



ANNUAL REPORT

2019-2020

Collaborating Strengths for the New Cosmos



CONTENT

- ❖ Company Information
- ❖ Core Services & Solutions
- ❖ Board of Directors
- ❖ Vision Mission Values
- ❖ Message from the Chairman and Managing Director
- ❖ List of Lenders
- ❖ Governance Report
- ❖ Standalone Directors' Reports and its Annexures
- ❖ Standalone Auditor's Report and its Annexures
- ❖ Standalone Balance Sheet
- ❖ Standalone Profit & Loss Statement
- ❖ Standalone Cash Flow Statement
- ❖ Standalone Notes to Accounts
- ❖ Consolidated Auditor's Report and its Annexures
- ❖ Consolidated Balance Sheet
- ❖ Consolidated Profit & Loss Statement
- ❖ Consolidated Cash Flow Statement
- ❖ Consolidated Notes to Accounts

In order to support the Financial Inclusion mission, led by GOI's Ministry of Finance, EPS has successfully deployed ATMs across the country in delivering results, reliability and dependability. EPS manages a portfolio of **11,698 ATMs across major PSU banks**. Today, it has emerged as one of the forerunners among the B2B payment transaction processors.

OUR SERVICES

- ❖ ATM Outsourcing Services
- ❖ ATM Managed Services
- ❖ White Label ATM Services
- ❖ Digital Payment Services



CORE SERVICES & SOLUTIONS

ATM OUTSOURCING SERVICES

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

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

Advantages:

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



ATM MANAGED SERVICES

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

Advantages:

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



WHITE LABEL ATM SERVICES

As a Master Franchisee for a major White Label ATM Operator, authorised by the Reserve Bank of India, EPS has been providing and managing end-to-end deployment and management of White Label ATMs (WLA) under the Total Outsourcing Model. Realising the demand for currency notes and banking services in the rural parts of India, the policy on WLAs gives operators the autonomy to decide WLA locations and service rural and even urban economies in need of cash.

Advantages:

- Efficiently and effectively manage the growing number of White Label ATM networks.
- Deliver a wide variety of banking and financial services to the under-banked sections of society, without stretching operational costs.
- Provide customers the convenience of secure, modern Anytime-Anywhere banking, building trust and goodwill in the process.
- Helps in generating employment opportunities and entrepreneurship opportunities in rural areas.



DIGITAL PAYMENT SERVICES

EFT Switching

Acquire, process, clear and settle credit and debit card payment transactions from ATM, POS and e-Commerce across any network in real time.

Card Management System

Card Lifecycle management backed by comprehensive reporting and audit trails across design, issuance, processing and administration.

Switching for India Payment Stack

Transaction processing for AePS, IMPS, UPI, BPPS.

Aadhaar Data Vault

Tokenization solution that ensures compliance with UIDAI guidelines.

Enterprise Fraud Risk Management

Reduces risks across all payment channels due to ever increasing fraud sophistication.

Enterprise Reconciliation Management

Reduces financial slippages due to deficient reconciliation across all payment channel

i-Diligent Payment

Fraud risk assurance by integrating the fraud risk management, enterprise reconciliation with the back-office systems



BOARD OF DIRECTORS



Mr. Mani Mamallan

DIN - 03584512

Chairman and Managing Director

Mr. Sanjay Kapoor

DIN - 03584520

Director



Mr. Vineet Chandra Rai

DIN - 00606290

Nominee Director

Mr. Udayan Goyal

DIN - 07399005

Nominee Director



**Ms. Sushma Keshavamurthy
Kaushik**

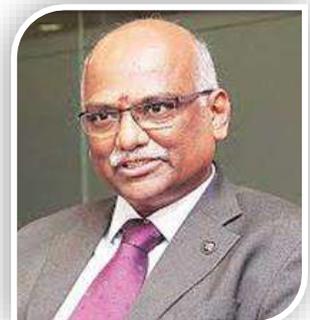
DIN - 05142705

Nominee Director

Mr. Rama Subramaniam Gandhi

DIN - 03341633

Independent Director





Vision

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

Mission

To be a leading provider of banking and retail terminals (ATM/PoS) by providing cost effective banking and transaction related services and solutions. To establish a dependable electronic payment network and be a differentiator in providing electronic payment services.

Values

Service

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



Trust

We believe that trust and respect are essential for teamwork.



Relationship

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



Integrity



We are committed to a high standard of integrity.

Value people



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

Excellence



We strive to excel always.

STRIVE

MESSAGE FROM THE CHAIRMAN & MANAGING DIRECTOR

Dear Shareholders,

As you know, tough situations are the best to test true characters.

The first 11 months of FY 2019-20 were quite smooth for your company, and we have achieved commendable numbers, with setting up new growth path for future. However, the month of March 2020 wasn't really admirable to any of us, when pandemic hit businesses, economies and lives around the world, EPS prioritized the health and safety of its 423 employees, customers, partners, and vendors.



Realising the sensitivity and uncertainties of the virus outbreak, EPS addressed the situation through the Business Continuity Plans, much before the GoI declared the nationwide lockdown and implement Work from Home for all the employees effective 15th March 2020. As a responsible organisation, our priority was our employees' and their families ensuring their safety. Employee engagement has played a vital role in boosting employees morale through various engagements, communications, and recognition. Motivating the employees during such times has a positive impact on the employees and their performance. Our field staff or EPS Covid warriors across the geographies have shown tremendous amount of courage and served the nation as "Essential Service Providers".

We have a dedicated team attending to ensure the continuation of our services across our network during the pandemic. We are closely monitoring our network across geographies to avoid any disruption of services and are proactively taking corrective actions to ensure business continuity. Our dedicated team is committed to help in carrying out safe transactions on our network. EPS plays an active role in keeping people connected in times like this and have invested in technology and network capacity to meet the business continuity needs. We recognize the important role all of us play in providing a robust business continuity plan with effective solutions during this critical time. As a responsible corporate citizen, we have contributed into PM Cares Fund and supported in feeding migrant labours and street kids with the help of "Roti Bank" – a non-government organisation.

Company Growth

For the FY 2019-20, your company has recorded a total revenue of Rs 3,505,963,867 as compared to Rs 3,140,120,419 in the previous financial year and earned a profit after tax of Rs 89,406,367 during this year. This financial year has ended on a positive note, which is largely backed by financial distinction, operational excellence, technological efficiency, embarking upon new initiatives, teamwork and fostering collaborations. We have set our sights on driving innovation, broaden, and deepen digital payments and accelerate financial inclusion.

EPS has completed 9 years of growth trajectory in serving India's major public sector banks, with providing best-in-class services. Your company manages 11,698 ATMs in the country, and many of our customers have ranked us above our peers with acknowledging our dedication and honesty.

Financial Management Excellence

In order to achieve robust financial management and improve cashflow efficiency, we strategically reorganised the debt stack of the company. The overall financial position of our business has improved this year which is reflected in the improved cash flows and efficient financial management.

Execution Brilliance

Over the last few years, our ATM operations team has strengthened its capabilities in providing the best possible services to Banks. Be it floods or robbery or pandemic, our team has reached out to the locations in time and ensured availability of the ATM services, while maintaining above 95% efficiency. EPSTAR – our suite of solutions for ATM operations excellence has been gaining recognition from banking ecosystem. EPSupply- the ATM cash forecasting module- has helped us to drive unprecedented efficiency in cash operations management and enabled preventing cash out across our serviced ATMs under the Company's management.

Empower the Manpower

EPS, since inception, has maintained a cohesive workplace with getting the right people for the right job which has translated into an effective rate of output. Our talent is quick and adaptive to new technology and are empowered with regular training and development and upgrading of skills, in taking up new roles and responsibilities in their career growth. Interestingly, more than 60% have recommended their network to work at EPS, expressing it one of the best places to work in the country.

Technological Advancement and Compliance

We have galvanized service delivery through technological advancement and compliances to enable our banking clients stay competitive in the marketplace. We continued to make technology investments to augment our service delivery capabilities. We have achieved certification of EPS Switch (EPSNet) on NPCIs RuPay interface for ATM sharing network, infrastructure services for ATM deployment and managed services, application services for transaction switching and processing, interchange gateway for ATM sharing and EJ management, ATM monitoring and India payments stack. EPS is encouraged to provide a standard PCI-DSS certified transaction switching solution, which can drive all industry standard front-end payment devices.

Digital Payments Initiatives

EPS has expanded its portfolio of services to include Payment Card Life Cycle Management, EFT Switching, Fraud Risk Management, Enterprise Reconciliation and Exception Management, Mobile Banking, Internet Banking, Voice-activated Banking and Switching Services for instant payment mechanisms such as UPI, IMPS, AePS etc.

We now are standing at a juncture when we must move forward to continue to increase market relevance. We have made a modest start with setting up of New Initiatives division. In the last one year, we have notched some wins and established our credentials in the non-ATM space. We are building capabilities in emerging areas of Regulatory Technology (Regtech) and Payment Technology (PayTech).

As we continue to grow business and create wealth, we are sensitive to our responsibility as a good corporate citizen. We would want to democratize the education in payments technologies. We are proud to partner with Dr. Babasaheb Ambedkar Technology University to offer an elective in Payments Technology. We are sure, we will write a new chapter in the education of Payments Technologies.

While we plan to sustain and grow in the days to come, it is very important for all of us to understand that these are testing times and we all need to build an ecosystem which encourages 'Support'. The business shall come soon, all we need to do is to recognize human efforts. We strongly believe the economy might take time to upswing for growth, but we need to continually build our strong capabilities and support in providing essential services- 'Cash' to fulfil the need of the hour.

We are also contemplating to build our digital payments diaspora to emerge out as one of the key players in future.

Stay Safe!

Yours Sincerely,

Mani Mamallan

Chairman and Managing Director

Mumbai

LIST OF LENDERS

1) Hero FinCorp Ltd

1205 – 1206, 12th Floor, Hallmark Business Plaza, Guru Nanak Hospital Road, Kalanagar, Bandra East, Mumbai-400051

2) IDFC First Bank

C-32 G Block, Naman Chambers, BKC, Mumbai – 400051

3) Kotak Mahindra Bank

G 6 & G 7, Citipark, Central Avenue, Hiranandani , Powai, Mumbai 400076

4) RentAsset Initiatives Private Limited

205-B, Floral Deck Plaza, Road no. 23, MIDC, Andheri (East), Mumbai 400093



GOVERNANCE REPORT

Introduction

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

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

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

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

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

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

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

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

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

For the Financial Year 2019 – 2020, we have complied with all the relevant provisions of the legislations covered above & as applicable from time to time. All the teams within the organisation, handling specialised functionalities, support for the compliance of the relevant regulations by providing timely information and extending connectivity.

Lot of efforts have been put up to improvise business processes that will further help boosting profitability of the company -

- Supply Chain Overhauling
- Operational Excellence through Process Orientation
- Risk Reduction through Mitigation or covering up
- Focusing New Business Processes as per business viability and desirability

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

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

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

DIRECTORS' REPORT

To,
The Members of,
ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

Your Directors have pleasure in presenting the 9th Annual Report together with the Audited Standalone and Consolidated Accounts for the year ended 31st March 2020.

FINANCIAL RESULTS:

Particulars	Year Ended on 31 st March 2020	Year Ended on 31 st March 2019	Year Ended on 31 st March 2020	Year Ended on 31 st March 2019
	(Standalone)	(Standalone)	(Consolidated)	(Consolidated)
Total Revenue	3,505,963,867	3,140,120,419	3,515,801,066	3,142,721,975
Expenditure	2,978,483,166	2,715,061,011	2,968,288,206	2,733,055,708
Profit / (Loss) before Depreciation	527,480,701	425,059,408	547,512,860	409,666,267
Less: Depreciation	442,074,334	450,748,904	445,592,573	450,748,904
Profit / (Loss) before Taxes	85,406,367	(25,689,496)	101,920,287	(41,082,637)
(Add) / Less: Taxation	(4,000,000)	4,000,000	(4,000,000)	4,000,000
Profit / (Loss) After Tax	89,406,367	(29,689,496)	105,920,287	(45,082,637)

REVIEW OF THE BUSINESS OPERATIONS:

STANDALONE

During the year, the Company recorded a total income of INR. 3,505,963,867/- as compared to INR. 3,140,120,419/- in the previous financial year. The Company has earned a profit after tax of INR. 89,406,367/- during the year as compared to loss after tax amounting to INR 29,689,496/- during previous financial year.

CONSOLIDATED

During the Year Company recorded a total consolidated income of INR. 3,515,801,066/- as compared to INR. 3,142,721,975/- in the previous financial year. The Company has incurred a net Profit after tax of INR. 105,920,287/- during the year as compared to net loss after tax amounting to INR 45,082,637/- during previous financial year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the 2013 Act (the '2013 Act') read with the Companies (Accounting Standards) Rules, 2006.

GENERAL REVIEW ON THE STATE OF COMPANY'S AFFAIRS

Electronic Payment and Services Private Limited ('EPS' or 'the Company') is an ATM operations and Services, incorporated on 29th September 2011 and commenced its business from June 2012. The Company was formed to provide ATM operations and services to Banks.

The Company manages approximately 11,698 ATMs in all developed areas as well as supporting such business initiatives in remote areas too. The Company also offers Card Management Systems, EFT Switching Services, Enterprise Reconciliations Services and Fraud Risk Management to Financial Institutions.

DISCLOSURE ON CHANGE IN THE NATURE OF BUSINESS

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

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

Due to novel COVID-19 outbreak, the Maharashtra Government announced lockdown in four cities of Maharashtra i.e. Mumbai, Pune, Nagpur and Pimpri Chinchwad from the midnight of 20th March, 2020 till 31st March, 2020. The Government of India announced a nationwide lockdown of 21 days with effect from 25th March, 2020, which got extended from time-to-time to combat the spread of the COVID-19 virus. The outbreak of COVID-19 global pandemic has resulted in economic and business uncertainty which has led to volatility in the global markets. India too has been impacted as a result of this global pandemic. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial statements to determine the carrying value of its assets and the impact on its liabilities.

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

DIVIDEND:

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

CORPORATE SOCIAL RESPONSIBILITY

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

Further, basis the financial results for the year under review, the Company shall evaluate the applicability of the Corporate Social Responsibility and accordingly take the necessary actions thereon.

DIRECTORS' RESPONSIBILITY STATEMENT:

The Board of Directors of the Company pursuant to the requirements of Section 134(3)(c) and 134(5) of the Companies Act, 2013, hereby confirm:

- 1) That in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departure.
- 2) That the Directors had selected accounting policies and applied consistently, and the Directors made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the statement of affairs of the Company as at 31st March, 2020 and of the profit and loss of the Company for the year ended on that date;
- 3) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- 4) That the Directors had prepared the annual accounts on a going concern basis; and
- 5) They had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

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

During the years under review, the Company has made an investment in the equity shares of its Wholly Owned Subsidiary company based in Australia, Electronic Payment Australia Pty. Ltd. ("Subsidiary") complying to the provisions Section 186 of the Companies Act, 2013 and the Details of the said investment are covered under Note No. 13 to the Financial Statement of the Company.

DISCLOSURES OF AMOUNTS, IF ANY, TRANSFER TO ANY RESERVES

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

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

During a previous year, the Company had invested in Electronic Payment Australia Pty. Ltd., a Wholly Owned Subsidiary Company based in Australia. Hitherto, the investment in this subsidiary was valued at cost. Subsequent to the year end, the Company infused further equity share capital of AUD 50,000 in the subsidiary. On 28th July 2020, the Company, as the sole shareholder of the subsidiary, has taken a decision to wind up the operations of the subsidiary and has appointed a liquidator. The Company does not expect to realize any proceeds from the liquidation. Accordingly, the Company has made a provision for diminution in the value of the investment in the subsidiary

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

The information pursuant to Section 134(3) (m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014, with regard to conservation of energy, technology absorption and foreign exchange earnings and outgo are given in the “Annexure A” enclosed.

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

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

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

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

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

During the year, the Company availed an approval of Shareholders for the increment to the remuneration paid to the related parties in terms of Section 188 (1)(f) of the Act. Further, there were no material related party contracts entered by the Company that may have potential conflict of interest with the Company at large and all the transactions were at arm’s length and in ordinary course of business. In light of this, the disclosure in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 is not required. All related party transactions as per AS-18 are mentioned in the Note No.30 to the Financial Statements.

EXTRACT OF ANNUAL RETURN

The extracts of Annual Return pursuant to the provisions of Section 92 read with Rule 12 (1) of the Companies (Management and administration) Rules, 2014 is furnished in **Annexure B “MGT-9”**. The Annual Return as referred in Section 134(3)(a) of the Companies Act, 2013 for the financial year ended 31st March, 2020 shall be placed on the website of the Company at www.electronicpay.in.

DETAILS OF SUBSIDIARY COMPANY

As on 31st March, 2020, the Company has a Wholly Owned Subsidiary i.e. Electronic Payment Australia Pty. Ltd. A statement containing the salient features of the performance and financial position of the Subsidiaries, Associates / Jointly Controlled Entity as required under Rule 5 of the Companies (Accounts) Rules, 2014 is provided in Form AOC-1 marked as **“Annexure C”** and forms part of this report.

SHARE CAPITAL

There were no changes made in the Share Capital of the Company during the year under review. The details of the Share Capital are given under Note No. 3 to the 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 STANDALONE AND CONSOLIDATED FINANCIAL STATEMENTS.

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

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

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

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

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

During the period under review, there were no changes in the composition of Directors of the Company.

The Company had appointed, Mr. Sudhanshu Soman, as the Chief Financial Officer of the Company, with effect from 1st April 2019.

AUDITORS:

M/s. DELOITTE HASKINS & SELLS LLP, CHARTERED ACCOUNTANTS, firm registration number 117366W/W1000-18 situated at Indiabulls Finance Centre, Tower 3, 27th-32nd Floor, Senapati Bapat Marg, Elphinstone Road (West), Mumbai-400 013, are the Statutory Auditors of the Company and their re-appointment as the Statutory Auditor for FY 2020-21, shall be ratified in the ensuing Annual General Meeting for FY 2019-20. Accordingly, the eligibility certificate & consent for the proposed ratification from the Statutory Auditors have been received by the Company.

MAINTENANCE OF COST RECORDS

Maintenance of cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act 2013.

