



# Partnering in India's Digital Payment Story

ANNUAL REPORT 2018-19

 **SBI Payment Services Private Limited**

(A Joint Venture between State Bank of India and  
Hitachi Payment Services Private Limited)

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## Forward-looking statements

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.



# Growth is never a lone journey.

It happens when the right people, with requisite skills and capabilities, partner with other such people to not just initiate but facilitate the growth process! This is what we at SBI Payment Services Private Ltd. (SBIPSPL) do each day, by providing solutions on key activities related to Merchant Acquiring Business and thereby making cashless transactions a convenient reality for the merchants acquired by State Bank of India (SBI) and making growth a possibility for them! And to further facilitate our own growth, this year we partnered with Hitachi Payment Services Pvt. Ltd. (HPY), an indirect wholly owned subsidiary of Hitachi Ltd. Japan, to bring in the added strength of domain expertise and technological capability into our services and ensure consistent and sustained growth for years to come!

# About us

We are one of the top acquirers of the country providing solutions to Merchants for facilitating merchant payment for goods and services purchased through various form factors i.e. Cards, QR Codes, App. based solution (UPI P2M, YONO Sale&Cash) and Aadhaar based solutions (Bhim Aadhaar SBI).

SBIPSPL was a wholly owned subsidiary of the country's largest commercial bank, SBI, supporting SBI in conduct of MAB. The MAB of SBI was transferred to SBIPSPL on 29th September 2018, thereafter the activities related to MAB like sourcing, merchant relationship, vendor management and support services for complaints management are being managed by SBIPSPL among others.

In January 2019, we formed a Joint Venture (JV) with HPY to strengthen our service offerings with improved technology and innovations. SBI became the first public sector bank to form an exclusive JV for merchant acquiring business and commence the journey to create a state-of-the-art acceptance ecosystem in all geographies of the country and enable the merchants to accept payments digitally across various form factors.

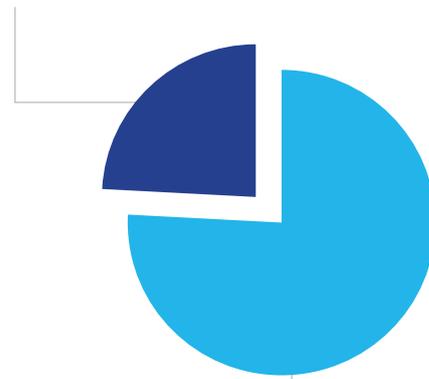
## 1200+

On-roll and off-roll Employees as on March 31, 2019

## Shareholding structure

### 26%

Hitachi Payment Services Private Limited



### 74%

State Bank of India

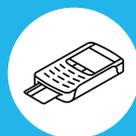
## Our offerings



Electronic Toll Collection



BHIM Aadhaar



PoS Terminals



Bharat QR



Cash@PoS



MOPAD



Dynamic Currency Conversion



Transit



UPI: P2M



Online Payment Aggregation



Non Government merchants.  
Government merchants by SBI ePay



Mobile/ DTH Recharge

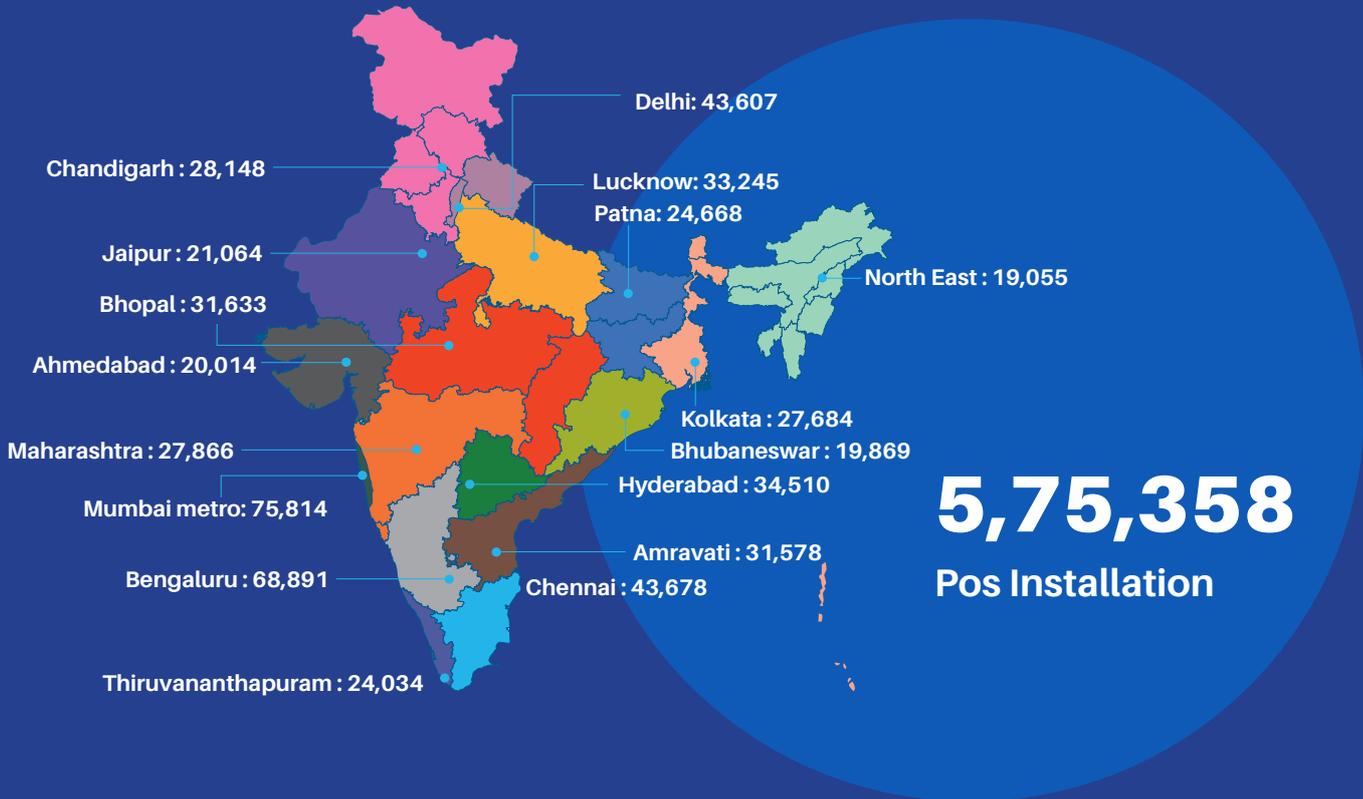


Loyalty Management



Campaign Management

Our circle wise presence



Merchant Payment Acceptance Touch Points (MPATP)

**16,25,611**



EMI  
Nascent  
Stage



Merchant  
Lending



Cross Sell



Charge Slip In  
Branding



Dashboard



Data  
Analytics

● Currently being offered ○ Proposed to be offered



6,31,338



4,18,915

**5,75,358**

# Message from Chairman of SBIPSPL Board



Shri Swaminathan Janakiraman

## I have great pleasure in welcoming you to the first Annual General Meeting of SBIPSPL after formation of Joint Venture with Hitachi Payment Services Pvt. Ltd.

Fuelled by the Govt. push for digital economy and entry of various global giants, digital payments (P2M) are witnessing the emergence of multiple form factors. New generation banks, fintech companies and payment aggregators are keeping this space evolving every day to create value for all stakeholders i.e. Acquirers, merchants and customers.

In order to create state-of-the-art technology platform within SBIPSPL, build domain expertise, imbibe industry best practices and to be future ready Hitachi Payment Services Pvt Ltd., an indirect wholly owned subsidiary of Hitachi Ltd. Japan, has been inducted in your Company. Your company has issued shares to HPY to form a Joint Venture (JV) wherein SBI and HPY are having a shareholding of 74% and 26% respectively.

JV is set to leverage the strengths of both organisations i.e. unparalleled trust and distribution network of SBI and technological capabilities and domain expertise of Hitachi to achieve business growth in all market segments and create value for shareholders.

Building of inhouse technology platform will help in delivery of Value-added Services (VAS) and generate new revenue streams for SBIPSPL. JV is all set to expand the digital payment acceptance infrastructure in all parts of the country to contribute to the digital India objective of Govt of India.

Strategy of your Company will focus mainly on Business model for conducting the MAB in an efficient and profitable manner. The touch points and specific type of payment acceptance solutions will be deployed in next 2-3 years to suite the requirement of merchants. Customised payment products bundled with VAS will be offered to merchants to generate new revenue streams e.g. Business analytics, merchant lending, interactive dashboards, loyalty management, merchants campaign management etc.

Transfer of full-blown business to new entity has its own challenges. We need to create the in-house resource capabilities, structures and systems and processes in the JV to exploit the potential available. While we have constituted various Board and Management level committees, the Management Consultant, PWC managing the Project Management Office is likely to submit its deliverables by end of September 2019.

I thank the shareholders for reposing their confidence in the capabilities of the team and extending support in formation and setting up of the Joint Venture. We will continue with our focus towards creating long term value for our stakeholders by adhering to highest standards of transparency, commitment and promoting Innovation. I am also thankful to our employees for their tireless efforts towards achieving the goals.

# Milestones Shaping Our Journey

**FY 2010-11**

**0.04+ Lac**

Point of Sale (PoS) Terminals

**FY 2011-12**

**0.11+ Lac**

Point of Sale (PoS) Terminals

**FY 2012-13**

**0.65+ Lac**

Point of Sale (PoS) Terminals

**FY 2015-16**

**3+ Lac**

Point of Sale (PoS)

SBI becomes market leader in January 2016

**FY 2014-15**

**2+ Lac**

Point of Sale (PoS) Terminals

Dynamic Currency Conversion facility enabled

**FY 2013-14**

**1.36+ Lac**

Point of Sale (PoS)

Cash @ PoS enabled

**FY 2016-17**

**5+ Lac**

Point of Sale (PoS)

Enabled ETC acquiring

**FY 2017-18**

**6+ Lac**

Point of Sale (PoS)

Launched Bharat QR & BHIM-Aadhaar-SBI

**FY 2018-19**

Formed a JV with Hitachi Payments Services, a subsidiary of Hitachi Limited

Rolled out Multi Option Payment Acceptance Device (MOPAD)

# Launch of Joint Venture

The joint venture with Hitachi Payments Services Private Limited is integral to driving our vision towards digital evolution through product, process and platform innovation. Through this partnership we are determined to deliver value and differentiation to our customers at affordable price.



