

ANNUAL REPORT

2016 - 17

**BUILDING A STABLE FUTURE THROUGH
SUSTAINED RECOVERY AND REFORM**



ELECTRONIC PAYMENT AND SERVICES (P) LTD™

A payment system company

Unit No 302-303, A Wing, Supreme Business Park,
Supreme City, Hiranandani Garden, Behind Lake Castle & Avalon , Powai , Mumbai - 400076
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EPS™

A payment system company

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MESSAGE FROM THE CHAIRMAN AND MANAGING DIRECTOR



Dear Stakeholders,

Over the past financial year, there has been a plethora of developments on the domestic and global financial landscape, out of which the two major ones were U.S. Presidential elections and the Brexit vote which was a make-over in the financial and diplomatic relations between the U.K and European Union. The U.S economy surged a growth curve during the last quarter of 2016, with a GDP growth of more than 3% which, however, nosedived to 0.7% on an annualized basis during Q3. The unemployment rate declined to 4.5% and prompted a 25-bps rate hike by the U.S. Federal Reserve. With EU nudging along into a positive growth territory, Japan continues to be in deflation zone and China's growth trajectory to benchmark between 6.5-7%.

Retaining the tag of the fastest growing economy in the world, India is expected to post a growth rate of more than 7% on the domestic front. Macroeconomic parameters are on a sound footing with FDI inflows at a record \$43 billion, Current Account Deficit is just a shade below 1.5% and fiscal deficit is contained at 3.5% of GDP. CPI inflation is below 3% and may even reach 2% due to sliding oil prices. With the advent of demonetisation, withdrawal of legal tender status of currency notes of denominations of 500 and 1,000 and the introduction of new 500 and 2,000 currency notes, it has been a tumultuous journey. The team at EPS rose to the challenge and once again demonstrated its outstanding capability to handle a complex logistical exercise in a short timeframe, while allaying customer anxieties and simultaneously focusing on regulatory compliance. The average value of currency dropped 71% by December 2016 from the previous month along with frequency of ATM cash loading, by leaving banks to focus on replenishing fewer ATMs while WLAs going dry. This also impacted many OEM, cash logistics and payment companies across the nation. In addition, to the 2,20,000 ATM machines going low on cash, the scenario was also affected because of the changes in size and thickness of the new notes, and the recalibration of the cassettes each ATM had to undergo, to properly dispense cash. After normalising for a while in the January-March quarter, cash-handling activity has declined by at least 12-15%. Only in the upcoming months, we can expect ATM transactions to ease out by bringing more of ATM transactions.

The digital transactions were showing mixed trends, as cashless payments took a higher leverage and positioned them

superior to cash, gaining more momentum higher than pre-demonetisation months. The billion-dollar question, is whether that's enough to meet the government's lofty goal of 25 billion digital payments by 2018, with less than a third of the total targeted transactions via digital modes. India has almost half-a-dozen methods for cashless payments, yet users can't leave home without cash. Demonetisation accelerated a shift to digital payments, but will take lot more time to become the prime payment option. By then perhaps there will be a consolidation in payment options as well as seen in South Korea and China, the QR code is popular, with Japan being more in the near field communication. The US, Australia and Singapore have no equivalent of UPI or QR code, but tap-and-pay option are popular. The future is more towards NFC and that is expected to be way in the future worldwide.

The year is also gearing up to witness a newly formed reform on GST, which is the most significant tax reform since independence for what is now Asia's third largest economy. It will be far simpler than the current system, where a good is taxed multiple times and at different rates in different states. It subsumes the messy plethora of indirect taxes, duties, surcharges and cesses into a single tax, thus making the movement of goods cheaper and seamless across the country.

It gives me great pleasure to share with you an update on the overall performance of your Company in 2016-17. Brand, talent and culture remain our key assets to deliver sustainable business and earnings growth, thereby creating long-term value for our eco-system. The year under review was impacted by the nation-wide movement of demonetisation of currency notes and other macro-environment headwinds. We were able to achieve a sustainable performance as a result of an effective category choice making framework and the strategic building blocks we have put in place - strengthening the core, creating the portfolio of the future, managing costs, and investing in people and process capability ahead of the growth curve. We crossed the 1000 ATMs benchmark for the Canara Bank project, adding to the gross 6000 figure, making new enroutes into the co-operative banking sector and successfully rolled out the Dena Bank project. We also launched the ATM industry report and our own casebook in support of our entire eco-system. By introducing standard operating procedure to integrate internal process and comply to industry best practice, and streamlining inter-department workflow through SharePoint to increase availability of crucial & important info in a timely manner, EPS gained more visibility of key processes, making our operations more efficient and process driven. This year also saw several industry accolades from ATMIA, the International ATM industry consortium, news coverage from global media publications, and visibility at the national level conferences and symposiums. I believe, these will continue to hold us in good stead in the long run. We will strive to build new vectors of growth while building strong moats around our core.

Lastly, I take this opportunity to express my sincere gratitude to our shareholders, The Board, Management, dedicated members, esteemed customers, suppliers, bankers and investors, for their unrelenting dedication, support and commitment to EPS.

Yours sincerely,

Mani Mamallan
Chairman and Managing Director
Mumbai

EXECUTIVE TEAM

Board of Directors

Mr. Mani Mamallan
Chairman & Managing Director

Mr. Sanjay Kapoor
Director

Mr. Vineet Rai
Nominee Director

Mr. Noshir Colah
Nominee Director

Mr. Udayan Goyal
Nominee Director

Promoters

Mrs. Vidya Rani Mani Mamallan

Mr. Sanjay Kapoor

Dr. Gurusamy

Chief Operating Officer

Mr. Harish Prabhu

Chief Financial Officer

Mr. Farroukh Kolah

INSIDE STORY

Looking back at 2015-16, EPS managed to retain the confidence of lenders and financial market participants to fund its expansion plans. Indusind Bank was on-boarded for funding the Dena Bank project with a INR 25 crore facility. Existing relationships with Kotak Mahindra Bank were leveraged by the able Finance & Accounts team at EPS, for additional non-funded facilities. Credit rating of the company was retained at BBB by ICRA. Majority stake in CISB ATM Services (P) Limited was acquired by the Company on 31 December 2015 making it a wholly owned subsidiary. Since then the entity was rechristened as EPS ATM Services (P) Ltd (EPS ATM). The company is in the process of merging EPS ATM with itself and has jointly applied to the National Company Law Tribunal (NCLT) to this effect. This matter is pending final hearing and final disposal. EPS continues to maintain a judicious capital structure and diverse lender base to fund ongoing expansion towards its journey of profitable growth. The Finance and Accounts Department at EPS functions as the central nervous system to the business in providing stability and growth towards business strategy, plans and funding.

In November 2016, Demonetisation came as a bane for the ATM industry, where many payment service provider, cash logistic companies and payment aggregators suffered huge blow. Around 15 trillion worth of Rs 500 and Rs 1,000 currency notes were withdrawn which were nearly 86% of the total currency notes in circulation. This affected many players and service providers in the ATM business. At EPS, the Banking Relations team worked tirelessly and seamlessly in sending communication to various CMD of PSB Banks, IBA, Ministry of Finance and PMO for resolving the grievance on reimbursement of costs incurred by the company under the BLA OPEX model, month on month that was well within the sanctity of the contract signed with Banks, being a legitimate and a transparent appeal, within contractual obligation thereby restoring sanctity of the agreement signed with the Service Provider. The clauses stated under section of Compensation / Credit states-The Vendor will be given compensation / credit in the event of:

- a) Switch downtime of beyond 1 hour per month
- b) Network connectivity downtime for On-site CDs beyond 1 hour per month and
- c) Core Banking Solution Host outages of beyond 1 hour per month
- d) Any other cause attributable to the Bank and Bank's infrastructure

The Compensation / credit was to be calculated pro rata basis on the no. of daily average transactions of previous month for which invoice is raised by the Vendor. Reimbursement of Costs for INR 25,000 Per Month Per ATM (As per Minimum Guarantee mentioned in the MoF SLA Contract with Banks) or reimbursement of Costs for INR 22,000 Per Month Per ATM, were the two options proposed by EPS.

EPS received response only from IBA, to approach individual Banks, for availing minimum guarantee, based on terms of Agreement, as decided by Boards of Banks.

The Operations & Tech team at EPS holds dedication and determination to set real customer expectation to fulfill admirable end- user experience. FY 2016-17 saw EPS crossing the 6000 mark for ATM rollout. The continued focus on TIP (Transaction Improvement Plan) ensured EPS ATMs recording higher transactions per day (138) than the all-India industry average (110) thereby improving revenue and reducing cost of operations. Although, demonetization in the month of November affected our operations adversely (as it did to the entire ATM industry), EPS nevertheless recorded a YoY transaction growth of nearly 11% from 170.06 mn in 2015-16 to 199.03 mn.

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

During FY 2016-2017, EPS transitioned to the standard ISO 9001:2015 Quality Management Systems Certificate which was carried out by the Analytics & Risk Governance team at EPS. And has been successfully certified for The Payment Card Industry Data Security Standard (PCI DSS). Continuing the journey of governance, EPS is pursuing ISO 27001:2013 Information Security Management certifications in near future. To move a step ahead in terms of visibility and efficiency we will be rolling out automated systems to track & report the Internal Audit & Control Measurements.

For this year, we have complied with all the relevant provisions of the legislations covered above & as applicable from time to time. All the teams within the organisations, handling specialised functionalities, support for the compliance of the relevant regulations by providing timely information and extending connectivity. 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

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. All spheres that are susceptible to risk within EPS have been insured by adopting insurance policies periodically. The organisation is well protected through insurance policies encompassing various aspects for instance, business assets, staff and operating environment property, cash in ATM, cyber risks, Group Mediclaim term life, professional indemnity, Directors & Office liability and Keyman insurance policy.

With an employee average turnover being capped at 1.02% and the ratio of women: men employees being slabbed at 1:5, the HR policies had been being looked at with a bigger picture in mind along with implementation of various processes and guidelines. An exclusive communication platform has been created for female employees in the organization thereby sensitizing them and educating them about the pro-active precautionary measures that can prove handy and helpful at times of distress on a regular basis. Happiness at work is the work motto of the Human Resources & Administration team at EPS, and the team has been successful in creating excitement about upcoming opportunities. Fun @Work, is the real-time truth at EPS, and this flavour enhances employee morale and participation in various team building activities.

Learning and Development programs have been designed and executed, ensuring tangible value addition to all the employees. The execution of these programs was possible with the support of the internal faculty as well as external coaches on topics like ATM hardware training, Advanced Excel, Personal effectiveness, Effective managerial skills, Financial Modelling etc. The team has brought together employees from diverse functions together to organize employee engagement activities and motivate participation forming a special committee "Utsav", wherein this committee is empowered to design employee engagement activities and execute them seamlessly. When it comes to catering to the society, EPS successfully extended support to various CSR initiatives throughout.

As we take a step forward EPS feels gratified of the support it has extended for the corporate image and brand identity influencing consumers to be associated with the organisation and build on trust which conspires into a lifelong relationship. With setting the strategic vision and fostering goodwill as a corporate citizen and establishing sound competitive advantage alongside, the organisation has been successful in creating positive media relations to provide news worthy accomplishments in the entire eco-system. From educating to persuasion the Marketing Communications & Public Relations team at EPS has been the voice of the company through values and industry ethics and compliance.

The previous year had been a year of achievements, awards and recognition for our stellar working methodologies and unique innovative practices. Founder, Mr. Mani Mamallan was awarded as the 'ATM Industry Champion' from India by the global ATM industry association(ATMIA). He was also featured among Top 35 FinTech Entrepreneurs by The Smart CEO Magazine in February 2017. EPS ranked 10th among the 13 Biggest funded stars of India by YourStory magazine. The company bagged its first International award as the Fastest Growing Indian Company Excellence Award for Outstanding Achievements on Global Business Opportunities at the 8th International Achievers Summit 2016 in Bangkok, Thailand. In the domestic front, the company won several accolades as Best ATM Managed Service Provider in the Smart Money Awards, Most promising Payment Solutions Provider by ERP Insights magazine, followed by 25 Fastest Start-up companies in India by the CEO magazine.

With several prestigious titles and accolades, thereby setting milestones and benchmarks, we look forward to creating more ground-breaking crusades in fulfilling corporate marketing strategies and establish a promising name in the Indian ATM industry.

AUDITORS & COMPANY SECRETARY

Company Secretary:

Ms. Pooja Panvelkar

Subsidiary

EPS ATM Services Pvt. Ltd

Statutory Auditor:

Deloitte Haskins & Sells LLP

Internal Auditor:

Pricewaterhousecoopers Pvt. Ltd.

Statutory Auditor:

Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants, who are the Statutory Auditors of the Company, hold office till the conclusion of the forthcoming AGM and are eligible for re-appointment. Pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules framed thereunder, it is proposed to appoint DHS LLP as statutory auditors of the Company from the conclusion of the forthcoming AGM till the conclusion of the next AGM to be held in the year 2018, subject to ratification of their appointment at every AGM.

Internal Auditor:

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

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

BANKERS & FINANCIAL INSTITUTIONS

I) Banks:

1) Kotak Mahindra Bank Ltd.

Address:

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

2) Bank of India

Address:

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

3) Indusind Bank Ltd

Address:

11th Floor, Tower 1, OneIndiaBulls Centre, 841, Sentapati Bapat Marg, Elphinstone Road West, Mumbai 400013

II) From Other Parties:

1) Tata Capital Financial Services Private Limited

Address:

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

2) Rent Alpha Private Limited

Address:

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

3) RentAsset Initiatives Private Limited

Address:

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

4) Siemens Financial Services Private Limited

Address:

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

5) Rentworks India Private Limited

Address:

104-106, Kailash Bussiness Park, 1st Floor, Parksite, Vikhroli, Mumbai - 400 079



INVESTORS



Aavishkaar Venture Management Services

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

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

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

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

Aavishkaar I

Aavishkaar II

Aavishkaar Goodwill I

Aavishkaar Goodwill II

INVESTORS



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Aavishkaar I

Aavishkaar II

Aavishkaar Goodwill I

Aavishkaar Goodwill II



APIS Growth 3 Ltd.

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

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

GOVERNANCE REPORT

Introduction

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

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

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

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

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

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

(I) Union Legislature:

1. Reserve Bank of India Act, 1934
2. The Companies Act, 2013, along with the applicable provisions of erstwhile Companies Act, 1956
- ANNUAL REPORT 2015-16
4. Finance Act, 1994 (Applicable Chapters)
5. Foreign Exchange and Management Act, 1999
6. Central Sales Act, 1956
7. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
8. Food and Safety Standards Act, 2006

(II) State Legislature

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

(III) Labour Laws

1. Employees Provident Funds Scheme, 1952
2. Contract Labour (Regulation and Abolition Act, 1970
3. Payment of Gratuity Act, 1972
4. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

5. Profession Tax Act, 1975

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

EPS Control Environment is governed by a 3 layered defence mechanism.

