



SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Eko India Financial Services Private Limited** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, and statement of cash flows for the year then ended, and notes to the financial statements, including 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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit/loss, and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

PT 62/3, L.G.F, PT&DD BLOCK, KALKAJI, NEW DELHI-110019.

011-40580371, 26425744, visit us at www.sundeebimal.com





SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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. 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. 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 A' a statement on the matters specified in paragraphs 3 and 4 of the Order.

PT 62/3, L.G.F, PT&DD BLOCK, KALKAJI, NEW DELHI-110019.
011-40580371, 26425744, visit us at www.sundeepbimal.com





SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants

2. As required by Section 143(3) of the Act, We report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account maintained for the purpose of preparation of these financial statements;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable;
 - (e) On the basis of the written representations received from the Directors as on March 31, 2019, and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of Section 164 (2) of the Act;
 - (f) This report does not include a statement regarding the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, issued by the Central Government of India in terms of section 143(3) of the Act, since in our opinion and according to the information and explanation given to me, the said requirement is not applicable to the Company.
 - (g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note No.28 of the financial statements;
 - ii) The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses; and
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants

(Firm Registration No. 018117N)

Sundeep Kumar Goel

Proprietor

(Membership No. 0956664)

Date: 28.08.2019

Place: New Delhi



PT 62/3, L.G.F, PT&DD BLOCK, KALKAJI, NEW DELHI-110019.

011-40580371, 26425744, visit us at www.sundeepbimal.com



SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

1. 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 fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - (c) According to the information and explanations given to us and the records examined by us the company does not own immovable properties as on the balance sheet date.
2. As explained to us, the operations of the company do not give rise to inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the company.
3. The Company has not granted any secured or unsecured loans to any party covered in the register maintained under Section 189 of the Companies Act, 2013.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the companies Act, 2013 in respect of loans, investments, guarantees and security.
5. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, GST, duty of Customs, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Value Added Tax, GST, duty of Customs, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
 - (c) There were no dues of duty of Customs, duty of Excise and Cess which have not been deposited as at March 31, 2019 on account of dispute.
8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of any loans or borrowings from financial institutions, banks government or debenture holders during the year.

PT 62/3, L.G.F, PT&DD BLOCK, KALKAJI, NEW DELHI-110019.

011-40580371, 26425744, visit us at www.sundeepbimal.com





SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. The company is a Private Limited Company and hence provisions of Section 197 read with Schedule V to the Companies Act, 2013 for requisite approvals for payment / providing Managerial remuneration is not applicable and thus reporting under clause 3(xi) of the Order is not applicable.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us and based on our examination of company records, the transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. In our opinion and according to the information and explanations given to us the Company has not made any preferential allotment and private placement of equity shares during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
15. 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 persons connected to its Directors and hence reporting under this clause of the Order is not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants
(Firm Registration No. 018117N)

Sundeep Kumar Goel
Proprietor
(Membership No. 096664)
Date: 28.08.2019
Place: New Delhi



EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
BALANCE SHEET AS AT 31ST MARCH, 2019

(in Rs.)

Particulars	Note No.	As at 31st March, 2019	As at 31st March, 2018
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	160,323,700	160,323,700
Reserves and surplus	2	(66,104,875)	(68,726,752)
		<u>94,218,825</u>	<u>91,596,948</u>
Non-current liabilities			
Long-term borrowings	3	77,187,500	94,000,000
Long-term provisions	4	15,947,878	19,459,927
		<u>93,135,378</u>	<u>113,459,927</u>
Current liabilities			
Trade Payable	5		
Total Outstanding dues of micro and small enterprises			
Total Outstanding dues of Creditors other than micro and small enterprises		17,567,711	31,023,493
Other current liabilities	6	446,712,612	410,300,531
Short term provisions	7	1,811,840	984,793
		<u>466,092,163</u>	<u>442,308,817</u>
TOTAL		<u><u>653,446,366</u></u>	<u><u>647,365,692</u></u>

ASSETS

Non-current assets

Property, Plant and Equipment

(i) Tangible assets

(ii) Intangible assets

Non-Current Investment

Deferred tax assets (net)

Long-term loans and advances

Other non-current Assets

Current assets

Trade receivables

Cash and cash equivalents

Short-term loans and advances

Other current assets

TOTAL

8	1,146,424	2,434,481
8	9,479,684	20,333,461
	<u>10,626,108</u>	<u>22,767,942</u>
9	642,600	642,600
10	47,003,635	46,566,048
11	10,874,832	10,874,832
12	51,201,449	18,580,394
	<u>120,348,624</u>	<u>99,431,816</u>
13	67,142,983	10,712,180
14	391,955,147	481,312,657
15	68,528,575	54,915,323
16	5,471,037	993,716
	<u>533,097,742</u>	<u>547,933,876</u>
	<u><u>653,446,366</u></u>	<u><u>647,365,692</u></u>

Significant Accounting Policies & notes to accounts
Notes are an integral part of the financial statements.