Hon'ble Prime Minister Shri Narendra Modi unveiling the collaboration between SBI and Hitachi in Japan.

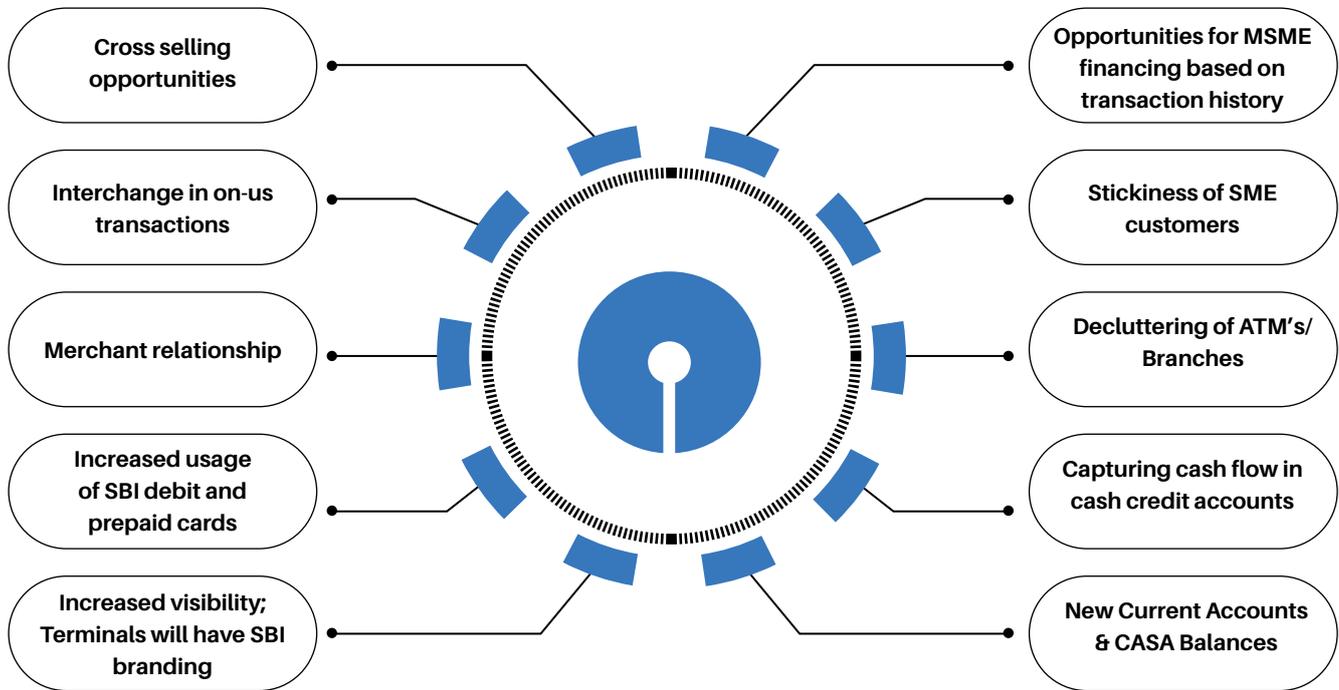
## Objectives of JV

- Building of state-of-the-art technology platform in JV
- Leverage SBI's brand and distribution network to build acceptance infrastructure in all parts of the country
- Generation of new revenue streams by offering value added and bundled products
- Roll out nationwide PoS terminals, QR, UPI, mass transit sector, and e-commerce business
- Leverage Hitachi's tech capabilities and domain expertise to bring efficiency in functional areas
- Establish innovation centre in India
- Optimise the existing portfolio through targeted multipronged strategy i.e., Acquiring in untapped market segments, Reducing inactivity in the merchant portfolio, cutting the income leakages in MDR, Interchange etc through Analytics tool

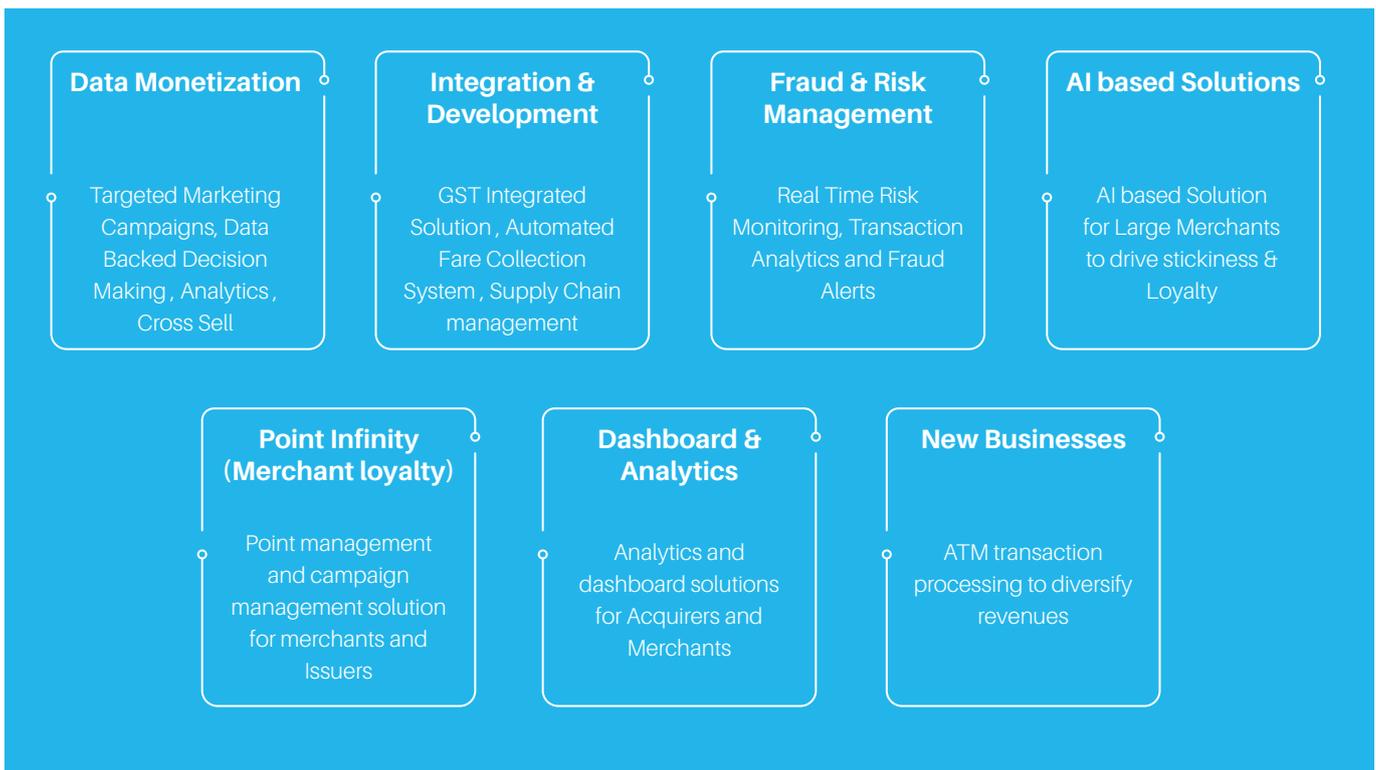


Mr. Rajnish Kumar, Chairman of State Bank of India and Mr. Toshiaki Higashihara, President & CEO of Hitachi Ltd., at the event of launch of Joint Venture in Mumbai.

# Synergy with SBI



# Synergy with Hitachi



# Partnering in India's Digital Payments Story

India's digital payments transaction value is expected to register the fastest growth in the coming four years. The encouraging ecosystem regulatory norms and success of the growing electronic payments are expected to transform the country's digital payment landscape in the near short-term.

## Our operating plan

### Profitability

- Focus on Per terminal productivity and profitability
- New revenue streams
- Cost savings through automation & process efficiencies

### Product

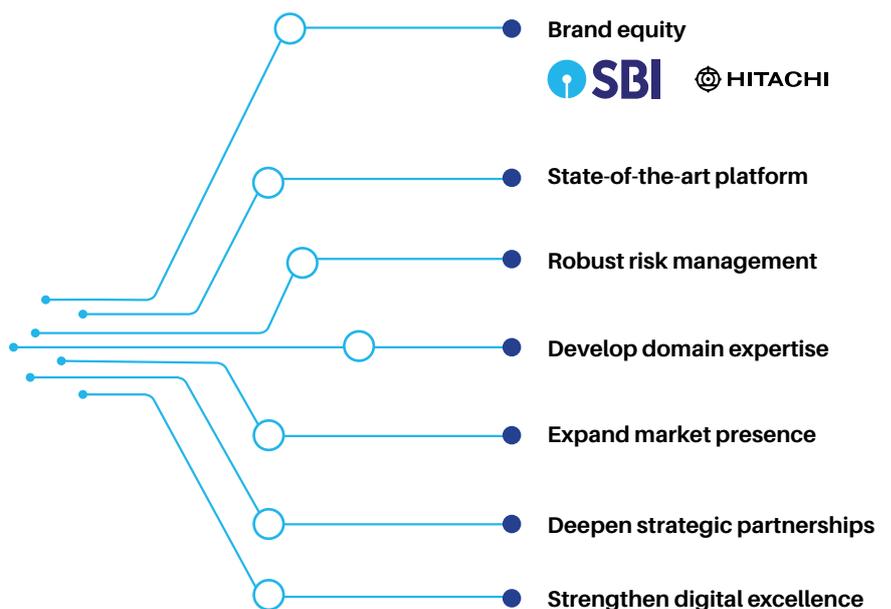
- State of the art product suite
- **Comprehensive Distribution:** Direct & Strategic Partners
- Transform digital experience based on Client needs & market trends

### People

- **Employer of Choice:** Talent attraction and Retention
- Reward & Recognition
- Leadership Development and engagement strategy

## Our strategic framework

We intend to optimize our merchant acquiring business with a well-defined business strategy backed by our robust organizational structure. With a merchant-centric approach we shall further drive the value-based offerings, leveraging new technologies.