1. Statutory Compliances: An automated tool, "EPSafe" has been introduced to track, monitor & report statutory compliances.
2. Assurance – ICFR & Operational controls: 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.



DIRECTORS' REPORT

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

Your Directors have pleasure in presenting the 6th Annual Report together with the Audited Standalone and Consolidated Statement of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

Particulars	Year Ended on 31 Mar 2017 (Standalone)	Year Ended on 31 Mar 2016 (Standalone)
Income	1,922,458,730	1,713,707,072
Expenditure	1,693,682,314	1,519,519,730
Profit / Loss before Depreciation	228,776,416	194,187,342
Less: Depreciation	401,813,675	349,953,653
Loss before Prior Period Items & Taxes	(173,037,259)	(155,766,311)
Profit / Loss Exception / Prior Period Items	921,949	0
Less: Provisions for Taxation	2,277,596	0
Less: Provision for Deferred Tax Liability	0	0
Profit & Loss from Discontinuing Operations	0	0
Profit / Loss After Tax	(174,392,906)	(155,766,311)

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

During the Year Company recorded a total income of Rs. 1,922,458,730/- as compared to Rs. 1,713,707,072/- in the previous financial year. The Company has incurred a net Loss of Rs. 174,392,906/- during the year as compared to Loss amounting to Rs. 155,766,311/- 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 2016-17.

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

DISCLOSURE

Since the Consolidated Financials for FY 2016-17 were under the finalization stage, it was not put before the Board for approval in the Board Meeting held on 29th August 2017 wherein Standalone Financials along with Directors' Report were approved. Considering this, a 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 29th August 2017 which is enclosed herewith as "Annexure - I".

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

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

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : MUMBAI
DATE : 04 / 09 / 2017

ANNEXURE- I

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

Your Directors have pleasure in presenting the 6th Annual Report together with the Audited Standalone of Accounts for the year ended 31st March, 2017.

FINANCIAL RESULTS:

Particulars	Year Ended on 31st March 2017	Year Ended on 31 Mar 2016
Income	1,906,320,332	1,713,707,072
Expenditure	1,684,914,776	1,519,519,730
Profit / Loss before Depreciation	221,405,556	194,187,342
Less: Depreciation	401,813,675	349,953,653
Loss before Prior Period Items & Taxes	(180,408,119)	(155,766,311)
Profit / Loss Exception / Prior Period Items	921,949	-
Less: Provisions for Taxation	-	-
Less: Provision for Deferred Tax Liability	-	-
Profit & Loss from Discontinuing Operations	-	-
Profit / Loss After Tax	(179,486,170)	(155,766,310)

REVIEW OF THE BUSINESS OPERATIONS:

During the Year Company recorded a total income of Rs. 1,906,320,332/- as compared to Rs. 1,713,707,072/- in the previous financial year. The Company has incurred a net Loss of Rs. 179,486,170/- during the year as compared to Loss amounting to Rs. 155,766,310/- during previous financial year.

DIVIDEND:

In a view of the accumulated loss, the Board does not recommend any dividend during the years 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 'Company') is an ATM operations company founded to provide ATM operations services to Banks. Further, EPS provide an integrated solution which includes the supply and installation of Automated Teller Machines (ATMs) in all developed areas as well as supporting such business initiatives in more remote areas. EPS is incorporated on 29th September, 2011 and commenced its business from June, 2012.

CORPORATE SOCIAL RESPONSIBILITY

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

DIRECTORS' RESPONSIBILITY STATEMENT :

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

- 1) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure;
- 2) That the Directors have selected accounting policies and applied consistently and the directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company as at March 31st, 2017 and of the profit of the Company for the year ended on that date;
- 3) That the Director had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- 4) That the Director had prepared annual accounts on a going concern basis.
- 5) They have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

There was no loan given during the year under review. Further, The Company has not made any investment covered under the provisions of Section 186 of the Companies Act, 2013 during the year under review

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 STATEMENTS RELATE AND THE DATE OF THE REPORT

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

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

The information pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988, with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the "Annexure A" enclosed.

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

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

NOTING OF PROPOSED MERGER BETWEEN M/s EPS ATM SERVICES PRIVATE LIMITED & THE COMPANY

The Company has filed application for Amalgamation with its Wholly-Owned Subsidiary Company M/s EPS ATM Services Private Limited on 27th February, 2017 as per the provisions of Section 230 to 232 of the Companies Act, 2013 and pursuant to this, the National Company Law Tribunal (NCLT) had passed an Order dated 22nd March, 2017 directing the Company to conduct Shareholders' Meeting of the Company to seek their approval for Scheme of Amalgamation. Post obtaining approvals from all the shareholders of the Company in the shareholders' meeting held on 10th May 2015, Second petition was filed with NCLT and it was admitted by NCLT on 21st June, 2017 and the matter is pending final hearing and disposal.

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

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

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

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

EXTRACT OF ANNUAL RETURN

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

DETAILS OF SUBSIDIARY COMPANY

As on March 31, 2017, the Company has a Wholly Owned Subsidiary i.e EPS ATM SERVICES PRIVATE LIMITED (Formerly known as CISB ATM SERVICES (P) LIMITED).

Details of the said Subsidiary are given in the Annexure C "AOC-1"

SHARE CAPITAL

Brief details of the Share Capital are given under the Note No. 3 to the Financial Statement of the Company. Further, the Company has allotted equity shares upon conversion of the Compulsory Convertible Preference Shares as on 27th March, 2017. Details of the same are captured in the below given table;

Series B - Compulsory Convertible Preference Shares

Sr. No.	Name of the Shareholder	Number of Shares Converted to Equity	Number of Equity shares allotted upon conversion Shares (Conversion Ratio 1:1)
1	Aavishkaar Goodwell India Microfinance Development Company II Ltd.	25,161	25,161
2	Aavishkaar India II Company Ltd	63,590	63,590
3	Aavishkaar Venture Management Services Private Ltd	351	351

Series C - Compulsory Convertible Preference Shares

Sr. No.	Name of the Shareholder	Number of Shares Converted to Equity	Number of Equity shares allotted upon conversion Shares (Conversion Ratio 1:1)
1	Aavishkaar Goodwell India Microfinance Development Company II Ltd.	498,438	8,537
2	Aavishkaar India II Company Ltd	1,990,418	34,092
3	Aavishkaar Venture Management Services Private Ltd	10,619	182

AUDITORS:

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

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

There was no qualification, reservation or adverse remark 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:

There has been no change in the composition of the Board during the year under review.

Further, during the period under review Mr. Bimal Desai was appointed as a Chief Financial Officer of the Company on 18th May 2016 and Mr. Farroukh Kolah resigned from the post of Chief Financial Officer on the same date. Ms. Pooja Panvelkar was appointed as a Company Secretary w.e.f 8th September 2016 and Mr. Bimal Desai resigned from his post on 29th March, 2017.

The provisions of Section 178(1) of the Companies act, 2013 relating to Nomination & Remuneration Committee are not applicable to the Company hence the Company has not devised any policy relating to appointment of Directors, Key Managerial Personnel, payment of managerial Remuneration, Directors Qualifications, Independence of Directors and other related matters as provided under Section 178(3) of the Companies act, 2013.

PARTICULARS OF EMPLOYEES:

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

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

DECLARATION OF INDEPENDENT DIRECTORS

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

BOARD MEETING:

During the financial year 2016-17, the Board met Nine times (9) times on 19-04-2016, 31-05-2016, 12-08-2016, 08-09-2016, 18-10-2016, 30-01-2017, 03-03-2017, 21-03-2017 and 27-03-2017.

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.

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

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

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

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

EMPLOYEE STOCK OPTIONS

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

- | | |
|---|--|
| (a) Options Granted:- Nil | (b) Options Vested:- 16,650 |
| (c) Options Exercised:- Nil | (d) The Total Number of Shares arising as a result of Exercise of option:- Nil |
| (e) Options Lapsed:- Nil | (f) The exercise price:- Rs 10/- per share |
| (g) Variation of terms of options:- Nil | (h) Money realized by exercise of options:- Nil |
| (I) Total Number of options in force to- 1,300 | |
| (j) Employee wise details of options granted to:- | |
| i. Key managerial Personnel | |
| ii. any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year. | |
| iii. identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant; | |

RISK MANAGEMENT POLICY

The Company has adopted a formal Risk Management Policy in the Board Meeting held on 30th January 2017. This policy defines Risk Management framework through Risk Management Structure, Risk Management Program, Risk Categories & Mitigation Measures.

DEPOSIT

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

ACKNOWLEDGEMENT

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

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

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

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : MUMBAI
DATE : 29 August 2017

ANNEXURE "A" to Directors' Report for the Financial Year Ended on 31st March, 2017
Particulars Required under Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rule, 2014.

a) CONSERVATION OF ENERGY -

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

Particulars	Current Year (FY 2016-17) (Amount Rupees)	Previous Year (FY 2015-16) (Amount Rupees)
Export of Goods calculated on FOB Basis	NIL	NIL
Interest and Dividend	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Other Income	NIL	NIL
Total earning in Foreign exchange	NIL	NIL

Details of Foreign Earnings

Particulars	Current Year (FY 2016-17) (Amount Rupees)	Previous Year (FY 2015-16) (Amount Rupees)
Import of Capital Goods calculated on CIF Basis:	NIL	NIL
(1) Raw material	NIL	NIL
(2) Component and Spare parts	NIL	NIL
(3) Capital Goods - Software Purchase	NIL	NIL
Expenditure on account of:-	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Interest		
Other Matters/ Foreign Travel	3,853,571	997,677
Dividend Paid		
Total Expenditure in Foreign exchange	NIL	NIL

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

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

PLACE : MUMBAI
DATE : 29 August 2017

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

Annexure "B"

Extract of Annual Return as on financial year ended 31.03.2017
[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 7.10(1)]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

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

III. Particulars of Holding, Subsidiary and Associate Companies:

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	Percentage of shares held	Applicable Section
1	EPS ATM SERVICES PRIVATE LIMITED Add: Add: Unit No. 302-303, A- Wing, Supreme Business IT Park, Hiranandani Gardens, Powai, Mumbai 400 076	U74120MH2012PTC234605	Wholly-Owned Subsidiary	99.99%	2(46)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I. CATEGORY WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	131250	131250	23.11	0	131250	131250	18.76	(4.56)
b) Central Govt	0	0	0	0	0	0	0	0	0
c) State Govt(s)	0	0	0	0	0	0	0	0	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-									
2) Foreign									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	131250	131250	23.11	0	131250	131250	18.76	(4.56)
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks / FI	0	0	0	0	0	0	0	0	0
c) Central Govt	0	0	0	0	0	0	0	0	0
d) State Govt(s)	0	0	0	0	0	0	0	0	0
e) Venture Capital Funds	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) 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
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	0	8459	8459	1.49	0	8992	8992	1.48	(0.21)
(ii) Overseas	0	428166	428166	75.40	0	559546	559546	79.96	4.56
b) Individuals	0	0	0	0	0	0	0	0	0
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

I. CATEGORY WISE SHAREHOLDING:

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others(Specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(2)	0	436625	436625	76.89	0	568538	568538	81.24	4.35
Total Public Shareholding									
(B)=(B)(1)+ (B)(2)	0	567875	567875	100	0	699788	699788	100	-
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	0	567875	567875	100	0	699788	699788	100	-

ii. SHAREHOLDING OF PROMOTERS :

Sr. No	Name of the shareholder	As on 01.04.2016			As on 31.03.2017			% change in shareholding during the year
		Number of shares held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	Number of shares held	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Vidya Rani Mani Mamallan	90000	15.85	0	90000	12.87	0	(2.98)
2.	Sanjay Kapoor	26250	4.63	0	26250	3.75	0	(0.88)
3.	Dr. Gurusamy	15000	2.64	0	15000	2.14	0	(0.5)
	Total	131250	23.12	0	131250	18.76	NIL	(4.36)

iii. CHANGE IN PROMOTERS' SHAREHOLDING:

Sr. No	Name of the shareholder	Date	Reason	Shareholding at the beginning of the year 01.04.2016		Cumulative Shareholding during the year	
				No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1.	Vidya Rani Mani Mamallan	27.03.2017	At the beginning of the year	90000	15.85	90000	15.85
			During the year the Convertible preference shares held by the Aavishkaar group were converted into Equity and they were allotted to them due to which percentage shareholding came down except this no new shares were allotted to or transferred from Promoters				
			At the end of the year	90000	12.87	90000	12.87
2.	Sanjay Kapoor	27.03.2017	At the beginning of the year	26250	4.63	26250	4.63
			During the year the Convertible preference shares held by the Aavishkaar group were converted into Equity and they were allotted to them due to which percentage shareholding came down except this no new shares were allotted to or transferred from Promoters				
			At the end of the year	26250	3.75	26250	3.75
3.	Dr. Gurusamy		At the beginning of the year	15000	2.64	15000	2.64
			During the year the Convertible preference shares held by the Aavishkaar group were converted into Equity and they were allotted to them due to which percentage shareholding came down except this no new shares were allotted to or transferred from Promoters				
			At the end of the year	15000	2.14	15000	2.14

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

vi. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sr. No	Name of the shareholder	Reason	Shareholding at the beginning of the year		Shareholding at the beginning of the year	
			No. of shares	% of total Shares of the company	No. of shares	% of total Shares of the company
1.	Mani Mamallan	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
2.	Sanjay Kapoor	At the beginning of the year	26250	4.63	26250	3.75
		At the end of the year	26250	4.63	26250	3.75
3.	Vineet Rai	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
4.	Noshir Colah	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
5.	Udayan Goyal	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
6.	Bimal Desai	At the beginning of the year	0	N.A - Resigned before the year end	0	0
		At the end of the year	0		0	0
7.	Pooja Panvelkar	At the beginning of the year	0	0	0	0
			0	0	0	0

vii. INDEBTEDNESS:

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

	Secured Loan excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	783,667,285	0	0	0
i) Principal Amount				
ii) Interest due but not paid		0	0	0
iii) Interest accrued but not Due				
Total(i+ ii+ iii)		0	0	0
Change in Indebtedness during the financial year				
• Addition		-	0	0
• Reduction	(143,994,410)			
Net Change	(143,994,410)	0	0	0
Indebtedness at the end of the financial year				
i) Principal Amount	639,672,875	0	0	0
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total(I + ii + iii)	639,672,875	0	0	0

viii. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

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

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

B. REMUNERATION TO OTHER DIRECTORS: N.A

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

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

Sr. No	Particulars of Remuneration	Key Managerial Personnel			Total Amount (Rs)
		CEO	Company Secretary	CFO	
1.	Gross salary	-	5,15,000	5,50,000	6,015,000
	(a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961				
	(b)Value of perquisite/s 17(2)Income-tax Act,1961				
	(c)Profits in lieu of salary undersection17(3)Income - taxAct,1961				
2.	Stock Option				
3.	Sweat Equity				
4.	Commission				
	- as % of profit-others, specify...				
5.	Others, please specify				
	Total	-	5,15,000	5,50,000	6,015,000