22

As per our report of even dated

For **SUNDEEP BIMAL & ASSOCIATES**
Chartered Accountants
Firm Registration No. 018117N

Sundeep Kumar Goel
Proprietor
M. No. 096664
Place: New-Delhi
Date:



For **Eko India Financial Services Pvt. Ltd.**

Abhishek Sinha
Director
DIN: 00397900

Abhinav Sinha
Director
DIN: 01468196

Manisha Jain
Company Secretary
M. No. A16439

(Signature)

EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2019

(in Rs.)			
Particulars	Note No.	For the year ended 31st March, 2019	For the year ended 31st March, 2018
INCOME			
Revenue from Operations	17	1,076,214,459	454,959,568
Other income	18	12,696,948	12,481,449
Total Revenue		1,088,911,407	467,441,018
EXPENSES			
Employee benefits expense	19	93,121,354	94,029,254
Finance costs	20	5,229,973	7,490,349
Depreciation and amortization expense	8	11,860,584	4,613,162
Other expenses	21	976,515,206	393,675,277
Total expenses		1,086,727,117	499,808,042
Profit / (Loss) before Exceptional Items and tax		2,184,290	(32,367,024)
Profit/(Loss) before tax		2,184,290	(32,367,024)
Less : Tax expense			
- Current tax		-	-
- Deferred tax benefit / (charged)	10	437,587	(27,498,280)
Profit/(Loss) for the year		2,621,877	(59,865,304)
Earnings per equity share of face value of Rs.10 each			
Basic		0.43	(9.92)
Diluted		0.40	(9.70)
Significant Accounting Policies & notes to accounts	22		
Notes are an integral part of the financial statements.			

As per our report of even dated

For SUNDEEP BIMAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 018117N


Sundeep Kumar Goel
Proprietor
M. No. 096664
Place: New-Delhi
Date:



For Eko India Financial Services Pvt. Ltd.


Abhishek Sinha
Director
DIN: 00397900


Abhinav Sinha
Director
DIN: 01468196

Manisha Jain
Company Secretary
M. No. A16439



EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
Cash Flow Statement for the year ended March 31, 2019

	2019 Amount (Rs.)	2018 Amount (Rs.)
A. Cash Flow from Operating Activities:		
Net Profit/(Loss) before tax	2,184,290	(32,367,024)
Adjustments for:		
Depreciation	11,860,584	4,613,162
Interest Expense	3,121,662	5,960,658
Interest Income	(8,284,727)	(310,569)
Debts / Advances/Stock written off	-	1,923
Income From Investment	(590,782)	-
Loss on Fixed Assets	281,250	-
Provision for Bad & Doubtful Debts and Advances	-	2,096,000
Liability no longer required written back	(3,799,868)	(518,711)
Provision for Gratuity	3,174,562	557,883
Unrealised Foreign Exchange (gain)/loss (net)	-	-
Operating Profit /(Loss) before Working Capital Changes	7,946,971	(19,966,679)
Adjustments for changes in Working Capital :		
(Increase)/ Decrease in Trade Receivables	(56,430,803)	18,188,481
(Increase)/ Decrease in Short Term Loans & Advances	(13,613,252)	(1,115,269)
(Increase)/ Decrease in Long Term Loans & Advances	-	(52,777)
(Increase)/ Decrease in Other Current Assets	(4,477,321)	(764,127)
(Increase)/ Decrease in Other Non Current Assets	(32,621,055)	(3,000,000)
Increase/ (Decrease) in Trade Payables	(13,455,782)	3,874,358
Increase/(Decrease) in other current liabilities	40,211,949	253,628,703
Increase/(Decrease) in Short Term Provisions	827,047	-
Increase/(Decrease) in Long Term Provisions	(6,686,611)	(1,315,566)
Cash generated from operations	(78,298,857)	249,477,124
Taxes (Paid)/ Received (Net of TDS)	-	(8,415,326)
Exceptional items	-	-
Net Cash inflow from Operating Activities (A)	(78,298,857)	241,061,799
B. Cash flow from Investing Activities:		
Purchase of Fixed Assets including Capital Work- in -Progress and Capital advances	-	(2,521,970)
Proceeds from Sale of Fixed Assets	-	-
Proceeds from income from Investment	590,782	-
Current investments not considered as Cash and cash equivalents	-	-
Interest Received (Revenue)	8,284,727	310,569
Net Cash inflow from Investing Activities (B)	8,875,509	(2,211,401)
C. Cash Flow from Financing Activities:		
Proceeds from short term Borrowings (Net)	-	100,000,000
Issue of shares	-	8,500,000
Proceeds from long term Borrowings (Net)	(16,812,500)	(219,788)
Interest Paid	(3,121,662)	-
Net Cash inflow from Financing Activities (C)	(19,934,162)	108,280,212
Net Increase/ (Decrease) in Cash & Bank Balances (A)+(B)+(C)	(89,357,510)	347,130,610
Cash and Cash equivalents at the beginning of the year	481,312,657	134,182,047
Cash and Cash equivalents at the end of the year	391,955,147	481,312,657

Notes :-

- The aforesaid Cash Flow Statement has been prepared under the "Indirect Method" and in accordance with Accounting Standard (AS)-3 on Cash Flow Statements issued by the Institute of Chartered Accountants of India.
- Fixed Deposits with banks having maturity period of more than one year (including those pledged with statutory authorities) have been disclosed in other non current assets (Note 12) and do not form part of cash and bank balances.
- Figures in brackets indicate cash outgo.
- Previous year's figures have been regrouped and recast wherever necessary to conform to the current year classification.

This is the Cash Flow Statement referred to in our report of even date

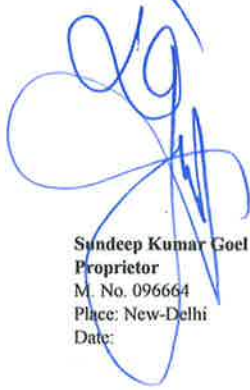


[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

For SUNDEEP BIMAL & ASSOCIATES
Chartered Accountants
Firm Registration No. 018117N


Sundeep Kumar Goel
Proprietor
M. No. 096664
Place: New-Delhi
Date:



For Eko India Financial Services Pvt. Ltd.