PARTICULARS OF EMPLOYEES:

The details of the employee who is in receipt of remuneration aggregating to INR. 1.02 Crores per annum or more, details are as follows.

SR. NO	PARTICULARS	DETAILS
1	Name	Mr. Mani Mamallan
2	Designation	Chairman & Managing Director
3	Joining Date	1 st July 2012
4	CTC Per Annum	*INR 15,000,000/-
5	Remuneration received	INR 10,494,000/-
6	Qualification	B. Sc
7	DOB	27 th March 1961
8	% of Equity Shares	NIL
9	Last employment	C-Edge Technologies Limited

**Revised w.e.f. 1st April 2019*

DECLARATION OF INDEPENDENT DIRECTORS

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

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

BOARD MEETING

During the Financial Year 2019-20, the Board met five times (5) on 07-06-2019, 16-07-2019, 05-08-2019, 14-10-2019 and 29-01-2020.

Further during the Financial Year 2019-20, the Board Sub-Committee Members met to conduct their meetings on the dates as mentioned below;

- **Audit and Risk Board Sub-Committee Meetings:** - 07-06-2019, 16-07-2019, 05-08-2019, 14-10-2019 and 29-01-2020.
- **Finance Board Sub-Committee:** - 07-06-2019, 16-07-2019, 14-10-2019 and 29-01-2020
- **Business and Operations Board Sub-Committee:** - 16-07-2019, 14-10-2019 and 29-01-2020
- **Compensation Board Sub-Committee:** - 14-10-2019 and 29-01-2020

SEXUAL HARRASSMENT POLICY

The Company has devised a Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 with the proper composition of members. The policy has also been displayed on the Company's website www.electronicpay.in. and the policy highlights are regularly flashed on the desktops of all the employees to ensure the adherence to the policy. An Internal Complaint Committee ("ICC") has been set up in compliance with the said Act which also includes an external member. The Human Resource department of the Company also ensures to conduct the regular training sessions on the guidelines of Sexual Harassment Policy.

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

CODE OF CONDUCT

The Company has a comprehensive Code of Conduct ("the Code") applicable to all the stakeholders. A copy of the Code is available on the Company's website www.electronicpay.in.

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

The Company has not received any amount from its Directors or Relatives.

DISCLOSURE OF COMPOSITION OF AUDIT COMMITTEE AND PROVIDING VIGIL MECHANISM

The Company has established a vigil mechanism/whistle blower policy pursuant to Section 177(9) of the Companies Act 2013 and oversees it through Mr. Mani Mamallan, Managing Director of the Company. The formation of the Audit Committee Section 177(1) of the Companies Act 2013, is not applicable to the Company. The vigil mechanism/whistle blower policy has also been displayed on the on the website of the Company www.electronicpay.in.

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

COMPLIANCE OF SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards.

EMPLOYEE STOCK OPTIONS

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

- (a) Options Granted during the year: - Nil
- (b) Options Vested during the year: - 225
- (c) Options Exercised during the year: - Nil
- (d) The Total Number of Shares arising as a result of Exercise of Option: - Nil
- (e) Options Lapsed/ Forfeited during the year: - 37
- (f) The exercise Price: - INR 10/- per share
- (g) Variation of terms of Options: - Refer below table for Variation of terms of in the Options Granted
- (h) Money realized by exercise of Options: - Nil
- (i) Total Number of options in force:- 17,788
- (j) Total Number of options available for grant- - 962
- (k) Employee wise details of options granted to; -
 - i. key managerial Personnel-Mr. Farroukh Kolah- CFO, at the time of grant (Resigned effective December 2018).
 - ii. any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.-List of employees captured below.

ESOP 2014 – Granted in September 2014

Name of Grantee	No of options granted
Mr. Chandrasekaran	4,500
Mr. Manohar Bhoi	4,500
Mr. Prakash Joshi	4,500
Mr. Thyagrajan	1,500
Mr. Murali Sharma	1,500
Mr. Amit Kadam	150
Ms. Supriya Shukla	150*
Total	16,800

ESOP 2014 – Granted in January 2016

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

*Lapsed

**Partially Lapsed

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

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

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

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

RISK MANAGEMENT POLICY

The Company has developed and implemented a Risk Management Policy. This policy defines the Risk Management framework through Risk Management Structure, Risk Management Program, Risk Categories & Mitigation Measures and the same has also been displayed on the Company's website www.electronicpay.in.

DEPOSITS

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

ACKNOWLEDGEMENT

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

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

Place - Mumbai
Date - 11th August 2020

Mani Mamallan
Chairman & Managing Director
DIN:-03584512

Sanjay Kapoor
Director
DIN:-03584520

ANNEXURE “A” to Directors’ Report for the Financial Year Ended on 31st March 2020

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

a) CONSERVATION OF ENERGY-

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

b) TECHNOLOGY ABSORPTION-

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

c) FOREIGN EXCHANGE EARNING AND OUTGO-**Details of Foreign Earnings**

Particulars	Current Year (FY 2019-20) (in INR)	Previous Year (FY 2018-19) (in INR)
Export of Goods calculated on FOB Basis	NIL	NIL
Interest and Dividend	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Other Income	NIL	NIL
Total earning in Foreign exchange	NIL	NIL

Details of Foreign Expenditure

Particulars	Current Year (FY 2019-20) (in INR)	Previous Year (FY 2018-19) (in INR)
Import of Capital Goods calculated on CIF Basis:	NIL	NIL
(1) Raw material	NIL	NIL
(2) Component and Spare parts	NIL	NIL
(3) Capital Goods- Software Purchase	NIL	NIL
Expenditure on account of:-	NIL	NIL
Royalty	NIL	NIL
Know-how	NIL	NIL
Professional and Consultancy fees	NIL	NIL
Interest	NIL	NIL
Other Matters/ Foreign Travel	5,303,670	14,019,912
Dividend Paid	NIL	NIL
Total Expenditure in Foreign exchange	5,303,670	14,019,912

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

Place - Mumbai
Date - 11th August 2020

Mani Mamallan
Chairman & Managing Director
DIN:-03584512

Sanjay Kapoor
Director
DIN:-03584520

Annexure "B"**Extract of Annual Return as on financial year ended 31.03.2020****[Form MGT-9 pursuant to section 92(3) of the Companies Act, 2013 and rule 7.10(1)]****I. REGISTRATION AND OTHER DETAILS:**

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

II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY:

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

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

IV. SHARE HOLDING PATTERN

i. CATEGORY WISE SHAREHOLDING: EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) <i>Indian</i>									
a) Individual/ HUF	-	131,250	131,250	18.76	-	131,250	131,250	18.76	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	131,250	131,250	18.76	0	131,250	131,250	18.76	-
2) <i>Foreign</i>									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp									
(i) Indian	-	8,992	8,992	1.28	-	8,992	8,992	1.28	-
(ii) Overseas	-	559,546	559,546	79.96	-	559,546	559,546	79.96	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of INR 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	568,538	568,538	81.24	0	568,538	568,538	81.24	0
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	568,538	568,538	81.24	0	568,538	568,538	81.24	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	699,788	699,788	100	-	699,788	699,788	100	-

**ii. CATEGORY WISE SHAREHOLDING: SERIES B COMPULSORY CONVERTIBLE PREFERENCE SHARES
BREAKUP AS PERCENTAGE OF TOTAL PREFERENCE CAPITAL**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	-	-	-	-	-	-	-	-	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total(A)(1):-	-	-	-	-	-	-	-	-	-
2) Foreign									
a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other....	-	-	-	-	-	-	-	-	-
Sub-total(A)(2):-	-	-	-	-	-	-	-	-	-
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FII's	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(1)	-	-	-	-	-	-	-	-	-
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	58,635	58,635	100	-	58,635	58,635	100	-
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	-	-	-	-	-	-	-	-	-
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	58,635	58,635	100	-	58,635	58,635	100	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	58,635	58,635	100	-	58,635	58,635	100	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	58,635	58,635	100	-	58,635	58,635	100	-

**iii. CATEGORY WISE SHAREHOLDING: SERIES C COMPULSORY CONVERTIBLE PREFERENCE SHARES
BREAKUP AS PERCENTAGE OF TOTAL PREFERENCE CAPITAL**

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

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	
2. Non-Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	0	2,500,525	2,500,525	100	0	2,500,525	2,500,525	100	0
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	-	-	-	-	-	-	-	-	-
c) Others(Specify)	-	-	-	-	-	-	-	-	-
Sub-total(B)(2)	-	2,500,525	2,500,525	100	-	2,500,525	2,500,525	100	-
Total Public Shareholding (B)=(B)(1)+ (B)(2)	-	2,500,525	2,500,525	100	-	2,500,525	2,500,525	100	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	2,500,525	2,500,525	100	-	2,500,525	2,500,525	100	-

iv SHAREHOLDING OF PROMOTERS: (EQUITY)

Sr. No.	Name of the shareholder	As on 01.04.2019			As on 31.03.2020			% 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	90,000	12.87	-	90,000	12.87	-	-
2.	Sanjay Kapoor	26,250	3.75	-	26,250	3.75	-	-
3.	Dr. Ramakrishnan Gurusamy	15,000	2.14	-	15,000	2.14	-	-
TOTAL		131,250	18.76	NIL	131,250	18.76	NIL	NIL

v. CHANGE IN PROMOTERS' SHAREHOLDING:

There is no change in the shareholding of the promoters during the Financial Year 2019-20.

vi. SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRS AND ADRS):-

EQUITY

Sr. No.	Name of the shareholder	As on 01.04.2019			As on 31.03.2020			% 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.	Apis Growth 3 Ltd	220,448	31.50	-	220,448	31.50	-	-
2.	Aavishkaar India II Company Ltd	168,635	24.10	-	168,635	24.10	-	-
3.	Aavishkaar Goodwill India Microfinance Development Company II Ltd	105,038	15.01	-	105,038	15.01	-	-
4.	Asia Participations B.V.	65,425	9.35	-	65,425	9.35	-	-
5.	CIS Bureaus Facility Services Private Limited	7,895	1.13	-	7,895	1.13	-	-
6.	Aavishkaar Venture Management Services Private Limited	1,097	0.16	-	1,097	0.16	-	-
TOTAL		568,538	81.24	NIL	568,538	81.24	NIL	0

SERIES B COMPULSORY CONVERTIBLE PREFERENCE SHARES

Sr. No.	Name of the shareholder	As on 01.04.2019			As on 31.03.2020			% 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.	Asia Participations B.V.	58,635	100	0	58,635	100	0	0
TOTAL		58,635	100	NIL	58,635	100	NIL	0

SERIES C COMPULSORY CONVERTIBLE PREFERENCE SHARES

Sr. No.	Name of the shareholder	As on 01.04.2019			As on 31.03.2020			% 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.	Asia Participations B.V.	2,500,525	100	0	2,500,525	100	0	0
TOTAL		2,500,525	100	NIL	2,500,525	100	0	0

V. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Sl. No	Name of the Director and Key Managerial Personnel	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
			No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mani Mamallan	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
2	Sanjay Kapoor	At the beginning of the year	26,250	3.75	26,250	3.75
		At the end of the year	26,250	3.75	26,250	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	Udayan Goyal	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
5	Sushma Kaushik	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
6	Rama Subramaniam Gandhi	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
7	Sudhanshu Soman	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0
8	Pooja Panvelkar	At the beginning of the year	0	0	0	0
		At the end of the year	0	0	0	0

VI. INDEBTEDNESS:

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

Particulars	Secured Loans excluding deposits	Unsecured	Deposits	Total
		Loans		Indebtedness
Indebtedness at the beginning of the financial year				
i)Principal Amount	899,013,726	-	-	899,013,726
ii)Interest due but not paid	-	-	-	-
iii)Interest accrued but not Due	5,343,201	-	-	5,343,201
Total(i+ii+iii)	904,356,927	-	-	904,356,927
Change in Indebtedness during the financial year		-	-	-
· Addition	1,847,522,475	-	-	1,847,522,475
· (Reduction)	(1,880,684,823)	-	-	(1,880,684,823)
Net Change	(33,162,348)	-	-	(33,162,348)
Indebtedness at the end of the financial year		-	-	-
i)Principal Amount	865,851,378	-	-	865,851,378
ii) Interest due but not paid		-	-	-
iii) Interest accrued but not due	1,778,850	-	-	1,778,850
Total (i + ii + iii)	867,630,228	-	-	867,630,228

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

Sl. no.	Particulars of Remuneration	Managing Director	Director	Total Amount (INR)
		Mani Mamallan	Sanjay Kapoor	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961.	10,494,000 1,461,972 (Company provided car & Accommodation) 0	65,41,596 39,600 (Company provided car & Accommodation) 0	17,035,596 1,501,572 0
2.	Stock Option	0		0
3.	Sweat Equity	0		0
4.	Commission - as% of profit - others, specify...	0		0
5.	Others, please specify Provident Fund (Company's contribution) National Pension Scheme	576,000 6,000	3,31,704 6,000	907,704 12,000
6.	Total	12,537,972	6,918,900	19,456,872
7.	Total CTC*	15,000,000	8,130,000	23,130,000
8.	Ceiling as per the Act	-		-

*Revised effective 1st April 2019

B. REMUNERATION TO OTHER DIRECTORS:

Sl. No	Particulars of Remuneration	Name of Directors	Total Amount (INR)
		Rama Subramaniam Gandhi	
1	Independent Directors		
	Fee for attending Board	INR 100,000 per meeting (Attended 5 meetings)	500,000
	Fees of attending committee meetings		
	- Audit & Risk Committee	Attended 5 meetings INR 50,000 for one meeting *INR 55,000 per meeting for remaining 4 meetings	50,000 220,000
	- Finance Board Sub Committee	Attended 4 meeting INR 50,000 for one meeting *INR 55,000 per meeting for remaining 3 meetings	50,000 165,000
	- Commission	-	-
	- Chairperson fees for Audit & Risk Committee	Attended 5 meetings INR 50,000 for one meeting *INR 55,000 per meeting for remaining 4 meetings	50,000 220,000
	Total (1)		
2	Other Non-Executive Directors - Fee for attending board committee meetings - Commission - Others, please specify	-	-
3	Total(2)	-	1,255,000
4	Total(B)=(1+2)	-	1,255,000
5	Total Managerial Remuneration	-	-
6	Overall Ceiling as per the Act	-	-

**The Board of Directors approved the revision to the sitting fees for attending the Board Sub-Committees in the Board Meetings held on 7th June 2019*

Note:- Sitting fees paid after tax deductions= INR 1,129,500/-

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

Sl. No.	Particulars of Remuneration	CEO	Company Secretary	CFO	Total
		NA	Pooja Panvelkar	*Sudhanshu Soman	
1.	Gross salary (a)Salary as per provisions contained in section17(1) of the Income-tax Act,1961 (b)Value of perquisites u/s 17(2) Income-tax Act,1961 (c)Profits in lieu of salary u/s 17(3) Income-tax Act,1961		878,086	7,302,799	81,080,885
			0	32,400	32,400
			0	0	0
2.	Stock Option		0	0	0
3.	Sweat Equity		0	0	0
4.	Commission - as % of profit-others, specify...		0	0	0
5.	Others please specify Provident Fund (Company's contribution) National Pension Scheme		42,872	384,000	426,872
			6,000	6,000	12,000
6.	Total		926,958	7,725,199	8,652,157
7.	Total CTC	-	950,175	10,000,000	10,950,175

*Appointment w.e.f. 1st April 2019

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES- NIL

IX. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Place - Mumbai
Date - 11th August 2020

Mani Mamallan
Chairman & Managing Director
DIN:-03584512

Sanjay Kapoor
Director
DIN:-03584520

**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

SR. No	Particulars	Details
1	Name of the subsidiary	Electronic Payment Australia Pty. Ltd.
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	01/04/2019 to 31/03/2020
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year.	Australian Dollars
		Exchange Rate as on 31 st March 2020:- INR 46.51798
4	Share capital	42,656,137 (AUD 835,100)
5	Reserves & surplus	(40,811,889)
6	Total assets	3,069,904
7	Total Liabilities	1,225,656
8	Investments	-
9	Turnover	9,837,199
10	Profit/(Loss) before taxation	(26,142,214)
11	Provision for taxation	-
12	Profit/(Loss) after taxation	(26,142,214)
13	Proposed Dividend	-
14	% of shareholding	100%

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

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

Part “B”: Associates and Joint Ventures**Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures- NA**

Name of associates/Joint Ventures	N.A	N.A	N.A
1. Latest audited Balance Sheet Date	-		
2. Shares of Associate/Joint Ventures held by the company on the year end	-	-	-
Number of shares	-	-	-
Amount of Investment in Associates/Joint Venture	-	-	-
Extend of Holding%	-	-	-
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	-	-	-
5. Net worth attributable to shareholding as per latest audited Balance Sheet	-	-	-
6. 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
Electronic Payment and Services Private Limited**

**Place - Mumbai
Date - 11th August 2020**

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

**Sanjay Kapoor
Director
DIN:-03584520**

INDEPENDENT AUDITOR'S REPORT

To The Members of ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Electronic Payment and Services Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, and the Statement of Profit and Loss, the Cash Flow Statement, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2020, and its profit, its cash flows for the year ended on that date.

Basis for Opinion

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

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including, cash flows of the Company in accordance with the Accounting Standards and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company
 - c) The Balance Sheet, the Statement of Profit and Loss including the Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
 - g) In our opinion and to the best of our information and according to the explanations given to us, the Company being a private company, section 197 of the Act related to the managerial remuneration is not applicable.
 - h) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

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

Place: Mumbai
Date: 11th August, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED (“the Company”) as of 31st March, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the criteria for internal financial control over financial reporting established by the respective Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Deloitte Haskins and Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W-100018)

Anjum A. Qazi

(Partner)

(Membership No. 104968)

Place: Mumbai

Date: 11th August, 2020

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 complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable
- v. Having regard to the nature of the Company's business/ activities, reporting under clause (v) of the Order is not applicable.
- vi. Having regard to the nature of the Company's business / activities, reporting under clause (vi) of 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, Goods and Services Tax and other material statutory dues applicable to it to the appropriate authorities. We have been informed that statutory

dues with respect to Customs Duty, Excise Duty and Employees' State Insurance, are not applicable to the Company.