VII. Penalties/ Punishment/Compounding of offense- NIL

VIII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

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

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 29 August 2017

Shareholding Pattern on Non-Diluted Basis as on 31st March 2017

ANNEXURE 1:-

Shareholder name	Equity	Series B CCPS (conversion 1:1)	Series C CCPS (58.3755 Series C=1 Equity share)
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	-	-
Total	699,788	58,635	2,500,525

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

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

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 29 August 2017

Annexure "C"

Form AOC-1

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

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

Part "A": Subsidiaries

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

SR. No	Particulars	Details
1	Name of the subsidiary	EPS ATM Services Private Limited (Formerly known as CISB ATM Services Pvt. Ltd.)
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1st April 2016- 31st March 2017
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Rupees
4	Share capital	Rs. 1,00,000/-
5	Reserves & surplus	Rs. 55,35,448.44/-
6	Total assets	Rs. 38,48,34,106.27/-
7	Total Liabilities	Rs. 38,48,34,106.27/-
8	Investments	NIL
9	Turnover	Rs. 1,40,63,29,945.65/-
10	Profit before taxation	Rs. 73,70,859.35/-
11	Provision for taxation	Rs. 22,77,596.00/-
12	Profit after taxation	Rs. 50,93,263.35/-
13	Proposed Dividend	NIL
14	% of shareholding	99.99%

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

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

Part "B": Associates and Joint Ventures

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

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

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

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

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

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : Mumbai
DATE : 29 August 2017

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

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

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

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

Sl. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	EPS ATM SERVICES PRIVATE LIMITED (Formerly known as CSIB ATM Services Pvt. Ltd) - Wholly-Owned Subsidiary Company.
b)	Nature of contracts / arrangements / transaction	Rendering Services
c)	Duration of the contracts / arrangements / transaction	Ongoing
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	All the transactions between both the Companies will be at Arm's length
e)	Date of approval by the Board	Not Required since the transactions between Wholly-Owned Subsidiary Company and its holding Company are exempted under the Companies Act, 2013 from the approvals pursuant to Exemption Notification dated 5th June 2015.
f)	Amount paid as advances, if any	NA

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

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

Mr. Sanjay Kapoor
Director
(DIN: 03584520)

PLACE : MUMBAI
DATE : 29 August 2017

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

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group") comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial

control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of report of the other auditor on separate financial statements of the subsidiary, referred to in the Other Matter paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Other Matter

We did not audit the financial statements of its subsidiary, whose financial statements reflect total assets of Rs. 384,834,106 as at 31st March, 2017, total revenues of Rs. 1,413,700,805 and net cash inflows amounting to Rs. 12,583,928 for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditor whose reports 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, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the reports of the other auditor.

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

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements and the other financial information of the subsidiary, referred in the Other Matter paragraph above we report, to the extent applicable, that:

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

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditor of its subsidiary company, none of the directors of the Group companies, incorporated in India is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Holding company & subsidiary company incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 Protection Fund by the Holding Company and its subsidiary company.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as

applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us.

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

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: MUMBAI

Date: 6th September 2017

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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2017, we have audited the internal financial controls over financial reporting of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiary company, which is a company incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, 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 and the audit evidence obtained by the other auditors of the subsidiary company, which is a company incorporated in India,

in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India.

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 and based on the consideration of the reports of the other auditor referred to in the Other Matter paragraph below, the Holding Company and its subsidiary company, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

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

Our opinion is not modified in respect of the above matters.

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

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: MUMBAI
Date: 6th September 2017

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Report on the Financial Statements**

We have audited the accompanying financial statements of **ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

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

of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017 and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company, and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 financial statements;

The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

- ii. There were no amounts required to be transferred, to the Investor Education and Protection Fund by the Company; and
- iii. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016; and such disclosures are in accordance with the books of accounts maintained 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)

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: MUMBAI
Date: August 2017

**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, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 controls 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 controls 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 31st March, 2017, 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)**

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

**Place: Mumbai
Date: August 2017**

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

- b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Wealth Tax, Service Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- c) Details of dues of Service Tax / Other taxes which have not been deposited as on March 31, 2017 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	Commissioner of Service Tax	FY 2013-14	31,582,240	28,536,936
Pune Municipal Corporation LBT	Local Body Tax	Joint Municipal Commissioner	FY 2013-14	141,746*	141,746*

There are no dues in respect of Income-tax, Sales tax, Customs Duty, Excise Duty and Value Added tax which have not been deposited as on March 31, 2017.

*amount is exclusive of the interest component

- 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 or has not issued any debentures during the year.
- 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 holding, subsidiary or associate 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)

Anjum A. Qazi
Partner
(Membership No. 104968)

Place: Mumbai
Date: August 2017

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Consolidated Balance Sheet as at 31st March, 2017

Amount in INR

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,25,89,480	5,71,56,120
Reserves and Surplus	4	2,11,52,79,858	2,26,21,38,259
		2,14,78,69,338	2,31,92,94,379
Non-Current Liabilities			
Long-term Borrowings	5	63,96,72,875	78,36,67,285
Other Long-term Liabilities	6	1,07,37,846	2,50,90,087
Long-term Provisions	7	8,28,36,176	3,84,49,899
		73,32,46,897	84,72,07,271
Current Liabilities			
Trade Payables	8		
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		1,82,26,818	99,50,019
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises		33,69,61,855	20,23,73,386
Other Current Liabilities	9	59,23,11,310	94,56,81,555
Short-term Provisions	10	42,95,179	4,37,954
		95,17,95,162	1,15,84,42,914
Total		3,83,29,11,397	4,32,49,44,564
ASSETS			
Non-Current Assets			
Property, Plant & Equipment			
Tangible Assets	11	1,53,49,70,259	1,44,05,34,459
Intangible Assets	11	4,89,03,417	50,20,090
Capital Work-in-progress		2,06,14,180	1,94,80,047
		1,60,44,87,856	1,46,50,34,596
Goodwill on Consolidation	12	29,11,03,960	29,11,03,960
Long term Loans and Advances	13	22,70,55,213	15,13,94,185
Other Non-Current Assets	14	27,79,20,733	21,77,19,677
		79,60,79,906	66,02,17,822
Current Assets			
Current Investments	15	74,95,99,719	48,20,00,178
Trade Receivables	16	23,11,97,660	19,06,79,444
Cash and Cash Equivalents	17	15,10,53,592	1,17,02,14,755
Short-term Loans and Advances	18	10,59,12,886	4,42,70,460
Other Current Assets	19	19,45,79,778	31,25,27,309
		1,43,23,43,635	2,19,96,92,146
Total		3,83,29,11,397	4,32,49,44,564



Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

The Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

Amount in INR

Particulars	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Continuing Operations:			
Revenue from operations (Net of Service tax)	20	1,82,92,42,318	1,65,45,68,643
Other Income	21	9,32,16,412	6,27,27,986
Total Revenue		1,92,24,58,730	1,71,72,96,629
Expenses:			
Employee benefits expense	22	18,98,60,353	15,84,19,922
Finance costs	23	19,40,08,505	22,76,78,096
Depreciation and amortisation expense	11	40,18,13,675	34,99,53,653
Operating Expenses	24	1,14,99,06,348	92,77,04,986
Other General expenses	25	15,99,07,109	20,84,24,049
Total Expenses		2,09,54,95,990	1,87,21,80,706
Loss before Prior Period Items & Taxes		(17,30,37,260)	(15,48,84,077)
Prior Period Item		9,21,949	
Loss Before Tax		(17,21,15,311)	
Tax expense:			
Current Tax		22,77,596	3,24,242
Deferred Tax			
Loss for the year		(17,43,92,907)	(15,52,08,319)
Loss per share (Face Value Rs.10/- each)			
Basic and Diluted (Rs.)	31	(306)	(397)

Notes 1 to 38 forms part of the Financial Statements

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

For and on behalf of the Board of Directors

Anjum A Qazi
Partner

Date: 6 / 9 / 2017
Place: Mumbai

Sanjay Kapoor
Director

DIN: 03584520
Date : 4 / 9 / 2017
Place : Mumbai

Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 4 / 9 / 2017
Place : Mumbai

Pooja Panvelkar
Company Secretary
Date : 4 / 9 / 2017
Place : Mumbai

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

The Consolidated Statement of Profit and Loss for the year ended 31st March, 2017

Amount in INR

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Pooja Panvelkar
Company Secretary
Date : 4 / 9 / 2017
Place : Mumbai

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
A) Cash Flow from Operating Activities		
Loss Before Tax as per Statement of Profit & Loss	(17,21,15,311)	(15,48,84,077)
Adjustments for :		
Depreciation & Amortisation Expenses	40,18,13,675	34,99,53,653
Expense on employee stock options (ESOP) scheme	29,67,864	1,92,66,240
Finance Costs	19,40,08,505	22,76,78,096
Interest Income	(3,74,49,338)	(4,05,42,927)
Dividend Income	-	(51,88,300)
Net gain on sale of current investments	(4,13,48,197)	(20,00,178)
Provision for doubtful trade receivables	-	96,44,376
Bad Debts and allowances for doubtful balances	1,10,02,781	2,70,04,785
Loss on Theft/Write off of Property , Plant & Equipment	76,40,508	1,28,92,223
Provision for Contingencies	4,14,02,318	4,75,10,200
Deferred profit on sale of Property Plant & Equipment	(1,43,52,240)	(1,43,99,011)
Operating profit before working capital changes	39,35,70,565	47,69,35,080
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(7,00,63,761)	1,78,72,677
Short-term loans and advances	(6,11,39,831)	(5,04,04,879)
Long-term loans and advances	(72,22,126)	(1,85,69,193)
Other current assets	61,55,739.00	(3,56,83,127)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	13,29,82,693	(14,68,41,761)
Other current liabilities	(20,95,05,246)	45,93,399
Short-term provisions	15,79,629	(10,39,223)
Long-term provisions	29,83,959	17,42,426
Cash Generated from Operations	18,93,41,621	24,86,05,398
Less: Taxes Paid	6,77,25,442	1,96,55,837
Net Cash flow from Operating Activities (A)	12,16,16,179	22,89,49,561
B) Cash Flow from Investing Activities		
Capital expenditure on Property Plant & Equipment, including capital advances	(54,77,83,423)	(21,45,81,075)
Interest Income received	3,14,61,396	4,05,42,927
Dividend Income received	-	51,88,300
Investments in Mutual Fund	(1,83,45,93,469)	(48,20,00,178)
Net gain on sale of current investments	1,60,83,42,124	20,00,178
Purchase of long-term investments in subsidiary	-	(29,10,62,153)
Fixed Deposits placed	1,01,30,60,874	(1,05,99,60,918)
Net Cash Flow (used in) Investing Activities (B)	27,04,87,502	(1,99,98,72,919)

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes to The Consolidated Financial Statements

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
C) Cash Flow from Financing Activities		
Proceeds from issue of equity shares	-	22,04,480
Proceeds from issue of preference shares	-	5,00,00,000
Proceeds from securities premium on issue of equity and preference shares	-	1,87,07,42,300
Proceeds from long-term borrowings	34,30,85,984	44,64,37,178
Repayment of long-term borrowings	(48,70,80,393)	(38,39,55,953)
Share Issue Expenses	-	(3,12,66,605)
Finance Costs	(19,40,08,505)	(22,76,78,096)
Cash Flow from Financing Activities ©	(33,80,02,914)	1,72,64,83,304
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	5,41,00,767	(4,44,40,054)
Add: Cash & Cash Equivalent at the beginning of the year	7,48,22,100	11,92,62,154
Cash & Cash Equivalent at the end of the year	12,89,22,867	7,48,22,100

Notes to Cash Flow Statement:

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash and Cash equivalents as above	12,89,22,867	7,48,22,100
Add: Balances in Term Deposits	2,21,30,725	1,09,53,92,655
Cash and Cash equivalents as per Note 17	15,10,53,592	1,17,02,14,755

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

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Partner

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Date: 6 / 9 / 2017
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Company Secretary
Date : 4 / 9 / 2017
Place : Mumbai

Basis of Consolidation and significant accounting policies

Note 1(a): Basis of Consolidation

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

Note 1(b): Basis of preparation

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

Note 1(c): Principles of Consolidation

"The consolidated financial statements have been prepared on the following basis: (i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as that of the Company i.e., March 31, 2017. (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered as per Accounting Standard 21 on 'Consolidated Financial Statements' specified under section 133 of the Companies Act, 2013. (iii) The difference between the cost of investment in the subsidiary and the Company's share of net assets at the time of acquisition of control in the subsidiary is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be. (iv) Goodwill arising on consolidation is not amortised but tested for impairment. During FY 2016, the Company had acquired 74% of the equity shareholding of EPS ATM Services Private Limited (EPS ATM) (formerly known as CISB ATM Services Private Limited') thereby making EPS ATM a wholly owned subsidiary of the Company with effect from 31st December, 2015."

Note 2: Significant Accounting Policies

a) Use of Estimates

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

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

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

c) Cash Flow Statement

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

d) Depreciation and Amortisation

"Depreciable amount for assets is the cost of an asset, or other amount substituted for cost. The estimated residual value for assets is taken as Nil.

Depreciation on tangible Property Plant & Equipment has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on management internal/ technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:"

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

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

Description of Assets	Useful Life
Computers	3 years

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

Description of Assets	Useful Life
Computer Software	3 years

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

e) Revenue Recognition

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

f) Other Income

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

g) 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 ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

h) Foreign Currency Transactions

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

i) Investments

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

j) Employee Benefits

Employee Benefits include provident fund, gratuity and compensated absences.

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. There are no other obligations.

Defined-benefits plans

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

Other Employee Benefits

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

k) Leases

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

l) Earnings per Share

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

m) Taxes on Income

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

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

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

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

n) Impairment of Assets

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

o) Provisions, Contingent Liabilities and Contingent Assets

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

Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on management estimate required to settle the obligation at the balance sheet date, supplemented by experience of similar transactions. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

A disclosure of contingent liability is made when there is:

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

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Rs.	Number of shares	Rs.
i.)Equity shares				
Vidya Rani Mani Mamallan	90,000	12.86%	90,000	15.85%
Aavishkaar India II Company Limited	1,68,635	24.10%	70,953	12.49%
Aavishkaar Goodwell India Microfinance Development Company II Limited	1,05,038	15.01%	71,340	12.56%
APIS Growth III Limited	2,20,448	31.50%	2,20,448	38.82%
Asia Participations B.V.	65,425	9.35%	65,425	11.52%
ii.)Series B CCPS				
Aavishkaar India II Company Limited	-	-	63,590	43.04%
Aavishkaar Goodwell India Microfinance Development Company II Limited	-	-	25,161	17.03%
Asia Participations B.V.	58,635	100.00%	58,635	39.69%
iii.)Series C CCPS				
Aavishkaar India II Company Limited	-	-	19,90,418	39.81%
Aavishkaar Goodwell India Microfinance Development Company II Limited	-	-	4,98,438	9.97%
Asia Participations B.V.	25,00,525	100.00%	25,00,525	50.01%

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

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

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

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

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

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

a) At the time of the Company filing a draft red herring prospectus with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange

b) Upon the expiry of 8 (Eight) years from the Completion Date as per Clause 8 of the Share Subscription Agreement.

c) At the option of the holder, at any time prior to the timelines specified above.

