04,009	11,30,14,711
Capital Advances	11,40,000	56,90,148
Balances with government authorities:		
Tax (TDS) refund receivable	18,81,35,709	13,88,15,043

<b>Total</b>	<b>29,66,79,718</b>	<b>25,75,19,902</b>
<b>Note 14: Other Non-Current Assets</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Others		
Balances with Banks (In Earmarked Accounts)		
- Balances held as security against borrowings, guarantees	20,64,88,453	28,19,81,898
- Balances held as margin money, guarantees (Refer Note 14.1 below)	6,27,35,000	4,93,05,000
<b>Total</b>	<b>26,92,23,453</b>	<b>33,12,86,898</b>
<b>Note 14.1:</b>		
A bank, on behalf of the Company, has issued performance and other bank guarantees amounting to INR 273,750,000/- (INR 233,520,000/- as at 31st March, 2018) 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 62,735,000/- (INR 49,305,000/- as at 31st March, 2018).		
<b>Note 15: Current Investments</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Non Trade – Investment in units of Mutual Funds - Unquoted – Lower of cost or fair value</b>		
Investments in Mutual Fund (Refer Note 15.1 below)	9,59,14,464	14,36,00,000
<b>Total</b>	<b>9,59,14,464</b>	<b>14,36,00,000</b>
<b>Note 15.1: Details of Unquoted Investment</b>		
	<b>As on 31st March 2019</b>	
<b>Mutual Fund Scheme</b>	<b>Cost</b>	<b>Market Value</b>
DSP Arbitrage Fund - DIR - Growth - 8,953,926.851 units (Face Value INR 10/- each)	9,59,14,464	9,65,50,193
<b>Total</b>	9,59,14,464	<b>14,58,05,516</b>
<b>Note 15.1: Details of Unquoted Investment</b>		
	<b>As on 31st March 2018</b>	
<b>Mutual Fund Scheme</b>	<b>Cost</b>	<b>Market Value</b>
DSP Black Rock Liquidity Fund - Direct Plan - Growth - 58666.690 units (Face Value INR10/- each)	14,36,00,000	14,58,05,516
<b>Total</b>	<b>14,36,00,000</b>	<b>14,58,05,516</b>

<b>Note 16: Trade Receivables</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Outstanding for a period exceeding six months from the date they were due for payment</b>		
Unsecured	84,31,791	88,92,037
Less : - Provision for doubtful trade receivables	(84,31,791)	(88,92,037)
	-	-
<b>Others</b>		
Unsecured, considered good	26,63,51,583	44,62,71,296
Penalty Recoverable from Vendors	4,59,67,536	6,30,64,090
Less : - Provision for doubtful trade receivables	(26,23,086)	(8,03,630)
<b>Total</b>	<b>30,96,96,033</b>	<b>50,85,31,756</b>
<b>Note 17: Cash and Cash Equivalents</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Cash on hand	4,352	1,10,755
Balance with banks		
In Current Accounts	19,96,27,404	10,82,00,814
<b>Total A - (Cash &amp; Cash Equivalents as per AS-3)</b>	<b>19,96,31,756</b>	<b>10,83,11,569</b>
Cash in ATM	6,15,00,000	1,95,20,400
<b>Balance in Term Deposit</b>		
Less than 12 Months	1,48,41,546	4,15,40,429
More than 12 Months	2,99,22,504	-
<b>Total (B)</b>	<b>10,62,64,050</b>	<b>6,10,60,829</b>
<b>Total (A+B)</b>	<b>30,58,95,806</b>	<b>16,93,72,398</b>
<b>Note 18: Short Term Loans and Advances</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
<b>Unsecured and considered good:</b>		
Loans and advances to related parties (Refer Note 29)	9,09,325	7,95,417
Loans and advances to employees	3,69,051	71,638
Reimbursement of Expenses	-	26,33,810
Prepaid expenses	6,07,06,168	3,46,99,672