- b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Service Tax, Cess, ESIC, Value Added Tax, Goods and Services Tax and other material statutory dues in arrears as at 31st March, 2020 for a period of more than six months from the date they became payable.
- c) Details of dues of Service Tax which have not been deposited as on 31st March, 2020 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 (INR)	Amount unpaid
Finance Act, 1994 and Service Tax Laws	Service Tax	Customs, Central Excise and Service Tax Appellate Tribunal	October 2011 to March 2014	28,536,936	28,536,936
Finance Act, 1994 and Service Tax Laws	Service Tax	Commissioner of Central GST and Central Excise	FY 2014 – 15 to FY 2017-18	18,312,546	18,312,546
The Maharashtra Value Added Tax, 2002	Value Added Tax	Appeal yet to be filed	FY 2015-16	1,305,299	1,305,299

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions or banks. The company has not taken any loans or borrowings from government and has not issued any debentures.
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the Company has utilized the money raised by way of term loans during the year for the purposes for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company is a private company and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all

transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

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

**Place: Mumbai
Date: 11th August, 2020**

FINANCIAL STATEMENT FY 2019-2020

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED			
CIN: U72300MH2011PTC222535			
Balance Sheet as at 31st March, 2020			
Amount in INR			
Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
I EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,25,89,480	3,25,89,480
Reserves and surplus	4	1,63,76,74,296	1,54,81,59,397
		1,67,02,63,776	1,58,07,48,877
Non-Current Liabilities			
Long-term borrowings	5	55,41,12,839	40,10,92,795
Other Long term liabilities	6	-	3,20,615
Long-term provisions	7	14,14,23,653	8,29,11,171
		69,55,36,492	48,43,24,581
Current Liabilities			
Trade payables	8		
(a) Total outstanding dues of Micro, Small and Medium Enterprises		8,14,79,349	6,68,21,940
(b) Total outstanding dues other than Micro, Small and Medium Enterprises		47,44,34,713	57,31,76,278
Other current liabilities	9	42,07,37,628	60,78,50,662
Short-term provisions	10	7,92,39,735	10,96,46,016
Short-term borrowings	11	13,77,40,768	4,99,94,831
		1,19,36,32,193	1,40,74,89,727
Total		3,55,94,32,461	3,47,25,63,185
II Non-Current Assets			
Property, Plant and Equipment			
Tangible assets	12	1,64,22,39,918	1,53,68,53,078
Intangible assets	12	3,39,48,939	2,26,92,183
Capital work-in-progress		2,74,80,393	4,76,00,590
		1,70,36,69,250	1,60,71,45,851
Non-current investments	13	-	2,16,41,390

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
Long-term loans and advances	14	14,69,68,662	22,37,32,106
Other non-current assets	15	22,22,71,297	26,92,23,453
Current Assets		36,92,39,959	51,45,96,949
Current investments	16	-	9,59,14,464
Trade receivables	17	32,11,62,895	30,96,96,033
Cash and cash equivalents	18	39,86,58,402	30,47,83,762
Short-term loans and advances	19	33,85,56,338	28,47,54,119
Other current assets	20	42,81,45,617	35,56,72,007
		1,48,65,23,252	1,35,08,20,385
Total		3,55,94,32,461	3,47,25,63,185

Notes 1 to 39 form part of the Financial Statements

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

Anjum A Qazi
Partner

Date : 11th August, 2020

Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor
Director

DIN: 03584520

Date : 11th August, 2020

Place : Mumbai

Mani Mamallan

Chairman & Managing Director

DIN: 03584512

Date : 11th August, 2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August, 2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August, 2020

Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED			
CIN: U72300MH2011PTC222535			
Statement of Profit and Loss for the year ended 31st March, 2020			
Amount in INR			
Particulars	Note No	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from Continuing Operations:			
Revenue from operations (Net of GST)	21	3,46,14,19,556	3,06,81,09,822
Other Income	22	4,45,44,311	7,20,10,597
Total Revenue		3,50,59,63,867	3,14,01,20,419
Expenses:			
Employee benefits expense	23	29,76,00,445	24,49,64,118
Finance costs	24	10,59,31,673	13,74,35,166
Depreciation and amortisation expense	12	44,20,74,334	45,07,48,904
Operating Expenses	25	2,30,59,50,076	2,14,91,89,561
Other General expenses	26	26,90,00,972	18,34,72,166
Total Expenses		3,42,05,57,500	3,16,58,09,915
Profit / (Loss) Before Tax		8,54,06,367	(2,56,89,496)
Tax expense:			
Excess provision for tax relating to prior year		(40,00,000)	-
Current Tax		-	40,00,000
Deferred Tax		-	-
Profit / (Loss) for the year		8,94,06,367	(2,96,89,496)
Earnings per equity share (Face Value INR 10/- each)			
Basic (INR)	32	128	(42)
Diluted (INR)	32	104	(34)

Notes 1 to 39 form 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 : 11th August, 2020

Place: Mumbai

Sanjay Kapoor

Director

DIN: 03584520

Date : 11th August,
2020

Place : Mumbai

Mani Mamallan

Chairman & Managing
Director

DIN: 03584512

Date : 11th August,
2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August,
2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August,
2020

Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED CIN: U72300MH2011PTC222535 Cash Flow statement for the year ended 31st March, 2020		
Amount in INR		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. <u>Cash Flow from Operating Activities</u>		
Profit / (Loss) Before Tax as per Statement of Profit & Loss	8,54,06,367	(2,56,89,496)
<u>Adjustments for :</u>		
Depreciation and amortisation expense	44,20,74,334	45,07,48,904
Expense on employee stock options (ESOP) scheme	1,08,532	3,48,824
Gratuity expense	58,37,450	30,88,280
Contribution to Provident Fund	-	3,33,725
Excess provision of Performance Incentives written back	-	(1,83,90,281)
Finance costs	10,59,31,673	13,74,35,166
Rebate received from lenders	(47,31,147)	(52,81,081)
Interest on Fixed Deposit	(1,39,61,749)	(1,68,36,907)
Interest on Income Tax refund	(78,58,065)	(34,00,946)
Net gain on sale of current investments	(39,31,556)	(97,02,347)
Provision for doubtful debts	22,11,437	13,59,210
Provision for doubtful recoveries	6,16,48,600	-
Bad debts written off	-	1,50,79,722
Bad debts recovered	(13,77,030)	-
Insurance claim written off	23,31,641	34,67,330
Loss on Theft/Damage/Write off of Property, Plant and Equipment	2,93,69,391	3,10,87,612
Provision for Contingencies - Electricity written back	-	(2,73,12,000)
Provision for Diminution in value of Non-Current Investments	4,26,56,137	-
Profit on Sale and Lease back	(18,95,701)	(81,20,446)
Operating profit before Changes in Working Capital	74,38,20,314	52,82,15,269

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Changes in Working Capital		
<u>Adjustments for (increase) / decrease in operating assets:</u>		
Trade receivables	(7,39,49,869)	13,48,86,591
Short-term loans and advances	1,05,96,270	(6,89,18,044)
Long-term loans and advances	2,75,67,860	5,15,08,694
Other current assets	(7,51,80,652)	(9,66,61,860)
Cash in ATM	5,76,92,900	(4,19,79,600)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
Trade payables	(8,40,84,156)	7,90,48,781
Other current liabilities	6,83,68,886	8,62,13,486
Short-term provisions	(2,64,06,280)	9,19,78,365
Long-term provisions	5,26,75,032	(24,20,161)
Cash Generated from Operations	70,11,00,305	76,18,71,521
Tax and interest on (tax paid) / refund received	(59,87,038)	(1,88,64,034)
Net Cash flow from Operating Activities (A)	69,51,13,267	74,30,07,487
B. <u>Cash Flow from Investing Activities</u>		
Capital expenditure on Property, Plant and Equipment, including capital advances	(54,57,39,081)	(20,89,99,333)
Interest on Fixed Deposit received	1,43,37,151	1,67,75,947
Purchase of current investments	(1,00,00,000)	(32,81,73,924)
Proceeds from sale of current investments	10,98,46,020	38,55,61,807
Purchase of long-term investments in subsidiary	(2,10,14,747)	(2,16,36,450)
Fixed Deposits Matured / (Placed)	5,15,61,925	5,88,39,824
Net Cash Flow (used in) Investing Activities (B)	(40,10,08,732)	(9,76,32,129)
C. <u>Cash Flow from Financing Activities</u>		
Proceeds from short-term borrowings	1,02,45,00,000	23,22,00,000
Repayment of short-term borrowings	(93,67,54,063)	(23,21,00,000)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Proceeds from long-term borrowings	82,30,22,475	12,05,91,412
Repayment of long-term borrowings	(93,91,99,614)	(53,71,13,053)
Payment of Finance Cost	(10,94,96,024)	(13,68,50,212)
Cash Flow from Financing Activities (C)	(13,79,27,226)	(55,32,71,853)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	15,61,77,309	9,21,03,505
Add: Cash and Cash Equivalents at the beginning of the year	19,85,19,712	10,64,16,207
Cash and Cash Equivalents at the end of the year	35,46,97,021	19,85,19,712

Notes to Cash Flow Statement:

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash Equivalents comprises of		
Cash on hand	26,009	4,352
Balance with Banks	35,46,71,012	19,85,15,360
Cash and Cash equivalents as per Note 18	35,46,97,021	19,85,19,712

- 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statement" specified under section 133 of The Companies Act 2013.
- 3 For FY 2018-19, an amount of INR 127,242,973 has been reduced from 'Proceeds from Long Term Borrowings' and from 'Capital expenditure on Property Plant and Equipment, including capital advances' being a non-cash item pertaining to finance lease.
- 4 In FY 2018-19, an amount of INR 47,510,200 has been reduced from 'Trade receivables' and increased in 'Short-term loans and advances' being a non-cash item pertaining to Provision for Contingencies (Refer Note 36).

For Deloitte Haskins & Sells LLP
Chartered Accountants

Anjum A Qazi
Partner

Date : 11th August, 2020

Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor

Director

DIN: 03584520

Date : 11th August,
2020

Place : Mumbai

Mani Mamallan

Chairman & Managing
Director

DIN: 03584512

Date : 11th August,
2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August,
2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August,
2020

Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

NOTES TO THE FINANCIAL STATEMENTS**Note 1: Corporate Information**

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

Note 2: Significant Accounting Policies**a Basis for preparation of Financial Statements**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the '2013 Act'), and the relevant provisions of the 2013 Act read with the Companies (Accounting Standards) Rules, 2006. The financial statements have been prepared on an accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those adopted in the previous year.

b Use of Estimates

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

c Cash and Cash Equivalents

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

d Cash Flow Statement

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

e Depreciation and Amortisation

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

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

During FY 2018-19, the Audit and Risk Committee of the Company based on a technical assessment recommended and the Board of Directors of the Company resolved that the Company changes its accounting estimates for the useful life of the block of assets under Property, Plant and Equipment. Accordingly, the Company has changed its accounting estimate for the remaining useful life as shown in the above table. Due to this change in accounting estimate, the depreciation for the asset block under consideration was reduced by INR 64,929,433 for the FY 2018-19.

Depreciation on tangible Property Plant and Equipment provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act are:

Description of Assets	Useful Life
Computers	3 years
Intangible assets are amortised over their estimated useful life on straight line method as follows:	
Description of Assets	Useful Life
Computer Software	3 Years

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

The Company conducts physical verification of its fixed assets in the block of 3 years till date are as follows:

- i) 1st April, 2013 to 31st March, 2016
- ii) 1st April, 2016 to 31st March, 2019
- iii) 1st April, 2019 to 31st March, 2022

The asset block period applicable for FY 2019-20 financials is the period from 1st April, 2019 to 31st March, 2022.

f Revenue Recognition

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

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

g Other Income

(i) Profit/ Loss on sale of Property Plant and Equipment is recognised on transfer of significant risks and rewards of ownership of the asset to the buyer.

(ii) Interest on fixed deposits recognised on time proportion basis, having regard to the amount outstanding and the rate applicable.

(iii) Dividend income is accounted when such dividend is declared and the Company's right to receive payment is established.

h Property, Plant and Equipment

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

(ii) Capital work in progress includes, tangible assets which are not yet installed at ATM sites, are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if applicable.

(iii) Capital work in progress also includes software related expenses that are under developmental stage or have not been given clearance for going live.

i Foreign Currency Transactions

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate to the rate on the date of the transaction. Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates (except for the investment in the wholly owned subsidiary).

j Investments

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

Cost of Investments include acquisition charges such as brokerage, fees and other incidental expenses. Long Term Investments are carried individually at cost less provision for diminution, other than temporary diminution, in the value of such Investments.

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

k Employee Benefits

Employee Benefits include provident fund and gratuity.

Defined-contribution plans

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

Defined-benefits plans

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

Other Employee Benefits

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

l Leases

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

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

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

m Earnings per Share

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

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

n Taxes on Income

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

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

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

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

o Provisions, Contingent Liabilities and Contingent Assets

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

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

A disclosure of contingent liability is made when there is:

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

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

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

p Impairment of Assets

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

q Onerous contracts

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

r Goods and Services Tax ('GST')

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

s Employee share based payment

The Company has constituted an Employee Stock Option Plan - "Electronic Payment and Services - Employee Stock Option Plan 2014" ('ESOP 2014') and "Electronic Payment and Services - Employee Stock Option Plan 2015" ('ESOP 2015').

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

t Insurance claims

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

u Borrowing cost

Borrowing costs include interest and ancillary costs incurred in connection with the borrowing of funds which are charged to the Statement of Profit and Loss, with the loan processing fee being amortised over the tenure of the loan.

v Operating Cycle

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

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED

CIN: U72300MH2011PTC222535

Notes forming part of Financial Statements

Note 3: Share capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	INR	Number of shares	INR
(a) Authorised				
Equity Shares of INR 10/- each	13,10,000	1,31,00,000	13,10,000	1,31,00,000
Compulsory Convertible Preference Shares of INR 10/- each	57,00,000	5,70,00,000	57,00,000	5,70,00,000
	70,10,000	7,01,00,000	70,10,000	7,01,00,000
(b) Issued, Subscribed and fully paid-up				
Equity Shares of INR 10/- each	6,99,788	69,97,880	6,99,788	69,97,880
Series B and Series C Compulsory Convertible Preference Shares ('CCPS') of INR 10/- each	25,59,160	2,55,91,600	25,59,160	2,55,91,600
Total	32,58,948	3,25,89,480	32,58,948	3,25,89,480

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	INR	Number of shares	INR
i. Equity Shares				
Outstanding at the beginning of the year	6,99,788	69,97,880	6,99,788	69,97,880
Closing Balance	6,99,788	69,97,880	6,99,788	69,97,880
ii. Series B CCPS:				
Outstanding at the beginning of the year	58,635	5,86,350	58,635	5,86,350
Closing Balance	58,635	5,86,350	58,635	5,86,350
Series C CCPS:				
Outstanding at the beginning of the year	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Closing Balance	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Total	25,59,160	2,55,91,600	25,59,160	2,55,91,600

Note 3 (b): Details of shareholders holding more than 5% Shares in the Company					
Particulars		As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares held	% Shareholding	No. of Shares held	% Shareholding
i.	Equity Shares				
	Vidya Rani Mani Mamallan	90,000	12.86%	90,000	12.86%
	Aavishkaar India II Company Limited	1,68,635	24.10%	1,68,635	24.10%
	Aavishkaar Goodwell India Microfinance Development Company II Limited	1,05,038	15.01%	1,05,038	15.01%
	APIS Growth 3 Limited	2,20,448	31.50%	2,20,448	31.50%
	Asia Participations B.V.	65,425	9.35%	65,425	9.35%
	Others	50,242	7.18%	50,242	7.18%
	Total	6,99,788	100.00%	6,99,788	100.00%
ii.	Series B CCPS				
	Asia Participations B.V.	58,635	100.00%	58,635	100.00%
iii.	Series C CCPS				
	Asia Participations B.V.	25,00,525	100.00%	25,00,525	100.00%

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

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

Each holder of Equity Shares is entitled to one vote per share.

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

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

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

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

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

Series C CCPS:

The Series C CCPS shall be compulsorily converted into Equity Shares in the ratio of 1 Equity Share for 58.3833 Series C CCPS.

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

a. At the time of the Company filing a DRHP with SEBI in connection with the listing of the Equity Shares on a Recognized Stock Exchange; or

b. As per Clause 1 of Schedule C of the Share Subscription Agreement dated 12th May, 2015, upon the expiry of 8 (Eight) years from the completion date as per the Share Subscription Agreement dated 26th July, 2013; or

c. At the option of the CCPS holder, at any time on or after 4th June, 2016 and prior to the timelines specified in a. and b. above; or

d. In the event of the Company and / or its Promoters approach the Investors for the next round of equity investment and the Investors accede to such proposal, the CCPS shall stand converted into Equity Shares in the manner to be determined by the Promoters and the CCPS holders at such point of time, subject to guidelines in force pursuant to Applicable Laws.