During the year ended 31 March 2017, 89102 Series B CCPS were converted to 89102 Equity Shares

Series C CCPS:

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

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

a) At the time of the Company filing a draft red herring prospectus with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange

b) Upon the expiry of 8 (Eight) years from the Completion Date as per Clause 8 of the Share Subscription Agreement.

c) At the option of the holder, at any time prior to the timelines specified above.

During the year ended 31 March 2017, 2499475 Series C CCPS were converted to 42811 Equity Shares

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes to The Consolidated Financial Statements

Note 4 : Reserves and Surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Securities premium account		
Opening balance	2,69,41,58,101	85,46,82,406
Add: Premium on shares issued during the year	2,45,66,640	1,87,07,42,300
Less: Utilised during the year (Refer Note 4.1 below)	-	(3,12,66,605)
Closing balance	2,71,87,24,741	2,69,41,58,101
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(47,62,10,470)	(30,52,38,081)
Less : Appropriation for Interim Dividend	-	(49,55,000)
Less : Appropriation for Final Dividend	-	(1,50,00,000)
Less : Appropriation for Dividend Distribution Tax on Equity	-	(40,92,904)
Dividend	-	-
Less : Consolidation adjustment	-	1,15,807
Add: Profit / (Loss) for the year	(17,43,92,907)	(14,70,40,292)
Closing balance	(65,06,03,377)	(47,62,10,470)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	4,41,90,628	2,49,24,388
Add: Amount recorded on grants during the year	29,67,866	1,92,66,240
Closing balance	4,71,58,494	4,41,90,628
Total	2,11,52,79,858	2,26,21,38,259

Note: 4.1

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

Note 5 : Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Term loans		
Secured		
(i) From Banks (Refer Note 11B©)	43,91,09,402	33,01,68,721
(ii) From Others	2,16,03,785	3,14,55,039
Unsecured		
(i) From Others		4,30,91,341
	46,07,13,187	40,47,15,101
(b) Finance lease obligations (Refer Note 30(I))	17,89,59,688	37,89,52,184
	17,89,59,688	37,89,52,184
Total	63,96,72,875	78,36,67,285

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Term loans from Banks		
Secured	64,38,06,978	55,00,13,024
[Repayable over 20 - 57 months with Interest range 10.15% - 13.25%		
Secured against:		
1) Trade receivables and Specific Assets (Refer Note 11B©)		
2) Lien marked fixed deposit		
3) Personal Guarantee of Promoters and Directors]		
(b) Term loans from Others		
Secured	3,14,55,038	4,00,26,250
[Repayable over 32 - 36 months with interest rate 14%		
Secured against:		
1) Trade receivables and Specific Assets		
2) Personal Guarantee of Promoters and Directors]		
Unsecured		29,53,36,501
(c) Finance lease obligations:		
[Repayable in 16 - 40 monthly installments with interest rate 13.25% - 16.4%]	37,89,52,183	54,97,36,416
	1,05,42,14,199	1,43,51,12,191
Less: Current Maturities of Long Term Debts & finance lease obligations (Refer Note 9 below)	(41,45,41,324)	(65,14,44,906)
Total Long Term Borrowings	63,96,72,875	78,36,67,285

Note 6 : Other Long Term Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Profit on Sale and lease back transactions	1,07,37,846	2,50,90,087
Total	1,07,37,846	2,50,90,087

Note 7 : Long Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits		
Provision for gratuity (Refer Note 27 (B))	92,86,323	63,02,364
Provision for Contingencies (Refer Note 35)	7,35,49,853	3,21,47,535
Total	8,28,36,176	3,84,49,899

Note 8 : Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 8.1 below)	1,82,26,818	99,50,019
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	33,69,61,855	20,23,73,386
Total	35,51,88,673	21,23,23,405

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,82,26,818	99,50,019
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	- Rs. 690,629 / -	- Nil
(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	- Nil	- Nil
(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	- Nil	- Nil
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year 2017	- Rs. 690,629/-	- Nil
(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	- Nil	- Nil

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, 2017	As at 31st March, 2016
Current maturities of long term debt (Refer Note 5(l))		
Secured:		
(a) Term loans from Banks (Refer Note 11B(b))	20,46,97,576	21,98,44,303
(b) Term loans from Others	98,51,253	85,71,211
Unsecured:		
(a) Term loans from Others	-	25,22,45,160
Current maturities of finance lease obligations (Refer Note 30(l))	19,99,92,500	17,07,84,232
Deferred Profit on Sale and lease back transactions	1,43,99,011	1,43,99,011
Security Deposits received	23,00,000	79,00,000
Other Payables:		
Statutory remittances	78,28,571	64,17,756
Payable to Customers	78,580	7,22,809
Payable to Bank	1,27,97,800	1,50,11,600
Payable on Purchase of Property Plant & Equipment	14,03,66,019	12,68,42,291
Others	-	12,29,43,182
Total	59,23,11,310	94,56,81,555

Note 10 : Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits		
Provision for gratuity (Refer Note 27 (B))	1,64,629	23,336
Provision for leave encashment	-	4,14,618
Provision for compensated absences	18,52,954	-
Provision for Tax	22,77,596	
Total	42,95,179	4,37,954

Note 10.1:

During the Current 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 12 : Goodwill on Consolidation

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	29,11,03,960	-
Add: On acquisition of subsidiary during the year		29,11,03,960
Total	29,11,03,960	29,11,03,960

Note 12.1:

The Company and its wholly owned subsidiary, EPS ATM Services Private Limited (EPS ATM) have made a Company Application (number 230 of 2017 dated 27th February, 2017), to the National Company Law Tribunal (NCLT), for proposing a scheme of amalgamation to merge EPS ATM (as the Transferor Company) with the Company (as the Transferee Company), without winding up of the former, pursuant to the relevant provisions of the Companies Act, 2013. The effective date of the merger is 1st April, 2016. The petition for admission was admitted by the NCLT on 21st June, 2017 and the matter is pending final hearing and disposal. Upon the scheme becoming effective the goodwill arising out of amalgamation, will be set-off and deducted from the Securities Premium Account of the transferee company as per the scheme of capital reduction u/s 66(3) of the Companies Act, 2013.

Note 13 : Long term loans and advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured & considered good:		
Security Deposits	7,61,27,637	6,89,05,511
Capital Advances	21,51,523	32,75,538
Balances with government authorities:		
Tax deducted at source credit receivable	14,87,76,053	7,92,13,136
Total	22,70,55,213	15,13,94,185

Note 14: Other Non-Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Others		
Balances with Banks (In Earmarked Accounts)		
-Balances held as security against borrowings, guarantees	22,86,95,906	16,59,71,867
-Balances held as margin money, guarantees (Refer Note 14.1 below)	4,92,24,827	5,17,47,810
Total	27,79,20,733	21,77,19,677

Note 14.1:

On behalf of the Company, banks have issued performance bank guarantees amounting to Rs. 123,500,000/- (Rs. 94,600,000/- as at 31st March, 2016) for the deployment of cash dispenser's in respect of which the Company has placed fixed deposits under lien amounting to Rs 46,450,000/- (Rs. 46,450,000/- as at 31st March, 2016).

Note 10.1:

During the Current 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 12 : Goodwill on Consolidation

Particulars	As at 31st March, 2017	As at 31st March, 2016
Opening Balance	29,11,03,960	-
Add: On acquisition of subsidiary during the year		29,11,03,960
Total	29,11,03,960	29,11,03,960

Note 12.1:

The Company and its wholly owned subsidiary, EPS ATM Services Private Limited (EPS ATM) have made a Company Application (number 230 of 2017 dated 27th February, 2017), to the National Company Law Tribunal (NCLT), for proposing a scheme of amalgamation to merge EPS ATM (as the Transferor Company) with the Company (as the Transferee Company), without winding up of the former, pursuant to the relevant provisions of the Companies Act, 2013. The effective date of the merger is 1st April, 2016. The petition for admission was admitted by the NCLT on 21st June, 2017 and the matter is pending final hearing and disposal. Upon the scheme becoming effective the goodwill arising out of amalgamation, will be set-off and deducted from the Securities Premium Account of the transferee company as per the scheme of capital reduction u/s 66(3) of the Companies Act, 2013.

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Unsecured & considered good:		
Security Deposits	7,61,27,637	6,89,05,511
Capital Advances	21,51,523	32,75,538
Balances with government authorities:		
Tax deducted at source credit receivable	14,87,76,053	7,92,13,136
Total	22,70,55,213	15,13,94,185

Note 14: Other Non-Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Others		
Balances with Banks (In Earmarked Accounts)		
-Balances held as security against borrowings, guarantees	22,86,95,906	16,59,71,867
-Balances held as margin money, guarantees (Refer Note 14.1 below)	4,92,24,827	5,17,47,810
Total	27,79,20,733	21,77,19,677

Note 14.1:

On behalf of the Company, banks have issued performance bank guarantees amounting to Rs. 123,500,000/- (Rs. 94,600,000/- as at 31st March, 2016) for the deployment of cash dispenser's in respect of which the Company has placed fixed deposits under lien amounting to Rs 46,450,000/- (Rs. 46,450,000/- as at 31st March, 2016).

Note 16 :Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	40,94,493	7,92,86,550
Less : - Provision for doubtful trade receivables	-	(96,44,376)
	40,94,493	6,96,42,174
Others		
Unsecured, considered good	21,02,09,915	12,10,37,270
Penalty Recoverable from Vendors	1,68,93,253	-
Total	23,11,97,660	19,06,79,444

Note 17 : Cash and Cash Equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash on hand (Refer Note -17.1 on Specified Bank Notes)	1,21,057	1,13,373
Balance with banks		
In Current Accounts	12,88,01,810	7,47,08,727
In Term Deposit		-
Less than 12 Months	2,03,03,707	
More than 12 Months	18,27,018	1,09,53,92,655
Total	15,10,53,592	1,17,02,14,755

Note 18 : Short Term Loans and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured and considered good:		
Loans and advances to employees	9,78,314	10,62,957
Prepaid expenses	2,31,19,894	1,50,35,318
Balances with Government Authorities		
Cenvat Credit Receivable	8,15,51,399	2,44,66,895
Advance to suppliers (Net)	2,63,279	37,05,290
Total	10,59,12,886	4,42,70,460

Note 19: Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unbilled Revenue	16,64,46,900	27,73,46,235
Insurance Claim receivable (Net)	2,07,21,153	1,65,57,248
Interest accrued on fixed deposits	27,47,865	1,47,58,259
Other Receivables	46,63,860	38,65,567
Total	19,45,79,778	31,25,27,309

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 17.1 Disclosure on Specified Bank Notes (SBN)

Disclosure on details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016 vide Circular G.S.R. 308(E), dated 30th March, 2017.

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08th Nov 2016	10,000	85,899	95,899
(+) Receipt from CRA	8,12,500		
(+) Permitted receipts		1,35,478	1,35,478
(-) Counterfeit Notes	4,200	-	4,200
(-) Permitted payments		1,16,634	1,16,634
(-) Amount deposited in Banks	8,18,300	1,03,000	9,21,300
Closing cash in hand as on 30th Dec 2016	-	1,14,743	1,14,743

Note - Receipt from CRA of Specified Bank Notes (SBN) relate to receipt of currency unfit to be loaded into ATM being handed over by few cash replenishment agencies to the Company, post announcement of demonetization of the SBNs.

Financial Statement FY 2016-2017 ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Notes to the consolidated financial statements Note : 11A Property, Plant & Equipment

Sr. No	FIXED ASSETS	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK	
		BALANCE AS AT 1.04.2016	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2017	BALANCE AS AT 1.04.2016	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2017	BALANCE AS AT 31.03.2017	BALANCE AS AT 31.03.2016
A	Tangible Assets										
	Automated Teller Machine										
	Owned	70,47,92,158	26,98,24,681	39,89,784	97,06,27,055	18,48,43,431	12,22,97,713	14,17,476	30,57,23,668	66,49,03,397	51,99,48,727
	Taken under finance lease	60,02,66,493	37,97,761	52,86,138	59,87,98,116	26,85,46,398	11,64,29,327	28,00,680	38,21,75,045	21,66,23,081	33,17,20,095
	Uninterrupted Power Supply Machine										
	Owned	9,24,79,104	10,29,497	6,95,470	9,28,13,131	2,57,49,825	1,35,58,193	2,46,747	3,90,61,271	5,37,51,860	6,67,29,279
	Taken under finance lease	4,74,57,463	2,86,969	3,25,510	4,74,18,922	2,10,68,274	89,50,663	1,62,603	2,98,56,334	1,75,62,589	2,63,89,189
	Site Interior & Other Merchandises										
	Owned	37,43,96,247	13,15,14,052	1,05,42,501	49,53,67,798	10,45,49,909	6,50,43,548	34,60,727	16,61,32,730	32,92,35,068	26,98,46,338
	Taken under finance lease	17,85,26,255	16,71,143	40,30,579	17,61,66,819	7,96,92,971	3,28,84,490	20,58,820	11,05,18,641	6,56,48,178	9,88,33,284
	Air Conditioner										
	Owned	6,33,72,147	5,00,45,105	7,30,846	11,26,86,406	1,38,73,144	1,30,37,190	1,11,180	2,67,99,154	8,58,87,252	4,94,99,003
	Taken under finance lease	1,85,50,765	1,37,475	2,93,024	1,83,95,216	95,62,299	34,19,964	1,38,132	1,28,44,131	55,51,085	89,88,466
	VSAT										
	Owned	4,14,50,988	2,41,21,110	7,53,906	6,48,18,192	76,04,480	76,33,754	1,41,200	1,50,97,034	4,97,21,158	3,38,46,508
	Taken under finance lease	42,66,574	-	2,35,760	40,30,814	8,50,584	8,06,163	58,355	15,98,392	24,32,422	34,15,990
	E-Surveillance	2,68,84,777	2,36,93,716	51,95,025	4,53,83,468	38,57,209	48,57,225	-	87,14,434	3,66,69,034	2,30,27,568
	Digital Video Recorder (DVR)	21,15,546	35,700	-	21,51,246	88,517	6,10,971	-	6,99,488	14,51,758	20,27,029
	Furniture and Fixtures	34,01,968	1,73,665	-	35,75,633	11,11,315	6,99,574	-	18,10,889	17,64,744	22,90,653
	Office Equipment	36,56,157	-	45,950	36,10,207	16,45,646	8,04,005	-	24,49,651	11,60,556	20,10,511
	Computers	64,68,436	20,97,672	28,947	85,37,161	45,06,617	14,22,467	-	59,29,084	26,08,077	19,61,819
	Total	2,16,80,85,078	50,84,28,546	3,21,33,440	2,64,43,80,184	72,75,50,619	39,24,55,247	1,05,95,920	1,10,94,09,946	1,53,49,70,259	1,44,05,34,459
B	Intangible Assets										
	Computer Software	1,30,86,749	5,32,41,752	-	6,63,28,501	80,66,659	93,58,427.8	-	1,74,25,087	4,89,03,417	50,20,090
	Total	1,30,86,749	5,32,41,752	-	6,63,28,501	80,66,659	93,58,428	-	1,74,25,087	4,89,03,417	50,20,090
	Grand Total	2,18,11,71,827	56,16,70,298	3,21,33,440	2,71,07,08,685	73,56,17,278	40,18,13,675	1,05,95,920	1,12,68,35,033	1,58,38,73,676	1,44,55,54,549

Notes:
Disposals includes an amount of INR 3,063,224 for e surveillance assets capitalised on provisional basis at a higher rate in a previous financial year. The same are included at the correct valuation of INR 2,162,160 in additions in the current year.
Pursuant to the supplier reconciliation, the management has identified a difference of INR 4,070,001 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 Company has a practice of booking shifting of sites as an addition at one site and a disposal at the other site. Pursuant to this, an amount of INR 6,031,066 has been included in the additions and an amount of INR 7,119,872 has been included in the Disposals.
Additions includes certain assets capitalized at INR 1 which were earlier written off as non-existent and have now been recapitalized in course of reconciliation of physical verification of fixed assets with the Fixed Asset Register.