<b>Balances with Government Authorities</b>		
GST Input Tax Credit / Cenvat Credit receivable	6,01,54,882	10,94,23,372
Other statutory remittances recoverable	6,065	2,98,358
Advance to suppliers (Net)	8,20,72,787	2,07,62,694
Other receivables	85,14,586	-
<b>Total</b>	<b>21,27,32,864</b>	<b>16,86,84,961</b>
<b>Note 19: Other Current Assets</b>		
<b>Particulars</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
Unbilled Revenue	32,11,32,696	23,36,41,455
Insurance Claim receivable (Net)	3,32,17,860	2,75,14,571
Interest accrued on fixed deposits	13,21,451	12,60,491
<b>Total</b>	<b>35,56,72,007</b>	<b>26,24,16,517</b>

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED												
Notes forming part of Consolidated Financial Statements												
Note : 12 Property, Plant & Equipment												
No.	PROPERTY PLANT & EQUIPMENT	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
		BALANCE AS AT 01.04.2018	ADDITIONS *	DISPOSALS	BALANCE AS AT 31.03.2019	BALANCE AS AT 01.04.2018	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2019	BALANCE AS AT 31.03.2019	BALANCE AS AT 31.03.2018	
A	Tangible Assets											
	Automated Teller Machine											
	Owned	1,49,43,88,542	5,10,93,928	1,96,81,695	1,52,58,00,775	47,45,86,042	17,85,64,346	53,72,816	64,77,77,572	87,80,23,203	1,01,98,02,500	
	Taken under finance lease	59,27,06,756	10,95,52,687	34,98,15,331	35,24,44,112	48,94,82,842	7,04,16,532	33,61,37,087	22,37,62,287	12,86,81,825	10,32,23,914	
	Uninterrupted Power Supply Machine											
	Owned	14,28,63,105	31,22,107	8,21,710	14,51,63,502	5,48,27,268	2,34,93,263	1,02,723	7,82,17,808	6,69,45,694	8,80,35,837	
	Taken under finance lease	4,74,19,114	72,02,497	2,47,02,051	2,99,19,560	3,85,49,786	54,02,714	2,36,23,362	2,03,29,138	95,90,422	88,69,328	
	Site Interior & Other Merchandises											
	Owned	52,81,89,186	2,90,09,392	1,63,20,859	54,08,77,719	22,65,61,071	7,91,97,924	78,12,113	29,79,46,882	24,29,30,837	30,16,28,115	
	Taken under finance lease	16,70,40,275	2,91,80,811	7,84,54,846	11,77,66,240	13,49,42,675	2,15,31,626	7,53,54,363	8,11,19,938	3,66,46,302	3,20,97,600	
	Air Conditioner											
	Owned	13,23,64,684	5,20,472	6,77,000	13,22,08,156	4,54,57,434	1,93,29,911	1,72,546	6,46,14,799	6,75,93,357	8,69,07,250	
	Taken under finance lease	1,80,42,280	34,23,402	1,18,55,317	96,10,365	1,56,31,780	17,31,267	1,15,65,445	59,97,602	36,12,763	22,10,500	
	VSAT											
	Owned	9,64,23,056	1,15,86,038	2,68,773	10,77,40,321	2,63,94,385	1,62,61,823	50,786	4,26,05,422	6,51,34,899	7,00,28,671	
	Taken under finance lease	38,69,902	-	-	38,69,902	23,11,011	7,73,980	-	30,84,991	7,84,911	15,58,891	
	E-Surveillance											
	Owned	5,07,87,603	1,98,800	2,23,677	5,07,62,726	1,60,80,051	72,11,817	65,326	2,32,26,542	2,75,36,184	3,47,07,552	
	Digital Video Recorder (DVR)											
	Owned	26,13,998	1,10,586	16	27,24,568	7,21,993	4,19,871	21	11,41,843	15,82,725	18,92,005	
	Furniture and Fixtures											
	Owned	38,95,434	34,300	13,053	39,16,681	24,51,184	5,88,490	-	30,39,674	8,77,007	14,44,250	
	Office Equipment											
	Owned	78,98,944	2,55,266	11,576	81,42,634	32,05,765	18,55,793	-	50,65,558	30,77,076	46,89,179	
	Computers											
	Owned	1,15,21,095	22,19,147	35,356	1,37,04,886	75,50,699	23,18,312	-	98,69,011	38,35,875	39,70,396	
	Total	3,30,00,23,974	24,75,09,433	50,28,81,260	3,04,46,52,147	1,53,89,57,986	42,90,97,669	46,02,56,588	1,50,77,99,067	1,53,68,53,080	1,76,10,65,988	
B	Intangible Assets											
	Computer software											
	Owned	7,19,33,520	1,01,99,309	-	8,21,32,829	3,77,89,399	2,16,51,250	-	5,94,40,649	2,26,92,180	3,41,44,121	
	Total	7,19,33,520	1,01,99,309	-	8,21,32,829	3,77,89,399	2,16,51,250	-	5,94,40,649	2,26,92,180	3,41,44,121	
	Grand Total	3,37,19,57,494	25,77,08,742	50,28,81,260	3,12,67,84,976	1,57,67,47,385	45,07,48,919	46,02,56,588	1,56,72,39,716	1,55,95,45,260	1,79,52,10,109	