# Board of Directors

## Chairman of SBIPSPI Board



### Shri Swaminathan Janakiraman

Deputy Managing Director {(Strategy)  
& Chief Digital Officer},  
State Bank of India

## Nominee Directors Representing State Bank of India



### Shri Ram Narayana Boga

MD & Chief Executive Officer  
SBI Payment Services Private Limited



### Shri Shree Prakash Singh

Chief General Manager  
(Associates & Subsidiaries),  
State bank of India



### Shri Rajendra Deshpande

Chief General Manager  
(IT-Core & Special Projects),  
State Bank of India

## Nominee Directors Representing Hitachi Payment Services Private Limited



### Navtej Singh

Chief Executive Officer  
Digital Business  
Hitachi Payment Services Private Limited



### Sumil Vikamsey

Director  
Finance & Human Resources  
Hitachi Payment Services Private Limited

## Independent Directors



### Shri Aravamudan Krishnakumar

Former Managing Director  
State Bank of India



### Shri Shankar Aggarwal

Former Secretary to the Ministry of  
Labour and Employment, GoI.  
Former Secretary to the Ministry of  
Urban Development, GoI.

# Notice

Notice is hereby given that the 9th Annual General Meeting of the members of SBI Payment Services Private Limited will be held on Saturday, 7th September, 2019 at 3.00 p.m. at Chola conference room, 10th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai- 400021 to transact the following businesses.

## ORDINARY BUSINESSES:

### 1. Adoption of Accounts

To consider, approve and adopt the financial statements of the Company for the financial year ended 31st March, 2019 including the Audited Balance Sheet of the Company as at 31st March, 2019 and Profit & Loss Account and the Cash Flow Statement along with the schedules and notes appended thereto for the year ended on that date together with the report of the Auditors and Directors thereon along with the report of Comptroller and Auditor General of India.

### 2. Fixing of Auditors Remuneration

To authorize the Board of Directors to fix the remuneration of Statutory Auditor appointed by Comptroller and Auditor General of India for the financial year 2019-2020.

## SPECIAL BUSINESSES:

### 3. Regularization for appointment of Shri Shree Prakash Singh (DIN: 08026039) from Additional Director to Nominee Director:

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** Shri Shree Prakash Singh (DIN: 08026039), who was appointed as an Additional Director with effect from 19th January, 2019 on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Non-Executive, Nominee Director subject to Articles of Association, of the Company."

**"RESOLVED FURTHER THAT** Shri Ram Narayana Boga (DIN: 07642168), Managing Director and Chief Executive Officer or Shri Aditya Kumar Sengar, Chief Financial Officer or Ms. Ekta Dhruva, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and file e-form DIR-12 with Registrar of Companies, Mumbai and do all such acts, deeds, things and matters as may be required to give effect to the aforesaid resolution."

### 4. Regularization for appointment of Shri Rajendra Deshpande (DIN: 08321859) from Additional Director to Nominee Director:

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** Shri Rajendra Deshpande (DIN: 08321859), who was appointed as an Additional Director with effect from 19th January, 2019 on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting be and is hereby appointed as Non-Executive, Nominee Director, subject to Articles of Association of the Company."

**"RESOLVED FURTHER THAT** Shri Ram Narayana Boga (DIN: 07642168), Managing Director and Chief Executive Officer or Shri Aditya Kumar Sengar, Chief Financial Officer or Ms. Ekta Dhruva, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and file e-form DIR-12 with Registrar of Companies, Mumbai and do all such acts, deeds, things and matters as may be required to give effect to the aforesaid resolution."

### 5. Regularization for appointment of Shri Navtej Singh (DIN: 07566889) from Additional Director to Nominee Director:

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** Shri Navtej Singh (DIN: 07566889), who was appointed as an Additional Director with effect from 19th January, 2019 on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Non-Executive, Nominee Director, subject to Articles of Association of the Company."

**"RESOLVED FURTHER THAT** Shri Ram Narayana Boga (DIN: 07642168), Managing Director and Chief Executive Officer or Shri Aditya Kumar Sengar, Chief Financial Officer or Ms. Ekta Dhruva, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and file e-form DIR-12 with Registrar of Companies, Mumbai and do all such acts, deeds, things and matters as may be required to give effect to the aforesaid resolution."

### 6. Regularization for appointment of Shri Sumil Vikamsey (DIN: 08323257) from Additional Director to Nominee Director:

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** Shri Sumil Vikamsey (DIN: 08323257), who was appointed as an Additional Director with effect from 19th January, 2019 on the Board of Directors of the Company, in terms of Section 161 of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, be and is hereby appointed as Non-Executive, Nominee Director, subject to Articles of Association of the Company."

**"RESOLVED FURTHER THAT** Shri Ram Narayana Boga (DIN: 07642168), Managing Director and Chief Executive Officer or Shri Aditya Kumar Sengar, Chief Financial Officer

or Ms. Ekta Dhruva, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and file e-form DIR-12 with Registrar of Companies, Mumbai and do all such acts, deeds, things and matters as may be required to give effect to the aforesaid resolution."

**7. Regularization for appointment of Shri Aravamudan Krishnakumar (DIN: 00871792) from Additional Independent Director to Independent Director:**

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** Shri Aravamudan Krishnakumar (DIN: 00871792), who was appointed by the Board of Directors as an Additional Director (Non-Executive, Independent) of the Company with effect from 26th February, 2019 pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and Articles of Association of the company and who holds office up to the date of this Annual General Meeting in terms of the Companies Act, 2013, the regularisation of Shri Aravamudan Krishna kumar (DIN: 00871792) be and is hereby confirmed as an Independent Director (Non-executive) on the Board of the Company for a period of 2 years commencing from February 26, 2019 to February 25, 2021."

**"RESOLVED FURTHER THAT** Shri Ram Narayana Boga (DIN: 07642168), Managing Director and Chief Executive Officer or Shri Aditya Kumar Sengar, Chief Financial Officer or Ms. Ekta Dhruva, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and file e-form DIR-12 with Registrar of Companies, Mumbai and do all such acts, deeds, things and matters as may be required to give effect to the aforesaid resolution."

**8. Regularization for appointment of Shri Shankar Aggarwal (DIN: 02116442) from Additional Independent Director to Independent Director:**

To consider and if thought fit, to pass the following resolution with or without modification(s) as an Ordinary Resolution:

**"RESOLVED THAT** Shri Shankar Aggarwal (DIN: 02116442), who was appointed by the Board of Directors as an Additional Director (Non-Executive, Independent) of the Company with effect from 26th February, 2019 pursuant to the provisions of Section 149 and 152 of the Companies Act, 2013 and Articles of Association of the company and who holds office up to the date of this Annual General Meeting in terms of the Companies Act, 2013, the regularisation of Shri Shankar Aggarwal (DIN: 02116442) be and is hereby confirmed as an Independent Director (Non-executive) on the Board of the Company for a period of 2 years commencing from February 26, 2019 to February 25, 2021."

**"RESOLVED FURTHER THAT** Shri Ram Narayana Boga (DIN: 07642168), Managing Director and Chief Executive Officer or Shri Aditya Kumar Sengar, Chief Financial Officer or Ms. Ekta Dhruva, Company Secretary of the Company be and is hereby severally authorized to sign the requisite forms / documents and file e-form DIR-12 with Registrar of Companies, Mumbai and do all such acts, deeds, things and matters as may be required to give effect to the aforesaid resolution."

**By Order of the Board of Directors**

For **SBI PAYMENT SERVICES PRIVATE LIMITED**

Sd/-

**Company Secretary**

Date: 25.07.2019

Place: Mumbai

**NOTES:**

1. A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company.
2. The instrument appointing the proxy should be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send to the Company a certified copy of the Board resolution or representation letter authorizing such a representative to attend and vote on their behalf at the meeting.
4. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item No 3 to 8 of the accompanying Notice is annexed hereto.
5. All the relevant documents accompanying the notice and the Statutory Registers under the Companies Act, 2013 shall be produced at the commencement of the Annual General Meeting and shall remain open and accessible during the continuance of the meeting to any person having a right to attend the meeting.

**By Order of the Board of Directors**

For **SBI PAYMENT SERVICES PRIVATE LIMITED**

Sd/-

**Company Secretary**

Date: 25.07.2019

Place: Mumbai

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No: 3

Shri Shree Prakash Singh (DIN: 08026039), was appointed as an Additional Director by the Board of Directors with effect from 19<sup>th</sup> January, 2019 in accordance with the Articles of Association and Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he will hold office up to the date of this AGM.

#### • Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013

1.	Age	59 Years
2.	Qualification	M. SC (Physics)
3.	Experience	34 years of experience in Banking
4.	Date of first appointment on the Board	19th January, 2019
5.	Shareholding in the company	NA
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the financial year 2018-19	1
8.	Other Directorships	Nominee Director on the Board of SBI Cards and Payment Services Private Limited, C-Edge Technologies Limited, SBI Business Process Management Services Private Limited and Director on SBI-SG Global Securities Services Private Limited

#### He is also a Chairman and Member of Committees of other Boards as follows

Name of Company	Name of Committee	Chairman/Member
SBI SG Global Securities Services Pvt Ltd.	Audit Committee	Member
	HR Committee	Member
SBI Cards and Payment Services Pvt Ltd	Audit Committee	Chairman
	Nomination & Remuneration Committee	Member
	CSR Committee	Member
	Risk Management Committee	Member
	Empowered Executive Committee	Member
SBI Business Process Management Services Pvt Ltd.	Audit Committee	Member
	Nomination & Remuneration Committee	Member
	CSR Committee	Member
	Empowered Executive Committee	Member

Shri Shree Prakash Singh (DIN: 08026039) has provided his declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Board is therefore considering the regularization of appointment of Shri Shree Prakash Singh (DIN: 08026039) from Additional Director to Nominee Director subject to Section 161(3) of the Companies Act, 2013 and Articles of Association of the Company.

The Board places the above resolution before the members for their approval as being the Ordinary resolution.

None of the other Directors are concerned with or interested in passing of the resolution pertaining to his appointment as Nominee Director of the Company.

### Item No: 4

Shri Rajendra Deshpande (DIN: 08321859), was appointed as an Additional Director by the Board of Directors with effect from 19th January, 2019 in accordance with the Articles of Association and Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he will hold office up to the date of this AGM.