Financial Statement FY 2016-2017
ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes forming part of Financial Statements
Note : 11B Property, Plant & Equipment

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

Notes:

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

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

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

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

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 20: Revenue from Operations

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income from ATM Services (net of Service tax)	1,82,92,42,318	1,65,45,68,643
Total	1,82,92,42,318	1,65,45,68,643

Note 21: Other Income

Particulars	For the Year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Fixed Deposit	3,74,49,338	4,05,42,927
Interest on Income tax refund	-	2,06,327
Profit on Sale and Leasedback	1,43,52,240	1,43,99,011
Dividend income	-	51,88,300
Net gain on Sale of current investment	4,13,48,197	20,00,178
Other Income	66,637	3,91,243
Total	9,32,16,412	6,27,27,986

Note 22: Employee Benefits Expenses

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Salary, wages & bonus	16,24,25,160	12,18,09,542
Contribution to Provident Fund (Refer Note 27(A))	64,69,586	49,19,975
Gratuity expense (Refer Note 27(B))	31,25,252	17,50,619
Expense on employee stock options (ESOP) scheme (Refer Note 34)	29,67,864	1,92,66,240
Staff welfare expenses	1,48,72,491	1,06,73,546
Total	18,98,60,353	15,84,19,922

Note 23: Finance Costs

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Interest on Borrowings	10,39,65,923	11,23,88,730
Interest on Finance Lease	8,20,82,792	10,79,27,855
Loan Processing Fees	67,18,758	37,50,613
Interest on delayed payment of taxes	12,41,032	36,10,898
Total	19,40,08,505	22,76,78,096

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

Note 24: Operating Expenses

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Annual Maintenance Charges	14,66,03,763	9,14,96,698
Caretaker Charges	81,43,414	-
Consumables Charges	3,51,81,546	3,62,47,976
Cash Replenishment Charges	39,46,93,304	35,14,75,909
Management Service Charges	1,99,14,489	2,95,84,132
Site Electricity	16,61,21,251	13,23,88,385
Site Housekeeping	2,85,41,294	2,95,16,762
Satellite (VSAT) Charges	3,04,44,738	2,83,06,738
Site Rent	21,35,76,462	16,46,28,696
Other Operating Charges	70,12,118	56,67,232
Insurance Premium	2,83,78,702	1,54,46,580
Repairs Charges - Sites	6,91,76,108	3,97,83,787
Shifting Charges -Sites	21,19,159	31,62,091
Total	1,14,99,06,348	92,77,04,986

Note 25: Other General Expenses

Particulars	For the Year ended 31st March, 2017	For the Year ended 31st March, 2016
Professional and Consultancy Charges	4,02,86,899	2,23,37,699
Rates and Taxes	4,37,66,306	4,14,08,999
Rent Charges	1,29,20,170	1,07,43,600
Payment to auditor (Refer Note (I) below)	37,00,000	38,50,000
Bank Charges and Commission	23,18,495	22,00,273
Insurance Charges	1,04,556	2,79,070
Power and Fuel Expenses	29,58,910	26,34,604
Repairs and Maintenance	28,50,831	13,40,870
Telecom Expenses	49,74,574	47,98,271
Travelling and Conveyance Expenses	88,05,785	55,06,555
Business Promotion Expenses	41,63,114	23,53,905
Meeting Expenses	4,54,511	18,42,054
Membership and Registration Charges	20,22,586	26,01,218
Office Expenses	48,50,464	42,14,574
Postage and Courier	6,15,014	3,37,414
Printing and Stationery	13,33,048	11,22,669
Motor Car Expenses	6,33,045	4,90,105
Loss on Theft/Damage/Writeoff of Fixed Assets (Refer 11B (b))	76,40,508	1,28,92,223
Bad Debts and allowances for doubtful balances	1,10,02,781	3,66,44,268
Provision for Contingencies (Refer Note 35)	-	4,75,15,093
Lease Rentals (Refer Notes 30(ii))	33,19,062	30,31,570
Miscellaneous Expenses	11,86,450	2,79,015
Total	15,99,07,109	20,84,24,049

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

Note (i) Payments to the auditor comprise

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) To Statutory Auditor		
For Audit	32,00,000	28,50,000
For Certificate	50,000	-
For Other Services	4,50,000	10,00,000
Total	37,00,000	38,50,000

Note (ii) Amount Paid in Foreign Currency

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Amount spend in foreign currency	38,53,571	9,97,677
Total	38,53,571	9,97,677

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

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Claims against the Company not acknowledged as debt		
Service Tax	2,85,36,936	2,85,36,936
Local Body Tax	1,94,800	1,94,800

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

(b) Commitments

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Estimated amount of contracts remaining to be executed on capital account and not accounted for	11,52,367	3,22,12,531

Note 27: Employee Benefits**(A) Defined Contribution Plan**

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

The Company recognised Rs. 64,69,586/- (Year ended 31 March, 2017) and Rs. 49,19,975/- (Year ended 31 March, 2016) for Provident Fund contributions in the Statement of Profit and Loss.

(B) Defined Benefit Plan

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

Gratuity

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

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

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

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	7.34 % p.a.	8.08 % 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
* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.		
** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.		
*** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations		
II. Table showing change in Benefit Obligation:		
Liability at the beginning of the year	63,25,700	45,75,081
Interest cost	5,11,117	3,63,261
Current service cost	18,47,970	19,40,330
Actuarial (gain)/ loss on obligation	7,66,165	(5,52,972)
Liability at the end of the year	94,50,952	63,25,700
III. Fair value of Plan Assets:		
IV. Actual return on Plan Assets:		
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(94,50,952)	(63,25,700)
Net asset/ (liability) recognised in the balance sheet	(94,50,952)	(63,25,700)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets		
	Not Applicable	Not Applicable
VII. Expenses recognized in the Statement of Profit & Loss:		
Current service cost	18,47,970	19,40,330
Interest cost	5,11,117	3,63,261
Actuarial (gains)/losses	7,66,165	(5,52,972)
Expenses recognized in Statement of Profit and Loss	31,25,252	17,50,619
VIII. Balance Sheet Reconciliation		
Opening net liability	63,25,700	45,75,081
Expense as above	31,25,252	17,50,619
Net Liability / (Asset) recognised in Balance Sheet	94,50,952	63,25,700

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 28: Segmental Reporting

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

Note 29: Related party transactions**1. Details of related parties:**

Description of relationship	Names of related parties
(I) Key Managerial Personnel (KMP) & their relatives	
Managing Director	Mr. Mani Mamallan
Executive Director	Mr. Sanjay Kapoor
President HR & Admin	Mrs. Vidya Rani Mani Mamallan

2. Details of related party transactions during the year ended 31st March, 2017 and outstanding balances as at 31st March, 2017:

Particulars	KMP
Remuneration paid	1,75,23,489
	(1,21,11,642)
Perquisites Paid	11,36,976
	(2,37,600)

Note : Figures in bracket are of previous year.

Note 30: Details of leasing arrangements

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
As Lessee		
(I): Finance Lease Obligations		
The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end of the lease period. In certain finance lease, the title/ownership shall not be transferred at end of the lease term. Substantially all the risk & rewards incidental to ownership is transferred to EPS.		
The lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and condition.		
Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:		
Future minimum lease payments		
not later than one year	27,62,40,078	25,07,19,917
later than one year and not later than five years	23,43,23,863	44,67,12,106
later than five years	-	-
Unmatured finance charges	(13,16,11,758)	(14,76,95,607)
	37,89,52,183	54,97,36,416
Present value of minimum lease payments payable		
not later than one year	19,99,92,500	17,07,84,232
later than one year and not later than five years	17,89,59,683	37,89,52,184
later than five years	-	-
	37,89,52,183	54,97,36,416
(ii): Operating Lease Obligations		
The Company has entered into operating lease arrangement for Cars for official use. The leases are non-cancellable and are for a period of four years and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments		
not later than one year	28,61,065	33,35,533
later than one year and not later than five years	33,21,391	59,56,685
later than five years	-	-
	61,82,456	92,92,218
Lease payments recognised in the Statement of Profit and Loss		
- Car Rentals	33,19,062	30,31,570

Note 31: Earnings per share

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net profit / (loss) after tax for the year	(17,43,92,907)	(15,57,66,311)
Net profit / (loss) after tax for the year for computation of Earnings per share	(17,43,92,907)	(15,57,66,311)
Weighted average number of equity shares	5,69,677	3,91,396
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	(306)	(398)

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

Note 32: Deferred Tax

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Deferred Tax Liability		
Exp Allowed Under Income Tax Act	20,24,242	6,57,484
Depreciation on Fixed Assets	-	49,00,023
Total (A)	20,24,242	55,57,507
Deferred Tax Asset		
Exp Disallowed Under Income Tax Act	25,44,541	2,11,70,758
Depreciation on Fixed Assets	16,99,697	-
Finance Leased Assets	2,10,37,102	2,52,12,376
Carried forward Losses	15,87,87,920	7,56,49,713
Total (B)	18,40,69,260	12,20,32,847
Net Deferred Tax Asset / (Liability)	18,20,45,018	11,64,75,340

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

Note 33: Derivative Instrument and unhedged foreign currency exposures

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

Note 34: Employee Stock Option Scheme

In the Extra Ordinary general meeting held on 12th August, 2014, the shareholders approved the issue of 18,750 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2014" ("EPS-ESOP 2014").

The ESOP Scheme 2014 allows the issue of options to employees of the Company. Each option comprises one underlying equity share.

As per the Scheme, the board of directors grants the options to the employees deemed eligible. The exercise price of each option shall be Rs 10/- as defined in the Scheme. The vesting periods are
- in respect of 16,800 options granted in September 2014 over a period of one year from the date of grant
- in respect of 1,300 options granted in January 2016 -
(i) 50% at end of 24th month (ii) 25% at end of 37th month (iii) 25% at end of 49th month.

Options may be exercised within 60 months from the date of vesting.

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

Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2017	
	Options (Numbers)	Weighted average exercise price per option (Rs)
Option outstanding at the beginning of the year:	1,300	10
Granted during the year:	-	-
Vested during the year:	-	10
Exercised during the year:	-	-
Lapsed during the year:	-	10
Options outstanding at the end of the year:	1,300	10
Options available for grant:	800	10

Weighted average remaining contractual life for options is 18.5 months outstanding as at 31 March, 2017.

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

Weighted average remaining contractual life for options is 5 months outstanding as at 31 March, 2016.

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

Note 35: Provision for Contingencies

The Company carries a Provision for Contingencies towards loss on account of cash theft. The Management estimates the same to be settled in the upcoming years. Addition to Provision for Contingencies relate to electricity charges and last year numbers have been appropriately reclassified. The movement of the said provision is summarised below:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Balance	7,96,57,735	-
Add: Provision for cash loss	-	4,75,10,200
Add: Provision for electricity	4,14,02,318	3,21,47,535
Less: Provision no longer required	-	-
Closing Balance	12,10,60,053	7,96,57,735

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes to the consolidated financial statements

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

Particulars	Net assets, i.e., total assets minus total liabilities as on 31st March 2017		Net assets, i.e., total assets minus total liabilities as on 31st March 2016		Share of profit or loss as on 31st March 2017		Share of profit or loss as on 31st March 2016	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount
Parent								
Electronic Payment and Services Private Limited	99.74%	2,14,22,18,083	99.74%	2,31,87,36,387	102.92%	(17,94,86,170)	100.36%	(15,57,66,311)
Subsidiary								
Indian								
EPS ATM Services Private Limited	0.26%	56,35,448	0.26%	5,42,185	-2.92%	50,93,263	-0.36%	5,57,992
Elimination	0.00%	(15,807)	0.00%	15,807	0.00%	-	0.00%	-
Total	100.00%	2,14,78,37,724	100.00%	2,31,92,94,379	100.00%	(17,43,92,907)	100.00%	(15,52,08,319)

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

Note 38: Previous Year

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

For and on behalf of the Board of Directors

Sanjay Kapoor
Director

DIN: 03584520
Date : 4 / 9 / 2017
Place : Mumbai

Pooja Panvalkar
Company Secretary
Date : 4 / 9 / 2017
Place : Mumbai

Mani Mamallan
Chairman & Managing Director

DIN: 03584512
Date : 4 / 9 / 2017
Place : Mumbai

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Balance Sheet as at 31st March, 2017

Amount in INR

Particulars	Notes	As at 31st March, 2017	As at 31st March, 2016
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	3,25,89,480	5,71,56,120
Reserves and Surplus	4	2,10,96,28,602	2,26,15,80,267
		2,14,22,18,082	2,31,87,36,387
Non-Current Liabilities			
Long-term Borrowings	5	63,96,72,875	78,36,67,285
Other Long-term Liabilities	6	1,07,37,847	2,50,90,087
Long-term Provisions	7	8,28,36,176	3,84,49,899
		73,32,46,898	84,72,07,271
Current Liabilities			
Trade Payables	8		
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises		1,82,26,818	99,50,019
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises		33,59,98,630	21,12,92,736
Other Current Liabilities	9	59,21,56,126	82,25,50,074
Short-term Provisions	10	20,17,583	4,37,954
		94,83,99,157	1,04,42,30,783
Total		3,82,38,64,137	4,21,01,74,441
II. ASSETS			
Non-Current Assets			
Property, Plant & Equipment			
Tangible Assets	11	1,53,49,70,259	1,44,05,34,459
Intangible Assets	11	4,89,03,417	50,20,090
Capital Work-in-progress		2,06,14,180	1,94,80,047
		1,60,44,87,856	1,46,50,34,596
Non-Current Investments			
Long term Loans and Advances	13	13,33,33,332	9,83,97,360
Other Non-Current Assets	14	27,79,20,733	21,77,19,677
		70,23,42,218	60,72,05,190
Current Assets			
Current Investments	15	74,95,99,719	48,20,00,178
Trade Receivables	16	34,30,98,169	26,60,38,386
Cash and Cash Equivalents	17	12,55,38,263	1,15,72,83,354
Short-term Loans and Advances	18	10,54,10,291	4,42,70,460
Other Current Assets	19	19,33,87,621	18,83,42,277
		1,51,70,34,063	2,13,79,34,655
Total		3,82,38,64,137	4,21,01,74,441