Abhishek Sinha
Director
DIN: 00397900


Abhinav Sinha
Director
DIN: 01468196

Manisha Jain
Company Secretary
M. No. A16439
Place: New-Delhi
Date:



	As at 31st March, 2019	(in Rs.) As at 31st March, 2018
1. SHARE CAPITAL		
<u>Authorised Share Capital</u>		
80,00,000 Equity Shares of Rs.10/- each	80,000,000	80,000,000
10,000,000 Preference Shares of Rs. 10/- each	100,000,000	100,000,000
<u>Issued, Subscribed and Paid up Capital:</u>		
60,32,370 Equity Shares of Rs.10/- each (Previous year 60,32,370 Equity Shares of Rs.10/- each)	60,323,700	60,323,700
10,000,000 Compulsorily Convertible Preference Shares of Rs.10/- each (Previous year 10,000,000 Compulsorily Convertible Preference Shares of Rs 10/- each)	100,000,000	100,000,000
Total	160,323,700	160,323,700

1.1 Reconciliation of the Equity shares outstanding at the beginning and at the end of the year

Equity Shares	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	Amount in Rupees	No. of Shares	Amount in Rupees
At the beginning of the year	6,032,370	60,323,700	6,032,370	60,323,700
Add: Issued during the year	-	-	-	-
Outstanding at the end of the year	6,032,370	60,323,700	6,032,370	60,323,700

1.2 Details of shareholders holding more than 5% shares in the company #

Name of Shareholders	As at 31st March, 2019		As at 31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Equity Shares of Rs.10/- each				
1. Abhishek Sinha	2,401,920	39.82%	2,401,920	39.82%
2. Abhinav Sinha	606,228	10.05%	606,228	10.05%
3. Creation Investments Eko Holdings, L3C, USA	1,552,029	25.73%	1,552,029	25.73%
Compulsorily Convertible Preference Shares of Rs.10/- each				
1. Creation Investments Eko Holdings, L3C, USA	10,000,000	100.00%	10,000,000	100.00%

As per the records of the Company, including its register of members.

1.3 Terms/rights attached to Equity Shares & Preference Share

The Company has two class of shares referred to as equity shares & Preference shares having a par value of Rs.10/- per share. Each holder of equity shares is entitled to one vote per Share. As per the Companies Act, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. In the event of a Liquidity Event, the Investor shall be entitled to receive, prior to and in preference to any other Shareholder of the Company or holder of any other class or series of Shares or Securities, whether now existing or issued in future, an amount equal to 100% of the Investor Subscription Amount, together with any accrued or declared but unpaid dividends (the "Investor Liquidation Preference"). After payment to the Investor of the Investor Liquidation Preference, the remaining proceeds shall be distributed to the other Shareholders, other than the Investor, until such other Shareholders receive an amount equal to 100% of such Shareholders' subscription amounts for the Shares held by such Shareholders, together with any accrued or declared but unpaid dividends. After payment of the Investor Liquidation Preference and payment to the other Shareholders as described herein, any remaining proceeds shall be distributed to all the Shareholders, including the Investor, in accordance with their percentage ownership of the Shares of the Company.

Preference shares of all classes carry a preferential right as to dividend over equity shareholders. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.



[Handwritten signature]

EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
Notes to Financial Statement for the year ended 31st March, 2019

1.4 Issue of Bonus Shares

During the financial year 2014-15, the company allotted 38,14,936 bonus shares to the equity shareholders in the proportion of two equity shares for every one equity share held by the respective shareholder on the record date July 15, 2014.

1.5 Issue of Shares under Employee Stock Option Plan

During the financial year 2015-16, the Company created an ESOP pool, for the employees. In the current year, the number of equity shares are 3,01,618 (Previous Year-3,01,180) equity shares being equivalent to 5% of the issued share capital of the Company.

1.6 Issue of Equity Shares

During the financial year 2016-17, the company allotted 3,09,966 equity shares to one of the shareholder

1.7 Issue of Compulsorily Convertible Preference Shares

During the financial year 2017-18, the Company issued 10,000,000 Compulsorily Convertible Preference Shares @Rs. 10/- each to Creation Investments Eko Holdings, L3C, USA on 19.12.2017. Shareholding Structure on Closing Date on a Fully Diluted Basis is given below:

Name of Shareholder	Shares Held	Shareholding %
1. Abhishek & Abhinav Sinha	3,008,148	46.03%
2. Eko Employees (Existing)	95,526	1.46%
3. Other Investors	1,376,667	21.07%
4. Creation Investment Eko Holdings, L3C (Equity Shares)	1,552,029	23.75%
5. Creation Investment Eko Holdings, L3C (Preference Shares on a Fully Diluted Basis)*	502,639	7.69%
Total	6,535,009	100%

*The number of shares provided is the minimum number of equity shares that will be issued upon conversion of Convertible Preference Shares. This is subject to change upon the application of the Conversion Ratio as provided in the Share Subscription Agreement



EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED

Notes to Financial Statement for the year ended 31st March, 2019

	(in Rs.)	
	As at 31st March, 2019	As at 31st March, 2018
2. RESERVES AND SURPLUS		
Securities Premium Account		
As per last Balance Sheet	336,452,943	336,452,943
Total	336,452,943	336,452,943
Surplus/(Deficit) as per Statement of Profit & Loss Account		
As per last Balance Sheet	(405,179,695)	(345,314,391)
Add: Profit / (Loss) for the year	2,621,877	(59,865,304)
Total	(402,557,818)	(405,179,695)
Total	(66,104,875)	(68,726,752)
3. LONG TERM BORROWINGS		
Term Loan from Technology Development Board	77,187,500	94,000,000
Total	77,187,500	94,000,000