- During the previous year, pursuant to the supplier reconciliation, the management had identified a difference of INR 1,256,471 between assets capitalized on provisional basis in the previous years and the assets actually installed. These differences have been included in Disposals and adjusted against the respective creditor balance. The depreciation for the same has been reversed.

- Gross block in respect of assets taken on finance lease includes INR 149,175,814 (previous year INR 166,576,533) for which the lease schedules have expired. Management has issued a letter of intent indicating its willingness to purchase these assets, and is in the process of negotiating the price at which these assets shall be acquired.

\* Additions in FY 2017-18 include assets acquired on slump sale basis from C-Edge; Automated Teller Machine INR 53,680,885; Site Interior & Other Merchandises INR 24,221,054; VSAT INR 5,542,295; Air Conditioner INR 4,983,019 (refer note 38).

## Notes forming part of Consolidated Financial Statements

**Note 20: Revenue from Operations**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Income from ATM Services (net of GST & Service tax)	3,06,81,09,822	2,19,42,91,420
Income from Prepaid Card Management Services	26,01,556	-
<b>Total</b>	<b>3,07,07,11,378</b>	<b>2,19,42,91,420</b>

**Note 21: Other Income**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Fixed Deposit	1,68,36,907	1,94,45,841
Interest on Income tax refund	34,00,946	52,15,955
Provision for Contingencies - Electricity written back (Refer Note 35)	2,73,12,000	-
Profit on Sale and Lease back	81,20,446	1,43,52,240
Net gain on Sale of current investment	97,02,347	7,50,33,075
Foreign Exchange Gain on Consolidation	-	1,77,004
Other Income	66,37,951	33,517
<b>Total</b>	<b>7,20,10,597</b>	<b>11,42,57,632</b>

**Note 22: Employee Benefits Expense**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Salary, wages & bonus	23,03,21,949	19,27,49,217
Contribution to Provident Fund (Refer Note 27(A))	92,97,817	80,48,604
Gratuity expense (Refer Note 27(B))	30,88,280	30,19,362
Expense on employee stock options (ESOP) scheme (Refer Note 34)	3,48,824	25,68,888
Staff welfare expenses	2,12,49,718	1,23,58,283
<b>Total</b>	<b>26,43,06,588</b>	<b>21,87,44,354</b>