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Statement of Profit and Loss for the year ended 31st March, 2017

Amount in INR

Notes 1 to 37 forms part of the Financial Statements

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

For and on behalf of the Board of Directors

Anjum A Qazi
 Partner

Date: 1 / 9 / 2017
 Place: Mumbai

Sanjay Kapoor
 Director

DIN: 03584520
 Date : 29 / 8 / 2017
 Place : Mumbai

Mani Mamallan
 Chairman & Managing Director

DIN: 03584512
 Date : 29 / 8 / 2017
 Place : Mumbai

Pooja Panvelkar
 Company Secretary
 Date : 29 / 8 / 2017
 Place : Mumbai

Particulars	Notes	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Revenue from Continuing Operations:			
Revenue from operations (Net of Service tax)	20	1,81,31,03,920	1,65,09,79,086
Other Income	21	9,32,16,412	6,27,27,986
Total Revenue		1,90,63,20,332	1,71,37,07,072
Expenses:			
Employee benefits expense	22	18,98,60,354	15,84,19,922
Finance costs	23	19,40,08,504	22,76,77,711
Depreciation and amortisation expense	11	40,18,13,675	34,99,53,653
Operating Expenses	24	1,14,99,06,348	92,77,04,986
Other General expenses	25	15,11,39,570	20,57,17,111
Total Expenses		2,08,67,28,451	1,86,94,73,383
Loss before Prior Period Items & Taxes		(18,04,08,119)	(15,57,66,311)
Prior Period Item		9,21,949	
Loss Before Tax		(17,94,86,170)	
Tax expense:			
Current Tax			-
Deferred Tax			-
Loss for the year		(17,94,86,170)	(15,57,66,311)
Loss per share (Face Value Rs.10/- each) Basic and Diluted (Rs.)	31	(315)	(398)

Notes 1 to 37 forms part of the Financial Statements

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

For and on behalf of the Board of Directors

Anjum A Qazi
PartnerDate: 1 / 9 / 2017
Place: MumbaiSanjay Kapoor
DirectorDIN: 03584520
Date : 29 / 8 / 2017
Place : MumbaiMani Mamallan
Chairman & Managing DirectorDIN: 03584512
Date : 29 / 8 / 2017
Place : MumbaiPooja Panvelkar
Company Secretary
Date : 29 / 8 / 2017
Place : Mumbai

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Cash Flow statement for the year ended 31st March 2017

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
A. Cash Flow from Operating Activities		
Loss Before Tax as per Statement of Profit & Loss	(17,94,86,170)	(15,57,66,311)
Adjustments for :		
Depreciation & Amortisation Expenses	40,18,13,675	34,99,53,653
Expense on employee stock options (ESOP) scheme	29,67,864	1,92,66,240
Finance Costs	19,40,08,504	22,76,77,711
Interest Income	(3,74,49,338)	(4,05,42,927)
Dividend Income	-	(51,88,300)
Net gain on sale of current investments	(4,13,48,197)	(20,00,178)
Provision for doubtful trade receivables		95,47,932
Bad Debts and allowances for doubtful balances	1,09,51,092	2,69,99,892
Loss on Theft/Write off of Property , Plant & Equipment	76,40,508	1,28,92,223
Provision for Contingencies	4,14,02,318	7,96,57,735
Deferred profit on sale of Property Plant & Equipment	(1,43,52,240)	(1,43,99,011)
Operating profit before working capital changes	38,61,48,016	50,80,98,659
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:		
Trade receivables	(8,80,10,878)	(14,01,36,569)
Short-term loans and advances	(6,11,39,831)	(5,09,28,571)
Long-term loans and advances	(72,22,126)	(1,00,21,058)
Other current assets	(50,45,344)	(3,21,71,856)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	13,29,82,693	(17,10,516)
Other current liabilities	(23,03,93,948)	17,91,163
Short-term provisions	15,79,629	(30,502)
Long-term provisions	29,83,959	(3,04,05,109)
Cash Generated from Operations	13,18,82,170	24,44,85,641
Less: Taxes Paid	2,88,37,861	1,93,31,595
Net Cash flow from Operating Activities (A)	10,30,44,309	22,51,54,046
B. Cash Flow from Investing Activities		
Capital expenditure on Property Plant & Equipment, including capital advances	(54,77,83,423)	(21,45,81,075)
Interest Income received	3,74,49,338	4,05,42,927
Dividend Income received	-	51,88,300
Investments in Mutual Fund	(26,75,99,542)	(48,20,00,178)
Net gain on sale of current investments	4,13,48,197	20,00,178
Purchase of long-term investments in subsidiary	-	(29,10,62,153)
Fixed Deposits placed	1,01,30,60,874	(1,05,99,60,918)
Net Cash Flow (used in) Investing Activities (B)	27,64,75,444	(1,99,98,72,919)

Financial Statement FY 2016-2017

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

NOTES TO THE FINANCIAL STATEMENTS

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
C. Cash Flow from Financing Activities		
Proceeds from issue of equity shares	-	22,04,480
Proceeds from issue of preference shares	-	5,00,00,000
Proceeds from securities premium on issue of equity and preference shares	-	1,87,07,42,300
Proceeds from long-term borrowings	(14,39,94,410)	44,64,37,178
Repayment of long-term borrowings	-	(38,39,55,953)
Share Issue Expenses	-	(3,12,66,605)
Finance Costs	(19,40,08,504)	(22,76,77,711)
Cash Flow from Financing Activities (C)	(33,80,02,914)	1,72,64,83,689
Net Increase/(Decrease) in Cash & Cash Equivalent (A+B+C)	4,15,16,839	(4,82,35,184)
Add: Cash & Cash Equivalent at the beginning of the year	6,18,90,699	11,01,25,883
Cash & Cash Equivalent at the end of the year	10,34,07,538	6,18,90,699

Notes to Cash Flow Statement:

- 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.
- Cash and Cash equivalents includes cash and bank balances in current accounts and term deposit accounts.
- Reconciliation of Cash and cash equivalents with the Balance Sheet:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Cash and Cash equivalents as above	10,34,07,538	6,18,90,699
Add: Balances in Term Deposits	2,21,30,725	1,09,53,92,655
Cash and Cash equivalents as per Note 17	12,55,38,263	1,15,72,83,354

For Deloitte Haskins & Sells LLP
Chartered Accountants

For and on behalf of the Board of Directors

Anjum A Qazi
Partner

Sanjay Kapoor
Director

Mani Mamallan
Chairman & Managing Director

Date: 1 / 9 / 2017
Place: Mumbai

DIN: 03584520
Date : 29 / 8 / 2017
Place : Mumbai

DIN: 03584512
Date : 29 / 8 / 2017
Place : Mumbai

Pooja Panvelkar
Company Secretary
Date : 29 / 8 / 2017
Place : Mumbai

Note 1: Corporate Information

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

Note 2: Significant Accounting Policies

a) Basis for preparation of Financial Statements

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

b) Use of Estimates

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

c) Cash and Cash Equivalents

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 Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on management internal/ technical evaluation, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.

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

Depreciation on tangible 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.

f) Revenue Recognition

Revenues from service contracts, are recognised when services are rendered; and there is reasonable certainty of ultimate realisation for the same.

Revenues until the Balance Sheet date for ATM services provided and for which the billing is pending are aggregated and reported as Unbilled Revenue.

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 ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

i) Foreign Currency Transactions

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

j) Investments

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

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

Current Investments are carried individually, at cost or fair value whichever is less.

k) Employee Benefits

Employee Benefits include provident fund, gratuity 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 fund the cost of providing benefits is determined using the Projected

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

Other Employee Benefits

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

The cost of short-term non-accumulating compensated absences is accounted, when the absences occur.

l) Leases

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

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

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

m) Earnings per Share

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

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

n) Taxes on Income

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

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

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

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

o) Impairment of Assets

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

p) Provisions, Contingent Liabilities and Contingent Assets

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

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

A disclosure of contingent liability is made when there is:

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

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Notes forming part of Financial Statements

When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

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

q) Onerous contracts

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

r) Service tax input credit

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

s) Employee share based payment

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

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

t) Insurance claims

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

u) Borrowing cost

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

v) Operating Cycle

Based on the nature of products / activities of the 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.

Note 3 : Share Capital

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Rs.	Number of shares	Rs.
(a) Authorised				
Equity Shares of Rs. 10/- each	13,00,000	1,30,00,000	13,00,000	1,30,00,000
Compulsory Convertible Preference Shares of Rs.10/- each	57,00,000	5,70,00,000	57,00,000	5,70,00,000
	70,00,000	7,00,00,000	70,00,000	7,00,00,000
(b) Issued, Subscribed and fully paid-up				
Equity Shares of Rs. 10/- each	6,99,788	69,97,880	5,67,875	56,78,750
Compulsory Convertible Preference Shares ('CCPS') of Rs.10/- each	25,59,160	2,55,91,600	51,47,737	5,14,77,370
	32,58,948	3,25,89,480	57,15,612	5,71,56,120
Total	32,58,948	3,25,89,480	57,15,612	5,71,56,120

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Rs.	Number of shares	Rs.
i. Equity shares				
Outstanding at the beginning of the year	5,67,875	56,78,750	3,47,427	34,74,270
Add: Issued during the year	1,31,913	13,19,130	2,20,448	22,04,480
Closing Balance	6,99,788	69,97,880	5,67,875	56,78,750
ii. Compulsorily convertible preference shares				
Series B CCPS:				
Outstanding at the beginning of the year	1,47,737	14,77,370	1,47,737	14,77,370
Add: Issued during the year	-	-	-	-
Less: Conversion to Equity during the year	(89,102)	(8,91,020)	-	-
Closing Balance	58,635	5,86,350	1,47,737	14,77,370
Series C CCPS:				
Outstanding at the beginning of the year	50,00,000	5,00,00,000	-	-
Add: Issued during the year	-	-	50,00,000	5,00,00,000
Less: Conversion to Equity during the year	(24,99,475)	(2,49,94,750)	-	-
Closing Balance	25,00,525	2,50,05,250	50,00,000	5,00,00,000
Total	25,59,160	2,55,91,600	51,47,737	5,14,77,370

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

Particulars	As at 31st March, 2017		As at 31st March, 2016	
	Number of shares	Rs.	Number of shares	Rs.
i. Equity shares				
Vidya Rani Mani Mamallan	90,000	12.86%	90,000	15.85%
Aavishkaar India II Company Limited	1,68,635	24.10%	70,953	12.49%
Aavishkaar Goodwell India Microfinance Development Company II Limited	1,05,038	15.01%	71,340	12.56%
APIS Growth III Limited	2,20,448	31.50%	2,20,448	38.82%
Asia Participations B.V.	65,425	9.35%	65,425	11.52%
ii. Series B CCPS				
Aavishkaar India II Company Limited	-	-	63,590	43.04%
Aavishkaar Goodwell India Microfinance Development Company II Limited	-	-	25,161	17.03%
Asia Participations B.V.	58,635	100.00%	58,635	39.69%
iii. Series C CCPS				
Aavishkaar India II Company Limited	-	-	19,90,418	39.81%
Aavishkaar Goodwell India Microfinance Development Company II Limited	-	-	4,98,438	9.97%
Asia Participations B.V.	25,00,525	100.00%	25,00,525	50.01%

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

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

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

In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

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

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

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

During the year ended 31 March 2017, 89102 Series B CCPS were converted to 89102 Equity Shares

Series C CCPS:

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

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

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

During the year ended 31 March 2017, 2499475 Series C CCPS were converted to 42811 Equity Shares

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Notes forming part of Financial Statements

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Note 4 : Reserves and Surplus

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Securities premium account		
Opening balance	2,69,41,58,101	85,46,82,406
Add: Premium on shares issued during the year	2,45,66,640	1,87,07,42,300
Less: Utilised during the year (Refer Note 4.1 below)	-	(3,12,66,605)
Closing balance	2,71,87,24,741	2,69,41,58,101
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(47,67,68,462)	(32,10,02,151)
Add: Profit / (Loss) for the year	(17,94,86,170)	(15,57,66,311)
Closing balance	(65,62,54,632)	(47,67,68,462)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	4,41,90,628	2,49,24,388
Add: Amount recorded on grants during the year	29,67,865	1,92,66,240
Closing balance	4,71,58,493	4,41,90,628
Total	2,10,96,28,602	2,26,15,80,267

Note: 4.1

Share issue expenses are adjusted against the securities premium account during previous year ended 31st March, 2017

Note 5 : Long Term Borrowings

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Term loans		
Secured		
(i) From Banks (Refer Note 11B©)	43,91,09,402	33,01,68,721
(ii) From Others	2,16,03,785	3,14,55,039
Unsecured		
(i) From Others	-	4,30,91,341
	46,07,13,187	40,47,15,101
(b) Finance lease obligations (Refer Note 30(i))	17,89,59,688	37,89,52,184
	17,89,59,688	37,89,52,184
Total	63,96,72,875	78,36,67,285

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Term loans from Banks		
Secured	64,38,06,978	55,00,13,024
[Repayable over 20 - 57 months with Interest range 10.15% - 13.25%		
Secured against:		
1) Trade receivables and Specific Assets (Refer Note 11B(C))		
2) Lien marked fixed deposit		
3) Personal Guarantee of Promoters and Directors]		
(b) Term loans from Others		
Secured	3,14,55,038	4,00,26,250
[Repayable over 32 - 36 months with interest rate 14%		
Secured against:		
1) Trade receivables and Specific Assets		
2) Personal Guarantee of Promoters and Directors]		
Unsecured	-	29,53,36,501
(c) Finance lease obligations:		
[Repayable in 16 - 40 monthly installments with interest rate 13.25% - 16.4%]	37,89,52,183	54,97,36,416
	1,05,42,14,199	1,43,51,12,191
Less: Current Maturities of Long Term Debts & finance lease obligations (Refer Note 9 below)	(41,45,41,324)	(65,14,44,906)
Total Long Term Borrowings	63,96,72,875	78,36,67,285

Note 6 : Other Long Term Liabilities

Particulars	As at 31st March, 2017	As at 31st March, 2016
Deferred Profit on Sale and lease back transactions	1,07,37,847	2,50,90,087
Total	1,07,37,847	2,50,90,087