Nature of Security and terms of repayment for Long Term Secured Borrowings:

- In the financial year 2012-13, Term loan of Rs 950 lakh was sanctioned by Technology Development Board (TDB) for the purpose of development of low cost payment infrastructure to enable instant small value financial transactions over a mobile phone. The first installment amounting to Rs.380 lakh was received by the Company during the year 2012-13. Further a Supplementary Agreement was entered into between Technology Development Board (TDB) and the Company on 17th December, 2015. In pursuance of this agreement a further amount of Rs.475 lacs was disbursed to the Company during the year. Certain terms of repayment were rescheduled as per the terms of the Supplementary Agreement. Further, a second & third supplementary agreement was entered into between Technology Development Board (TDB) and the Company as on 3rd April, 2017 & 22nd September, 2017 respectively. Certain terms of repayment were further rescheduled as per the terms of the 2nd & 3rd Supplementary Agreement. Further, during the financial year 2017-18 last instalment of Rs.95 lacs has received by company as on 20.04.2017.
- 7.62 lakh number of equity shares (face value Rs 10/- each) of the company, owned by Promoters has been pledged with Technology Development Board (TDB) as security against this loan. Further, as per 3rd supplementary agreement dated 22nd September additional 22.46 lakh number of equity shares (face value Rs 10/- each) of the company, owned by Promoters has been pledged with Technology Development Board (TDB) as security against this loan.

Terms of Repayment

As per the Third Supplementary Agreement dated 22nd September, 2017 (Original Agreement dated 5th June, 2012 as amended by 1st supplementary agreement & Second Supplementary Agreement dated 17th December, 2015 & 3rd April, 2017) executed between the Company and Technology Development Board, following are the terms of repayment of loan.

- As per Third Supplementary Agreement dated 22nd September, 2017, the principal amount is repayable in 16 quarterly installments commencing from 1st July, 2018. The Company shall pay interest at the rate of five percent per annum (simple interest) in quarterly installments commencing from 1st July, 2018. However, calculation of interest will commence from the date of first disbursement of loan. Further, as per the Schedule II - 'Repayment of Loan and Payment of interest' of the Third Supplementary Agreement, the Company shall pay accumulated interest upto 30th June, 2018, in 16 equal instalments alongwith quarterly loan repayment instalments.
- The Company will also pay the royalty at the rate of 0.5 percent on annual sales turnover of the product (developed with Board's assistance), which will commence from 1st January, 2016 and will be payable till the entire loan is repaid by the Company.



EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
Notes to Financial Statement for the year ended 31st March, 2019
(in Rs.)

	As at 31st March, 2019	As at 31st March, 2018
4. LONG TERM PROVISIONS		
Provision for Employee Benefits		
Provision for Gratuity	4,927,426	2,929,175
Interest Accrued but not due	11,020,452	16,530,752
Total	15,947,878	19,459,927
5. TRADE PAYABLES		
Trade Payables	17,567,711	31,023,493
Total	17,567,711	31,023,493
6. OTHER CURRENT LIABILITIES		
Statutory Liabilities		
TDS Payable	7,641,429	4,025,986
PF Payable	500,939	211,161
ESI Payable	11,568	
GST Payable	29,130,492	17,648,527
Other Payable		
Provision for Contingency**	7,294,135	3,921,529
Provision For Doubtful Advances	3,981,500	2,096,000
Security deposit	8,993,769	9,697,769
Employee benefits	1,920,334	11,651,796
Advance from customer	-	2,437,331
Payable to PayTM Payment Bank	20,347,660	-
Other expenses payable	12,617,700	5,753,775
Liabilities towards Channel Partners*	354,273,086	352,856,657
Total	446,712,612	410,300,531
<p>*The "Liabilities towards Channel Partners" pertains to the Balance / Investment which Channel Partners maintains with Eko India Financial Services Pvt. Ltd. against E-Money which is required to do end customer transactions, the corresponding amount is parked in the Cash & Bank Balance in our Settlement Bank account for all the banks.</p> <p>**Provision for contingency relates to provision made for unforeseen technical lapses that the Company might be susceptible to by virtue of its operations.</p>		
7. SHORT TERM PROVISIONS		
Provision for Employee benefits		
Gratuity	1,811,479	984,793
Provision for Int on Late Payment to MSME	361	
	1,811,840	984,793