**Note 23: Finance Costs**

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest on Borrowings	10,41,15,946	8,55,97,946
Interest on Finance Lease	2,80,54,261	4,62,09,655
Loan Processing Fees	41,85,042	94,00,000
Interest on delayed payment of taxes	10,79,917	12,40,422
<b>Total</b>	<b>13,74,35,166</b>	<b>14,24,48,023</b>
<b>Note 24: Operating Expenses</b>		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Annual Maintenance Charges	22,43,52,372	15,53,93,420
Caretaker Charges	7,48,11,565	5,65,19,522
Consumables Charges	5,03,68,009	2,35,16,896
Cash Replenishment Charges	71,37,02,749	47,32,18,573
Management Service Charges	1,63,87,983	7,357
Site Electricity	22,36,88,648	15,33,95,960
Site Housekeeping	5,31,23,883	4,37,14,564
Satellite (VSAT) Charges	4,37,09,466	3,84,28,039
Site Rent	36,66,28,214	29,21,68,255
Other Operating Charges	51,63,114	3,77,39,828
UPS charges	11,69,19,426	8,34,29,225
Insurance Premium	5,22,42,509	3,46,33,055
Repairs Charges - Sites	14,73,97,486	6,31,48,404
Shifting Charges -Sites	1,27,95,674	49,06,576
Royalty Fee	13,64,452	-
Sponsor Bank Charges	20,24,549	-
Software Management Charges	3,05,60,642	2,54,56,842
Franchise Fee	1,33,73,249	-
NPCI Charges	5,75,571	-
<b>Total</b>	<b>2,14,91,89,561</b>	<b>1,48,56,76,516</b>
<b>Note 25: Other General Expenses</b>		
Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Professional and Consultancy Charges	2,81,74,372	6,15,89,125
Rates and Taxes	25,85,300	1,77,90,170
Office and guest house rent Charges	2,44,56,018	2,34,27,854
Payments to the auditor (Refer Note 25(i) below)	86,94,425	83,40,527

Bank Charges and Commission	1,19,90,065	75,04,227
Insurance Charges	12,22,794	9,79,473
Office Electricity	16,55,545	20,00,598
Repairs and Maintenance	39,55,759	53,50,455
Telecom Expenses	28,55,453	36,67,883
Travelling and Conveyance Expenses	83,45,297	75,87,859
Business Promotion Expenses	36,03,859	67,04,016
Meeting Expenses	97,856	41,077
Membership and Registration Charges	13,64,371	17,61,271
Office Expenses	1,16,85,613	68,80,383
Postage and Courier	6,79,539	6,13,147
Printing and Stationery	20,67,059	24,78,603
Motor Car Expenses	4,43,247	4,21,739
Loss on Theft/Damage/Write-off of Fixed Assets	3,10,87,612	2,27,17,317
Provision for doubtful debts	13,59,210	96,95,667
Bad Debts written off	1,50,79,722	92,17,937
Insurance claim written off	34,67,330	85,62,865
Provision for Contingencies - Electricity and PF (Refer Note 35)	3,33,725	2,40,98,839
Car Lease Rentals (Refer Note 30(ii))	66,44,672	41,89,385
Miscellaneous Expenses	35,62,213	37,91,683
Interest on MSME	47,20,951	11,14,995
Foreign exchange loss on consolidation	19,92,387	-
<b>Total</b>	<b>18,21,24,393</b>	<b>24,05,27,095</b>
<b>Note 25(i) Payments to the auditor comprise</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
(a) To Statutory Auditor		
For Audit	39,01,383	34,00,000
For Other Services	-	-
- Direct Tax	14,08,197	10,06,163
- Indirect Tax	28,80,350	39,34,364
- Consultancy charges	4,53,500	-
Reimbursement of expenses	50,995	-
<b>Total</b>	<b>86,94,425</b>	<b>83,40,527</b>

<b>Note 25(ii) Amount Paid in Foreign Currency</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Amount spent in foreign currency	10,50,478	6,10,752
<b>Total</b>	<b>10,50,478</b>	<b>6,10,752</b>
<b>Note 26: Contingent Liabilities and Commitments (to the extent not provided for):</b>		
<b>(a) Contingent liabilities</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<u>Claims against the Company not acknowledged as debt</u>		-
Service Tax	4,68,49,482	2,85,36,936
Other	5,38,68,153	5,38,68,153
<p>Future cash outflows in respect of the above matter is determinable only on receipt of judgments / decisions pending at various forums / authorities.</p> <p>Other: The Company entered into a service agreement with a vendor (the Vendor) in March 2013. During 2015, the Vendor started defaulting in their service obligations to the Company. The Company realized that the Vendor had committed criminal acts, which resulted in a financial loss to the Company, and accordingly filed various criminal complaints across the state of Maharashtra. Apprehending actions against the criminal complaints, the Vendor invoked arbitration as per the terms of the service agreement. The Vendor has however not filed a statement of claim with the arbitrator till date. The Company has existing claims against the Vendor in excess of the claim made by the Vendor and the Company does not foresee any unfavourable outcome under the arbitration and does not expect any liability. Hence the Company has not made any provision for the claim from the Vendor which aggregates to the amount mentioned above.</p>		
<b>(b) Commitments</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Estimated amount of contracts remaining to be executed on capital account and not accounted for	60,93,900	18,16,100
<b>Note 27: Employee Benefits</b>		
<b>(A) Defined Contribution Plan</b>		
<p>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.</p>		