Note 7 : Long Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits		
Provision for gratuity (Refer Note 27 (B))	92,86,323	63,02,364
Provision for Contingencies (Refer Note 35)	7,35,49,853	3,21,47,535
Total	8,28,36,176	3,84,49,899

Note 8 : Trade Payables

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Total Outstanding dues of Micro Enterprises & Small Enterprises (Refer Note 8.1 below)	1,82,26,818	99,50,019
(b) Total Outstanding dues of creditors other than Micro Enterprises & Small Enterprises	33,59,98,630	21,12,92,736
Total	35,42,25,448	25,33,90,290

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	1,82,26,818	99,50,019
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	- Rs. 6,90,629 /-	
(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	- Nil	
(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	- Nil	
(e) The amount of interest accrued during the year and remaining unpaid at the end of the accounting year 2017	- Rs. 6,90,629/-	
(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	- Nil	

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, 2017	As at 31st March, 2016
Current maturities of long term debt (Refer Note 5(I))		
Secured:		
(a) Term loans from Banks (Refer Note 11B(b))	20,46,97,576	21,98,44,303
(b) Term loans from Others	98,51,253	85,71,211
Unsecured:		
(a) Term loans from Others	-	25,22,45,160
Current maturities of finance lease obligations (Refer Note 30(i))	19,99,92,500	17,07,84,232
Deferred Profit on Sale and lease back transactions	1,43,99,011	1,43,99,011
Security Deposits received	23,00,000	79,00,000
Other Payables:		
Statutory remittances	76,73,387	62,29,457
Payable to Customers	78,580	7,22,809
Payable to Bank	1,27,97,800	1,50,11,600
Payable on Purchase of Property Plant & Equipment	14,03,66,019	12,68,42,291
Total	59,21,56,126	82,25,50,074

Note 10 : Short Term Provisions

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for employee benefits		
Provision for gratuity (Refer Note 27 (B))	1,64,629	23,336
Provision for leave encashment		4,14,618

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provision for compensated absences	18,52,954	-
Total	20,17,583	4,37,954

Note 12 : Non - Current Investment

Particulars	As at 31st March, 2017	As at 31st March, 2016
Investments (At Cost)		
Trade		
Investment in wholly owned subsidiary:10,000 (As at 31st March, 2017: 10,000) shares of Rs. 10 each fully paid-up in EPS ATM Services Private Limited (formerly known as CISB ATM Services Private Limited)	29,10,88,153	29,10,88,153
Total	29,10,88,153	29,10,88,153

Note 12.1:

The Company and its wholly owned subsidiary, EPS ATM Services Private Limited (EPS ATM) have made a Company Application (number 230 of 2017 dated 27 February 2017), to the National Company Law Tribunal (NCLT), for proposing a scheme of amalgamation to merge EPS ATM (as the Transferor Company) with the Company (as the Transferee Company), without winding up of the former, pursuant to the relevant provisions of the Companies Act, 2013. The effective date of the merger is 1 April 2016. The petition for admission was admitted by the NCLT on 21 June 2017 and the matter is pending final hearing and disposal.

Note 13 : Long term loans and advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured & considered good:		
Security Deposits	7,61,27,637	6,89,05,511
Capital Advances	21,51,523	32,75,538
Balances with government authorities:		
Tax deducted at source credit receivable	5,50,54,172	2,62,16,311
Total	13,33,33,332	9,83,97,360

Note 14: Other Non-Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Others		
Balances with Banks (In Earmarked Accounts)		
-Balances held as security against borrowings, guarantees	22,86,95,906	16,59,71,867
-Balances held as margin money, guarantees (Refer Note 14.1 below)	4,92,24,827	5,17,47,810
Total	27,79,20,733	21,77,19,677

Note 14.1:

On behalf of the Company, banks have issued performance bank guarantees amounting to Rs. 123,500,000/- (Rs. 94,600,000/- as at 31st March, 2016) for the deployment of cash dispenser's in respect of which the Company has placed fixed deposits under lien amounting to Rs 46,450,000/- (Rs. 46,450,000/- as at 31st March, 2016).

Note 15: Current Investments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Non Trade – Investment in units of Mutual Funds - Unquoted –		
Lower of cost or fair value		
Investments in Mutual Fund (Market Value Rs. 794,322,353)(Refer Note 15.1 below)	74,95,99,719	48,20,00,178
Total	74,95,99,719	48,20,00,178

Note 15.1: Details of Unquoted Investment

Particulars Mutual Fund Scheme	As on 31st March 2017	
	Cost	Market Value
DSP Black Rock ultra Short Term Fund Direct Growth - 4208866.087 Units (Face Value Rs.10/- each)	4,75,00,000	5,01,17,915
HDFC Banking and PSU Debt Fund Regular Plan Growth - 25531877.693 units (Face Value Rs.10/- each)	31,07,30,646	33,74,01,211
HDFC Short Term Opportunities Fund Regular plan growth - 5787109.793 Units (Face Value Rs.10/- each)	15,55,28,848	15,82,40,209
ICICI Prudential Short Term Direct Plan Growth Option - 3054358.417 Units (Face Value Rs.10/- each)	10,00,00,000	10,69,96,619
IDFC Corporate Bond Fund Option - 8803298.43 Units (Face Value Rs.10/- each)	9,38,23,795	9,83,46,048
SBI Treasury Advantage Fund Direct Growth - 23397.642 Units (Face Value Rs.1000/- each)	4,20,16,431	4,32,20,351
Total	74,95,99,720	79,43,22,353

Details of Unquoted Investment Mutual Fund Scheme	As on 31st March 2016	
	Cost	Market Value
ICICI Prudential Liquid Direct Plan Growth - 363,121 Units(Face Value Rs.100/- each)	8,02,70,782	8,14,43,226
SBI Treasury Advantage Fund Direct Growth - 179,482 Units(Face Value Rs.1,000/- each)	30,17,29,396	30,56,43,621
SBI Ultra Short Term Fund Direct Growth - 51,546 Units(Face Value Rs.1,000/- each)	10,00,00,000	10,06,10,442

Note 16 :Trade Receivables

Particulars	As at 31st March, 2017	As at 31st March, 2016
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	40,94,493	6,89,08,147
Less : - Provision for doubtful trade receivables	-	(95,47,932)
Others	40,94,493	5,93,60,215

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured, considered good	32,21,10,424	20,66,78,171
Penalty Recoverable from Vendors	1,68,93,252	-
Total	34,30,98,169	26,60,38,386

Note 16.1: Trade receivables include amounts due from:

Particulars	As at 31st March, 2017	As at 31st March, 2016
Private companies in which any director is a director:		
EPS ATM Services Private Limited (formerly known as CISB ATM Services Private Limited) (Refer Note 29)	25,82,81,811	23,97,39,051

Note 17 : Cash and Cash Equivalents

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash on hand (Refer Note -17.1 on Specified Bank Notes)	47,057	39,373
Balance with banks		
In Current Accounts	10,33,60,481	6,18,51,326
In Term Deposit	-	-
Less than 12 Months	2,03,03,707	
More than 12 Months	18,27,018	1,09,53,92,655
Total	12,55,38,263	1,15,72,83,354

Note 18 : Short Term Loans and Advances

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unsecured and considered good:		
Loans and advances to related parties (Refer Note 29)	10,500	-
Loans and advances to employees	9,78,314	10,62,957
Prepaid expenses	2,31,19,894	1,50,35,318
Balances with Government Authorities		
Cenvat Credit Receivable	8,10,38,304	2,44,66,895
Advance to suppliers (Net)	2,63,279	37,05,290
Total	10,54,10,291	4,42,70,460

Note 19: Other Current Assets

Particulars	As at 31st March, 2017	As at 31st March, 2016
Unbilled Revenue	16,52,54,743	15,31,61,203
Insurance Claim receivable (Net)	2,07,21,153	1,65,57,248
Interest accrued on fixed deposits	27,47,864	1,47,58,259
Other Receivables	46,63,861	38,65,567
Total	19,33,87,621	18,83,42,277

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

CIN: U72300MH2011PTC222535

Note 17.1 Disclosure on Specified Bank Notes (SBN)

Disclosure on details of SBN held and transacted during the period from 8th November, 2016 to 30th December, 2016 vide Circular G.S.R. 308(E), dated 30th March, 2017.

Particulars	Specified Bank Notes	Other Denomination Notes	Total
Closing cash in hand as on 08th Nov 2017	10,000	11,899	21,899
(+) Permitted receipts	8,17,600	2,43,378	10,60,978
(-) Counterfield Notes	4,200	1,16,634	1,20,834
(-) Amount deposited in Banks	8,13,400	1,07,900	9,21,300
Closing cash in hand as on 30th Dec 2017	10,000	30,743	40,743

Financial Statement FY 2016-2017 ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Notes forming part of Financial S Note : 11A Property, Plant & Equipment

Sr. No	PROPERTY PLANT & EQUIPMENT	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
		BALANCE AS AT 1.04.2016	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2017	BALANCE AS AT 1.04.2016	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2017	BALANCE AS AT 31.03.2017	BALANCE AS AT 31.03.2017	
A	Tangible Assets											
	Automated Teller Machine											
	Owned	70,47,92,158	26,98,24,681	39,89,784	97,06,27,055	18,48,43,431	12,22,97,713	14,17,476	30,57,23,668	66,49,03,411	51,99,48,727	
	Taken under finance lease	60,02,66,493	37,97,761	52,66,138	59,87,98,116	26,85,46,398	11,64,29,327	28,00,680	38,21,75,045	21,66,23,070	33,17,20,095	
	Uninterrupted Power Supply Machine											
	Owned	9,24,79,104	10,29,497	6,95,470	9,28,13,131	2,57,49,825	1,35,58,193	2,46,747	3,90,61,271	5,37,51,860	6,67,29,279	
	Taken under finance lease	4,74,57,463	2,86,969	3,25,510	4,74,18,922	2,10,68,274	89,50,663	1,62,603	2,98,56,334	1,75,62,589	2,63,89,189	
	Site Interior & Other Merchandises											
	Owned	37,43,96,247	13,15,14,052	1,05,42,501	49,53,67,798	10,45,49,909	6,50,43,548	34,60,727	16,61,32,730	32,92,35,068	26,98,46,338	
	Taken under finance lease	17,85,26,255	16,71,143	40,30,579	17,61,66,819	7,96,92,971	3,28,84,490	20,58,820	11,05,18,641	6,56,48,178	9,88,33,284	
	Air Conditioner											
	Owned	6,33,72,147	5,00,45,105	7,30,846	11,26,86,406	1,38,73,144	1,30,37,190	1,11,180	2,67,99,154	8,58,87,252	4,94,99,003	
	Taken under finance lease	1,85,50,765	1,37,475	2,93,024	1,83,95,216	95,62,299	34,19,964	1,38,132	1,28,44,131	55,51,084	89,88,466	
	VSAT											
	Owned	4,14,50,988	2,41,21,110	7,53,906	6,48,18,192	76,04,480	76,33,754	1,41,200	1,50,97,034	4,97,21,158	3,38,46,508	
	Taken under finance lease	42,66,574	-	2,35,761	40,30,813	8,50,584	8,06,163	58,355	15,98,392	24,32,422	34,15,990	
	E-Surveillance	2,68,84,777	2,36,93,716	51,95,025	4,53,83,468	38,57,209	48,57,225	-	87,14,434	3,66,69,034	2,30,27,568	
	Digital Video Recorder (DVR)	21,15,546	35,700	-	21,51,246	88,517	6,10,971	-	6,99,488	14,51,758	20,27,029	
	Furniture and Fixtures	34,01,968	1,73,665	-	35,75,633	11,11,315	6,99,574	-	18,10,889	17,64,742	22,90,653	
	Office Equipment	36,56,157	-	45,950	36,10,207	16,45,646	8,04,005	-	24,49,651	11,60,556	20,10,511	
	Computers	64,68,436	20,97,672	28,947	85,37,161	45,06,617	14,22,467	-	59,29,084	26,08,078	19,61,819	
	Total	2,16,80,85,078	50,84,28,546	3,21,33,441	2,64,43,80,183	72,75,50,619	39,24,55,247	1,05,95,920	1,10,94,09,946	1,53,49,70,259	1,44,05,34,459	
B	Intangible Assets											
	Computer Software	1,30,86,749	5,32,41,752	-	6,63,28,501	80,66,659	93,58,427	-	1,74,25,086	4,89,03,417	50,20,090	
	Total	1,30,86,749	5,32,41,752	-	6,63,28,501	80,66,659	93,58,427	-	1,74,25,086	4,89,03,417	50,20,090	
	Grand Total	2,18,11,71,827	56,16,70,298	3,21,33,441	2,71,07,08,684	73,56,17,278	40,18,13,675	1,05,95,920	1,12,68,35,033	1,58,38,73,675	1,44,55,54,549	

Notes:

Disposals includes an amount of INR 3,063,224 for e surveillance assets capitalised on provisional basis at a higher rate in a previous financial year. The same are included at the correct valuation of INR 2,162,160 in additions in the current year.

Pursuant to the supplier reconciliation, the management has identified a difference of INR 4,070,001 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 Company has a practice of booking shifting of sites as an addition at one site and a disposal at the other site. Pursuant to this, an amount of INR 6,031,066 has been included in the additions and an amount of INR 7,119,872 has been included in the Disposals.

Additions includes certain assets capitalized at INR 1 which were earlier written off as non-existent and have now been recapitalized in course of reconciliation of physical verification of fixed assets with the Fixed Asset Register.