8. Fixed Assets

(in Rs.)										
Particulars	Gross Block			Accumulated Depreciation			Net Block			
	Balance as at 1st April 2018	Additions	Deletion	Balance as at 31st March 2019	Balance as at 1st April 2018	Depreciation charge for the year	Deletion/ Adjustments	Balance as at 31st March 2019	Balance as at 31st March 19	Balance as at 31st March 18
a										
Tangible Assets										
Computers	7,782,274	-	1,611,048	6,171,226	6,054,447	806,848	1,556,469	5,504,826	866,400	1,727,827
Furniture and Fixtures	477,856	-	330,950	362,906	362,955	29,319	106,491	285,783	45,123	114,901
Leasehold Improvement	1,373,572	-	776,883	596,689	961,453	104,942	644,532	421,863	174,826	412,119
Office Equipment	1,359,985	-	962,988	396,997	1,180,351	65,698	909,127	336,922	60,075	179,654
Total (a)	10,992,687	-	3,497,869	7,495,818	8,559,206	1,006,807	3,216,619	6,349,394	1,146,424	2,434,481
Previous Year	9,466,944	1,526,743	-	10,993,687	6,944,667	1,614,539	-	8,559,206	2,434,481	2,522,277
b										
Intangible Assets										
Platform Software *	23,225,665	-	-	23,225,665	16,501,737	2,008,158	-	18,909,895	4,315,770	6,323,928
Fundus Software**	14,033,817	-	-	14,033,817	24,284	8,845,619	-	8,869,903	5,163,914	14,009,533
Total (b)	37,259,482	-	-	37,259,482	16,526,021	10,853,777	-	27,779,798	9,479,684	20,333,461
Previous Year	23,225,665	14,033,817	-	37,259,482	13,927,399	2,998,623	-	13,927,399	20,333,461	9,298,267
Grand Total (a+b)	48,253,169	-	3,497,869	44,755,300	25,485,227	11,860,584	3,216,619	34,129,191	10,626,108	22,767,942
Previous Year	32,697,609	15,560,560	-	48,253,169	20,872,065	4,613,162	-	25,485,227	22,767,942	11,820,544

- The Company has developed a transaction processing system, SimpliBank, that connects to the core-banking system of various banks. This system has been designed and developed in-house. It connects to telecom infrastructure and financial switches. It also helps Company manage and monitor its network of BCs, agents and sub-agents
- ** It has developed a smartphone based application called Fundu that enables any customer with a bank account to act as a cash-in/ cash-out point, i.e. a human ATM. Fundu is a geo-referenced marketplace for cash, that would allow anytime, anywhere fungibility of money for all types of customers. In addition to the customers themselves, the app could include the existing infrastructure (such as agents, banking correspondents, merchants, and ATMs). Users who have cash-in or cash-out needs can search for other users in their vicinity who may be willing to take the other side of the transaction. It operates on a match-making basis, and the transactions are not intermediated by Eko (though the transactions between the two parties are executed on the Eko system). The platform aims to leverage the existing infrastructure in India, including the National Payments Corporation of India (NPCI) and Unified Payments Interface (UPI), to ensure interoperability across providers.



	(in Rs.)	
	As at 31st March, 2019	As at 31st March, 2018
9. NON CURRENT INVESTMENT (Value at cost unless stated otherwise)		
Trade Investments		
Fully Paid unquoted equity shares		
Investment in Subsidiary Company		
EKO Technologies LLC	642,600	642,600
10,000 (Previous Year-10,000 shares of US \$ 1 each fully paid) shares of US \$ 1 each fully paid		
	642,600	642,600
10. DEFERRED TAX ASSETS (NET)		
The Company has recognized deferred tax arising on account of timing differences, being the difference between the taxable income and accounting income, that originates in one period and is capable of reversal in one or more subsequent period(s) in compliance with Accounting Standard (AS 22) - Accounting for Taxes on income.		
The major components of deferred tax (liabilities)/assets arising on account of timing differences as at 31st March, 2019 are as follows:		
Deferred tax liabilities on account of:		
Difference between WDV of fixed assets as per books and under Income Tax Act, 1961	(1,652,804)	(477,430)
Deferred tax assets on account of:		
Employee Retirement Benefits	1,752,115	1,088,866
Unabsorbed Depreciation	6,804,094	7,451,238
Income Tax Act, 1961	36,794,621	37,548,514
Net Deferred Tax Assets / (Liability)	47,003,635	46,566,048
Deferred tax benefit / (charged) for the year	437,587	(27,498,280)
11. LONG TERM LOANS AND ADVANCES		
Security Deposits		
Unsecured, considered good	10,874,832	10,874,832
Total	10,874,832	10,874,832
12. OTHER NON CURRENT ASSETS		
Fixed deposits with banks*		4,000,000
TDS Receivable	51,201,449	14,580,394
Total	51,201,449	18,580,394

*Fixed deposits with banks include deposit of Rs. Nil- (Previous Year Rs. 10,00,000) against performance guarantee with maturity of more than 12 months.



Handwritten signature in blue ink over a circular stamp of EKO India Financial Services Pvt. Ltd., New Delhi. The stamp includes the company name and 'New Delhi'.

	(in Rs.)	
	As at	As at
	31st March, 2019	31st March, 2018
13. TRADE RECEIVABLES		
(Unsecured and Considered Good)		
Over six months	-	1,985,198
Others	67,142,983	8,726,982
Total	67,142,983	10,712,180
14. CASH AND CASH EQUIVALENTS		
Cash on hand	2,609	54,728
Balance with Banks	265,452,538	381,457,929
Fixed Deposit with Bank	126,500,000	99,800,000
Total	391,955,147	481,312,657
15. SHORT TERM LOANS AND ADVANCES		
Loans and advances to related parties		
Due from Eko Aspire Foundation in which company's directors are members and directors :		
Unsecured and Considered Good	5,518,995	5,618,995
(Unsecured and Considered Good)	-	2,221,100
Total	5,518,995	7,840,095
Others loans and advances		
(Unsecured and Considered Good)		
Balance with Revenue Authorities	40,367,544	5,627,925
Advance to employees	2,352,961	3,071,923
Prepaid Expenses	1,264,791	3,164,833
Advance to Supplier	19,024,284	35,210,545
	63,009,580	47,075,228
Total	68,528,575	54,915,323
16. OTHER CURRENT ASSETS		
Interest Accrued on FDR	5,471,036	493,789
Others	-	499,927
Total	5,471,037	993,716



[Handwritten signature]