The Company recognised INR 7,763,934/- (previous year INR 7,306,013/-) for Provident Fund contributions in the Statement of Profit and Loss. The Supreme Court in its order dated 28th February 2019 held that allowances paid by employers to its employees will be included in the scope of 'basic wages' and hence be subject to Provident Fund contributions. As per opinion obtained from PF consultant, the above mentioned order will not have retrospective impact. Hence the provision has been made based on the amount due for the month of March 2019. Accordingly, an amount of INR 333,725 was provided for, which forms part of the 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	For the year ended 31st March, 2019	For the year ended 31st March, 2018
<b>I. Actuarial assumptions:</b>		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	7.79 % p.a.	7.83 % p.a.
Attrition Rate	2.5% p.a. for all service groups	2.5% p.a. for all service groups
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<p>* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.</p> <p>** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.</p> <p>*** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations</p>		

<b>II. Table showing change in Benefit Obligation:</b>		
Liability at the beginning of the year	1,21,34,668	94,50,952
Interest cost	9,50,145	6,93,700
Current service cost	32,79,598	31,30,972
Past service cost (vested benefits)	-	14,23,815
Benefits paid	(24,10,450)	(3,35,646)
Actuarial (gain)/ loss on obligation	(11,41,463)	(22,29,125)
<b>Liability at the end of the year</b>	<b>1,28,12,498</b>	<b>1,21,34,668</b>
<b>III. Fair value of Plan Assets:</b>	-	-
<b>IV. Actual return on Plan Assets:</b>	-	-
<b>V. Amount Recognised in the Balance Sheet</b>		
Present value of benefit obligation	(1,28,12,498)	(1,21,34,668)
<b>Net asset/ (liability) recognised in the balance sheet</b>	<b>(1,28,12,498)</b>	<b>(1,21,34,668)</b>
<b>VI. Percentage of each category of Plan assets to total fair value of Plan Assets</b>	Not Applicable	Not Applicable
<b>VII. Expenses recognized in the Statement of Profit &amp; Loss:</b>		
Current service cost	32,79,598	31,30,972
Interest cost	9,50,145	6,93,700
Actuarial (gains)/losses	(11,41,463)	(22,29,125)
Past service cost (vested benefits) recognised during the period	-	14,23,815
<b>Expenses recognized in Statement of Profit and Loss</b>	<b>30,88,280</b>	<b>30,19,362</b>
<b>VIII. Balance Sheet Reconciliation</b>		
Opening net liability	1,21,34,668	94,50,952
Benefits paid	(24,10,450)	(3,35,646)
Expense as above	30,88,280	30,19,362
<b>Net Liability / (Asset) recognised in Balance Sheet</b>	<b>1,28,12,498</b>	<b>1,21,34,668</b>
Short term liability	2,38,019	2,28,308
Long term liability	1,25,74,479	1,19,06,360
<b>Net Liability / (Asset) recognised in Balance Sheet</b>	<b>1,28,12,498</b>	<b>1,21,34,668</b>