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

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

Note 4: Reserves and surplus

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Securities Premium Account		
Opening balance	2,42,77,36,588	2,42,77,36,588
Add/(Less): Changes during the year	-	-
Closing balance	2,42,77,36,588	2,42,77,36,588
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(94,30,30,651)	(91,33,41,155)
Add/(Less): Profit/(Loss) for the year	8,94,06,367	(2,96,89,496)
Closing balance	(85,36,24,284)	(94,30,30,651)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	5,00,76,206	4,97,27,382
Add: Amount recorded on grants (refer note 35)	1,08,532	3,48,824
Closing balance	5,01,84,738	5,00,76,206
(d) Capital Reserve		
Opening balance	1,33,77,254	1,33,77,254
Add/(Less): Changes during the year	-	-
Closing balance	1,33,77,254	1,33,77,254
Total	1,63,76,74,296	1,54,81,59,397

Note 5: Long-term borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Term loans		
Secured		
(i) From Banks	27,24,99,025	15,50,67,661
(ii) From Others	28,16,13,814	15,56,93,327
	55,41,12,839	31,07,60,988
(b) Finance lease obligations (Refer Note 31(i))	-	9,03,31,807
	-	9,03,31,807
Total	55,41,12,839	40,10,92,795

Note 5 (i): Details of terms of repayment for the long-term borrowings and security provided in respect of the long-term borrowings:

Particulars	As at 31st March, 2020	As at 31st March, 2019
<p>(a) Term Loans from Banks</p> <p><u>Secured</u></p> <p>Repayable over 1 - 47 months (Previous Year 1 - 33 months) with interest rate of 12.25% (Previous Year interest range 10.15% - 11.90%)</p> <p>Secured against:</p> <p>1) Specific Trade Receivables and specific ATMs, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment</p> <p>2) Lien marked against specific fixed deposits</p> <p>3) Personal Guarantee of Promoters</p>	36,72,18,611	35,44,62,533
<p>(b) Term Loans from Others</p> <p><u>Secured</u></p> <p>Repayable over 1 - 47 months (Previous Year 1 - 35 months) with interest rate of 12.25% (Previous Year interest range 12.05%-14%)</p> <p>Secured against:</p> <p>1) Specific Trade receivables and specific ATM, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment</p> <p>2) Lien marked against specific fixed deposits</p> <p>3) Personal Guarantee of Promoters</p>	35,82,77,741	30,86,04,891
<p>(c) Finance Lease Obligations: (refer note 31 (i))</p> <p>Repayable in 1 - 4 monthly instalments (Previous Year 1 - 44 monthly instalments) with applicable interest rate.</p>	26,14,258	18,59,51,471
	72,81,10,610	84,90,18,895
Less: Current Maturities of Term Loans from Banks, Term Loan from Others and Finance Lease Obligations (Refer Note 9)	(17,39,97,771)	(44,79,26,100)
Total Long-term borrowings	55,41,12,839	40,10,92,795
<p>Note 5.1:</p> <p>The Company has requested and availed for the moratorium on interest and principal payments on term loans for the period from April 2020 to August 2020 as per the notifications issued by RBI in the wake of the disruptions on account of COVID-19 pandemic.</p>		

Note 6: Other Long-term liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Profit on Sale and lease back transactions	-	3,20,615
Total	-	3,20,615
Note 7: Long-term provisions		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer Note 28 (B))	1,51,22,724	1,25,74,479
Provision for Electricity (Refer Note 36)	12,63,00,929	7,03,36,692
Total	14,14,23,653	8,29,11,171
Note 8: Trade payables		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 8.1 below)	8,14,79,349	6,68,21,940
(b) Total outstanding dues other than Micro, Small and Medium Enterprises	47,44,34,713	57,31,76,278
Total	55,59,14,062	63,99,98,218
Note 8.1: Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8,14,79,349	6,68,21,940
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	38,97,664	47,20,951
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the respective accounting year	38,97,664	47,20,951
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1,04,24,239	65,26,575
Dues to Micro, Small and Medium Enterprises have been determined based on confirmations collected by the management from such enterprises. This has been relied upon by the auditors.		

Note 9: Other current liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long term debt (Refer Note 5(i))		
<u>Secured:</u>		
(a) Term loans from Banks	9,47,19,586	19,93,94,872
(b) Term loans from Others	7,66,63,927	15,29,11,564
Current maturities of finance lease obligations (Refer Notes 5(i) and 31(i))	26,14,258	9,56,19,664
	17,39,97,771	44,79,26,100
Interest Payable	17,78,850	53,43,201
Deferred Profit on Sale and lease back transactions	7,68,471	23,43,557
Security Deposits received	9,36,84,992	2,53,25,000
Other Payables:		
Statutory remittances	2,43,44,374	2,47,99,100
Payable to employees	41,60,392	1,48,15,919
Payable to Franchisees	4,46,26,400	3,74,17,900
Advance from Customers	3,30,16,562	-
Payable to Bank	3,88,476	-
Bank, Book Overdraft	-	2,94,94,391
Payable on Purchase of Property Plant and Equipment	4,39,71,340	2,03,85,494
Total	42,07,37,628	60,78,50,662
Note 10: Short-term provisions		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits :		
Provision for gratuity (Refer Note 28 (B))	31,27,078	2,38,019
Provision for compensated absences (Refer Note 10.1)	-	18,99,426
Provision for expenses	7,61,12,657	10,35,08,571
Provision for tax	-	40,00,000
Total	7,92,39,735	10,96,46,016
Note 10.1:		
During the year, Company has modified the paid leave policy such that excess leave is forfeited at the end of the financial year. Hence, the provision for compensated absences is no longer required. Previous year unpaid provision has been written back.		

Note 11: Short-term borrowings

Particulars	As at 31st March, 2020	As at 31st March, 2019
Overdraft from Banks Secured against: 1) Specific Trade Receivables and Specific ATM, UPS, Site Interiors and other Merchandise, Air conditioners, VSAT and e-surveillance equipment; 2) Lien marked against specific fixed deposits; and/or 3) Personal Guarantee of Promoters	13,77,40,768	4,99,94,831
Total	13,77,40,768	4,99,94,831

Sr. No	PROPERTY, PLANT AND EQUIPMENT	GROSS BLOCK				ACCUMULATED DEPRECIATION				NET BLOCK			
		BALANCE AS AT 01.04.2019	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2020	BALANCE AS AT 01.04.2019	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2020	BALANCE AS AT 31.03.2020	BALANCE AS AT 31.03.2019		
A	Tangible Assets Automated Teller Machine	Owned	1,52,58,00,775	60,17,91,481	7,94,58,325	2,04,61,33,931	64,77,77,574	20,23,97,369	3,10,63,619	81,91,11,324	1,22,90,22,607	87,80,23,201	
		Previous Year	(1,49,43,88,542)	(5,10,93,928)	(1,96,81,695)	(1,32,58,00,775)	(47,45,86,044)	(17,85,64,331)	(53,72,801)	(64,77,77,574)	(87,80,23,201)	(1,01,98,02,498)	
		Taken under finance lease	35,24,44,111	7,81,755	21,56,12,604	13,76,13,262	21,37,62,287	3,56,31,211	11,31,28,680	13,62,64,818	13,48,444	12,86,81,824	
		Previous Year	(59,27,06,755)	(10,95,52,687)	(34,98,15,331)	(35,24,44,111)	(48,94,92,842)	(7,04,16,532)	(33,61,37,087)	(22,37,62,287)	(12,86,81,824)	(10,32,23,913)	
		Uninterrupted Power Supply Machine											
		Owned	14,51,63,502	1,11,52,619	94,88,521	14,68,27,600	7,82,17,809	2,50,28,746	81,91,022	9,50,55,533	5,17,72,067	6,69,45,693	
		Previous Year	(14,28,63,105)	(31,22,107)	(8,21,710)	(14,51,63,502)	(5,48,27,269)	(2,34,93,263)	(1,02,793)	(7,82,17,809)	(6,69,45,693)	(8,80,35,835)	
		Taken under finance lease	2,99,19,560	1,02,000	1,85,64,694	1,14,56,866	2,03,29,138	34,93,765	1,25,70,691	1,13,52,212	2,04,654	95,90,422	
		Previous Year	(4,74,19,114)	(72,02,497)	(2,47,02,051)	(2,99,19,560)	(3,85,49,786)	(54,02,714)	(2,36,23,362)	(2,03,29,138)	(95,90,422)	(88,09,328)	
		Site interior & Other Merchandises											
		Owned	54,08,77,719	9,40,74,213	5,95,82,175	57,53,69,757	29,79,46,881	9,27,14,995	3,09,80,102	35,96,81,774	21,56,87,983	34,29,30,838	
		Previous Year	(52,81,99,186)	(2,90,09,392)	(1,63,20,859)	(54,08,77,719)	(22,65,61,070)	(7,91,97,924)	(78,12,113)	(29,79,46,881)	(24,29,30,838)	(30,16,28,116)	
		Taken under finance lease	11,77,06,240	3,43,385	7,30,27,959	4,50,81,666	8,11,19,937	1,04,77,241	4,69,31,850	4,46,05,328	4,16,338	3,60,46,303	
		Previous Year	(16,70,40,275)	(2,51,80,811)	(7,84,94,846)	(11,77,66,240)	(13,49,42,674)	(2,15,31,626)	(7,53,54,363)	(8,11,19,937)	(3,66,46,303)	(3,20,97,601)	
		Air Conditioner											
Owned	13,22,08,156	32,96,300	26,25,208	13,28,79,248	6,46,14,798	2,01,44,041	25,13,799	8,22,45,040	5,06,34,208	6,75,93,358			
Previous Year	(13,23,04,684)	(5,20,472)	(6,77,000)	(13,22,08,156)	(4,54,57,433)	(1,39,29,311)	(1,72,546)	(6,46,14,798)	(6,75,93,358)	(8,69,07,251)			
Taken under finance lease	96,10,365	-	91,39,930	4,70,435	59,97,603	3,24,416	58,60,666	4,61,353	9,082	36,12,762			
Previous Year	(1,80,42,280)	(34,23,402)	(1,18,55,317)	(96,10,365)	(1,58,31,781)	(17,31,267)	(1,15,65,445)	(59,97,603)	(36,12,762)	(22,10,499)			
VSAT													
Owned	10,77,40,321	2,06,89,574	-	12,84,29,895	4,26,05,421	2,01,59,713	-	6,27,65,134	6,56,64,761	6,51,94,900			
Previous Year	(9,64,23,056)	(1,15,86,038)	(2,68,773)	(10,77,40,321)	(2,63,94,384)	(1,62,61,821)	(50,786)	(4,26,05,421)	(6,51,94,900)	(7,00,28,672)			
Taken under finance lease	38,69,902	-	-	38,69,902	30,84,990	7,43,801	-	38,28,791	41,111	7,84,912			
Previous Year	(38,69,902)	-	-	(38,69,902)	(23,11,010)	(7,73,980)	-	(30,84,990)	(7,84,912)	(15,58,892)			
E-Surveillance													
Owned	5,07,62,725	1,48,126	-	5,07,62,725	2,32,26,543	72,17,337	-	3,04,43,880	2,03,18,845	2,75,36,182			
Previous Year	(5,07,87,602)	(1,98,800)	(2,23,677)	(5,07,62,725)	(1,60,80,052)	(72,11,817)	(65,326)	(2,32,26,543)	(2,75,36,182)	(3,47,07,550)			
Digital Video Recorder (DVR)													
Owned	27,24,568	-	-	27,24,568	11,41,843	4,24,215	-	15,66,548	11,58,510	15,82,725			
Previous Year	(26,13,998)	(1,10,586)	(16)	(27,24,568)	(7,21,993)	(4,19,871)	(21)	(11,41,843)	(15,82,725)	(18,92,005)			
Furniture and Fixtures													
Owned	39,16,681	43,000	-	39,59,681	30,39,674	4,55,115	-	34,94,789	4,64,892	8,77,007			
Previous Year	(38,95,434)	(34,300)	(13,053)	(39,16,681)	(24,51,184)	(5,88,490)	-	(30,39,674)	(8,77,007)	(14,44,250)			
Office Equipment													
Owned	81,42,634	1,48,126	-	82,90,760	50,65,558	17,46,641	-	68,12,199	14,78,561	30,77,076			
Previous Year	(78,98,944)	(2,55,266)	(11,576)	(81,42,634)	(32,09,785)	(18,55,793)	-	(50,65,558)	(30,77,076)	(46,89,179)			
Computers													
Owned	1,37,04,886	26,53,115	-	1,63,58,001	98,69,011	24,71,135	-	1,23,40,146	40,17,855	38,35,875			
Previous Year	(1,15,21,095)	(22,19,147)	(35,356)	(1,37,04,886)	(75,50,699)	(23,18,312)	-	(98,69,011)	(38,35,875)	(39,70,396)			
Total													
		3,04,46,52,145	73,50,75,568	46,74,99,416	3,31,22,28,297	1,50,77,99,067	42,34,29,741	26,12,40,429	1,66,99,88,379	1,64,22,39,918	1,53,68,53,078		
		(3,30,00,23,922)	(24,75,09,433)	(50,28,81,280)	(3,04,46,52,145)	(1,53,89,57,986)	(42,80,97,654)	(46,02,56,573)	(1,50,77,99,067)	(1,53,68,53,078)	(1,76,10,65,985)		
B	Intangible Assets Computer software	Owned	8,21,32,831	2,99,01,249	-	11,20,34,180	5,94,40,648	1,86,44,593	7,80,85,241	3,39,48,939	2,26,92,183		
		Previous Year	(7,19,33,522)	(1,01,99,309)	-	(8,21,32,831)	(3,77,89,398)	(2,16,51,250)	(5,94,40,648)	(2,26,92,183)	(3,41,44,124)		
		Taken under finance lease	8,21,32,831	2,99,01,249	-	11,20,34,180	5,94,40,648	1,86,44,593	7,80,85,241	3,39,48,939	2,26,92,183		
		Previous Year	(7,19,33,522)	(1,01,99,309)	-	(8,21,32,831)	(3,77,89,398)	(2,16,51,250)	(5,94,40,648)	(2,26,92,183)	(3,41,44,124)		
		Total		8,21,32,831	2,99,01,249	-	11,20,34,180	5,94,40,648	1,86,44,593	7,80,85,241	3,39,48,939	2,26,92,183	
		(7,19,33,522)	(1,01,99,309)	-	(8,21,32,831)	(3,77,89,398)	(2,16,51,250)	(5,94,40,648)	(2,26,92,183)	(3,41,44,124)			
Grand Total		3,12,67,84,976	76,49,76,917	46,74,99,416	3,42,42,62,477	1,56,72,39,715	44,20,74,334	26,12,40,429	1,74,80,73,620	1,67,61,88,857			
		(3,37,19,57,484)	(25,77,08,742)	(50,28,81,280)	(3,12,67,84,976)	(1,57,67,47,384)	(45,07,48,904)	(46,02,56,573)	(1,56,72,39,715)	(1,55,95,45,261)			

Notes:

1. Additions and deletions are grossed up by INR 50,042,225/- towards shifting and INR 125,886,498/- towards transfer of leased assets to owned assets.

Note 13: Non-current investments		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Trade		
Investment in wholly owned subsidiary:		
Electronic Payment Australia PTY Ltd (At Cost)	4,26,56,137	2,16,41,390
(835,100 shares of AUD 1 each; 410,100 shares of AUD 1 each as at 31st March 2019)		
Less: Provision for diminution in value of investment	(4,26,56,137)	-
Total	-	2,16,41,390
<p>Note 13.1: During a previous year, the Company had invested in Electronic Payment Australia Pty. Ltd. ('subsidiary'), a company based in Australia. This is a wholly owned subsidiary of the Company. Hitherto, the investment in this subsidiary was valued at cost. Subsequent to the year end, the Company infused further equity share capital of AUD 50,000 in the subsidiary. On 28th July 2020, the Company, as the sole shareholder of the subsidiary, has taken a decision to wind up the operations of the subsidiary and has appointed a liquidator. The Company does not expect to realise any proceeds from the liquidation. Accordingly, the Company has made a provision for diminution in the value of the investment in the subsidiary.</p>		
Note 14: Long-term loans and advances		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured & considered good:		
Security Deposits	7,35,95,953	10,74,04,009
Capital Advances	-	11,40,000
Prepaid expenses	63,94,320	22,92,815
Other statutory remittances recoverable	22,44,756	1,06,065
Balances with government authorities:		
- Tax (TDS) refund receivable	6,47,33,633	11,27,89,217
Total	14,69,68,662	22,37,32,106
Note 15: Other non-current assets		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Others:		
Balances with Banks in fixed deposit accounts (In Earmarked Accounts)		
- Balances held as security against borrowings and guarantees	14,08,19,597	20,64,88,453
- Balances held as margin money against guarantees (Refer Note 15.1 below)	8,14,51,700	6,27,35,000
Total	22,22,71,297	26,92,23,453
<p>Note 15.1: A bank, on behalf of the Company, has issued performance and other bank guarantees amounting to INR 294,228,000/- (INR 273,750,000/- as at 31st March, 2019) for the deployment of cash dispensers and other related assets, in respect of which the Company has placed fixed deposits under lien amounting to INR 81,451,700/- (INR 62,735,000/- as at 31st March, 2019).</p>		

Note 16: Current investments		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-Trade – Investment in units of Mutual Funds - Unquoted – Lower of cost or fair value		
Investments in Mutual Fund (Refer Note 16.1 below)	-	9,59,14,464
Total	-	9,59,14,464
Note 16.1: Details of Unquoted investment		
	As on 31st March, 2019	
Mutual Fund Scheme	Cost	Market Value
DSP Arbitrage Fund - DIR - Growth - 8,953,926.851 units (Face Value INR 10/- each)	9,59,14,464	9,65,50,193
Total	9,59,14,464	9,65,50,193
Note 17: Trade receivables		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Outstanding for a period exceeding six months from the date they were due for payment		
Unsecured	2,92,46,421	84,31,791
Less : - Provision for doubtful trade receivables	(1,01,81,263)	(84,31,791)
Total (A)	1,90,65,158	-
Others		
Unsecured, considered good	23,26,71,135	26,63,51,583
Less : - Provision for doubtful trade receivables	(30,85,051)	(26,23,086)
	22,95,86,084	26,37,28,497
Amounts Recoverable from Customers/Vendors	13,41,60,253	4,59,67,536
Less : - Provision for doubtful recoveries	(6,16,48,600)	-
	7,25,11,653	4,59,67,536
Total (B)	30,20,97,737	30,96,96,033
Total (A+B)	32,11,62,895	30,96,96,033

Note 18: Cash and cash equivalents		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash on hand	26,009	4,352
Balance with banks		
In Current Accounts	35,46,71,012	19,85,15,360
Total A - (Cash and Cash Equivalent as per AS-3)	35,46,97,021	19,85,19,712
Cash in ATM	38,07,100	6,15,00,000
Balance in Term Deposit		
Less than 12 Months	4,01,54,281	1,48,41,546
More than 12 Months	-	2,99,22,504
Total (B)	4,39,61,381	10,62,64,050
Total (A+B)	39,86,58,402	30,47,83,762
Note 19: Short-term loans and advances		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured and considered good:		
Capital Advances	24,97,803	-
Loans and advances to related parties (Refer Note 30)	8,60,941	9,09,325
Loans and advances to employees	5,71,516	3,69,051
Prepaid expenses	6,07,11,849	5,84,13,353
Balances with Government Authorities:		
- GST Input Tax Credit / Cenvat Credit receivable	10,53,85,850	8,59,19,914
- Tax (TDS) refund receivable	11,04,55,789	4,85,55,103
Advance to suppliers	3,18,33,864	1,01,61,365
Other receivables	2,62,38,726	8,04,26,008
Total	33,85,56,338	28,47,54,119
Note 20: Other current assets		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unbilled Revenue	35,78,99,520	32,11,32,696
Insurance Claims receivable (Net)	6,93,00,048	3,32,17,860
Interest accrued on fixed deposits	9,46,049	13,21,451
Total	42,81,45,617	35,56,72,007