- **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	57 Years
2.	Qualification	M. SC
3.	Experience	36 years of experience in Banking
4.	Date of first appointment on the Board	19th January, 2019
5.	Shareholding in the company	NA
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the financial year 2018-19	1
8.	Other Directorships	NIL
9.	Membership/ Chairmanship of Committees of other Boards	NIL

Shri Rajendra Deshpande (DIN: 08321859) has provided his declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

The Board is therefore considering the regularization of appointment of Shri Rajendra Deshpande (DIN: 08321859) from Additional Director to Nominee Director subject to Section 161(3) of the Companies Act, 2013 and Articles of Association of the Company.

The Board places the above resolution before the Members for their approval as being the Ordinary resolution. None of the other Directors are concerned with or interested in passing of the resolution pertaining to his appointment as Nominee Director of the Company.

#### Item No : 5

Shri Navtej Singh (DIN: 07566889), was appointed as an Additional Director by the Board of Directors with effect from 19th January, 2019 in accordance with the Articles of Association and Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he will hold office up to the date of this AGM.

- **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	44 Years
2.	Qualification	Masters in English Literature: Post Graduation
3.	Experience	20 years across financial services in the area of Payment Solutions, Product & Channel Management, Retail Branch Banking & Sales
4.	Date of first appointment on the Board	19th January, 2019
5.	Shareholding in the company	NA
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the financial year 2018-19	2
8.	Other Directorships	NIL
9.	Membership/ Chairmanship of Committees of other Boards	NIL

Shri Navtej Singh (DIN: 07566889) has provided his declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Board is therefore considering the regularization of appointment of Shri Navtej Singh (DIN: 07566889) from Additional Director to Nominee Director.

The Board places the above resolution before the members for their approval as being the Ordinary resolution.

None of the other Directors are concerned with or interested in passing of the resolution pertaining to his appointment as Nominee Director of the Company.

#### Item No : 6

Shri Sumil Vikamsey (DIN: 08323257), was appointed as an Additional Director w.e.f. 19th January, 2019 by the Board of Directors in accordance with the Articles of Association and Section 161 of the Companies Act, 2013. As per Section 161 of the Companies Act, 2013, he will hold office up to the date of this AGM.

• **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	40 Years
2.	Qualification	Chartered Accountant
3.	Experience	18 years
4.	Date of first appointment on the Board	19th January, 2019
5.	Shareholding in the company	NA
6.	Relationship with other Directors	NA
7.	Number of meetings of the Board attended during the financial year 2018-19	2
8.	Other Directorships	NIL
9.	Membership/ Chairmanship of Committees of other Boards	NIL

Shri Sumil Vikamsey (DIN: 08323257) has provided his declaration that he is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013. The Board is therefore considering the regularization of appointment of Shri Sumil Vikamsey (DIN: 08323257) from Additional Director to Nominee Director.

The Board places the above resolution before the members for their approval as being the Ordinary resolution.

None of the other Directors are concerned with or interested in passing of the resolution pertaining to his appointment as Nominee Director of the Company.

**Item No: 7**

Although the concept of Independent Director is not applicable to the Company, Shri Aravamudan Krishnakumar (DIN: 00871792), was appointed by the Board of Directors at their meeting held on 26th February, 2019 to hold office up to the date of this AGM and who meets the criteria of independence as provided under the provisions of Section 149(6) of the Companies Act, 2013 and has submitted a declaration to that effect at the time of appointment as an Additional Director (Non-executive & Independent), in terms of provisions of Section 161 of the Companies Act, 2013. The Board further appointed him as Non-Executive Independent Director for a period of 2 years from the date of appointment, subject to approval of members.

• **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013**

1.	Age	64years
2.	Qualification	B.A (Hon.) in Economics from Delhi University
3.	Date of first appointment on the Board	26th February, 2019
4.	Shareholding in the company	NA
5.	Relationship with other Directors	NA
6.	Number of meetings of the Board attended during the financial year	Nil
7.	Membership/ Chairmanship of Committees of other Boards	(a) Chairman of Audit Committee and Stakeholders Relationship Committee of REC Limited. (b) Member of Audit Committee and Chairman of Stakeholders Relationship Committee till 29th July, 2019 of Central Depository Services (India) Limited.

**Experience and Other Directorships:**

Shri Aravamudan Krishnakumar, who superannuated from State Bank of India (SBI) at the end of November, 2014, is a career banker. He served SBI for more than 39 years. He has rich experience in all facets of banking. He was promoted as Deputy Managing Director to head the Bank's Information Technology Department from July 2009 till April 2011. He was elevated as Managing Director & Group Executive in April 2011 and was given charge of National Banking. Presently, he is an Independent Shareholder Director on the Board of Andhra Bank, a mid-sized Public Sector Bank, has been nominated by Government of India as an Independent Director on the Board of Rural Electrification Corporation Limited. He is also nominated by SEBI as Public Interest Director on the Board of CDSL. He is also on the Board of Suraksha Asset Reconstruction Private Limited, Sathguru Catalysers Advisors Private Limited and TVS Wealth Private Limited.

Shri Aravamudan Krishnakumar (DIN: 00871792) has provided his declaration that he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013. The Board is therefore considering the regularization of

appointment of Shri Aravamudan Krishnakumar (DIN: 00871792) from Additional Director (Independent) to Independent Director to hold office for a period of 2 years commencing from February 26, 2019 to February 25, 2021.

The Board places the above resolution before the members for their approval as being the Ordinary resolution.

None of the other Directors are concerned with or interested in passing of the resolution pertaining to his appointment as Director (Independent) of the Company.

### Item No: 8

Although the concept of Independent Director was not applicable to the Company, Shri Shankar Aggarwal (DIN: 02116442), was appointed by the Board of Directors at their meeting held on 26th February, 2019 to hold office up to the date of this AGM and who meets the criteria of independence as provided under the provisions of Section 149(6) of the Companies Act, 2013 and has submitted a declaration to that effect at the time of appointment as an Additional Director (Non-executive & Independent), in terms of provisions of Section 161 of the Companies Act, 2013. The Board further appointed him as Non-Executive Independent Director for a period of 2 years from the date of appointment, subject to approval of members.

• **Additional information as required under Secretarial Standard-2 notified under Section 118 (10) of the Companies Act, 2013:**

1.	Age	62 years
2.	Qualification	Graduate in Electronics & Communication Engineering, IIT, Roorkee and a post graduate in Computer Technology Engineering, IIT, Delhi.
3.	Date of first appointment on the Board	26th February, 2019
4.	Shareholding in the company	NA
5.	Relationship with other Directors	NA
6.	Number of meetings of the Board attended during the financial year	Nil

Shri Shankar Aggarwal has a vast experience in formulation and implementation of government policies at State (GoUP) and Central (GoI) levels, in multiple areas & sectors – Urban Planning & Housing, Industry & Manufacturing, Defence (all three wings), Energy (both Conventional and renewable), Finance and Institutional Finance, Information Technology and Personnel & Vigilance. He has 36 years of satisfying and successful career in Civil Service (IAS). He is also on the Board of Skil Infrastructure Limited, Dish TV India Limited, Multi Commodity Exchange of India Limited, Hotel Queen Road Private Limited, Prudent Arc Limited, CSC E-Governance Services India Limited, Essel Infraprojects Limited and National Skill Development Corporation.

**He is also a Chairman and Member of Committees of other Boards as follows:**

Sr. No.	Name of the Company	Name of the Committee	Designation (Member/ Chairman)
1)	SKIL Infrastructure Limited	Audit Committee	Member
2)	Multi Commodity Exchange of India Limited	Audit Committee	Chairman
		MCX Investor Protection Fund	Trustee
		Nomination and Remuneration Committee	Chairman
		Regulatory Oversight Committee	Chairman
		Public Interest Director	Member
3)	Hotel Queen Road Private Limited	Standing Committee on Technology	Chairman
		Audit Committee	Member
		Nomination and Remuneration Committee	Member
		Corporate Social Responsibility Committee	Member
4)	Prudent Arc Limited	Share Transfer Committee	Member
		Audit Committee	Member
		Nomination and Remuneration Committee	Member

Sr. No.	Name of the Company	Name of the Committee	Designation (Member/Chairman)
5)	CSC E-Governance Services India Limited	CSR Committee	Chairman
		Nomination & Remuneration Committee	Chairman
		Audit Committee	Chairman
6)	Dish TV India Limited	Stakeholders Relationship Committee	Member
		Risk Management Committee	Member

Shri Shankar Aggarwal (DIN: 02116442) has provided his declaration that he is not disqualified from being appointed as an Independent Director in terms of Section 164 of the Companies Act, 2013. The Board is therefore considering the regularization of appointment of Shri Shankar Aggarwal (DIN: 02116442) from Additional Director (Independent) to Independent Director (Non-Executive) to hold office for a period of 2 years commencing from February 26, 2019 to February 25, 2021.

The Board places the above resolution before the members for their approval as being the Ordinary resolution. None of the other Directors are concerned with or interested in passing of the resolution pertaining to his appointment as (Non-Executive & Independent) of the Company.

**By Order of the Board of Directors**  
For **SBI PAYMENT SERVICES PRIVATE LIMITED**

Sd/-  
**Company Secretary**

Date: 25.07.2019  
Place: Mumbai

# Directors' Report

## To the Members,

Your Directors have pleasure in presenting the Ninth Annual Report together with the Audited Annual Accounts of your Company for the financial year ended March 31, 2019.

### 1. Background

SBI Payment Services Private Limited ("SBIPSPL") was a wholly owned subsidiary of State Bank of India ("SBI"). During the financial year under review, SBI, the holding company transferred its Merchant Acquiring Business ("MAB") to your Company vide business transfer agreement dated 29th September, 2018 ("BTA")

SBIPSPL, SBI and Hitachi Payment Services Private Limited ("HPY"), an indirect wholly owned subsidiary of Hitachi, Ltd., Japan, entered into a Joint Venture Agreement on 27th October, 2018 ("JV Agreement").

In this connection, the HPY subscribed to 15,81,082 equity shares of SBIPSPL at a face value of INR 10 and at a premium of INR 9,809.86 on 19th January, 2019 and acquired 26% stake in the Company. SBI stake in the Company reduced to 74%.