**Note 28: Segmental Reporting**

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

<b>Note 29: Related party transactions</b>		
<b>1. Details of related parties:</b>		
<b>Description of relationship</b>	<b>Names of related parties</b>	
(ii) Wholly Owned Subsidiary	Electronic Payment Australia PTY Ltd (w.e.f. 23rd September 2017)	
	EPS ATM Services Private Limited (until 31st March 2016) (refer Note 38)	
<u>(iii) Key Managerial Personnel (KMP) &amp; their relatives</u>		
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	
<b>2. Details of related party transactions during the year ended 31st March, 2019 and outstanding balances as at 31st March, 2019:</b>		
<b>Particulars</b>	<b>KMP &amp; their relatives / Directors / Independent Director</b>	
<b>Receiving of Services</b>	-	
Remuneration paid	2,10,36,873	
	(1,87,75,236)	
Perquisites Paid	14,15,322	
	(13,29,996)	
	-	
<b>Balance outstanding at the end of the year</b>	-	
Loans & Advances	9,09,325	
	(7,95,417)	
Notes:		
1. Payment to KMP does not include reimbursement of expenses.		
2. Figures in bracket are for the previous year.		
<b>Note 30: Details of leasing arrangements</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>As Lessee</b>		
<b>(i): Finance Lease Obligations</b>		

<p>The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end of the lease period. In certain finance lease, the title/ownership shall not be transferred at end of the lease term.</p> <p>The lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and condition.</p>		
<p><b>Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:</b></p>		
<p><b>Future minimum lease payments</b></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> <p>later than five years</p> <p>Unmatured finance charges</p>	<p>11,22,37,044</p> <p>10,64,61,180</p> <p>-</p> <p>(3,27,46,753)</p>	<p>14,61,65,000</p> <p>5,80,56,278</p> <p>-</p> <p>(2,13,77,765)</p>
	<p><b>18,59,51,471</b></p>	<p><b>18,28,43,513</b></p>
<p><b>Present value of minimum lease payments payable</b></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> <p>later than five years</p>	<p>9,56,19,664</p> <p>9,03,31,807</p> <p>-</p>	<p>12,94,30,645</p> <p>5,34,12,868</p> <p>-</p>
	<p><b>18,59,51,471</b></p>	<p><b>18,28,43,513</b></p>
<p><b>(ii): Operating Lease Obligations</b></p> <p>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.</p> <p>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 agreement of the parties.</p>		
<p><b>Future minimum lease payments</b></p> <p>not later than one year</p> <p>later than one year and not later than five years</p> <p>later than five years</p>	<p>2,42,44,584</p> <p>5,96,17,500</p> <p>-</p>	<p>2,43,15,013</p> <p>3,96,58,861</p> <p>-</p>

<b>Lease payments recognised in the Statement of Profit and Loss</b>	<b>8,38,62,084</b>	<b>6,39,73,874</b>
- Office Rentals	1,91,10,282	1,47,82,860
- Car Rentals	66,44,672	41,89,385
<b>Note 31: Earnings per share</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
Net (Loss) after tax for the year	(4,50,82,637)	(26,22,69,226)
Net (Loss) after tax for the year for computation of Earnings per share	(4,50,82,637)	(26,22,69,226)
Weighted average number of equity shares	6,99,788	6,99,788
Par value per share	10	10
Loss per share from continuing operations - Basic & Diluted	(64)	(375)
<b>Note:</b> The effect of conversion of CCPS and exercise of ESOP option is anti-dilutive.		
<b>Note 32: Deferred Tax</b>		
<b>Particulars</b>	<b>For the year ended 31st March, 2019</b>	<b>For the year ended 31st March, 2018</b>
<b>Deferred Tax Liability</b>		
Expenses Allowed Under Income Tax Act	48,32,588	1,03,715
Depreciation on Fixed Assets	12,76,18,262	-
<b>Total (A)</b>	<b>13,24,50,850</b>	<b>1,03,715</b>
<b>Deferred Tax Asset</b>		
Expenses Disallowed Under Income Tax Act	32,07,673	67,92,604
Depreciation on Fixed Assets	5,27,61,296	2,28,06,728
Finance Leased Assets	-	44,38,172
Carried forward Losses	16,29,98,252	12,81,11,451
<b>Total (B)</b>	<b>21,89,67,221</b>	<b>16,21,48,955</b>
<b>Net Deferred Tax Asset / (Liability)</b>	<b>8,65,16,371</b>	<b>16,20,45,240</b>
The Group 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.		
<b>Note 33: Derivative Instrument and unhedged foreign currency exposures</b>		