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED		
Notes forming part of Financial Statements		
Note 21: Revenue from operations		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income from ATM Services (net of GST)	3,46,14,19,556	3,06,81,09,822
Total	3,46,14,19,556	3,06,81,09,822
Note 22: Other Income		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Fixed Deposit	1,39,61,749	1,68,36,907
Interest on Income tax refund	78,58,065	34,00,946
Provision for Contingencies - Electricity written back (Refer Note 36)	-	2,73,12,000
Profit on Sale and Lease back	18,95,701	81,20,446
Net gain on Sale of current investment	39,31,556	97,02,347
Bad debts recovered	13,77,030	-
Leave encashment written back	18,41,456	-
Other Income	1,36,78,754	66,37,951
Total	4,45,44,311	7,20,10,597
Note 23: Employee Benefits Expense		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary, wages & bonus	25,89,18,283	21,41,75,755
Contribution to Provident Fund (Refer Note 28(A))	92,75,156	77,63,934
Gratuity expense (Refer Note 28(B))	58,37,450	30,88,280
Expense on employee stock options (ESOP) scheme (Refer Note 35)	1,08,532	3,48,824
Staff welfare expenses	2,34,61,024	1,95,87,325
Total	29,76,00,445	24,49,64,118
Note 24: Finance Costs		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Borrowings	7,50,58,374	9,28,75,566
Interest on Finance Lease	1,34,41,555	3,92,94,641
Loan Processing Fees	93,54,765	41,85,042
Prepayment charges	72,99,835	-
Interest on delayed payment of taxes	7,77,144	10,79,917
Total	10,59,31,673	13,74,35,166

Note 25: Operating Expenses		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Annual Maintenance Charges	22,33,07,815	22,43,52,372
Caretaker Charges	7,59,51,855	7,48,11,565
Consumables Charges	4,08,38,486	5,03,68,009
Cash Replenishment Charges	66,66,56,480	71,37,02,749
Management Service Charges	1,47,24,944	1,63,87,983
Site Electricity	17,16,34,382	22,36,88,648
Site Housekeeping	5,83,85,134	5,31,23,883
Satellite (VSAT) Charges	5,37,56,587	4,37,09,466
Site Rent	37,26,21,342	36,66,28,214
Other Operating Charges	2,12,84,478	51,63,114
UPS charges	12,35,41,443	11,69,19,426
Insurance Premium	7,47,16,193	5,22,42,509
Site Repairs Charges	15,31,51,641	14,73,97,486
Site Shifting Charges	5,29,40,882	1,27,95,674
Royalty Fee	60,76,337	13,64,452
Sponsor Bank Charges	14,54,358	20,24,549
Software Management Charges	3,25,11,140	3,05,60,642
Franchise Fee	16,00,51,183	1,33,73,249
NPCI Charges	23,45,396	5,75,571
Total	2,30,59,50,076	2,14,91,89,561
Note 26: Other General Expenses		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Professional and Consultancy Charges	2,53,89,414	2,74,66,600
Rates and Taxes	1,01,54,098	25,85,300
Office and guest house rent Charges	2,24,34,071	2,34,50,663
Payments to the auditor (Refer Note 26 (i) below)	83,54,658	82,93,042
Bank Charges and Commission	72,86,789	1,19,60,356
Insurance Charges	8,89,989	9,97,449
Office Electricity	16,31,469	16,55,545
Repairs and Maintenance	56,75,534	39,55,759
Telecom Expenses	22,42,402	25,54,374
Travelling and Conveyance Expenses	67,51,834	64,18,783
Business Promotion Expenses	20,29,355	1,62,34,905
Meeting Expenses	16,888	97,856
Membership and Registration Charges	14,32,169	12,49,396
Office Expenses	64,87,425	73,07,315
Postage and Courier	10,65,151	6,79,539

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Printing and Stationery	18,91,571	19,68,253
Motor Car Expenses	4,21,246	4,43,247
Loss on Theft/Damage/Write off of Property, Plant and Equipment	2,93,69,391	3,10,87,612
Provision for doubtful debts	22,11,437	13,59,210
Provision for doubtful recoveries	6,16,48,600	-
Bad Debts written off	-	1,50,79,722
Provision for Diminution in value of Non-Current Investments	4,26,56,137	-
Insurance claim written off	23,31,641	34,67,330
Provision for Contingencies - PF (Refer Note 36)	-	3,33,725
Car Lease Rentals (Refer Note 31(ii))	45,72,432	66,44,672
Miscellaneous Expenses	2,41,223	3,66,092
Interest on MSME	38,97,664	47,20,951
Software Expenses	1,79,18,384	30,94,470
Total	26,90,00,972	18,34,72,166
Note 26-(i): Payments to the auditor comprise		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) To Statutory Auditor		
For Audit	35,00,000	35,00,000
For Other Services		
- Direct Tax	19,58,403	14,08,197
- Indirect Tax	24,96,255	28,80,350
- Consultancy charges	4,00,000	4,53,500
Reimbursement of expenses	-	50,995
Total	83,54,658	82,93,042
Note 26-(ii): Amounts Paid in Foreign Currency		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Amount spent in foreign currency	53,03,670	1,40,19,912
Total	53,03,670	1,40,19,912
Note 27: Contingent Liabilities and Commitments (to the extent not provided for):		
(a) Contingent liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<u>Claims against the Company not acknowledged as debt</u>		
Service Tax	4,68,49,482	4,68,49,482
MVAT	13,05,299	-
Other	5,38,68,153	5,38,68,153

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

Other: The Company entered into a service agreement with a vendor (the Vendor) in March 2013. During 2015, the Vendor started defaulting in their service obligations to the Company. The Company realized that the Vendor had committed criminal acts, which resulted in a financial loss to the Company, and accordingly filed various criminal complaints across the state of Maharashtra. Apprehending actions against the criminal complaints, the Vendor invoked arbitration as per the terms of the service agreement. The Vendor has however not filed a statement of claim with the arbitrator till date. The Company has existing claims against the Vendor in excess of the claim made by the Vendor and the Company does not foresee any unfavourable outcome under the arbitration and does not expect any liability. Hence the Company has not made any provision for the claim from the Vendor which aggregates to the amount mentioned above.

(b) Commitments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not accounted for	91,03,495	60,93,900

Note 28: Employee Benefits

(A) Defined Contribution Plan

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

The Company recognised INR 9,275,156/- (previous year INR 7,763,934/-) for Provident Fund contributions in the Statement of Profit and Loss. The Supreme Court in its order dated 28th February, 2019 held that allowances paid by employers to its employees will be included in the scope of 'basic wages' and hence be subject to Provident Fund contributions. As per opinion obtained from PF consultant, the above mentioned order will not have retrospective impact. Hence the provision had been made based on the amount due for the month of March 2019. Accordingly, an amount of INR 333,725/- was provided for in FY 2018-19, which forms part of the Provision for Contingencies - PF 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, 2020	For the year ended 31st March, 2019
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	6.04 % p.a.	7.79 % p.a.
Attrition Rate	For service 2 years and below 17.00% p.a. For service 3 years to 4 years 12.00% p.a. For service 5 years and above 6.00% p.a.	2.5% p.a. for all service groups
Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
<p>* The estimate of future salary increases considered, in actuarial valuation, takes into account the inflation, seniority, promotion, increments and other relevant factors such as supply and demand factors in employments markets.</p> <p>** Company does not have any earmarked investment for gratuity liability; hence rate of return on plan asset is not applicable.</p> <p>*** The discount rate is based on the prevailing market yields of Government of India securities as at the date of the Balance Sheet for the estimated term of the obligations.</p>		
II. Table showing change in Benefit Obligation:		
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Liability at the beginning of the year	1,28,12,498	1,21,34,668
Interest cost	9,98,094	9,50,145
Current service cost	33,74,795	32,79,598
Past service cost (vested benefits)	-	-
Benefits paid	(4,00,146)	(24,10,450)
Actuarial (gain)/ loss on obligation	14,64,561	(11,41,463)
Liability at the end of the year	1,82,49,802	1,28,12,498
III. Fair value of Plan Assets:	-	-
IV. Actual return on Plan Assets:	-	-
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(1,82,49,802)	(1,28,12,498)
Net asset/ (liability) recognised in the Balance Sheet	(1,82,49,802)	(1,28,12,498)
VI. Percentage of each category of Plan assets to total fair value of Plan Assets		

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
	Not Applicable	Not Applicable
VII. Expenses recognized in the Statement of Profit & Loss:		
Current service cost	33,74,795	32,79,598
Interest cost	9,98,094	9,50,145
Actuarial (gains)/losses	14,64,561	(11,41,463)
Past service cost (vested benefits) recognised during the period	-	-
	58,37,450	30,88,280
Expenses recognized in Statement of Profit and Loss		
VIII. Balance Sheet Reconciliation		
Opening net liability	1,28,12,498	1,21,34,668
Benefits paid	(4,00,146)	(24,10,450)
Expense as above	58,37,450	30,88,280
	1,82,49,802	1,28,12,498
Net Liability / (Asset) recognised in Balance Sheet		
Short term liability	31,27,078	2,38,019
Long term liability	1,51,22,724	1,25,74,479
	1,82,49,802	1,28,12,498
Net Liability / (Asset) recognised in Balance Sheet		
IX. Actuarial (Gains)/Losses on Obligations		
(i) Due to change in demographic assumptions	(20,45,423)	-
(ii) Due to change in financial assumptions	26,16,721	61,383
(iii) Due to experience adjustment	8,93,263	(12,02,846)
	14,64,561	(11,41,463)
Actuarial (Gains)/Losses on Obligations		
Note 29: Segment Reporting		
As per the definitions of 'business segment' and 'geographical segment', contained in Accounting Standard - 17 (AS-17) "Segment Reporting" specified under Section 133 of the 2013 Act, the management is of the opinion that the Company's operations predominantly comprise of ATM infrastructure services within India. There is neither more than one reportable business segment nor more than one reportable geographical segment, and therefore, segment information as per AS-17 is not required to be disclosed.		
Note 30: Related party transactions		
1. Details of related parties:		
Description of relationship	Names of related parties	
(i) Wholly Owned Subsidiary	Electronic Payment Australia PTY Ltd (w.e.f. 23rd September, 2017)	
(ii) <u>Key Managerial Personnel (KMP) & their relatives / Directors</u>	-	
Managing Director	Mr. Mani Mamallan	
Director	Mr. Sanjay Kapoor	
President HR & Admin, Wife of Managing Director	Mrs. Vidya Rani Mani Mamallan	
Brother of Managing Director	Mr. Gangai Kondan Mani	

2. Details of related party transactions during the year ended 31st March, 2020 and outstanding balances as at 31st March, 2020:

Particulars	Wholly Owned Subsidiary	KMP & their relatives / Directors
Rendering of Services		
Receiving of Services		
Remuneration paid	-	2,37,94,602
	-	(2,10,36,873)
Perquisites paid	-	15,12,372
	-	(14,15,322)
Business Promotion expenses paid to 'Electronic Payment Australia PTY Ltd', Wholly Owned Subsidiary.	-	-
	(1,29,69,434)	-
Capital contribution made in 'Electronic Payment Australia PTY Ltd', Wholly Owned Subsidiary.	2,10,14,747	-
	(2,16,36,450)	-
Balance outstanding at the end of the year		
Investment in 'Electronic Payment Australia PTY Ltd', Wholly Owned Subsidiary.	4,26,56,137	-
	(2,16,41,390)	-
Loans & Advances	-	8,60,941
	-	(9,09,325)

Notes:

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

Note 31: Details of leasing arrangements		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As Lessee		
(i): Finance Lease Obligations		
The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end of the lease period. Under certain lease arrangements, the title/ownership may not be transferred at end of the lease term.		
The lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and conditions.		
Reconciliation between the total of minimum lease payments at the Balance Sheet date and their present value:		
Future minimum lease payments		
not later than one year	27,03,308	11,22,37,044
later than one year and not later than five years	-	10,64,61,180
later than five years	-	-
Unmatured finance charges	(89,050)	(3,27,46,753)
	26,14,258	18,59,51,471
Present value of minimum lease payments payable		
not later than one year	26,14,258	9,56,19,664
later than one year and not later than five years	-	9,03,31,807
later than five years	-	-
	26,14,258	18,59,51,471
(ii): Operating Lease Obligations		
The Company has entered into operating lease arrangement for Cars for official use. The leases are non-cancellable and are for a period of four years and may be renewed based on mutual agreement of the parties.		
The Company has entered into operating lease agreement for office premises. The lease has a lock-in-period for 3 years till date 31st May 2020 and may be renewed based on mutual agreement of the parties.		
Future minimum lease payments		
not later than one year	-	2,42,44,584
later than one year and not later than five years	-	5,96,17,500
later than five years	-	-
	-	8,38,62,084
Lease payments recognised in the Statement of Profit and Loss		
- Office Rentals	1,90,10,177	1,91,10,282
- Car Rentals	45,72,432	66,44,672

Note 32: Earnings per share		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit/(Loss) after tax for the year	8,94,06,367	(2,96,89,496)
Net Profit / (Loss) after tax for the year for computation of Earnings per share	8,94,06,367	(2,96,89,496)
Weighted average number of equity shares	6,99,788	6,99,788
Par value per share	10	10
Earnings per share from continuing operations - Basic	128	(42)
Earnings per share from continuing operations - Diluted	104	(34)
<p>Note: The effect of conversion of CCPS and exercise of ESOP option is dilutive in FY 2019-20. The effect of conversion of CCPS and exercise of ESOP option was anti-dilutive in FY 2018-19.</p>		
Note 33: Deferred Tax		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Deferred Tax Liability		
Expenses Allowed Under Income Tax Act	22,61,477	48,32,587
Finance Leased Assets	19,62,94,368	12,76,18,262
Total (A)	19,85,55,845	13,24,50,849
Deferred Tax Asset		
Expenses Disallowed Under Income Tax Act	3,19,30,780	32,07,674
Depreciation on Fixed Assets	8,12,13,040	5,27,61,296
Carried forward Losses	9,37,72,799	16,29,98,252
Total (B)	20,69,16,619	21,89,67,222
Net Deferred Tax Asset / (Liability)	83,60,774	8,65,16,373
<p>The Company has not recognised net deferred tax asset as there is no reasonable / virtual certainty, supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax asset can be realized, as per AS - 22, specified under the Section 133 of the 2013 Act.</p>		
<p>Note 34: Derivative Instrument and unhedged foreign currency exposures The Company did not have any derivative instrument outstanding as at the year end. There are no balances denominated in the foreign currencies as at year end.</p>		

Note 35: Employee Stock Option Scheme

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

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

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

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

As at 31st March, 2020, equity options aggregating to 17,788 (previous year 17,563) have vested to the eligible employees and nil (previous year 262) equity options have not been vested. The remaining 962 (previous year 925) equity options have not been granted as of 31st March, 2020. Equity options are eligible for exercise till 12th February, 2025 (Previous year - the equity options vested were eligible for exercise till various dates)

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

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

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

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

Weighted average remaining contractual life for options is 10.5 months outstanding as at 31st March, 2019.

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

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

Note 36: Provision for Contingencies

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

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Provision for cash loss		
Opening balance	-	4,75,10,200
Deduction during the year	-	(4,75,10,200)
Closing balance (A)	-	-
Provision for electricity		
Opening balance	7,03,36,692	9,76,48,692
Addition / (Deductions) during the year	5,59,64,237	(2,73,12,000)
Closing balance (B)	12,63,00,929	7,03,36,692
Provision for PF as per the Supreme Court order dated 28th February 2019		
Opening balance	3,33,725	-
Addition / (Deductions) during the year	-	3,33,725
Closing balance (C)	3,33,725	3,33,725
Closing Balance (A+B+C)	12,66,34,654	7,06,70,417

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

Note 38: Impact due to pandemic - Covid-19

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

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

Note 39: 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 : 11th August,
2020

Place : Mumbai

Mani MamallanChairman & Managing
Director

DIN: 03584512

Date : 11th August,
2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August,
2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August,
2020

Place : Mumbai

INDEPENDENT AUDITOR'S REPORT

To The Members of Electronic Payment and Services Private Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Electronic Payment and Services Private Limited ("the Parent"/ "the Holding Company") and its subsidiary, (the Parent/ Holding Company and its subsidiary together referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2020, and the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Accounting Standards prescribed under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2006, as amended ("Accounting Standards"), and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, and their consolidated cash flows for the year ended on that date.

Basis for Opinion

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

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

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

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit 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.
 - 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 specified 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, 2020 taken on record by the Board of Directors of the Company, none of the directors is disqualified as on 31st March, 2020 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. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
 - g. In our opinion and to the best of our information and according to the explanations given to us, the Holding Company being a private company, section 197 of the Act related to the managerial remuneration not applicable.
 - h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

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

For Deloitte Haskins and Sells LLP

Chartered Accountants

(Firm's Registration No.117366W/W - 100018)

Anjum A. Qazi

(Partner)

(Membership No. 104968)

Place: Mumbai

Date: 11th August, 2020

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31st March, 2020, we have audited the internal financial controls over financial reporting of Electronic Payments and Services Private Limited (hereinafter referred to as “the Holding Company”), as of that date.