Financial Statement FY 2016-2017
ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
Notes forming part of Financial Statements
Note : 11B Property, Plant & Equipment

Sr. No	PROPERTY PLANT & EQUIPMENT	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK		
		BALANCE AS AT 1.04.2015	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2016	BALANCE AS AT 1.04.2015	DEPRECIATION/AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2017	BALANCE AS AT 31.03.2017	BALANCE AS AT 31.03.2017	
A	Tangible Assets											
	Automated Teller Machine	62,81,42,350	10,39,95,084	2,73,45,276	70,47,92,158	9,62,14,551	9,44,65,165	58,36,285	18,48,43,431	51,99,48,727	53,19,27,799	
	Owned	58,09,51,046	2,27,22,747	34,07,300	60,02,66,493	15,44,03,704	11,54,26,339	12,83,645	26,85,46,398	33,17,20,095	42,65,47,342	
	Taken under finance lease											
	Uninterrupted Power Supply Machine	7,95,45,463	1,66,30,195	36,96,554	9,24,79,104	1,28,33,152	1,37,84,670	8,67,997	2,57,49,825	6,67,29,279	6,67,12,311	
	Owned	4,48,29,821	43,74,001	17,46,359	4,74,57,463	1,17,88,210	99,38,204	6,58,140	2,10,68,274	2,63,89,189	3,30,41,611	
	Taken under finance lease											
	Site Interior & Other Merchandises	32,98,70,140	5,87,10,407	1,41,84,300	37,43,96,247	5,27,89,618	5,50,30,290	32,69,999	10,45,49,909	26,98,46,338	27,70,80,522	
	Owned	17,26,24,349	94,26,761	35,24,855	17,85,26,255	4,76,78,457	3,32,98,970	12,84,456	7,96,92,971	9,88,33,284	12,49,45,892	
	Taken under finance lease											
	Air Conditioner	4,63,92,571	1,77,87,719	8,08,143	6,33,72,147	58,15,797	82,63,640	2,06,293	1,38,73,144	4,94,99,003	4,05,76,774	
	Owned	1,98,09,373	2,48,261	15,06,869	1,85,50,765	66,91,932	33,67,681	4,97,314	95,62,299	89,88,466	1,31,17,441	
	Taken under finance lease											
	VSAT	2,94,42,556	1,33,73,294	13,64,862	4,14,50,988	26,55,915	52,62,835	3,14,270	76,04,480	3,38,46,508	2,67,86,641	
	Owned	33,23,172	9,43,402	-	42,66,574	31,681	8,18,903	-	8,50,584	34,15,990	32,91,491	
	Taken under finance lease											
	E-Surveillance	1,75,72,364	93,12,413	-	2,68,84,777	4,38,540	34,18,669	-	38,57,209	2,30,27,568	1,71,33,824	
	Owned	-	21,15,546	-	21,15,546	-	88,517	-	88,517	20,27,029	-	
	Taken under finance lease											
	Digital Video Recorder (DVR)	19,58,762	14,43,206	-	34,01,968	6,33,616	4,77,699	-	11,11,315	22,90,653	13,25,146	
	Owned	24,34,094	14,60,168	2,38,105	36,56,157	8,72,514	7,73,132	-	16,45,646	20,10,511	15,61,580	
	Taken under finance lease											
	Office Equipment	54,05,178	12,64,297	2,01,039	64,68,436	27,78,813	17,27,804	-	45,06,617	19,61,819	26,26,365	
	Owned											
	Taken under finance lease											
	Computers	1,96,23,01,239	26,38,07,501	5,80,23,662	2,16,80,85,078	39,56,26,500	34,61,42,518	1,42,18,399	72,75,50,619	1,44,05,34,459	1,56,66,74,739	
	Owned											
	Taken under finance lease											
B	Intangible Assets											
	Computer Software	1,02,54,489	29,05,403	73,143	1,30,86,749	42,55,524	38,11,135	-	80,66,659	50,20,090	59,98,965	
	Owned	1,02,54,489	29,05,403	73,143	1,30,86,749	42,55,524	38,11,135	-	80,66,659	50,20,090	59,98,965	
	Taken under finance lease											
	Grand Total	1,97,25,55,728	26,67,12,904	5,80,96,805	2,18,11,71,827	39,98,82,024	34,99,53,653	1,42,18,399	73,56,17,278	1,44,55,54,549	1,57,26,73,704	

Notes:

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

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

© Pursuant to this reconciliation process of Fixed Assets referred to in Note 11(b) above, the Management has identified that certain fixed assets which were taken on lease had been inadvertently provided and registered as security against a borrowing from a bank. Post Balance Sheet date, Management has initiated the process of release of the above mentioned securities by way of negotiation on prepayment of borrowing. The Management has assessed the adequacy of securities against outstanding balance of such borrowing as on 31st March 2016 and concluded that the same would be adequate even after excluding the value of such inadvertent charge.

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Notes forming part of Financial Statements

Note 20: Revenue from Operations

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Income from ATM Services: (net of Service tax)	1,81,31,03,920	1,65,09,79,086
Total	1,81,31,03,920	1,65,09,79,086

Note 21: Other Income

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Fixed Deposit:	3,74,49,338	4,05,42,927
Interest on Income tax refund	-	2,06,327
Profit on Sale and Leased back	1,43,52,240	1,43,99,011
Dividend income	-	51,88,300
Net gain on Sale of current investment	4,13,48,197	20,00,178
Other Income	66,637	3,91,243
Total	9,32,16,412	6,27,27,986

Note 22: Employee Benefits Expense

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Salary, wages & bonus	16,24,25,160	12,18,09,542
Contribution to Provident Fund (Refer Note 27(A))	64,69,586	49,19,975
Gratuity expense (Refer Note 27(B))	31,25,252	17,50,619
Expense on employee stock options (ESOP) scheme (Refer Note 34)	29,67,864	1,92,66,240
Staff welfare expenses	1,48,72,491	1,06,73,546
Total	18,98,60,353	15,84,19,922

Note 23: Finance Costs

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest on Borrowings	10,39,65,922	11,23,88,730
Interest on Finance Lease	8,20,82,792	10,79,27,855
Loan Processing Fees	67,18,758	37,50,613
Interest on delayed payment of taxes	12,41,032	36,10,513
Total	19,40,08,504	22,76,77,711

Note 24: Operating Expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Annual Maintenance Charges	14,66,03,763	9,14,96,698
Caretaker Charges	81,43,414	-

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Consumables Charges	3,51,81,546	3,62,47,976
Cash Replenishment Charges	39,46,93,304	35,14,75,909
Management Service Charges	1,99,14,489	2,95,84,132
Site Electricity	12,47,18,933	10,02,40,850
Provision for Contingencies (Refer Note 35)	4,14,02,318	3,21,47,535
Site Housekeeping	2,85,41,294	2,95,16,762
Satellite (VSAT) Charges	3,04,44,738	2,83,06,738
Site Rent	21,35,76,462	16,46,28,696
Other Operating Charges	70,12,118	56,67,232
Insurance Premium	2,83,78,702	1,54,46,580
Repairs Charges - Sites	6,91,76,108	3,97,83,787
Shifting Charges -Sites	21,19,159	31,62,091
Total	1,14,99,06,348	92,77,04,986

Note 25: Other General Expenses

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Professional and Consultancy Charges	3,92,76,374	2,15,29,274
Rates and Taxes	3,67,12,440	3,96,28,046
Rent Charges	1,29,20,170	1,07,43,600
Payment to auditor (Refer Note (I) below)	30,50,000	38,50,000
Bank Charges and Commission	23,17,526	22,00,273
Insurance Charges	1,04,556	2,79,070
Power and Fuel Expenses	29,58,910	26,34,604
Repairs and Maintenance	28,50,831	13,40,870
Telecom Expenses	49,74,574	47,98,271
Travelling and Conveyance Expenses	88,05,785	55,06,555
Business Promotion Expenses	41,63,114	23,53,905
Meeting Expenses	4,54,511	18,42,054
Membership and Registration Charges	20,22,586	26,01,218
Office Expenses	48,50,464	42,14,574
Postage and Courier	6,15,014	3,37,414
Printing and Stationery	13,33,048	11,22,669
Motor Car Expenses	6,33,045	4,90,105
Loss on Theft/Damage/Writeoff of Fixed Assets (Refer 11B (b))	76,40,508	1,28,92,223
Bad Debts and allowances for doubtful balances	1,09,51,092	3,65,47,824
Provision for Contingencies (Refer Note 35)	-	4,75,10,200
Lease Rentals (Refer Notes 30(ii))	33,19,062	30,31,570
Miscellaneous Expenses	11,85,960	2,62,792
Total	15,11,39,570	20,57,17,111

Note (i) Payments to the auditor comprise

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
(a) To Statutory Auditor		
For Audit	30,00,000	28,50,000
For Certificate	50,000	-
For Other Services	-	10,00,000
Total	30,50,000	38,50,000

Note (ii) Amount Paid in Foreign Currency

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Amount spend in foreign currency	38,53,571	9,97,677
Total	38,53,571	9,97,677

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

Particulars	As at 31st March, 2017	As at 31st March, 2016
Claims against the Company not acknowledged as debt		
Service Tax	2,85,36,936	2,85,36,936
Local Body Tax	1,94,800	1,94,800

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

(b) Commitments

Particulars	As at 31st March, 2017	As at 31st March, 2016
Estimated amount of contracts remaining to be executed on capital account and not accounted for	11,52,367	3,22,12,531

Note 27: Employee Benefits**(A) Defined Contribution Plan**

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

The Company recognised Rs. 64,69,586/- (Year ended 31 March, 2017) and Rs. 49,19,975/- (Year ended 31 March, 2016) for Provident Fund contributions in the Statement of Profit and Loss.

(B) Defined Benefit Plan

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

Gratuity

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

company.

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

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	7.34 % p.a.	8.08 % 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
* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.		
** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.		
*** The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations		
II. Table showing change in Benefit Obligation:		
Liability at the beginning of the year	63,25,700	45,75,081
Interest cost	5,11,117	3,63,261
Current service cost	18,47,970	19,40,330
Actuarial (gain)/ loss on obligation	7,66,165	(5,52,972)
Liability at the end of the year	94,50,952	63,25,700
III. Fair value of Plan Assets:		
	-	-
IV. Actual return on Plan Assets:		
	-	-
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(94,50,952)	(63,25,700)
Net asset/ (liability) recognised in the balance sheet	(94,50,952)	(63,25,700)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets		
	Not Applicable	Not Applicable
VII. Expenses recognized in the Statement of Profit & Loss:		
Current service cost	18,47,970	19,40,330
Interest cost	5,11,117	3,63,261
Actuarial (gains)/losses	7,66,165	(5,52,972)
Expenses recognized in Statement of Profit and Loss	31,25,252	17,50,619
VIII. Balance Sheet Reconciliation		
Opening net liability	63,25,700	45,75,081
Expense as above	31,25,252	17,50,619
Net Liability / (Asset) recognised in Balance Sheet	94,50,952	63,25,700

Note 28: Segmental Reporting

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

Note 29: Related party transactions

1. Details of related parties:

Description of Relationship	Names of related parties
(i) Wholly Owned Subsidiary	EPS ATM Services Private Limited
(ii) Key Managerial Personnel (KMP) & their relatives	
Managing Director	Mr. Mani Mamallan
Executive Director	Mr. Sanjay Kapoor
President HR & Admin	Mrs. Vidya Rani Mani Mamallan

2. Details of related party transactions during the year ended 31st March, 2017 and outstanding balances as at 31st March, 2017:

Particulars	Associate converted into Wholly Owned Subsidiary with effect from 31st December, 2016	KMP
Rendering of Services	1,39,75,62,407	-
	(1,39,26,29,933)	(-)
Receiving of Services		
Remuneration paid	-	1,75,23,489
	(-)	(1,21,11,642)
Perquisites Paid	-	11,36,976
	(-)	(2,37,600)
Balance outstanding at the end of the year		
Investment in Wholly Owned Subsidiary	29,10,88,153	-
	(29,10,88,153)	(-)
Trade receivables	25,82,81,811	-
	(23,97,39,051)	(-)
Loans & Advances	10,500	(-)
	(-)	(-)

Note : Figures in bracket are of previous year.

Note 30: Details of leasing arrangements

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
As Lessee		
(I): Finance Lease Obligations		
The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end		

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
of the lease period. In certain finance lease, the title/ownership shall not be transferred at end of the lease term. Substantially all the risk & rewards incidental to ownership is transferred to EPSThe lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and condition.		
Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:		
Future minimum lease payments		
not later than one year	27,62,40,078	25,07,19,917
later than one year and not later than five years	23,43,23,863	44,67,12,106
later than five years	-	-
Unmatured finance charges	(13,16,11,758)	(14,76,95,607)
	37,89,52,183	54,97,36,416
Present value of minimum lease payments payable		
not later than one year	19,99,92,500	17,07,84,232
later than one year and not later than five years	17,89,59,683	37,89,52,184
later than five years	-	-
	37,89,52,183	54,97,36,416
(ii): Operating Lease Obligations		
The Company has entered into operating lease arrangement for Cars for official use. The leases are non-cancellable and are for a period of four years and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments		
not later than one year	28,61,065	33,35,533
later than one year and not later than five years	33,21,391	59,56,685
later than five years	-	-
	61,82,456	92,92,218
Lease payments recognised in the Statement of Profit and Loss		
-Car Rentals	33,19,062	30,31,570

Note 31: Earnings per share

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net profit / (loss) after tax for the year	(17,94,86,170)	(15,57,66,311)
Net profit / (loss) after tax for the year for computation of Earnings per share	(17,94,86,170)	(15,57,66,311)
Weighted average number of equity shares	5,69,677	3,91,396
Par value per share	10	10
Earnings per share from continuing operations - Basic & Diluted	(315)	(398)

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

Note 32: Deferred Tax

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

Note 33: Derivative Instrument and unhedged foreign currency exposures

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

Note 34: Employee Stock Option Scheme

In the Extra Ordinary general meeting held on 12th August, 2014, the shareholders approved the issue of 18,750 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2014"

("EPS-ESOP 2014"). The ESOP Scheme 2014 allows the issue of options to employees of the Company. Each option comprises one underlying equity share.

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

- in respect of 16,800 options granted in September 2014 over a period of one year from the date of grant
- in respect of 1,300 options granted in January 2016 -

(I) 50% at end of 24th month (ii) 25% at end of 37th month (iii) 25% at end of 49th month.

Options may be exercised within 60 months from the date of vesting. The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option representing Stock Compensation Expense is expensed over the vesting period.

Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2017	
	Options (Numbers)	Weighted average exercise price per option (Rs)
Option outstanding at the beginning of the year:	1,300	10
Granted during the year:	-	-
Vested during the year:	-	10
Exercised during the year:	-	-
Lapsed during the year:	-	10
Options outstanding at the end of the year:	1,300	10
Options available for grant:	800	10

Weighted average remaining contractual life for options is 18.5 months outstanding as at 31 March, 2017.

Particulars (Scheme name: EPS ESOP 2014)	During the year ended 31st March, 2017	
	Options (Numbers)	Weighted average exercise price per option (Rs)
Option outstanding at the beginning of the year:	16,650	10
Granted during the year:	1,300	-
Vested during the year:	16,650	10
Exercised during the year:	-	-
Lapsed during the year:	-	10
Options outstanding at the end of the year:	1,300	10
Options available for grant:	800	10

Weighted average remaining contractual life for options is 5 months outstanding as at 31 March, 2016.

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

Note 35: Provision for Contingencies

The Company carries a provision for contingencies towards loss on account of cash theft and electricity payables. The Management estimates the same to be settled within a period of 1-2 years. The movement of the said provision is summarised below:

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Balance	7,96,57,735	-
Add: Provision during the year	4,14,02,318	7,96,57,735
Less: Provision no longer required	-	-
Closing Balance	12,10,60,053	7,96,57,735

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

Note 37: Previous Year

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

For and on behalf of the Board of Directors

Sanjay Kapoor
Director

DIN: 03584520
Date : 29/08/2017
Place : Mumbai

Mani Mamallan
Chairman &
Managing Director
DIN: 03584512
Date : 29/08/2017
Place : Mumbai

Pooja Panvalkar
Company Secretary
Date : 29/08/2017
Place : Mumbai