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

**Note 34: Employee Stock Option Scheme**

In the Extra Ordinary general meeting held on 12th August, 2014, the Shareholders 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, 2019, equity options aggregating to 17,563 (previous year 17,300) have vested to the eligible employees and 262 (previous year 525) equity options have not been vested. The remaining 925 equity options have not been granted as of 31st March 2019. Out of the equity options vested, 16,650 equity options which vested on 4th September 2015 are eligible for exercise till 4th September 2020; 650 equity options which vested on 13th January 2018 are eligible for exercise till 13th January 2023; 263 equity options which vested on 13th February 2019 are eligible for exercise till 13th February 2024.

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, 2019	
	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year:	650	10
Granted during the year:	-	-
Vested during the year:	263	10
Exercised during the year:	-	-
Forfeited during the year:	125	10
Options outstanding at the end of the year:	262	10
Options available for grant:	925	10
Exercisable options at the end of the year	17,563	10
Weighted average remaining contractual life for options is 10.5 months outstanding as at 31 March, 2019.		
Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2018	

	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year:	1,300	10
Granted during the year:	-	-
Vested during the year:	650	10
Exercised during the year:	-	-
Forfeited during the year:	-	-
Options outstanding at the end of the year:	650	10
Options available for grant:	800	10
Exercisable options at the end of the year	17,300	10

Weighted average remaining contractual life for options is 16.5 months outstanding as at 31 March, 2018.

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 35: Provision for Contingencies

The Company carries a Provision for Contingencies towards loss on account of cash theft 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, 2019	For the year ended 31st March, 2018
Provision for cash loss		
Opening balance	4,75,10,200	4,75,10,200
Addition during the year: Provision for cash loss	(4,75,10,200)	-
Closing balance (A)	-	4,75,10,200
Provision for electricity		
Opening balance	9,76,48,692	7,35,49,853
Addition during the year: Provision for electricity	(2,73,12,000)	2,40,98,839
Closing balance (B)	7,03,36,692	9,76,48,692

Provision for PF as per the Supreme Court order dated 28th February 2019		
Opening balance	-	-
Addition / (Deductions) during the year	3,33,725	-
Closing balance (C)	3,33,725	-
<b>Closing Balance (A+B+C)</b>	<b>7,06,70,417</b>	<b>14,51,58,892</b>

**Note 36:** The Company does not meet the threshold criteria established under section 135 of the Act 2013 for CSR activities and accordingly, no CSR activities have been undertaken by the Company during the current and previous year.

**Note 37: Note on SBI Total Outsourcing Model ('SBI TOM') portfolio acquisition (from C-Edge)**

During the previous year, through a Business Transfer Agreement dated 1st August 2017 between the Company and C-Edge Technologies Limited ('C-Edge'), the Company has acquired the C-Edge's ATM Business Undertaking for deployment of ATMs for State Bank of India (SBI) on total outsourcing model (TOM), as a going concern on a slump sale basis. The terms and conditions of the business transfer has been confirmed by Adoption and Confirmation Agreement dated 15th September 2017 between EPS, SBI and C-Edge. As per this agreement, EPS has adopted and accepted the initial agreement between C-Edge and SBI as a binding document and that the business transfer date is recorded at 15th September 2017. Further, the term as set out in the confirmation agreement is for a period of about 3 years i.e. from 15th September 2017 to 31st July 2020 and the Bank may, at its discretion, renew it for a period of three years.

The Company has paid a lump sum consideration amounting to INR 74,999,999 in respect of the business transfer. The consideration has been apportioned to various items of assets on the basis of their respective fair values at the date of acquisition as determined by an independent valuer. The resultant difference of INR 13,377,254 between the purchase consideration and asset value has been credited to the Capital Reserve.