### 2. Digital Payments Ecosystem

The digital payments landscape in India is evolving at a rapid rate particularly after demonetization. We have seen the evolution of various low cost form factors of digital payments acceptance e.g. QR based (Bharat QR), App based (UPI P2M), Aadhaar based (BHIM Aadhaar SBI) at merchant outlets both in F2F (Face to face) and online payments. To boost P2M digital payments, Govt of India has brought in some incentives in the form of reimbursement of MDR in case of Debit Card transactions upto ₹2000/-, reimbursement of MDR for Debit Card transactions at Govt. offices upto a limit of ₹1.00 lac etc. SBIPSPL is playing an effective role in building momentum for transforming India through digitalization of the economy. In sync with the focus of the Government of India to create a less - cash economy, SBIPSPL has expanded digital payment acceptance infrastructure across the length and breadth of the country across all P2M digital form-factors i.e. PoS terminals, Bharat QR and BHIM Aadhaar SBI.

### 3. Financial Statements & Results:

#### (a) Financial Results

The financial results for the year ended March 31, 2019 with comparative figures for the previous year are given below:

Particulars	For the financial year ended 31st March, 2019	For the financial year ended 31st March, 2018
Revenue	5,37,83,72,943	21,42,52,188
Less: Expenses	6,12,92,03,564	19,90,62,658
Profit/ (Loss) before tax	(75,08,30,621)	1,51,89,530
Less: Provision for tax		
Current Tax	94,646	41,85,095
Deferred Tax	26,23,70,252	-
# Profit after Tax	(48,83,65,723)	1,10,04,435

# Difference in figures is due to transfer of SBI MAB to SBIPSPL on 29th September, 2018

#### Appropriation

Balance at the beginning of the year	1,80,32,473	70,28,038
Add: Transferred from statement of profit & loss	(48,83,65,723)	1,10,04,435
Interim Dividend	-	-
Dividend paid	(10,00,000)	-
Tax on distribution of dividend	(2,03,576)	-
Transfer of General Reserve	-	-
Balance carried to Balance sheet	(47,15,36,826)	1,80,32,473

**(b) Capacity building**

During the financial year, a multi option payment acceptance device i.e., MOPAD was launched for facilitating payments via Cards/Bharat QR/UPI on a PoS terminal.

**(c) ETC (Electronic Toll Collection)**

SBI is also active in the area of acquiring and processing of ETC (Electronic Toll Collection) transactions at National Highways. As on 31st March 2019, SBIPSPL is managing 28 Toll Plazas.

**(d) Value Added Services ("VAS")**

In addition to offering acquiring solutions through PoS terminals, Bharat QR and Bhim Aadhar SBI, following Value Added Services are also being offered by the Company:

- DCC (Dynamic Currency Conversion)
- EMI (Equal Monthly Installments)
- Cash@POS
- NFC acceptance on PoS terminals
- Acceptance of AMEX/DINERS/DFS/JCB/UPI Cards.

The Company is providing customised solutions to premium customers to suit their requirements by integrating with their technology platforms. Some of the notable integrations are with Indian Railways, SOUTHCO (Odisha), APDCL (Assam Power Distribution Co. Ltd), Goa - GBSS project (Government of GOA), Cyber Treasury (Govt of Madhya Pradesh), IGR (Inspector General of Registrar) Pune, Noida & Nagpur Metro.

**(e) Performance Highlights**

During the financial year under review, your Company earned revenue of INR 537.84 crores as against INR 21.43 crores as at March 31, 2018 and the Net worth of the Company increased from INR 3.80 crores as on March 31, 2018 to INR 1509.95 crores as on 31st March, 2019.

The Company incurred a loss of INR 48.84 crores during the financial year 2018-2019 mainly due to amortization of ₹60.66 crores on intangible assets and depreciation of ₹28.61 crores on the tangible assets transferred to SBIPSPL pursuant to BTA.

As on 31st March, 2019, the Company has deployed 5.75 lakh PoS terminals, 4.18 lakh Bharat QR code and on-boarded 6.31 lakh merchants on BHIM-Aadhaar-SBI. The number of merchant payment acceptance touch points crossed 1.62 million during financial year 2018-19. The Company has acquired nearly 54 crore transactions during FY 18-19 with 24% increase on Y-o-Y basis.

**(f) Capital**

The authorized share capital of the Company is INR 100 Crores.

During the financial year under review, the paid-up share capital of the Company was increased from INR 2,00,00,000 comprising of 20,00,000 equity shares of INR 10 each to INR

6,08,10,820 comprising of 60,81,082 fully paid up equity shares of INR 10 each by issuing and allotting 25,00,000 equity shares at a face value of INR 10 each to SBI and 15,81,082 equity shares at a face value INR 10 each to Hitachi Payment Services Private Limited ("HPY").

The Company has not bought back any shares during the year. Further, the Company has not issued any Sweat Equity Shares or any Bonus Shares during the year and has not provided any Stock Option Scheme to the employees.

**(g) Dividend**

Considering the loss incurred in the current financial year, your Directors have not recommended any dividend for the financial year under review.

**(h) Transfer to Reserves**

The Directors do not propose to transfer any amount to any specific reserve.

**(i) Particulars of loans, guarantees or investments under Section 186**

During the financial year under review, the Company has not given any Loans or Guarantees or made any Investments attracting the provisions of Section 186 of the Companies Act, 2013.

**(j) Deposits**

During the financial year under review, the Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

**(k) Particulars of Contracts, arrangement with Related Party**

SBI, the Holding Company is a related party of your Company. All the transactions entered into with SBI during the financial year under review were on arm's length basis and in the ordinary course of business. Particulars of such contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, in prescribed Form AOC-2, is appended as Annexure "A"

All the related party transactions as required under Accounting Standards AS-18 are reported in the Notes to Accounts of the financial statements for the year ended March 31, 2019 of your Company.

**(l) Conservation of Energy, Technology Absorption & Foreign Exchange Earnings & Outgoings**

The provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable as your Company is not a manufacturing Company. However, your Company has been increasingly using information technology in its operations. While the business activity of the Company does not result in any material consumption of energy, the Company is committed to continue its efforts towards the conservation of energy.

The Company does not have any foreign earnings and outgoings.

**(m) Extract of Annual Return:**

Pursuant to the provisions of Section 134(3)(a) of the Companies Act, 2013, the extract of the annual return for the financial year ended 31st March, 2019 made under the provisions of Section 92(3) of the Act is attached as Annexure "B" which forms part of this Report and is also placed on the website: <https://sbipspl.com/>

**(n) Material changes and commitments during the year under review.**

During the financial year under review, SBI, the holding company transferred its MAB to your Company vide BTA dated 29th September, 2018.

SBIPSP, SBI and HPY, indirect wholly owned subsidiary of Hitachi, Ltd., Japan, entered into JV Agreement dated 27th October, 2018 to carry on the business through SBIPSP as a 74:26 joint venture between SBI and HPY.

HPY subscribed to 15,81,082 equity shares at a face value of INR 10 each and at a premium of INR 9,809.86 on 19th January, 2019 and acquired 26% stake in the Company and therefore SBI stake in the Company reduced to 74%

**(o) Material changes and commitment affecting the financial position of the Company occurred between the end of the financial year and the date of the report.**

There are no material changes and commitments affecting the financial position of the Company occurred between the end of the financial year and the date of the report.

**(p) Amendment in Articles of Association**

During the year under review, your Company has amended its Articles of Association to align the same with the Joint Venture Agreement dated 27th October, 2018 entered between SBI, HPY and SBIPSP.

**(q) Internal Control Systems and their Adequacy**

The Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019. The Company has appointed an external professional agency, i.e. a CA firm to conduct the internal audit.

**(r) Subsidiaries, Joint Ventures and Associate Companies**

During the year under review, the Company does not have any Subsidiaries, Joint Venture Company and Associate Companies.

**4. Matters related to Directors and Key Managerial Personnel:****(a) The details of Directors as on 31st March, 2019**

Composition of the Board is in terms of Companies Act, 2013 and the amended Articles of Association. The Board of Directors consists of nine Directors out of whom two are Non-

Executive Independent Directors as on 31st March, 2019. The composition of Board of the Directors is as follows.

1. Shri Ravindra Pandey, Director (Non-Executive Chairman) (DIN - 07188637)
2. Shri Shree Prakash Singh, Additional Director (Non-Executive) (DIN - 08026039)
3. Shri Rajendra Deshpande, Additional Director (Non-Executive) (DIN - 08321859)
4. Shri Ram Narayana Boga, Managing Director and Chief Executive Officer (DIN -07642168)
5. Shri Mihir Narayan Prasad Mishra, Additional Director (Non-Executive) (DIN -08321878)
6. Shri Sumil Chandrakant Vikamsey, Additional Director (Non-Executive) (DIN-08323257)
7. Shri Navtej Singh, Additional Director (Non-Executive) (DIN- 07566889)
8. Shri Aravamudan Krishnakumar, Additional Director (Independent) (DIN - 00871792)
9. Shri Shankar Aggarwal, Additional Director (Independent) (DIN - 02116442)

**(b) The details of Directors as on the date of report**

The Board of Directors consists of eight Directors out of whom two are Non-Executive Independent Directors as on the date of report. The composition of Board of the Directors is as follows.

1. Shri Swaminathan Janakiraman, Nominee Director (Non-Executive Chairman) (DIN: 08516241)
2. Shri Shree Prakash Singh, Additional Director (Non-Executive) (DIN - 08026039)
3. Shri Rajendra Deshpande, Additional Director (Non-Executive) (DIN - 08321859)
4. Shri Ram Narayana Boga, Managing Director and Chief Executive Officer (DIN -07642168)
5. Shri Sumil Chandrakant Vikamsey, Additional Director (Non-Executive) (DIN-08323257)
6. Shri Navtej Singh, Additional Director (Non-Executive) (DIN- 07566889)
7. \*Shri Krishna Kumar Aravamudan, Additional Director (Independent) (DIN - 00871792)
8. \*Shri Shankar Aggarwal, Additional Director (Independent) (DIN - 02116442)

**\*Note:**

Section 149(6) of the Companies Act, 2013 is not applicable to a Private Limited Company. However, as a measure of corporate governance and in accordance with the Joint Venture Agreement dated 27th October, 2018 executed amongst the SBIPSP, the SBI and the HPY, the Company has appointed independent directors viz. Shri Aravamudan Krishnakumar (DIN: 00871792) and Shri Shankar Aggarwal (DIN - 02116442), and both the Independent Directors have confirmed their independent status by way of a statement of declaration under Section 149(6) of the Companies Act, 2013.