Management’s Responsibility for Internal Financial Controls

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

Auditor’s Responsibility

Our responsibility is to express an opinion on the Holding Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation

of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us, the Holding Company, has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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: 11th August, 2020

FINANCIAL STATEMENT FY 2019-2020

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED			
CIN: U72300MH2011PTC222535			
Consolidated Balance Sheet as at 31st March, 2020			
Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	3,25,89,480	3,25,89,480
Reserves and surplus	4	1,63,95,18,541	1,53,34,89,721
		1,67,21,08,021	1,56,60,79,201
Non-Current Liabilities			
Long-term borrowings	5	55,41,12,839	40,10,92,795
Other Long term liabilities	6	-	3,20,615
Long-term provisions	7	14,14,23,653	8,29,11,171
		69,55,36,492	48,43,24,581
Current Liabilities			
Trade payables	8		
(a) Total outstanding dues of Micro, Small and Medium Enterprises		8,14,79,349	6,68,21,940
(b) Total outstanding dues other than Micro, Small and Medium Enterprises		47,44,34,713	57,34,74,405
Other current liabilities	9	42,19,63,288	61,64,90,873
Short-term provisions	10	7,92,39,735	11,13,67,030
Short-term borrowings	11	13,77,40,768	4,99,94,831
		1,19,48,57,853	1,41,81,49,079
Total		3,56,25,02,366	3,46,85,52,861

Particulars	Note No	As at 31st March, 2020	As at 31st March, 2019
II. ASSETS			
Non-Current Assets			
Property, Plant and Equipment			
Tangible assets	12	1,64,22,39,918	1,53,68,53,078
Intangible assets	12	3,39,48,939	2,26,92,183
Capital work-in-progress		2,74,80,393	6,31,93,254
		1,70,36,69,250	1,62,27,38,515
Long-term loans and advances	13	14,69,68,662	22,37,32,106
Other non-current assets	14	22,22,71,297	26,92,23,453
		36,92,39,959	49,29,55,559
Current Assets			
Current investments	15	-	9,59,14,464
Trade receivables	16	32,11,62,895	30,96,96,033
Cash and cash equivalents	17	40,12,04,832	30,58,95,806
Short-term loans and advances	18	33,90,79,813	28,56,80,477
Other current assets	19	42,81,45,617	35,56,72,007
		1,48,95,93,157	1,35,28,58,787
Total		3,56,25,02,366	3,46,85,52,861

Notes 1 to 39 form part of the Financial Statements

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

Anjum A Qazi
Partner

Date : 11th August, 2020
Place: Mumbai

For and on behalf of the Board of Directors

Sanjay Kapoor
Director

DIN: 03584520
Date : 11th August, 2020
Place : Mumbai

Mani Mamallan

Chairman & Managing
Director

DIN: 03584512
Date : 11th August, 2020
Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August, 2020
Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August, 2020
Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED			
CIN: U72300MH2011PTC222535			
Consolidated Statement of Profit and Loss for the year ended 31st March, 2020			
Particulars	Note No	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Revenue from Continuing Operations:			
Revenue from operations (Net of GST)	20	3,47,12,56,755	3,07,07,11,378
Other Income	21	4,45,44,311	7,20,10,597
Total Revenue		3,51,58,01,066	3,14,27,21,975
Expenses:			
Employee benefits expense	22	30,92,35,074	26,43,06,588
Finance costs	23	10,59,31,673	13,74,35,166
Depreciation and amortisation expense	12	44,55,92,573	45,07,48,904
Operating Expenses	24	2,30,76,10,166	2,14,91,89,561
Other General expenses	25	24,55,11,293	18,21,24,393
Total Expenses		3,41,38,80,779	3,18,38,04,612
Profit / (Loss) Before Tax		10,19,20,287	(4,10,82,637)
Tax expense:			
Excess provision for tax relating to prior year		(40,00,000)	-
Current Tax		-	40,00,000
Deferred Tax		-	-
Profit / (Loss) for the year		10,59,20,287	(4,50,82,637)
Earnings per equity share (Face Value INR 10/- each)			
Basic (INR)	31	151	(64)
Diluted (INR)	31	123	(52)

Notes 1 to 39 form 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 : 11th August, 2020

Place: Mumbai

Sanjay Kapoor

Director

DIN: 03584520

Date : 11th August, 2020

Place : Mumbai

Mani Mamallan

Chairman & Managing
Director

DIN: 03584512

Date : 11th August, 2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August, 2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August, 2020

Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED		
CIN: U72300MH2011PTC222535		
Consolidated Cash Flow statement for the year ended 31st March, 2020		
Amount in INR		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
A. Cash Flow from Operating Activities		
Profit/ (Loss) Before Tax as per Consolidated Statement of Profit and Loss	10,19,20,287	(4,10,82,637)
Adjustments for :		
Depreciation and amortisation expense	44,55,92,573	45,07,48,904
Expense on employee stock options (ESOP) scheme	1,08,532	3,48,824
Gratuity Expense	69,45,756	30,88,280
Contribution to Provident Fund	-	3,33,725
Excess provision of Performance Incentives written back	-	(1,83,90,281)
Finance Costs	10,59,31,673	13,74,35,166
Rebate received from lenders	(47,31,147)	(52,81,081)
Interest on Fixed Deposit	(1,39,61,749)	(1,68,36,907)
Interest on Income Tax refund	(78,58,065)	(34,00,946)
Net gain on sale of current investments	(39,31,556)	(97,02,347)
Provision for doubtful debts	22,11,437	13,59,210
Provision for doubtful recoveries	6,16,48,600	-
Bad debts written off	-	1,50,79,722
Bad debts recovered	(13,77,030)	-
Insurance claim written off	23,31,641	34,67,330
Loss on Theft/Damage/Write off of Property, Plant and Equipment	2,94,21,514	3,10,87,612
Provision for Contingencies - Electricity written back	-	(2,73,12,000)
Provision for Diminution in value of Property, Plant and Equipment	1,40,73,052	-
Profit on Sale and Lease back	(18,95,701)	(81,20,446)
Operating profit before Changes in Working Capital	73,64,29,817	51,28,22,128
Changes in Working Capital		
Adjustments for (increase) / decrease in operating assets:	-	-
Trade receivables	(7,39,49,869)	13,48,86,591
Short-term loans and advances	1,09,99,153	(6,97,83,674)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Long-term loans and advances	2,75,67,860	5,18,00,986
Other current assets	(7,51,80,650)	(9,66,61,860)
Cash in ATM	5,76,92,900	(4,19,79,600)
<u>Adjustments for increase/(decrease) in operating liabilities:</u>		
Trade payables	(8,43,82,283)	7,93,46,908
Other current liabilities	6,89,89,520	8,64,68,443
Short-term provisions	(2,81,27,295)	9,36,99,379
Long-term provisions	5,15,66,726	(24,20,161)
Cash Generated from Operations	69,16,05,879	74,81,79,140
Tax and interest on (tax paid) / refund received	(59,87,038)	(1,88,64,034)
Net Cash flow from Operating Activities (A)	68,56,18,841	72,93,15,106
<u>B. Cash Flow from Investing Activities</u>		
Capital expenditure on Property Plant and Equipment, including capital advances	(55,58,25,016)	(21,65,56,812)
Interest on Fixed Deposit received	1,43,37,151	1,67,75,947
Purchase of current investments	(1,00,00,000)	(32,81,73,924)
Proceeds from sale of current investments	10,98,46,020	38,55,61,807
Fixed Deposits Matured / (Placed)	5,15,61,925	5,88,39,824
Net Cash Flow (used in) Investing Activities (B)	(39,00,79,920)	(8,35,53,158)
<u>C. Cash Flow from Financing Activities</u>		
Proceeds from short-term borrowings	1,02,45,00,000	23,22,00,000
Repayment of short-term borrowings	(93,67,54,063)	(23,21,00,000)
Proceeds from long-term borrowings	82,30,22,475	12,05,91,412
Repayment of long-term borrowings	(93,91,99,614)	(53,71,13,053)
Payment of Finance Cost	(10,94,96,024)	(13,80,20,120)
Cash Flow (used in) Financing Activities (C)	(13,79,27,226)	(55,44,41,761)
Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)	15,76,11,695	9,13,20,187
Add: Cash and Cash Equivalents at the beginning of the year	19,96,31,756	10,83,11,569
Cash and Cash Equivalents at the end of the year	35,72,43,451	19,96,31,756

Notes to Cash Flow Statement:

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and Cash equivalents comprises of		
Cash on hand	26,009	4,352
Balance with Banks	35,72,17,442	19,96,27,404
Cash and Cash equivalents as per Note 17	35,72,43,451	19,96,31,756

- 2 The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Accounting Standard (AS-3) "Cash Flow Statement" specified under section 133 of The Companies Act 2013.
- 3 For FY 2018-19, an amount of INR 127,242,973 has been reduced from 'Proceeds from Long Term Borrowings' and from 'Capital expenditure on Property Plant and Equipment, including capital advances' being a non-cash item pertaining to finance lease.
- 4 In FY 2018-19, an amount of INR 47,510,200 has been reduced from 'Trade receivables' and increased in 'Short-term loans and advances' being a non-cash item pertaining to Provision for Contingencies (Refer Note 35).

For Deloitte Haskins & Sells LLP

Chartered Accountants

Anjum A Qazi

Partner

Date : 11th August, 2020

Place: Mumbai

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

Director

DIN: 03584520

Date : 11th August,
2020

Place : Mumbai

Mani MamallanChairman & Managing
Director

DIN: 03584512

Date : 11th August,
2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August,
2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August,
2020

Place : Mumbai

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED
CIN: U72300MH2011PTC222535

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Basis of Consolidation and significant accounting policies

Note 1(a): Basis of Consolidation

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

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

The consolidated financial statements of the Company and its subsidiary (together the 'Group') have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013 and the relevant provisions of the 2013 Act (the '2013 Act') read with the Companies (Accounting Standards) Rules, 2006.

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

Due to the uncertain business prospects, on 28th July 2020, the Holding Company, as the sole shareholder of the subsidiary, has taken a decision to wind up the operations of the subsidiary and has appointed a liquidator. Consequently, the going concern assumption was no longer appropriate for the subsidiary. Hence the financial statements of the subsidiary as at 31st March, 2020 have been prepared under liquidation basis of accounting. Accordingly, the carrying value of all material assets are stated at their estimated realisable values and all liabilities are represented at their estimated settlement amounts.

Note 1(c): Principles of Consolidation

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

- (i) For the previous year, 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., 31st March, 2019.
- (ii) The financial statements of the Company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered as per Accounting Standard 21 on 'Consolidated Financial Statements' specified under section 133 of the Companies Act, 2013.
- (iii) The difference between the cost of investment in the subsidiary and the Company's share of net assets at the time of acquisition of control in the subsidiary is recognised in the consolidated financial statement as Goodwill or Capital Reserve as the case may be.

Note 2: Significant Accounting Policies**a Use of Estimates**

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

b Cash and Cash Equivalents

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

c Cash Flow Statement

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

d Depreciation and Amortisation

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

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

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

During FY 2018-19, the Audit and Risk Committee of the Company based on a technical assessment recommended and the Board of Directors of the Company resolved that the Company changes its accounting estimates for the useful life of the block of assets under Property, Plant and Equipment. Accordingly, the Company has changed its accounting estimate for the remaining useful life as shown in the above table. Due to this change in accounting estimate, the depreciation for the asset block under consideration was reduced by INR 64,929,433 for the FY 2018-19.

Depreciation on tangible Property Plant and 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.

The Company conducts physical verification of its fixed assets in the block of 3 years. The block of 3 years till date are as follows: i) 1st April, 2013 to 31st March, 2016 ii) 1st April, 2016 to 31st March, 2019 iii) 1st April, 2019 to 31st March, 2022 The asset block period applicable for FY 2019-20 financials is the period from 1st April, 2019 to 31st March, 2022.

e Revenue Recognition

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

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

f Other Income

(i) Profit/ Loss on sale of Property Plant and Equipment is recognised on transfer of significant risks and rewards of ownership of the asset to the buyer.

(ii) Interest on fixed deposits recognised on time proportion basis, having regard to the amount outstanding and the rate applicable.

(iii) Dividend income is accounted when such dividend is declared and the right to receive payment is established.

g Property, Plant and Equipment

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

(ii) Capital work in progress includes, tangible assets which are not yet installed at ATM sites, are carried at cost, comprising direct cost, related incidental expenses and attributable interest, if applicable.

(iii) Capital work in progress also includes software related expenses that are under developmental stage or have not been given clearance for going live.

h Foreign Currency Transactions

Transactions in foreign currencies entered into by the Subsidiary are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction. Foreign currency monetary items (other than derivative contracts) of the Subsidiary outstanding at the Balance Sheet date are restated at the year-end rates. Non-monetary items of the Subsidiary are carried at historical cost. Foreign currency monetary items of the Company, outstanding at the Balance Sheet date are restated at the year-end rates (except for the investment in the wholly owned subsidiary).

i Investments

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

Cost of Investments include acquisition charges such as brokerage, fees and other incidental expenses.

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

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

j Employee Benefits

Employee Benefits include provident fund and gratuity.

Defined-contribution plans

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

Defined-benefits plans

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

Other Employee Benefits

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

k Leases

Where a company as a lessor leases asset 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 a company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in a 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 are created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

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

l Earnings per Share

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

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

m Taxes on Income

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

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

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

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

n Provisions, Contingent Liabilities and Contingent Assets

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

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

A disclosure of contingent liability is made when there is:

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

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

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

o Impairment of Assets

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

p Onerous contracts

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

q Goods and Services Tax ('GST')

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

r Employee share-based payment

The Company has constituted an Employee Stock Option Plan - "Electronic Payment and Services - Employee Stock Option Plan 2014" ('ESOP 2014') and "Electronic Payment and Services - Employee Stock Option Plan 2015" ('ESOP 2015').

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

s Insurance claims

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

t Borrowing cost

Borrowing costs include interest and ancillary costs incurred in connection with the borrowing of funds which are charged to the Statement of Profit and Loss, with the loan processing fee being amortised over the tenure of the loan.

u Operating Cycle

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

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED				
CIN: U72300MH2011PTC222535				
Notes forming part of Consolidated Financial Statements				
Note 3: Share capital				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	INR	Number of shares	INR
(a) Authorised				
Equity Shares of INR 10/- each	13,10,000	1,31,00,000	13,10,000	1,31,00,000
Compulsory Convertible Preference Shares of INR 10/- each	57,00,000	5,70,00,000	57,00,000	5,70,00,000
	70,10,000	7,01,00,000	70,10,000	7,01,00,000
(b) Issued, Subscribed and fully paid-up				
Equity Shares of INR 10/- each	6,99,788	69,97,880	6,99,788	69,97,880
Series B and Series C Compulsory Convertible Preference Shares ('CCPS') of INR 10/- each	25,59,160	2,55,91,600	25,59,160	2,55,91,600
Total	32,58,948	3,25,89,480	32,58,948	3,25,89,480
Note 3 (a): Reconciliation of the shares outstanding at the beginning and at the end of the reporting year				
Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	INR	Number of shares	INR
i. Equity Shares				
Outstanding at the beginning of the year	6,99,788	69,97,880	6,99,788	69,97,880
	-	-	-	-
Closing Balance	6,99,788	69,97,880	6,99,788	69,97,880
ii. Series B CCPS:				
Outstanding at the beginning of the year	58,635	5,86,350	58,635	5,86,350
	-	-	-	-
Closing Balance	58,635	5,86,350	58,635	5,86,350

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Number of shares	INR	Number of shares	INR
Series C CCPS:				
Outstanding at the beginning of the year	25,00,525	2,50,05,250	25,00,525	2,50,05,250
	-	-	-	-
Closing Balance	25,00,525	2,50,05,250	25,00,525	2,50,05,250
Total	25,59,160	2,55,91,600	25,59,160	2,55,91,600

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

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares held	% Shareholding	No. of Shares held	% Shareholding
i. Equity Shares				
Vidya Rani Mani Mamallan	90,000	12.86%	90,000	12.86%
Aavishkaar India II Company Limited	1,68,635	24.10%	1,68,635	24.10%
Aavishkaar Goodwell India Microfinance Development Company II Limited	1,05,038	15.01%	1,05,038	15.01%
APIS Growth 3 Limited	2,20,448	31.50%	2,20,448	31.50%
Asia Participations B.V.	65,425	9.35%	65,425	9.35%
Others	50,242	7.18%	50,242	7.18%
Total	6,99,788	100.00%	6,99,788	100.00%
ii. Series B CCPS				
Asia Participations B.V.	58,635	100.00%	58,635	100.00%
iii. Series C CCPS				
Asia Participations B.V.	25,00,525	100.00%	25,00,525	100.00%

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

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

Each holder of Equity Shares is entitled to one vote per .

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

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

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

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

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

Series C CCPS:

The Series C CCPS shall be compulsorily converted into Equity Shares in the ratio of 1 Equity Share for 58.3833 Series C CCPS.