[Circular stamp: Eco India Financial Services Pvt. Ltd. New Delhi]

	(in Rs.)	
	Year	Year
	2018-19	2017-18
19 EMPLOYEE BENEFITS EXPENSES		
Salaries and incentives	84,988,682	86,929,590
Contribution to Provident Fund	2,454,699	1,187,834
Labour welfare Fund	-	51,090
Gratuity expense	3,174,562	557,883
Staff welfare expenses	904,087	4,004,279
Insurance Expenses	1,599,324	1,082,108
Recruitment & Training	-	216,471
Total	93,121,354	94,029,254
20 FINANCE COST		
Interest on Late deposit of statutory dues	-	1,310,961
Interest on Term Loan	3,121,662	4,649,697
Net loss on foreign currency transactions	29,878	27,464
Royalty to TDB	2,078,433	1,502,227
Total	5,229,973	7,490,349
21.1 Commission Channel Incentive & Technical Expenses		
Commission Expenses	668,825,221	182,675,288
Channel Incentive & Other Setup Costs	19,748,597	-
SMS Charges	11,516,610	6,949,695
Integration & Transaction Charges	53,378,224	40,814,319
Mobile Recharge Expenses	106,838,413	77,287,989
Equipment Hire Charges	11,061,959	15,011,132
Call Centre Expenses	1,943,171	1,646,089
Total	873,312,195	324,384,512



[Handwritten signature]

	(in Rs.)	
	Year	Year
	2018-19	2017-18
21.2 Administrative & Selling Expenses		
Audit Fee	165,000	165,000
Bank Charges	37,569,544	20,016,720
Rent	11,017,511	9,504,392
Electricity Expenses	711,675	562,141
Printing and Stationery	98,610	111,732
Website Maintenance Expenses	29,824	27,266
Office & Computer Repair and Maintenance	2,060,092	1,050,993
Legal & Professional Charges	14,924,639	13,348,592
Communication Expenses	1,406,844	1,124,418
Entertainment Expenses	488,929	115,430
Membership Fee	905,400	917,500
Postage & Courier Charges	141,618	108,619
Travelling and Conveyance Expenses	6,819,692	1,737,393
Rates & Taxes	4,662,589	5,123,617
Duties and Taxes W/O	-	456,333
Brand Promotion and Marketing Expenses	1,132,392	1,834,590
Software License Expense	3,682,392	1,847,412
Outsource Expenses	579,258	7,133,054
Provision For Doubtful Advances**	1,885,500	2,096,000
Advances Written Off	-	1,923
Provision for Contingencies*	3,372,606	-
Loss on Fixed Assets	281,250	-
Festival Expense	-	30,235
General Expenses	1,652,424	1,977,401
Recruitment & Training	8,435,568	-
Office Expenses	1,179,654	-
Total	103,203,011	69,290,765
Total Other Expenses (21.1+21.2)	976,515,206	393,675,277
21.3 Detail of payments to Auditors		
For Audit Fees	165,000	165,000
For other services	51,000	52,950
For reimbursement of expenses	10,000	10,000
Total	226,000	227,950
21.4 Prior Period Expenses		
Prior period expenses	42,383	-
	42,383	-

Note:

*Company as a policy matter recognise .02% of its gross volume of transactions.

** Represents provision for working capital advances extended by the Company to its channel partners, recovery of which is considered doubtful.



EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
Notes to Financial Statement for the year ended 31st March, 2019

22. SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

22.1 Basis for Preparation of Accounts

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 notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on accrual basis under the historical cost convention.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

22.2 Use of Estimates

The preparation of financial statements require estimates and assumptions to be made that affect the reported amount of assets and liabilities on date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognised in the period in which the results are known/materialised.

22.3 Expenses and Incomes

All expenses and incomes are accounted for on mercantile basis *except* interest on income tax refunds.

22.4 Fixed Assets

Fixed Assets are stated at cost including taxes, duties, freight, and other incidental expenses incurred in relation to acquisition and installation of the same.

22.5 Intangible Assets

Intangible Assets consists of Platform Software & Smartphone Based Application Software which are account for in accordance with Accounting Standard-26 issued by The Institute of Chartered Accountants of India.

22.6 Depreciation/Amortisation

a) Tangible Assets

Depreciation on Fixed Assets is provided based on the useful life of the assets as prescribed in Schedule II of the Companies Act, 2013. Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) method.

b) Intangible Assets

Intangible Assets except Goodwill are amortised in statements of profit & loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the assets. Accordingly, at present, these are being amortised on written down value basis. [Refer Notes-8 (b)]

The estimated useful lives of Intangible Assets are as follow:

- | | |
|--|---------|
| 1. Platform Software | 8 Years |
| 2. Smartphone Based Application Software | 3 Years |

22.7 Investments

Long Term Investments are stated at cost and provision for diminution is made to recognize a decline, other than temporary, in the value of investments. Current Investments, wherever applicable are stated at lower of cost and fair value.



EKO INDIA FINANCIAL SERVICES PRIVATE LIMITED
Notes to Financial Statement for the year ended 31st March, 2019

22.8 Taxes on Income

Income tax expense comprises of current tax (i.e. amount of taxes for the period determined in accordance with the Income Tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

22.9 Government Grants

Grants/subsidies are recognised when no uncertainties exist as regards receipt of the amount of such grant/subsidy and compliance with the attached terms and conditions.

Grant or subsidy related to an expense item is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Grants/subsidies in respect of fixed assets are adjusted against the cost of the related items of fixed assets/capital reserve as the case may be.