The changes in the Board of Directors during the financial year 2018-2019 and up to the date of the report:

Sr. No.	Name	Designation	Date of Appointment	Date of Resignation
<b>SBI Nominees</b>				
1	Shri Ravindra Pandey	*Director & Non-Executive Chairman	19.01.2019	15.05.2019
2	Shri Swaminathan Janakiraman	*Nominee Director & Non-Executive Chairman	25.07.2019	-
3	Shri Ram Narayana Boga	*Managing Director and Chief Executive Officer	21.01.2019	-
4	Shri Shree Prakash Singh	Additional Director (Non-Executive)	Appointed with effect from the conclusion of Board meeting held on 19.01.2019	-
5	Shri Rajendra Deshpande	Additional Director (Non-Executive)	Appointed with effect from the conclusion of Board meeting held on 19.01.2019	-
6	Shri Mihir Narayan Prasad Mishra	Additional Director (Non-Executive)	Appointed with effect from the conclusion of Board meeting held on 19.01.2019	24.07.2019
7	Shri Neeraj Vyas	Non-Executive Director	16.01.2015	30.06.2018
8	Shri Sanjay Bihari Lal	Non-Executive Director	26.12.2017	Resigned with effect from conclusion of Board meeting held on 19.01.19
<b>HPY Nominees</b>				
1	Shri Sumil Chandrakant Vikamsey	Additional Director (Non-Executive)	Appointed with effect from the conclusion of Board meeting held on 19.01.2019	-
2	Shri Navtej Singh	Additional Director (Non-Executive)	Appointed with effect from the conclusion of Board meeting held on 19.01.2019	-
<b>Independent</b>				
1	Shri Krishna Kumar Aravamudan	Additional Director (Non-Executive Independent)	Appointed with effect from the conclusion of Board meeting held on 26.02.2019	-
2	Shri Shankar Aggarwal	Additional Director (Non-Executive Independent)	Appointed with effect from the conclusion of Board meeting held on 26.02.2019	-

**Note:** \*Shri Ravindra Pandey (DIN - 07188637) was re-designated as Chairman of the Board w.e.f. 19.01.2019 and Shri Ram Narayana Boga (DIN - 07642168) was re-designated as Managing Director and Chief Executive Officer w.e.f. 21.01.2019.

**(c) Directors retiring by rotation**

Your Company being a private limited company, the provisions of directors retiring by rotation do not apply to it.

**(d) Key Managerial Personnel (KMP)**

Being a private limited company, provisions of Section 203 of the Companies Act 2013 are not applicable for the Company. However, as a measure of good corporate governance and applicability of Rule 8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2018 for appointment of Company Secretary, the Company has implemented the said provisions of Section 203 to the limited extent by appointing the following personnel as KMPs:

Sr. No.	Name	Designation	Date of appointment as KMP
1	Shri Ram Narayana Boga	Managing Director and Chief Executive Officer	21.01.2019
2	Shri Aditya Kumar Sengar	Chief Financial Officer	29.01.2019
2	Ms. Ekta Dhruva	Company Secretary & Compliance Officer	22.03.2019

## 5. Disclosures related to Board, Committees and Policies

### (a) Number of Meetings of the Board

The Board met fifteen (15) times during the financial year 2018-2019.

The details of Board and General Meetings along with attendance of Directors are given in the Annexure "C"

### (b) Disclosure of composition of Audit Committee and providing vigil mechanism

The provisions of Section 177 of the Companies Act, 2013 are not applicable to the Company.

### (c) Policy on Directors' appointment, remuneration, etc.

The provisions of Section 178 of the Companies Act, 2013 are not applicable to the private limited company and as such are not applicable to your Company.

### (d) Development and implementation of Risk Management Policy

During the year under review there are no risks identified by the Board of Director, which in the opinion of the Board may threaten the existence of the Company. However, the Company is in process of framing the risk management policy during the financial year 2019-2020 as the good governance practice.

### (e) Policy developed and implemented on Corporate Social Responsibility ("CSR") initiatives taken during the year.

The provisions of Section 135 of the Companies Act, 2013 is applicable to the Companies with net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year i.e. 2018-2019.

Further, the Company is meeting the criteria of CSR applicability during 2018-2019, and accordingly during the financial year 2019-2020, the Company is in process of constituting CSR committee and formulating and adopting CSR policy.

### (f) Sexual Harassment Policy

As required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the Company has framed and implemented a Policy on Prevention, Prohibition and Redressal of Sexual Harassment of Women at Workplace, to provide safe and conducive work environment for the women employees, to work without fear and prejudice, gender bias and sexual harassment and also constituted an Internal Complain Committee.

There was no case reported during the year 2018-19.

## 6. Auditors and Reports

### (a) Auditors and Comments on Auditors Report

During the year under review, the office of Comptroller and Auditor General of India (hereinafter referred to as "CAG") exercising the power conferred under Section 139 of the Companies Act, 2013, appointed M/s. Jacob Koshy & Co., Chartered Accountants (Firm Registration No. 103799w), Mumbai as the Statutory Auditor of the Company for the financial year 2018-2019. Statutory Audit was conducted by the Auditor. Also, Supplementary Audit of the Company was conducted by Principal Director of Commercial Audit and ex-officio Member, Audit Board-I, Mumbai on behalf of CAG under Section 143(6)(a) of the Companies Act, 2013. There are no qualifications, reservations or adverse remarks or disclaimers made by Statutory Auditor and CAG in their reports.

The Statutory Auditors' report is self - explanatory in nature and does not require any comments from the Directors of the Company. Further, the Company has received NIL comments from the CAG Auditor for the financial year ended on March 31, 2019.

Further, Statutory Auditor for the financial year 2019-2020 is being appointed by CAG in exercise of the power conferred under Section 139 of the Companies Act, 2013.

### (b) Internal Audit

Internal Audit is conducted by a firm of Chartered Accountants to ensure effective internal controls over crucial business processes and accounting practices.

For FY 2018-19, M/s N. K. Mittal & Associates, Chartered Accountants, acted as Company's Internal Auditor.

## 7. Other disclosures

### (a) Details of significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

There are no orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations in future.

### (b) Details of Frauds reported by Auditors under Section 143 (12)

There are no instances of fraud reported by auditors under Section 143 (12).

### (c) Directors' Responsibility Statement

Pursuant to Section 134 (3) (c) of the Companies Act, 2013, your Directors confirm that:

- in preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

- selected such accounting policies and applied consistently and made judgments and estimates that are reasonable and prudent to give a true and fair view of the state of affairs of the company at the end of the financial year March 2019 and loss of the company for the period ended 31st March 2019;
- took 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;
- annual accounts have been prepared on 'going concern basis'.
- had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and operating effectively.
- devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### (d) Personnel and Human Resources Development

SBI Payment Services Pvt Ltd (Joint Venture between SBI and HPY) is engaged in providing services related to merchant acquiring business. As on 31st March, 2019, the Company had an employee strength of 51 on-roll employees and approx. 1,225 off-roll employees including 1,200 feet on street and approx. 25 support service staff (Data Entry cum Tele callers) on contract.

Pursuant to Joint Venture between SBI & Hitachi Payment Services Private Limited, 6 officials were deputed in SBIPSPL at Vice President level i.e. Admin & Accounts, Finance, Marketing & Ops, Corporate & Government, Vendor Management & Human Resources along with various recruitment from the market. In order to have a focused leadership, SBI nominated MD& CEO and CFO and HPY nominated COO. To lead the sale force and have a focus on the business, it was also decided to recruit the National Sales Head (NSH) and the process of recruitment was initiated during the year.

The company has engaged PWC to frame the policies and Standard Operating Processes (SOP) to effectively drive the merchant acquiring business.

#### (e) Particulars of Employees

None of the employees of your company were in receipt of remuneration exceeding the limits prescribed in Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### (g) The Company was not required to maintain cost records under section 148(1) of the Companies Act, 2013.

### 8. Acknowledgments:

The Board of Directors would like to express its thanks to the State Bank of India and Hitachi Payment Services Private Limited, joint venture partners for providing significant business support, which has been mutually rewarding. The Company is also grateful to the Comptroller & Auditor General of India (CAG), for the advices and guidance received.

The Board of Directors places on record its appreciation for the valued support from service providers and Merchant clients of the company, which has been very crucial for its standing in the industry. The Board also places on record its deep appreciation for the dedication and commitment of its employees at all levels and looks forward to their continued contribution in the journey ahead.

For **SBI PAYMENT SERVICES PRIVATE LIMITED**

Sd/-

**Ram Narayana Boga**

Place: Mumbai DIN: 07642168

Date: 25.07.2019 MD & CEO

Sd/-

**Sumil Vikamsey**

DIN: 08323257

Director

**ANNEXURE "A"****FORM NO. AOC -2**

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

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

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

Sr. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	N.A.
b)	Nature of contracts/arrangements/transaction	N.A.
c)	Duration of the contracts/arrangements/transaction	N.A.
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	N.A.
e)	Justification for entering into such contracts or arrangements or transactions'	N.A.
f)	Date of approval by the Board	N.A.
g)	Amount paid as advances, if any	N.A.
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	N.A.

**2. Details of contracts or arrangements or transactions at Arm's length basis.**

Sr. No.	Name (s) of the related party & nature of relationship	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Salient terms of the contracts or arrangements or transaction including the value, if any	Date of approval by the Board	Amount paid as advances, if any
a)	SBI, Holding Company	As per Business Transfer Agreement dated 29th September, 2018 ("BTA")	Ongoing	SBIPSPL will be conducting business by using the Acquiring BIN of SBI as per BTA dated 29th September, 2018. SBI will continue to perform the activities as per BTA and BIN Sponsorship and Operations Agreement which includes BIN Sponsorship Services, Settlement Services, Banking Services to SBIPSPL	SBIPSPL obtained approval of the Board on 26.09.2018 to execute BTA with SBI	No

\*As per clause 7.1.2 of Business Transfer Agreement dated 29th September, 2018, SBI agreed to provide services to SBIPSPL in relation to the business undertaking on an arm's length basis for such period as may be mutually agreed in writing between SBI and SBIPSPL. Accordingly, SBI and SBIPSPL agreed not to charge any expenses and income up to and including 31st March, 2019.