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

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

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

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED		
Notes forming part of Consolidated Financial Statements		
Note 4: Reserves and surplus		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Securities Premium Account		
Opening balance	2,42,77,36,588	2,42,77,36,588
Add/(Less): Changes during the year	-	-
Closing balance	2,42,77,36,588	2,42,77,36,588
(b) Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	(95,80,71,045)	(91,29,88,409)
Add/(Less): Profit/(Loss) for the year	10,59,20,287	(4,50,82,637)
Closing balance	(85,21,50,758)	(95,80,71,046)
(c) Employee Stock Options Scheme Outstanding		
Opening balance	5,00,76,206	4,97,27,382
Add: Amount recorded on grants (Refer Note 34)	1,08,532	3,48,824
Closing balance	5,01,84,738	5,00,76,206
(d) Capital Reserve		
Opening balance	1,37,47,973	1,37,47,973
Add/(Less): Changes during the year	-	-
Closing balance	1,37,47,973	1,37,47,973
Total	1,63,95,18,541	1,53,34,89,721
Note 5: Long-term borrowings		
Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Term loans		
Secured		
(i) From Banks	27,24,99,025	15,50,67,661
(ii) From Others	28,16,13,814	15,56,93,327
	55,41,12,839	31,07,60,988
(b) Finance lease obligations (Refer Note 30(i))		
	-	9,03,31,807
	-	9,03,31,807
Total	55,41,12,839	40,10,92,795

Note 5 (i): Details of terms of repayment for the long-term borrowings and security provided in respect of the long-term borrowings:		
Particulars	As at 31st March, 2020	As at 31st March, 2019
<p>(a) Term loans from Banks</p> <p><u>Secured</u></p> <p>36,72,18,611</p> <p>35,44,62,533</p> <p>Repayable over 1 - 47 months (Previous Year 1 - 33 months) with interest rate of 12.25% (Previous Year interest range 10.15% - 11.90%)</p> <p>Secured against:</p> <ol style="list-style-type: none"> 1) Specific Trade Receivables and specific ATMs, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment 2) Lien marked against specific fixed deposits 3) Personal Guarantee of Promoters 		
<p>(b) Term Loans from Others</p> <p><u>Secured</u></p> <p>35,82,77,741</p> <p>30,86,04,891</p> <p>Repayable over 1 - 47 months (Previous Year 1 - 35 months) with interest rate of 12.25% (Previous Year interest range 12.05%-14%)</p> <p>Secured against:</p> <ol style="list-style-type: none"> 1) Specific Trade receivables and specific ATM, UPS, Site Interiors & other Merchandise, Air conditioners, VSAT and e-surveillance equipment 2) Lien marked against specific fixed deposits 3) Personal Guarantee of Promoters 		
<p>(c) Finance Lease Obligations: (Refer Note 30 (i))</p> <p>26,14,258</p> <p>18,59,51,471</p> <p>Repayable in 1 - 4 monthly instalments (Previous Year 1 - 44 monthly instalments) with applicable interest rate.</p>		
	72,81,10,610	84,90,18,895
Less: Current Maturities of Term Loans from Banks, Term Loan from Others and Finance Lease Obligations (Refer Note 9)	(17,39,97,771)	(44,79,26,100)
Total Long-term borrowings	55,41,12,839	40,10,92,795

Note 5.1:

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

Note 6: Other Long term liabilities

Particulars	As at 31st March, 2020	As at 31st March, 2019
Deferred Profit on Sale and lease back transactions	-	3,20,615
Total	-	3,20,615

Note 7: Long-term provisions

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits (Refer Note 27 (B))	1,51,22,724	1,25,74,479
Provision for Electricity (Refer Note 35)	12,63,00,929	7,03,36,692
Total	14,14,23,653	8,29,11,171

Note 8: Trade payables

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Total outstanding dues of Micro, Small and Medium Enterprises (Refer Note 8.1 below)	8,14,79,349	6,68,21,940
(b) Total outstanding dues of creditors other than Micro, Small and Medium Enterprises	47,44,34,713	57,34,74,405
Total	55,59,14,062	64,02,96,345

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

Particulars	As at 31st March, 2020	As at 31st March, 2019
(a) Principal amount remaining unpaid to any supplier as at the end of the accounting year	8,14,79,349	6,68,21,940
(b) The interest due thereon remaining unpaid to supplier as at the end of the accounting year	38,97,664	47,20,951

Particulars	As at 31st March, 2020	As at 31st March, 2019
(c) The amount of interest paid in terms of Section 16, along with the amount of payment made to the supplier beyond the appointed day during the year	-	-
(d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
(e) The amount of interest accrued during the year and remaining unpaid at the end of the respective accounting year	38,97,664	47,20,951
(f) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	1,04,24,239	65,26,575
Dues to Micro, Small and Medium Enterprises have been determined based on confirmations collected by the Management from such enterprises. This has been relied upon by the auditors.		
Note 9: Other current liabilities		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long term debt (Refer Note 5(i))		
<u>Secured:</u>		
(a) Term loans from Banks	9,47,19,586	19,93,94,872
(b) Term loans from Others	7,66,63,927	15,29,11,564
Current maturities of finance lease obligations (Refer Notes 5(i) and 30(i))	26,14,258	9,56,19,664
	17,39,97,771	44,79,26,100
Interest Payable	17,78,850	53,43,201
Deferred Profit on Sale and lease back transactions	7,68,471	23,43,557
Security Deposits received	9,36,84,992	2,53,25,000
Other Payables:		
Statutory remittances	2,55,70,034	2,54,04,126
Payable to employees	41,60,392	1,48,15,919
Payable to Franchisees	4,46,26,400	3,74,17,900
Advance from Customers	3,30,16,562	-
Payable to Bank	3,88,476	-
Bank, Book Overdraft	-	2,94,94,391
Payable on Purchase of Property Plant and Equipment	4,39,71,340	2,84,20,679
Total	42,19,63,288	61,64,90,873

Note 10: Short-term provisions		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits :		
Provision for gratuity (Refer Note 27 (B))	31,27,078	3,64,738
Provision for compensated absences (Refer Note 10.1)	-	34,93,721
Provision for expenses	7,61,12,657	10,35,08,571
Provision for tax	-	40,00,000
Total	7,92,39,735	11,13,67,030
Note 10.1:		
During the year, the Group has modified the paid leave policy such that excess leave is forfeited at the end of the financial year. Hence, the provision for compensated absences is no longer required. Previous year unpaid provision has been written back.		
Note 11: Short-term borrowings		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Overdraft from Banks Secured against:		
1) Specific Trade Receivables and Specific ATM, UPS, Site Interiors and other Merchandise, Air conditioners, VSAT and e-surveillance equipment;	13,77,40,768	4,99,94,831
2) Lien marked against specific fixed deposits; and/or		
3) Personal Guarantee of Promoters		
Total	13,77,40,768	4,99,94,831

Sr. No	PROPERTY PLANT AND EQUIPMENT	GROSS BLOCK				ACCUMULATED DEPRECIATION			NET BLOCK		
		BALANCE AS AT 01.04.2019	ADDITIONS	DISPOSALS	BALANCE AS AT 31.03.2020	BALANCE AS AT 01.04.2019	DEPRECIATION/ AMORTISATION EXPENSE FOR THE YEAR	ON DISPOSAL	BALANCE AS AT 31.03.2020	BALANCE AS AT 31.03.2020	BALANCE AS AT 31.03.2019
A	Tangible Assets										
	Automated Teller Machine										
	Owned	1,52,58,00,775	60,17,91,481	7,94,58,325	2,04,81,33,931	64,77,77,574	20,23,97,369	3,10,63,619	81,91,11,324	1,22,90,22,607	87,80,23,201
	Previous Year	(1,49,49,88,542)	(5,10,99,928)	(4,96,61,695)	(1,52,58,00,775)	(47,45,86,042)	(17,65,64,391)	(53,27,801)	(54,77,77,574)	(67,80,23,201)	(1,01,98,02,458)
	Taken under finance lease	35,24,44,111	7,81,755	21,56,12,604	13,76,13,262	22,37,62,287	3,56,31,211	12,31,38,880	13,62,64,818	13,48,444	12,86,81,824
	Previous Year	(59,27,06,755)	(10,95,52,687)	(34,98,35,331)	(35,24,44,111)	(48,94,82,842)	(7,04,16,532)	(93,61,37,087)	(22,37,62,287)	(32,86,81,824)	(10,32,33,931)
	Uninterrupted Power Supply Machine										
	Owned	14,51,63,502	1,11,52,619	94,88,521	14,68,27,600	7,82,17,809	2,50,28,746	81,91,022	9,50,55,533	5,17,72,067	6,69,45,693
	Previous Year	(44,28,63,105)	(31,22,107)	(8,21,710)	(44,51,63,502)	(5,46,27,269)	(2,34,33,263)	(1,02,723)	(7,02,17,809)	(6,69,45,693)	(8,90,35,695)
	Taken under finance lease	2,99,19,560	1,02,000	1,95,64,694	1,14,56,866	2,03,29,138	34,93,765	1,25,70,691	1,12,52,212	2,04,654	55,90,422
	Previous Year	(4,74,19,114)	(72,02,497)	(2,47,02,051)	(2,99,19,560)	(3,85,49,786)	(54,02,714)	(3,36,23,362)	(2,03,29,138)	(95,90,422)	(88,69,328)
	Site Interior & Other Merchandises										
	Owned	54,08,77,719	9,40,74,213	5,95,82,175	57,53,69,757	29,79,46,881	9,27,14,995	3,09,80,102	35,96,81,774	21,56,87,983	24,29,30,838
	Previous Year	(52,81,89,186)	(2,90,09,332)	(1,63,20,859)	(54,08,77,719)	(22,05,01,070)	(7,91,97,924)	(78,12,113)	(29,79,46,881)	(24,29,30,838)	(50,16,18,116)
	Taken under finance lease	11,77,66,240	3,43,385	7,30,27,959	4,50,81,666	8,11,19,937	1,04,77,241	4,69,31,850	4,46,65,328	4,16,338	3,66,46,303
	Previous Year	(16,70,40,275)	(2,91,89,811)	(7,84,54,846)	(11,77,66,240)	(13,49,42,674)	(2,15,31,626)	(7,53,54,363)	(8,11,19,937)	(3,66,46,303)	(3,20,97,601)
	Air Conditioner										
Owned	13,22,08,156	32,96,300	26,25,208	13,28,79,248	6,46,14,798	2,01,44,041	25,13,799	8,22,45,040	5,06,34,208	6,75,93,358	
Previous Year	(13,23,64,684)	(5,20,472)	(6,77,000)	(13,22,08,156)	(4,54,57,433)	(1,98,29,911)	(1,72,546)	(6,46,14,798)	(6,75,93,358)	(8,69,07,251)	
Taken under finance lease	96,10,365	-	91,39,990	4,70,435	59,97,003	3,24,416	58,60,666	4,61,353	9,082	36,12,762	
Previous Year	(1,90,42,289)	(34,23,402)	(1,18,55,317)	(96,10,365)	(1,59,31,793)	(17,31,267)	(1,15,65,445)	(59,97,603)	(36,12,762)	(22,10,499)	
VSAT											
Owned	10,77,40,321	2,06,89,574	-	12,84,29,895	4,26,05,421	2,01,59,713	-	6,27,65,134	6,56,64,761	6,51,34,900	
Previous Year	(9,64,33,056)	(1,15,89,038)	(2,68,773)	(10,77,40,321)	(2,65,94,384)	(1,62,61,823)	(90,786)	(4,26,05,421)	(6,51,34,900)	(7,00,38,672)	
Taken under finance lease	38,09,902	-	-	38,09,902	30,84,990	7,43,801	-	38,28,791	41,111	7,84,912	
Previous Year	(38,69,902)	-	-	(38,69,902)	(23,11,010)	(7,73,960)	-	(30,84,990)	(7,84,912)	(15,58,692)	
E Surveillance											
Owned	5,07,62,725	-	-	5,07,62,725	2,32,26,543	72,17,337	-	3,04,43,880	2,03,18,845	2,75,36,182	
Previous Year	(5,07,62,725)	(1,98,800)	(2,23,677)	(5,07,62,725)	(1,60,80,525)	(72,11,337)	(65,326)	(2,32,26,543)	(2,75,36,182)	(3,47,07,550)	
Digital Video Recorder (DVR)											
Owned	27,24,568	-	-	27,24,568	11,41,843	4,24,215	-	15,66,058	11,58,510	15,82,725	
Previous Year	(26,13,998)	(1,10,586)	(16)	(27,24,568)	(7,21,993)	(4,19,871)	(21)	(11,41,843)	(15,82,725)	(18,92,005)	
Furniture and Fixtures											
Owned	39,16,661	43,000	-	39,59,661	30,39,674	4,55,115	-	34,94,789	4,64,892	8,77,007	
Previous Year	(39,95,434)	(34,300)	(13,053)	(39,16,661)	(24,51,164)	(5,88,490)	-	(30,39,674)	(8,77,007)	(14,44,250)	
Office Equipment											
Owned	81,42,634	1,48,126	-	82,90,760	50,65,558	17,45,641	-	68,12,199	14,78,561	30,77,076	
Previous Year	(78,98,944)	(2,53,266)	(11,578)	(81,42,634)	(42,09,765)	(18,53,793)	-	(50,65,558)	(30,77,076)	(45,89,179)	
Computers											
Owned	1,37,04,886	26,53,115	-	1,63,58,001	98,69,011	24,71,135	-	1,23,40,146	40,17,855	38,35,875	
Previous Year	(1,15,21,095)	(22,19,147)	(35,356)	(1,37,04,886)	(75,50,699)	(23,18,312)	-	(98,69,011)	(38,35,875)	(39,70,396)	
Total											
		3,04,46,52,145	73,50,75,568	46,74,99,416	3,31,22,28,207	1,50,77,99,067	42,34,29,741	26,12,40,420	1,66,99,88,379	1,64,22,39,918	1,53,68,53,078
		(3,30,00,23,972)	(24,75,09,433)	(50,28,81,260)	(3,04,46,52,145)	(1,53,89,57,964)	(42,90,97,654)	(46,02,56,572)	(1,50,77,99,067)	(1,53,68,53,078)	
B	Intangible Assets										
	Computer software										
	Owned	8,21,32,831	4,74,92,639	1,75,91,290	11,20,34,180	5,94,40,648	2,21,62,832	35,18,239	7,80,85,241	3,39,48,939	2,26,92,183
	Previous Year	(7,19,33,527)	(1,01,99,309)	-	(8,21,32,831)	(3,77,89,398)	(2,16,51,250)	-	(5,94,40,648)	(2,26,92,183)	(3,41,44,124)
Total											
		8,21,32,831	4,74,92,639	1,75,91,290	11,20,34,180	5,94,40,648	2,21,62,832	35,18,239	7,80,85,241	3,39,48,939	2,26,92,183
		(7,19,33,527)	(1,01,99,309)	-	(8,21,32,831)	(3,77,89,398)	(2,16,51,250)	-	(5,94,40,648)	(2,26,92,183)	(3,41,44,124)
Grand Total											
		3,12,67,84,976	78,25,68,207	48,50,90,706	3,42,42,62,477	1,56,72,39,715	44,55,92,573	26,47,58,668	1,74,80,73,620	1,67,61,88,857	1,55,95,45,261
		(3,37,19,57,494)	(25,77,09,742)	(50,28,81,260)	(3,12,67,84,976)	(1,57,67,47,362)	(45,07,48,904)	(46,02,56,572)	(1,56,72,39,715)	(1,55,95,45,261)	

Notes:

1. Additions and deletions are grossed up by INR.50,042,225/- towards shifting and INR.125,886,498/- towards transfer of leased assets to owned assets.

Note 13: Long-term loans and advances		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured & considered good:		
Security Deposits	7,35,95,953	10,74,04,009
Capital Advances	-	11,40,000
Prepaid expenses	63,94,320	22,92,815
Other statutory remittances recoverable	22,44,756	1,06,065
Balances with government authorities:		
- Tax (TDS) refund receivable	6,47,33,633	11,27,89,217
Total	14,69,68,662	22,37,32,106

Note 14: Other non-current assets		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Others		
Balances with Banks (In Earmarked Accounts)		
- Balances held as security against borrowings, guarantees	14,08,19,597	20,64,88,453
- Balances held as margin money, guarantees (Refer Note 14.1 below)	8,14,51,700	6,27,35,000
Total	22,22,71,297	26,92,23,453

Note 14.1:

A bank, on behalf of the Company, has issued performance and other bank guarantees amounting to INR 294,228,000/- (INR 273,750,000/- as at 31st March, 2019) for the deployment of cash dispensers and other related assets, in respect of which the Company has placed fixed deposits under lien amounting to INR 81,451,700/- (INR 62,735,000/- as at 31st March, 2019).

Note 15: Current investments

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non Trade – Investment in units of Mutual Funds - Unquoted – Lower of cost or fair value		
Investments in Mutual Fund (Refer Note 15.1 below)	-	9,59,14,464
Total	-	9,59,14,464

Note 15.1: Details of Unquoted Investment		As on 31st March, 2019	
Mutual Fund Scheme	Cost	Market Value	
DSP Arbitrage Fund - DIR - Growth - 8,953,926.851 units (Face Value INR 10/- each)	9,59,14,464	9,65,50,193	
Total	9,59,14,464	9,65,50,193	
Note 16: Trade receivables			
Particulars	As at 31st March, 2020	As at 31st March, 2019	
Outstanding for a period exceeding six months from the date they were due for payment			
Unsecured	2,92,46,421	84,31,791	
Less : - Provision for doubtful trade receivables	(1,01,81,263)	(84,31,791)	
Total (A)	1,90,65,158	-	
Others			
Unsecured, considered good	23,26,71,135	26,63,51,583	
Less : - Provision for doubtful trade receivables	(30,85,051)	(26,23,086)	
	22,95,86,084	26,37,28,497	
Amounts Recoverable from Customers/Vendors	13,41,60,253	4,59,67,536	
Less : - Provision for doubtful recoveries	(6,16,48,600)	-	
	7,25,11,653	4,59,67,536	
Total (B)	30,20,97,737	30,96,96,033	
Total (A+B)	32,11,62,895	30,96,96,033	
Note 17: Cash and cash equivalents			
Particulars	As at 31st March, 2020	As at 31st March, 2019	
Cash on hand	26,009	4,352	
Balance with banks			
In Current Accounts	35,72,17,442	19,96,27,404	
Total A - (Cash and Cash Equivalent as per AS-3)	35,72,43,451	19,96,31,756	
Cash in ATM	38,07,100	6,15,00,000	
Balance in Term Deposit			
Less than 12 Months	4,01,54,281	1,48,41,546	
More than 12 Months	-	2,99,22,504	
Total (B)	4,39,61,381	10,62,64,050	
Total (A+B)	40,12,04,832	30,58,95,806	

Note 18: Short-term loans and advances		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unsecured and considered good:		
Capital Advances	24,97,803	-
Loans and advances to related parties (Refer Note 29)	8,60,941	9,09,325
Loans and advances to employees	5,71,516	3,69,051
Prepaid expenses	6,07,11,849	5,84,13,353
Balances with Government Authorities:		
- GST Input Tax Credit / Cenvat Credit receivable	10,57,58,259	8,68,46,272
- Tax (TDS) refund receivable	11,04,55,789	4,85,55,103
Other statutory remittances recoverable	1,19,993	-
Advance to suppliers	3,18,64,937	1,01,61,365
Other receivables	2,62,38,726	8,04,26,008
Total	33,90,79,813	28,56,80,477
Note 19: Other current assets		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Unbilled Revenue	35,78,99,520	32,11,32,696
Insurance Claim receivable (Net)	6,93,00,048	3,32,17,860
Interest accrued on fixed deposits	9,46,049	13,21,451
Total	42,81,45,617	35,56,72,007

ELECTRONIC PAYMENT AND SERVICES PRIVATE LIMITED		
Notes forming part of Consolidated Financial Statements		
Note 20: Revenue from operations		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Income from ATM Services (net of GST)	3,46,14,19,556	3,06,81,09,822
Income from Prepaid Card Management Services	98,37,199	26,01,556
Total	3,47,12,56,755	3,07,07,11,378
Note 21: Other Income		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Fixed Deposit	1,39,61,749	1,68,36,907
Interest on Income tax refund	78,58,065	34,00,946
Provision for Contingencies - Electricity written back (Refer Note 35)	-	2,73,12,000
Profit on Sale and Lease back	18,95,701	81,20,446
Net gain on Sale of current investment	39,31,556	97,02,347
Bad debts recovered	13,77,030	-
Leave encashment written back	18,41,456	-
Other Income	1,36,78,754	66,37,951
Total	4,45,44,311	7,20,10,597