**Note 38: Note on merger of EPS ATM**

During the previous year, the Scheme of Amalgamation (the "Scheme") amongst Electronic Payment and Services Private Limited ('EPS') and EPS ATM Services Private Limited ('EPS ATM') was approved by the National Company Law Tribunal ('NCLT') at Mumbai Bench vide its order no. Order CSP No. 540 of 2017 in CSA No. 230 of 2017, delivered on 30th November 2017, the scheme came into effect from its appointed date i.e. 1st April, 2016 and was operationalised on 19th February, 2018.

EPS ATM Services Private Limited ('EPS ATM') was incorporated with an objective of executing the contracts for the deployment of ATMs on an outsourcing model for 26 Public sector Banks in the state of Maharashtra. EPS ATM became the wholly owned subsidiary of EPS on 31st December 2015.

In accordance with Scheme:

- EPS ATM stands dissolved without winding up with effect from the appointed date 1st April 2016.
- All assets, liabilities and reserves & surplus have been deemed to be transferred to EPS with effect from 1st April 2016
- EPS ATM being the wholly owned subsidiary of EPS, accordingly no shares were issued and allotted by EPS for the purpose of amalgamation.

The amalgamation has been accounted under the “Pooling of Interests” method as envisaged in Accounting Standards (AS) – 14 on Accounting for Amalgamation specified in Companies (Accounting Standard) Rules 2006, whereby:

1. In accordance with the Scheme, the assets, liabilities and reserves of EPS ATM have been recorded at their book values. Further, equity share capital and investments in the equity shares of EPS ATM has been eliminated and resultant balance amount of INR 290,988,153, has been set off and deducted from the securities premium account of EPS as the order of the NCLT approving the Scheme, as legally advised, has been deemed to be the order under Section 66(3) of the Companies Act, 2013 confirming reduction as an integral part of the Scheme.
2. The accumulated profits of EPS ATM upto the appointed date and from 1st April 2016 to 31st March 2017 of INR 5,535,449 have been transferred to the Surplus in Profit and Loss of the Company under Reserves and Surplus. The operations of EPS ATM during the year have been accounted for in the current year’s Statement of Profit and Loss of the Company.
3. In terms of the Scheme inter-company balances (payables, receivables, loans, advances, etc) between EPS ATM and EPS (after giving effect of amalgamation) as at appointed date have been cancelled.

**ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED**  
Notes to the Consolidated Financial Statements

**Note 39: 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 2019		Net assets, i.e., total assets minus total liabilities as on 31st March 2018*		Share of profit or loss as on 31st March 2019		Share of profit or loss as on 31st March 2018*	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
<b>Parent</b>								
Electronic Payment and Services Private Limited	100.94%	1,58,07,48,877	99.96%	1,61,00,89,549	65.86%	(2,96,89,496)	100.13%	(26,26,21,972)
<b>Subsidiary</b>								
<b>Australian</b>								
Electronic Payment Australia PTY Ltd	-0.94%	(1,46,69,676)	0.04%	7,23,465	34.14%	(1,53,93,141)	-0.13%	3,52,746
<b>Total</b>	<b>100.00%</b>	<b>1,56,60,79,201</b>	<b>100.00%</b>	<b>1,61,08,13,014</b>	<b>100.00%</b>	<b>(4,50,82,637)</b>	<b>100.00%</b>	<b>(26,22,69,226)</b>

\* Previous year amounts include the Net Assets and Share of Profit or Loss of EPS ATM Services Private Limited which has been amalgamated with the Parent pursuant to the Scheme of Amalgamation (refer Note 38)

**Note 40: 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 : 5th August 2019

Place : Mumbai

**Mani Mamallan**

Chairman & Managing Director

DIN: 03584512

Date : 5th August 2019

Place : Mumbai

**Pooja Panvelkar**

Company Secretary

Date : 5th August 2019

Place : Mumbai

**Sudhanshu Soman**

Chief Financial Officer

Date : 5th August 2019

Place : Mumbai



**ELECTRONIC PAYMENT AND SERVICES (P) LTD™**  
*A payment system company*

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