For **SBI PAYMENT SERVICES PRIVATE LIMITED**

Sd/-  
**Ram Narayana Boga**  
DIN: 07642168  
MD & CEO

Sd/-  
**Sumil Vikamsey**  
DIN: 08323257  
Director

Place: Mumbai  
Date: 25.07.2019

**ANNEXURE "B"****FORM NO. MGT 9****EXTRACT OF ANNUAL RETURN**

as on financial year ended on 31.03.2019

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company  
(Management & Administration ) Rules, 2014.**I REGISTRATION & OTHER DETAILS:**

i	CIN	U67100MH2010PTC200030
ii	Registration Date	12th February, 2010
iii	Name of the Company	SBI Payment Services Private Limited
iv	Category/Sub-category of the Company	Company Limited by Shares
v	Address of the Registered office & contact details	State Bank Bhavan, 12th Floor, Madame Cama Road, Nariman Point, Mumbai - 400021
vi	Whether listed company	No
vii	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Bigshare Services Pvt. Ltd. Address: 1st Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai 400059 Tel: + 91-22-6263 8200

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10% or more of the total turnover of the company shall be stated

Sr. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the company
1	Other Support Services	99859990	100

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sr. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	State Bank of India		Holding	74	2(46) of Companies Act, 2013

**IV SHAREHOLDING PATTERN (Equity Share capital Break up as % to total Equity)**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	0	20	20	0.00		20	20	0.00	0
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporates	0	0	0	0.00	0	0	0	0.00	0
d) Bank/FI	0	19,99,980	19,99,980	100.00	44,99,980	0	44,99,980	74.00	-26.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL:(A) (1)</b>	<b>0</b>	<b>20,00,000</b>	<b>20,00,000</b>	<b>100.00</b>	<b>44,99,980</b>	<b>20</b>	<b>45,00,000</b>	<b>74.00</b>	<b>-26.00</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>0</b>	<b>20,00,000</b>	<b>20,00,000</b>	<b>100</b>	<b>44,99,980</b>	<b>20</b>	<b>45,00,000</b>	<b>74.00</b>	<b>-26.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>	0	0	0	0	0	0	0	0	0
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/FI	0	0	0	0	0	0	0	0	0
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(1):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>(2) Non Institutions</b>	0	0	0	0	0	0	0	0	0
a) Bodies corporates	0	0	0	0	0	0	0	0	0
i) Indian	0	0	0	0	15,81,082	0	15,81,082	26.00	26.00
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals	0	0	0	0	0	0	0	0	0
i) Individual shareholders holding nominal share capital upto ₹1 lakhs	0	0	0	0	0	0	0	0	0
ii) Individuals shareholders holding nominal share capital in excess of ₹1 lakhs	0	0	0	0	0	0	0	0	0
c) Others (specify)	0	0	0	0	0	0	0	0	0
<b>SUB TOTAL (B)(2):</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,81,082</b>	<b>0</b>	<b>15,81,082</b>	<b>26.00</b>	<b>26.00</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>15,81,082</b>	<b>0</b>	<b>15,81,082</b>	<b>26.00</b>	<b>26.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>0</b>	<b>20,00,000</b>	<b>20,00,000</b>	<b>100</b>	<b>60,81,062</b>	<b>20</b>	<b>60,81,082</b>	<b>100.00</b>	<b>0</b>

## V SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the company	% of shares pledged encumbered to total shares	
1	State Bank of India	19,99,980	100.00	0	44,99,980	74.00	0	-26
2	Ravindra Pandey	10	0.00	0	10	0.00	0	0
3	Neeraj Vyas	10	0.00	0	0	0.00	0	0
4	Ram Narayana Boga	0	0.00	0	10	0.00	0	0
	<b>Total</b>	<b>20,00,000</b>	<b>100.00</b>	<b>0</b>	<b>45,00,000</b>	<b>74.00</b>	<b>0</b>	<b>-26</b>

- The change in number of shares is on account of issue of 25,00,000 equity shares to State Bank of India by way of rights issue.
- The change in % of total shares is on account of issue of shares to Hitachi Payment Services Private Limited by way of Private placement.
- Shri. Ravindra Pandey, Shri Neeraj Vyas and Shri Ram Narayana Boga are the Directors nominated by State Bank of India and therefore holding shares as a representative of SBI.

## VI CHANGE IN PROMOTERS SHAREHOLDING

Sr. No.	Name of the shareholders (Promoters)	Share holding at the beginning of the Year		Date of Debit/ Credit	Increase/ (Decrease) in Shareholding	Reason	Cumulative Share holding during the year (01.04.2018-31.03.2019)	
		No. of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company				No. of Shares	% of total shares of the company
1	State Bank of India	19,99,980	100.00	01.04.2018				
				06.08.2018	25,00,000	Allotment (Rights Issue)	44,99,980	74.00
		44,99,980	74.00	31.03.2019			44,99,980	74.00
2	Neeraj Vyas	10	0.00	01.04.2018				
				06.08.2018	-10	Transfer	0	0.00
		0	0.00	31.03.2019			0	0.00
3	Ram Narayana Boga	0	0.00	01.04.2018				
				06.08.2018	10	Transfer	10	0.00
		10	0.00	31.03.2019			10	0.00
4	Ravindra Pandey	10	0.00	01.04.2018		Nil movement during the year		
		10	0.00	31.03.2019			10	0.00

## VII SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (Other Than Directors, Promoters & Holders of Gdrs & Adrs)

Sr. No.	Name of the shareholders	Share holding at the beginning of the Year		Date of Debit/ Credit	Increase/ (Decrease) in Shareholding	Reason	Cumulative Share holding during the year (01.04.2018-31.03.2019)	
		No. of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company				No. of Shares	% of total shares of the company
1	Hitachi Payment Services Private Limited	0	0.00	01.04.2018		Allotment (Private placement)		
				19.01.2019	15,81,082		15,81,082	26.00
		15,81,082	26.00	31.03.2019			15,81,082	26.00

## VIII SHAREHOLDING OF DIRECTORS & KMP

Sr. No.	Name of the shareholders (Directors and KMP)	Share holding at the beginning of the Year		Date of Debit/ Credit	Increase/ (Decrease) in Shareholding	Reason	Cumulative Share holding during the year (01.04.2018-31.03.2019)	
		No. of Shares at the beginning (01.04.2018)/ end of the year (31.03.2019)	% of total shares of the company				No. of Shares	% of total shares of the company
1	Ram Narayana Boga	0	0.00	01.04.2018		Transfer		
				06.08.2018	10		10	0.00
		10	0.00	31.03.2019			10	0.00
2	Ravindra Pandey	10	0.00	01.04.2018		Nil movement during the year		
		10	0.00	31.03.2019			10	0.00

These Directors are nominated by State Bank of India and therefore holding shares as a representative of SBI

## IX INDEBTEDNESS

### Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Change in Indebtedness during the financial year</b>	0	0	0	0
Additions	0	0	0	0
Reduction	0	0	0	0
<b>Net Change</b>	0	0	0	0
<b>Indebtedness at the end of the financial year</b>	0	0	0	0
i) Principal Amount	0	0	0	0
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**X REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole time director and/or Manager:**

Sr. No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount	
1	<b>Gross salary</b>						
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	0	0	0	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0	0
2	Stock option	0	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0	0
4	Commission	0	0	0	0	0	0
	as % of profit	0	0	0	0	0	0
	others (specify)	0	0	0	0	0	0
5	Others, please specify	0	0	0	0	0	0
	<b>Total (A)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Ceiling as per the Act</b>	N A	N A	N A	N A	N A	N A

**B. Remuneration to other directors:**

Sr. No	Particulars of Remuneration	Name of the Directors				Total Amount	
1	<b>Independent Directors</b>						
	(a) Fee for attending board committee meetings	0	0	0	0	0	0
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2	<b>Other Non Executive Directors</b>						
	(a) Fee for attending board committee meetings	0	0	0	0	0	0
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	0	0
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total Managerial Remuneration</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Overall Ceiling as per the Act.</b>	N A	N A	N A	N A	N A	N A

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

Sr. No	Particulars of Remuneration	Name of the Directors				Total
		CEO	Company Secretary	CFO	Total	
1	<b>Gross Salary</b>					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	0	24,998	0	0	0
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	0	0
2	Stock Option	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	as % of profit	0	0	0	0	0
	others, specify	0	0	0	0	0
5	Others, please specify	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## XI PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty	N A	N A	0	N A	N A
Punishment	N A	N A	0	N A	N A
Compounding	N A	N A	0	N A	N A
<b>B. DIRECTORS</b>					
Penalty	N A	N A	0	N A	N A
Punishment	N A	N A	0	N A	N A
Compounding	N A	N A	0	N A	N A
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	N A	N A	0	N A	N A
Punishment	N A	N A	0	N A	N A
Compounding	N A	N A	0	N A	N A

For and on behalf of the Board of Directors of

**SBI PAYMENT SERVICES PRIVATE LIMITED**

Place: Mumbai  
Date: 25.07.2019

Sd/-  
**(Ram Narayana Boga)**  
DIN: 07642168  
MD & CEO

Sd/-  
**(Sumil Vikamsey)**  
DIN: 08323257  
Director





Details of Directors attendance in General Meetings held during the financial year 2018-2019 is furnished as under:

Directors who attended the meeting	Annual General Meeting 04-09-2018	Extra-Ordinary General Meeting 24-10-2018	Extra-Ordinary General Meeting 19-12-2018	Extra-Ordinary General Meeting 21-01-2019
Shri Ravindra Pandey	✓	✓	✓	✓
Shri Ram Narayana Boga	✓	✓	✓	✓
Shri Sanjay Lal Bihari	✓	✓	✓	NA
Shri Neeraj Vyas	NA	NA	NA	NA
Shri Shree Prakash Singh	NA	NA	NA	-
Shri Rajendra Deshpande	NA	NA	NA	-
Shri Mihir Narayan Prasad Mishra	NA	NA	NA	-
Shri Sumil Chandrakant Vikamsey	NA	NA	NA	-
Shri Navtej Singh	NA	NA	NA	-
Shri Krishnakumar Aravamudan	NA	NA	NA	NA
Shri Shankar Aggarwal	NA	NA	NA	NA

For and on behalf of the Board of Directors of

**SBI PAYMENT SERVICES PRIVATE LIMITED**

Sd/-  
**(Ram Narayana Boga)**

DIN: 07642168

MD & CEO

Sd/-  
**(Sumil Vikamsey)**

DIN: 08323257

Director

Place: Mumbai

Date: 25.07.2019

# Independent Auditor's Report

To

The Members of,

**SBI PAYMENT SERVICES PRIVATE LIMITED, MUMBAI**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of "SBI PAYMENT SERVICES PRIVATE LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2019, 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 (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("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 31 March 2019, and Loss and its cash flows for the year ended on that date.