Note 22: Employee Benefits Expense		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Salary, wages and bonus	26,93,95,490	23,03,21,949
Contribution to Provident Fund (Refer Note 27(A))	92,75,156	92,97,817
Gratuity expense (Refer Note 27(B))	69,45,756	30,88,280
Expense on employee stock options (ESOP) scheme (Refer Note 34)	1,08,532	3,48,824
Staff welfare expenses	2,35,10,140	2,12,49,718
Total	30,92,35,074	26,43,06,588
Note 23: Finance Costs		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Interest on Borrowings	7,50,58,374	10,41,15,946
Interest on Finance Lease	1,34,41,555	2,80,54,261
Loan Processing Fees	93,54,765	41,85,042
Prepayment charges	72,99,835	-
Interest on delayed payment of taxes	7,77,144	10,79,917
Total	10,59,31,673	13,74,35,166
Note 24: Operating Expenses		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Annual Maintenance Charges	22,33,07,815	22,43,52,372
Caretaker Charges	7,59,51,855	7,48,11,565
Consumables Charges	4,08,38,486	5,03,68,009
Cash Replenishment Charges	66,66,56,480	71,37,02,749

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Management Service Charges	1,47,24,944	1,63,87,983
Site Electricity	17,16,34,382	22,36,88,648
Site Housekeeping	5,83,85,134	5,31,23,883
Satellite (VSAT) Charges	5,37,56,587	4,37,09,466
Site Rent	37,26,21,342	36,66,28,214
Other Operating Charges	2,12,84,478	51,63,114
UPS charges	12,35,41,443	11,69,19,426
Insurance Premium	7,47,16,193	5,22,42,509
Sites Repairs Charges	15,31,51,641	14,73,97,486
Sites Shifting Charges	5,29,40,882	1,27,95,674
Royalty Fee	60,76,337	13,64,452
Sponsor Bank Charges	14,54,358	20,24,549
Software Management Charges	3,41,71,230	3,05,60,642
Franchise Fee	16,00,51,183	1,33,73,249
NPCI Charges	23,45,396	5,75,571
Total	2,30,76,10,166	2,14,91,89,561
Note 25: Other General Expenses		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Professional and Consultancy Charges	2,67,71,460	2,81,74,372
Rates and Taxes	1,01,82,600	25,85,300
Office and guest house rent Charges	2,32,49,309	2,44,56,018
Payments to the auditor (Refer Note 25 (i) below)	83,54,658	86,94,425
Bank Charges and Commission	72,99,738	1,19,90,065
Insurance Charges	9,65,069	12,22,794
Office Electricity	16,31,469	16,55,545
Repairs and Maintenance	56,75,534	39,55,759
Telecom Expenses	24,85,293	28,55,453
Travelling and Conveyance Expenses	79,46,261	83,45,297

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Business Promotion Expenses	22,01,764	36,03,859
Meeting Expenses	16,888	97,856
Membership and Registration Charges	15,16,745	13,64,371
Office Expenses	65,93,347	1,16,85,613
Postage and Courier	10,65,151	6,79,539
Printing and Stationery	18,91,571	20,67,059
Motor Car Expenses	4,21,246	4,43,247
Loss on Theft/Damage/Write off of Property, Plant and Equipment	2,94,21,514	3,10,87,612
Provision for doubtful debts	22,11,437	13,59,210
Provision for doubtful recoveries	6,16,48,600	-
Bad Debts written off	-	1,50,79,722
Provision for Diminution in value of Property, Plant and Equipment	1,40,73,052	-
Insurance claim written off	23,31,641	34,67,330
Provision for Contingencies - PF (Refer Note 35)	-	3,33,725
Car Lease Rentals (Refer Note 30(ii))	45,72,432	66,44,672
Miscellaneous Expenses	2,41,223	4,67,743
Interest on MSME	38,97,664	47,20,951
Software Expenses	1,79,18,384	30,94,470
Foreign exchange loss (Net)	9,27,243	19,92,386
Total	24,55,11,293	18,21,24,393

Note 25-(i): Payments to the auditor comprise		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
(a) To Statutory Auditor		
For Audit	35,00,000	39,01,383
For Other Services		
- Direct Tax	19,58,403	14,08,197
- Indirect Tax	24,96,255	28,80,350
- Consultancy charges	4,00,000	4,53,500
Reimbursement of expenses	-	50,995
Total	83,54,658	86,94,425
Note 25-(ii): Amount Paid in Foreign Currency		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Amount spent in foreign currency	53,03,670	10,50,478
Total	53,03,670	10,50,478
Note 26: Contingent Liabilities and Commitments (to the extent not provided for) :		
(a) Contingent liabilities		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Claims against the Company not acknowledged as debt		
Service Tax	4,68,49,482	4,68,49,482
MVAT	13,05,299	-
Other	5,38,68,153	5,38,68,153

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

Other: The Company entered into a service agreement with a vendor (the Vendor) in March 2013. During 2015, the Vendor started defaulting in their service obligations to the Company. The Company realized that the Vendor had committed criminal acts, which resulted in a financial loss to the Company, and accordingly filed various criminal complaints across the state of Maharashtra. Apprehending actions against the criminal complaints, the Vendor invoked arbitration as per the terms of the service agreement. The Vendor has however not filed a statement of claim with the arbitrator till date. The Company has existing claims against the Vendor in excess of the claim made by the Vendor and the Company does not foresee any unfavourable outcome under the arbitration and does not expect any liability. Hence the Company has not made any provision for the claim from the Vendor which aggregates to the amount mentioned above.

(b) Commitments

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Estimated amount of contracts remaining to be executed on capital account and not accounted for	91,03,495	60,93,900

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 INR 9,275,156/- (previous year INR 7,763,934/-) for Provident Fund contributions in the Statement of Profit and Loss. The Supreme Court in its order dated 28th February, 2019 held that allowances paid by employers to its employees will be included in the scope of 'basic wages' and hence be subject to Provident Fund contributions. As per opinion obtained from PF consultant, the above mentioned order will not have retrospective impact. Hence the provision had been made based on the amount due for the month of March 2019. Accordingly, an amount of INR 333,725/- was provided for in FY 2018-19, which forms part of the Provision for Contingencies - PF 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, 2020	For the year ended 31st March, 2019
I. Actuarial assumptions:		
Salary Escalation*	10.00 % p.a.	10.00 % p.a.
Expected Return on Plan Assets**	N/A	N/A
Discount Rate***	6.04 % p.a.	7.79 % p.a.
Attrition Rate	For service 2 years and below 17.00% p.a. For service 3 years to 4 years 12.00% p.a. For service 5 years and above 6.00% p.a.	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		

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
II. Table showing change in Benefit Obligation: Liability at the beginning of the year	1,28,12,498	1,21,34,668
Interest cost	9,98,094	9,50,145
Current service cost	33,74,795	32,79,598
Past service cost (vested benefits)	-	-
Benefits paid	(4,00,146)	(24,10,450)
Actuarial (gain)/ loss on obligation	14,64,561	(11,41,463)
Liability at the end of the year	1,82,49,802	1,28,12,498
III. Fair value of Plan Assets:	-	-
IV. Actual return on Plan Assets:	-	-
V. Amount Recognised in the Balance Sheet		
Present value of benefit obligation	(1,82,49,802)	(1,28,12,498)
Net asset/ (liability) recognised in the balance sheet	(1,82,49,802)	(1,28,12,498)
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	33,74,795	32,79,598
Interest cost	9,98,094	9,50,145
Actuarial (gains)/losses	14,64,561	(11,41,463)
Past service cost (vested benefits) recognised during the period	-	-
Expenses recognized in Statement of Profit and Loss	58,37,450	30,88,280
VIII. Balance Sheet Reconciliation		
Opening net liability	1,28,12,498	1,21,34,668
Benefits paid	(4,00,146)	(24,10,450)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Expense as above	58,37,450	30,88,280
Net Liability / (Asset) recognised in Balance Sheet	1,82,49,802	1,28,12,498
Short term liability	31,27,078	2,38,019
Long term liability	1,51,22,724	1,25,74,479
Net Liability / (Asset) recognised in Balance Sheet	1,82,49,802	1,28,12,498
IX. Actuarial (Gains)/Losses on Obligations		
(i) Due to change in demographic assumptions	(20,45,423)	-
(ii) Due to change in financial assumptions	26,16,721	61,383
(iii) Due to experience adjustment	8,93,263	(12,02,846)
Actuarial (Gains)/Losses on Obligations	14,64,561	(11,41,463)

Note 28: Segment Reporting

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

Note 29: Related party transactions	
1. Details of related parties:	
Description of relationship	Names of related parties
(i) Wholly Owned Subsidiary	Electronic Payment Australia PTY Ltd (w.e.f. 23rd September, 2017)
(ii) Key Managerial Personnel (KMP) & their relatives / Directors	
Managing Director	Mr. Mani Mamallan
Director	Mr. Sanjay Kapoor
President HR & Admin, Wife of Managing Director	Mrs. Vidya Rani Mani Mamallan
Brother of Managing Director	Mr. Gangai Kondan Mani
2. Details of related party transactions during the year ended 31st March, 2020 and outstanding balances as at 31st March, 2020:	
Particulars	KMP & their relatives / Directors / Independent Director
Rendering of Services	
Receiving of Services	
Remuneration paid	2,37,94,602 (2,10,36,873)
Perquisites Paid	15,12,372 (14,15,322)
Loans & Advances	8,60,941 (9,09,325)
Notes:	
1. Payment to KMP / Directors does not include reimbursement of expenses, employer's contribution to PF and provision for gratuity.	
2. Figures in bracket are for the previous year.	

Note 30: Details of leasing arrangements		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
As Lessee		
(i): Finance Lease Obligations		
The Company has entered into finance lease arrangements for certain Site Assets, which provide the Company an option to purchase such assets at the end of the lease period. In certain finance lease, the title/ownership shall not be transferred at end of the lease term. The lease agreement is non-cancellable until its full tenure and the extension beyond the lease term would be at mutually agreeable terms and conditions. Reconciliation between the total of minimum lease payments at the balance sheet date and their present value:		
Future minimum lease payments		
not later than one year	27,03,308	11,22,37,044
later than one year and not later than five years	-	10,64,61,180
later than five years	-	-
Unmatured finance charges	(89,050)	(3,27,46,753)
	26,14,258	18,59,51,471
Present value of minimum lease payments payable		
not later than one year	26,14,258	9,56,19,664
later than one year and not later than five years	-	9,03,31,807
later than five years	-	-
(ii): Operating Lease Obligations	26,14,258	18,59,51,471
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.		

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
The Company has entered into operating lease agreement for office premises. The lease has a lock-in-period for 3 years till date 31st May, 2020 and may be renewed based on mutual agreement agreement of the parties.		
Future minimum lease payments		
not later than one year	-	2,42,44,584
later than one year and not later than five years	-	5,96,17,500
later than five years	-	-
Lease payments recognised in the Statement of Profit and Loss	-	8,38,62,084
- Office Rentals	1,98,25,415	1,91,10,282
- Car Rentals	45,72,432	66,44,672

Note 31: Earnings per share

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Net Profit/(Loss) after tax for the year	10,59,20,287	(4,50,82,637)
Net Profit / (Loss) after tax for the year for computation of Earnings per share	10,59,20,287	(4,50,82,637)
Weighted average number of equity shares	6,99,788	6,99,788
Par value per share	10	10
Earnings per share from continuing operations - Basic	151	(64)
Earnings per share from continuing operations - Diluted	123	(52)

Note: The effect of conversion of CCPS and exercise of ESOP option is dilutive in FY 2019-20. The effect of conversion of CCPS and exercise of ESOP option was anti-dilutive in FY 2018-19.

Note 32: Deferred Tax		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Deferred Tax Liability		
Expenses Allowed Under Income Tax Act	22,61,477	48,32,588
Depreciation on Fixed Assets	19,62,94,368	12,76,18,262
Total (A)	19,85,55,845	13,24,50,850
Deferred Tax Asset		
Expenses Disallowed Under Income Tax Act	3,19,30,780	32,07,673
Depreciation on Fixed Assets	8,12,13,040	5,27,61,296
Carried forward Losses	9,37,72,799	16,29,98,252
Total (B)	20,69,16,619	21,89,67,221
Net Deferred Tax Asset / (Liability)	83,60,774	8,65,16,371
<p>The Company has not recognised net deferred tax asset as there is no reasonable / virtual certainty, supported by convincing evidence, that sufficient future taxable income will be available against which such deferred tax asset can be realized, as per AS - 22, specified under the Section 133 of the 2013 Act.</p>		
<p>Note 33: Derivative Instrument and unhedged foreign currency exposures</p> <p>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.</p>		

Note 34: Employee Stock Option Scheme

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

The ESOP 2014 allows the issue of equity options to the employees of the Company. Each option comprises one underlying equity share. As per the ESOP 2014, the Board of Directors of the Company can grant the equity options to the employees deemed eligible. The exercise price of each option shall be Rs 10/- as defined in the ESOP 2014 scheme.

The vesting periods are:

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

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

As at 31st March, 2020, equity options aggregating to 17,788 (previous year 17,563) have vested to the eligible employees and nil (previous year 262) equity options have not been vested. The remaining 962 (previous year 925) equity options have not been granted as of 31st March, 2020. Equity options are eligible for exercise till 12th February, 2025 (Previous year - the equity options vested were eligible for exercise till various dates)

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

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

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

Particulars (Scheme name: ESOP 2014)	During the year ended 31st March, 2019	
	Options (Numbers)	Weighted average exercise price per option (INR)
Option outstanding at the beginning of the year:	650	10
Granted during the year:	-	-
Vested during the year:	263	10
Exercised during the year:	-	-
Forfeited during the year:	125	10
Options outstanding at the end of the year:	262	10
Options available for grant:	925	10
Exercisable options at the end of the year	17,563	10
<p>Weighted average remaining contractual life for options is 10.5 months outstanding as at 31st March, 2019.</p> <p>The Company believes that the fair valuation of Equity Options will not materially change the net income of the Company and accordingly the impact on earnings per share. Hence the assumption used for calculating fair value and its impact on earning per share is not disclosed.</p> <p>Further, in the Extra Ordinary general meeting held on 19th January, 2016, the Shareholders of the Company approved the issue of 43,158 equity options under the Scheme titled "Electronic Payment and Services - Employee Stock Option Plan 2015" ('ESOP 2015'). The Company has not granted any of these equity options to the employees of the Company.</p>		
<p>Note 35: Provision for Contingencies</p> <p>The Company carries a Provision for Contingencies towards loss on account of cash theft and electricity charges. The management estimates the same to be settled in the upcoming years. The movement of the said provision is summarised below:</p>		
Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Provision for cash loss		
Opening balance	-	4,75,10,200
Deduction during the year	-	(4,75,10,200)
Closing balance (A)	-	-
Provision for electricity		
Opening balance	7,03,36,692	9,76,48,692
Addition / (Deductions) during the year	5,59,64,237	(2,73,12,000)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Closing balance (B)	12,63,00,929	7,03,36,692
Provision for PF as per the Supreme Court order dated 28th February, 2019		
Opening balance	3,33,725	-
Addition / (Deductions) during the year	-	3,33,725
Closing balance (C)	3,33,725	3,33,725
Closing Balance (A+B+C)	12,66,34,654	7,06,70,417
<p>Note 36: The Company does not meet the threshold criteria established under section 135 of the Act 2013 for CSR activities and accordingly, no CSR activities have been undertaken by the Company during the current and previous year.</p>		
<p>Note 37: Impact due to pandemic - Covid-19</p> <p>The outbreak of COVID-19 global pandemic has resulted in economic and business uncertainty which has led to volatility in the global markets. India and Australia too have been impacted as a result of this global pandemic. Given the uncertainty over the potential macro-economic impact, the management has considered internal and external information up to the date of approval of these financial statements to determine the carrying value of its assets and the impact on its liabilities.</p> <p>The extent to which the COVID-19 global pandemic will impact future results of the Group will depend on future developments, which are highly uncertain, including, among other things, any new information concerning the severity of the COVID-19 global pandemic and any action to contain its spread or mitigate its impact whether government-mandated or elected by the Group. The actual impact of the COVID-19 global pandemic may be different from that estimated as at the date of approval of these financial statements. The Group will continue to closely monitor any material changes to future economic conditions and the impact on the financial statements will be reflected in the applicable future periods.</p>		

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

Note 38: 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, 2020		Net assets, i.e., total assets minus total liabilities as on 31st March, 2019		Share of profit or loss as on 31st March, 2020		Share of profit or loss as on 31st March, 2019	
	As % of consolidated net assets	Amount	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount	As % of consolidated profit or loss	Amount
Parent								
Electronic Payment and Services Private Limited	99.89%	1,67,02,63,776	100.94%	1,58,07,48,877	84.41%	8,94,06,367	65.86%	(2,96,89,496)
Subsidiary								
Australian								
Electronic Payment Australia PTY Ltd	0.11%	18,44,245	-0.94%	(1,46,69,676)	15.59%	1,65,13,920	34.14%	(1,53,93,141)
Total	100.00%	1,67,21,08,021	100.00%	1,56,60,79,201	100.00%	10,59,20,287	100.00%	4,50,82,637

Note 39: 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 : 11th August, 2020

Place : Mumbai

Mani MamallanChairman & Managing
Director

DIN: 03584512

Date : 11th August, 2020

Place : Mumbai

Pooja Panvelkar

Company Secretary

Date : 11th August, 2020

Place : Mumbai

Sudhanshu Soman

Chief Financial Officer

Date : 11th August, 2020

Place : Mumbai



ELECTRONIC PAYMENT AND SERVICES (P) LTD[®]
A payment system company

Unit No 302, A Wing, Supreme Business Park,
Supreme City, Hiranandani Garden, Behind Lake Castle & Avalon , Powai , Mumbai - 400 076
Email: info@electronicpay.in | Phone: +91 22 4022 2900 | Fax: +91 22 4022 2910 | Website: www.electronicpay.in

© Copyright 2019-20 Electronic Payment And Services Pvt. Ltd., EPS believes the information in this document is accurate as of its publication date; such information is subject to change without notice. EPS acknowledges the products, brands and trademarks mentioned in this document are the properties of their respective organizations.

Follow us on -