22.10 Cash and Cash Equivalents

Cash and cash equivalents for the purpose of cash flow statements comprise cash and cheques in hand, bank balances and demand deposits with banks where the original maturity is three months or less.

22.11 Foreign Currency Transactions

Foreign currency transactions are accounted for at the exchange rate prevailing on the date of the transaction. All monetary foreign currency assets and liabilities are converted at the exchange rate prevailing at the date of the balance sheet. All exchange differences other than in relation to acquisition of fixed assets and other long term foreign currency monetary liabilities are dealt with in the statement of Profit and Loss.

22.12 Borrowing Cost

Borrowing costs attributable to the acquisition and/or construction of qualifying assets are capitalised as a part of the cost of such assets, upto the date when such asset are ready for their intended use. Other borrowing cost are charged to the statement of Profit & Loss Account.

22.13 Provisions, Contingent Liabilities and Contingent Assets

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made. Contingent assets are neither recognised nor disclosed.

22.14 Earnings Per Share

The basic and dilutive earnings per share is computed by dividing the net profit attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. Dilutive earnings per share is computed and disclosed after adjusting the effects of all dilutive potential equity shares.

22.15 Employee Benefits

- (a) Gratuity, which is defined benefit, is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary.
- (b) Contributions payable to the provident fund, which is defined contribution schemes, is charged to Profit and Loss account.
- (c) Actuarial gains/losses are immediately taken to profit and loss account and are not deferred.

22.16 Revenue Recognition

- (a) Revenue is recognised when it is earned and no significant uncertainty exists as to its realisation or collection.
- (b) Service Income is recognised when the service have been provided by the Company.
 - (i) The Company facilitates processing of Domestic Money Transfer (DMT) as a Business Correspondent of various Banks, recharge of talk time processing of bill payments etc and earns Service Fee / Commission Income.
 - (ii) The Service Fee / Commission Income generally determined as a percentage of transaction value executed by the Channel Partners of the Company / Customers of the Banks.
 - (iii) Amount received by the Company, pending settlement are disclosed as Payable to the Channel Partners under Current Liability
- (c) Interest income is accrued on a time proportion basis having regard to the amount outstanding and the rate applicable
- (d) Dividend Income is recognised when the right to receive dividend is established



23. Expenditure in Foreign Currency

	For the year ended March 31, 2019	For the year ended March 31, 2018
(On accrual basis)		
Software License Fees	3,146	346,239
Patent Fee	391,576	279,536

24. Related Parties

a) Key Management Personnel and their relatives

List of Related Parties

Mr. Abhishek Sinha	Director
Mr. Abhinav Sinha	Director
Mr. Vishal Bharat	Director (Resigned on 22nd May, 2019)
Mr. Tanmoy Majumder	Director
Mrs. Mekhla Sinha	Relative of Director

b) Enterprises over which Major shareholders, Key Management Personnel and their relatives have significant influence / control :

Eko Aspire Foundation
Creation Investments Eko Holdings-L3C,USA

c) Wholly owned subsidiary

Eko Technologies LLC, USA

25. Details of transactions carried out with the related parties in ordinary course of business:

	For the year ended March 31, 2019	For the year ended March 31, 2018
a. Salaries paid to Directors (on accrual basis)	13,789,138	6,083,432
b. Rent paid to Mrs. Mekhla Sinha (for Registered Office at New Delhi)	120,000	120,000
c. Issue of Compulsory Convertible Preference Shares (1 Cr. Shares)-Creation Investments Eko Holdings-L3C,USA	-	100,000,000
d. Advance to Eko Aspire Foundation		
Opening	5,618,995	5,693,995
Advance given	-	-
Advance Refund	100,000	75,000
Closing	5,518,995	5,618,995

26. Grant from Indo-US Science and Technology Forum (IUSSTF)

- (i) During the financial year 2012-13, Indo-US Science and Technology Forum (IUSSTF) approved grant amounting to Rs. 2,03,24,050/- to the Company and ID Mission LLC jointly for the purpose of completion of project entitled "Branchless Banking and Financial Services for the Unbanked and Under-banked". During the financial year 2013-14, company received the first tranche of the aforesaid grant amounting to Rs. 68,98,517/- from IUSSTF in the month of January'2014. During the year 2015-16, Company received second tranche of grant amounting to Rs. 48,91,531/-. Further, during the financial year 2017-18, company has recieved grant amounting to Rs. 37,95,075/-.



- (ii) Since the Indo-US Science and Technology Forum (IUSSTF) granted the amount jointly for the Company and ID Mission LLC, hence out of the first tranche of Grant received, in the year 2012-13 for Rs. 55,51,707.60 was accrued on account of Software Services provided by ID Mission Solutions Pvt. Ltd., Pune (an affiliate of ID Mission LLC) under a separate agreement entered for completion of this Project.
- (iii) During the financial year 2017-18, company has entered in agreement with "The World Bank Group" to update the current version of the application with new and enhanced functionality to address the concerns raised during user research during the 2016 project (World Bank PO:7179770). Above project which is called Fundu was completely developed and ready for commercial launch by 31st March, 2018. Accordingly all invoices \$ 120000 as per contract with CGAP were raised and sent to by 31st March, 2018

27. Employee benefits

The Company has classified various employee benefits as under:

(i) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Profit and Loss Account:

	For the year ended March 31, 2019	For the year ended March 31, 2018
Employers' Contribution to Provident Fund (Including EDLI Charges)	2,454,699	1,187,834

(ii) Defined Benefit Plans

Valuation in respect of Gratuity (unfunded) have been carried out by independent actuary, as at the Balance Sheet date, based on the following assumptions:

	For the year ended March 31, 2019	For the year ended March 31, 2018
(I) Assumptions		
(i) Discount Rate	7.61%	7.65%
(ii) Rate of increase in Compensation Levels	10%	10%
(iii) Rate of return of Plan Assets	N.A.	N
(iv) Expected Average remaining working lives of employees (in years)	25.90	26.77
(II) Change in the Present Value of Obligation		
(i) Present value of obligation at the beginning	3,913,968	4,671,651
(ii) Interest cost	286,045	297,026
(iii) Current service cost	1,052,456	1,269,534
(iv) Benefit paid	(349,625)	(1,315,566)
(v) Actuarial (gain)/loss on obligations	1,836,061	(1,008,677)
(vi) Present value of obligation at the end	6,738,905	3,913,968
(III) Amount recognized in the Balance Sheet		
(i) Present value of obligation as at the end of Financial Year	6,738,905	3,913,968
(ii) Fair Value of Plan Assets as at the year end	-	-
(iii) (Asset)/Liability recognized in the Balance Sheet	6,738,905	3,913,968
(IV) Expenses recognized in the Profit and Loss Account		
(i) Current service cost	1,052,456	1,269,534
(ii) Interest cost	286,045	297,026
(iii) Expected Return on Plan Assets	-	-
(iv) Actuarial (gain)/loss recognized in the year	1,836,061	(1,008,677)
(v) Total Expenses recognized in the Profit and Loss Account	3,174,562	557,883



28. Eko paid Rs.81,00,000 as Security Deposit for the office space for Gurgaon office in Sector 44. Due to non-compliance of the certain important clauses of the lease agreement by the landlord, Eko exercised its right in terms of the lease agreement to vacate the said office premises. The landlord has not refunded the said Security Deposit. An arbitration proceeding has been invoked in terms of lease agreement to recover the said dues from the landlord. The Company has received a favourable award dated 28th May, 2016 from Arbitral Tribunal, directing the landlord to pay the entire amount of Rs.81,00,000/- to the Company within six months from the date of passing of the Order. However, as on 31.03.2019, the Company has not received the amount awarded to it from the landlord. A petition was filed challenging the arbitral award by the landlord. The matter is pending before Tis Harari Court.
29. Business Correspondent business operations have been transitioned from Eko Aspire Foundation to Eko India Financial Services Pvt. Limited in Financial Year 2012-13, the liabilities and deposits related to SCSP/CSP and agreements have been transferred in Financial Year 2013-14. There is still amount to the tune of 55 lacs representing recoverable from SCSPs is still being carried forward in Eko Aspire Foundation as the legal proceedings for recovery of the amounts from SCSPs are in progress. The same shall be transferred in due course.
30. Earning Per Share (EPS): Numerators and denominators used to calculate basic and diluted earning per share

	Year ended 31.03.2019	Year ended 31.03.2018
Net Profit/ (Loss) attributable to Shareholders	2,621,877	(59,865,304)
Weighted Average Number of Equity Shares in issue	6,032,370	6,032,370
Weighted Average Number of Diluted Equity Shares in issue	6,535,009	6,174,211
Basic Earning per share of Rs. 10 each (Rs.)	0.43	(9.92)
Diluted Earning per share of Rs. 10 each (Rs.)	0.40	(9.70)
Net Profit/ (Loss) attributable to Shareholders from continuing operation	2,621,877	(59,865,304)
Basic Earning per share of Rs. 10 each (Rs.) from continuing operation	0.43	(9.92)
Diluted Earning per share of Rs. 10 each (Rs.) from continuing operation	0.40	(9.70)

31 Change in invoicing methodology

Until 31st October, 2018, the Company was recognising its revenue by issuing invoices mainly to its Channel Partners.

W.e.f. 1st November, 2018, upon instructions of Banks for whom the Company is discharging the functions of a Business Correspondent (BC), the revenue is recognised by issuing invoices to respective Banks. In this case the Company pays commission to its channel partners.

- 32 This information regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Details of dues to Micro, Small and Medium Enterprises as per MSMED Act, 2006	As at 31st March, 2019	As at 31st March, 2018
---	---------------------------	---------------------------

- I The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the year
- Principal Amount Unpaid
- Interest due
- II The amount of interest paid by the buyer in term of section 16, of the Micro, Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to suppliers beyond the appointed day during the year
- Payment made beyond the Appointed date
- Interest paid beyond the Appointed date

11,800

32,400



Handwritten signature and circular stamp of Eko India Financial Services Pvt. Limited, Delhi.

III 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 Micro, Small and Medium Enterprise Development Act 2006 361

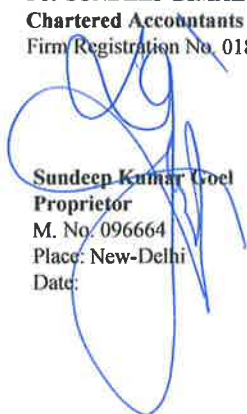
IV The amount of interest accrued and remaining unpaid at the end of the year 361

33. The Company has reclassified the previous year's figures in accordance with the requirements applicable in the current year.

For SUNDEEP BIMAL & ASSOCIATES

Chartered Accountants


Firm Registration No. 018117N


Sundeep Kumar Goel
Proprietor
M. No. 096664
Place: New-Delhi
Date:




Manisha Jain
Company Secretary
M. No. A16439

For Eko India Financial Services Pvt. Ltd.


Abhishek Sinha
Director
DIN: 00397900




Abhinav Sinha
Director
DIN: 01468196