### Emphasis of Matter:

We draw attention to the Note 26 to the financial statements regarding non charging of shared expenses/income in relation to the business undertaking on an arm's length basis for such period as may be mutually agreed in writing between SBI and the Company in terms of the Cl 7.1.2 of Business Transfer Agreement dated 29th September 2018. The Company has explained that the same will be made effective 1st April 2019.

Our Opinion is not modified in respect of this matter.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 Act 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.

## Management's Responsibility for the Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with

respect to the preparation of these financial statements that give a true and fair view of the state of affairs, loss 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 statements 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 and Board of Directors are 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. Board of Directors is also responsible for overseeing the Company's financial reporting process.

## 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. 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 with reference to financial statements 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 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 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 auditors' 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- (A) As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014;
- (e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the company and the operating effectiveness of such controls, refer to our separate Report in "Annexure II".

- (B) 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, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company does not have any pending litigation which would impact its financial position.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.

- (C) As required by section 143 (5) of the companies Act, 2013, we report that we have complied with the directions issued by the Comptroller and Auditor General of India and our replies in respect of these directions are given in the Annexure III attached herewith.

**M/s JACOB KOSHY & CO**

Chartered Accountants  
(FRN: 103799w)

Sd/-

**JACOB KOSHY**

(Partner)

Place: Mumbai

Date: 24.04.2019

Mem No: 032212

## **Annexure I** with reference to Para 3 and 4 of Auditor's Report for the year ended 31 March 2019 dealing with the matters listed in the Companies (Auditor's Report) Order, 2016

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us during the course of audit, we state that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- c) According to the information and explanations given by the management, the title deeds of immovable properties included in property, plant and equipment are held in the name of the Company.
2. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
3. The Company is a service company, and hence paragraph 3(ii) of the order is not applicable.
4. The company has not granted any loan secured or unsecured from/to companies, firm or other parties covered under registered maintained under section 189 of the Companies Act 2013.
5. Compliance of provisions under section 185 and 186 of the Companies Act, 2013 do not apply to the Company.
6. The company has not accepted any deposits from public.
7. The Central Government has not prescribed the maintenance of cost records, under sections 148 (1) of the Companies Act, for any services rendered by the company.
8. The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Income Tax, and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amount payable in respect of aforesaid dues were in arrears as at 31st March 2019 for a year of more than six months from the date they became payable. There are no disputed statutory dues. Further there are no amount to be transferred to investor Education and Protection Fund.
9. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that there are no dues or default in repayment of dues to financial institutions, banks and debenture holders.
10. The company has not raised any money by way of initial public offer or term loan during the year.
11. In our opinion and according to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year that cause the financial statements to be materially misstated.
12. In our opinion & according to the information and explanations given to us, no managerial remuneration has been provided under section 197 read with Schedule V of the Companies Act, 2013.
13. The Company is not a Nidhi Company and Nidhi Rules 2014 are not applicable to the Company.
14. The Company has complied with section 177 and 188 of the Companies Act 2013 regarding the related parties transactions.
15. During the year under review, the company has made preferential allotment of shares to the holding Company and to its joint venture partner.
16. The Company has not entered into any non cash transactions with directors or persons connected with him.
17. The Company is not required to be registered under section 45-IA of Reserve Bank of India Act 1934.

**M/s JACOB KOSHY & CO**

Chartered Accountants  
(FRN: 103799w)

**Sd/-**

**JACOB KOSHY**

(Partner)

Mem No: 032212

Place: Mumbai  
Date: 24.04.2019

## Annexure II to Independent Auditor's Report

### Report on the Internal Financial Controls 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 SBI PAYMENT SERVICES PVT LIMITED ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for the Financial Statements and for Internal Financial Controls over Financial Reporting

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

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and issued by the Institute of Chartered Accountants of India. 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 internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial 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, 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 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**M/s JACOB KOSHY & CO**  
Chartered Accountants  
(FRN: 103799w)

Sd/-

**JACOB KOSHY**  
(Partner)

Place: Mumbai  
Date: 24.04.2019

Mem No: 032212

## **Annexure III** forming part of the Auditor's Report on Legal and Regulatory Requirement

### **Directions under section 143(5) of Companies Act 2013 applicable from the year 2018-19**

- I. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

**All accounting transactions are processed through IT system (Tally ERP). The back of-fice operations of the various financial transactions have been carried out at the Global Information Technology Centre of State Bank of India (SBI) at Nerul. The integrity of their IT system has been authenticated by SBI.**

- II. Whether there is any restructuring of an existing loan or cases of waiver/write off of debts /loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

**Not Applicable**

- III. Whether funds received/receivable for specific schemes from central/ state agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

**Not Applicable**

#### **M/s JACOB KOSHY & CO**

Chartered Accountants  
(FRN: 103799w)

Sd/-

**JACOB KOSHY**

(Partner)

Mem No: 032212

Place: Mumbai

Date: 24.04.2019

भारतीय लेखापरीक्षा और लेखा विभाग  
कार्यालय महानिदेशक वाणिज्यिक लेखापरीक्षा  
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुंबई



INDIAN AUDIT AND ACCOUNTS DEPARTMENT  
OFFICE OF THE DIRECTOR GENERAL OF  
COMMERCIAL AUDIT AND EX-OFFICIO MEMBER,  
AUDIT BOARD-I, MUMBAI

गोपनीय/शीघ्र डाक

संख्या: जीए/सीए-1/लेखा/SBI PSPL/2018-19/ 5 I

०५/०७/२०१९

सेवा में,

मैनेजिंग डायरेक्टर & सीईओ  
एसबीआई पेमेंट सर्विसेज प्राइवेट लिमिटेड  
35. द आर्केड, वर्ल्ड ट्रेड सेंटर, कफ परेड  
मुंबई - 400 005

**विषय:** 31 मार्च 2019 को समाप्त वर्ष हेतु एसबीआई पेमेंट सर्विसेज प्राइवेट लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियां।

महोदय,

31 मार्च 2019 को समाप्त वर्ष हेतु एसबीआई पेमेंट सर्विसेज प्राइवेट लिमिटेड के वित्तीय विवरणों पर कंपनी अधिनियम 2013 की धारा 143 (6) (बी) के अंतर्गत भारत के नियंत्रक एवं महालेखापरीक्षक के द्वारा दी गई टिप्पणियां इस पत्र के साथ संलग्न हैं। टिप्पणियों को मुद्रित वार्षिक प्रतिवेदन के विषयसूची में उचित संकेत सहित सांविधिक लेखापरीक्षक के प्रतिवेदन के आगे रखा जाये।

वार्षिक सामान्य बैठक के समापन के पश्चात्, वित्तीय विवरणों, सांविधिक लेखापरीक्षक का प्रतिवेदन तथा भारत के नियंत्रक एवं महालेखापरीक्षक की टिप्पणियों को अपनाते हुए सामान्य वार्षिक बैठक की कार्यवाही की एक प्रतिलिपि इस कार्यालय को अविलम्ब अग्रंशित की जाये। मुद्रित वार्षिक रिपोर्ट की दस प्रतियाँ भी इस कार्यालय को भेजी जाएँ।

कृपया इस पत्र एवं संलग्नकों की प्राप्ति की सूचना दें।

भवदीया,

Sd/-

(तनुजा मित्तल)

प्रधान निदेशक वाणिज्यिक लेखापरीक्षा  
तथा पदेन सदस्य, लेखापरीक्षा बोर्ड - I, मुंबई

संलग्न यथोपरि।

## COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(B) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SBI PAYMENT SERVICES PRIVATE LIMITED FOR THE YEAR ENDED 31ST MARCH, 2019

The preparation of financial statements of SBI Payment Services Private Limited for the year ended 31st March, 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 24 April 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SBI Payment Services Private Limited for the year ended 31 March 2019 under Section 143 (6) (a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under Section 143 (6)(b) of the Act.

For and on the behalf of the

**COMPTROLLER AND AUDITOR GENERAL OF INDIA**

Sd/-

**(Tanuja Mittal)**

Principal Director of Commercial Audit and  
Ex-officio Member, Audit Board-I, Mumbai

Place: Mumbai

Date: 04/07/2019

# Balance Sheet

as at 31 March 2019

Particulars	Notes	(In ₹)	
		As at 31 March 2019	As at 31 March 2018
<b>I Equity and liabilities</b>			
<b>Shareholders' funds:</b>			
a) Share capital	4	60,810,820	20,000,000
b) Reserves and surplus	5	15,038,656,242	18,032,473
		<b>15,099,467,062</b>	<b>38,032,473</b>
<b>Current liabilities</b>			
a) Trade payables	6		
Due to micro, small and medium enterprises		-	-
Due to others		739,251,644	7,740,656
b) Other current liabilities	7	1,613,893	3,298,729
c) Short-term provisions	8	5,138,452	7,024,615
		<b>746,003,989</b>	<b>18,064,000</b>
<b>Total</b>		<b>15,845,471,050</b>	<b>56,096,473</b>
<b>II Assets</b>			
<b>Non-current assets</b>			
<b>a) Fixed assets</b>			
i) Tangible assets	9	1,112,253,352	-
ii) Intangible assets	10	10,786,811,418	-
b) Deferred tax assets (Net)	11	262,370,251	-
		<b>12,161,435,021</b>	-
<b>Current assets</b>			
Trade receivables	12	373,894,121	22,125,909
Cash and cash equivalents	13	2,610,759,105	409,121
Short-term loans and advances	14	540,000	300,000
Other current assets	15	698,842,803	33,261,443
		<b>3,684,036,029</b>	<b>56,096,473</b>
<b>Total</b>		<b>15,845,471,050</b>	<b>56,096,473</b>
<b>Notes form an integral part of these financial statements</b>			

This is the balance sheet referred to in our report of even date

For **JACOB KOSHY & CO.**

Chartered Accountants

Sd/-

**Jacob Koshy**

Partner

Membership No: 032212

F R No : 103799 W

For **SBI PAYMENT SERVICES PVT LTD**

Sd/-

**Ram Narayana Boga**

MD and CEO

DIN No : 07642168

Sd/-

**Aditya K Sengar**

CFO

Sd/-

**Sumil Vikamsey**

Director

DIN No : 08323257

Sd/-

**Ekta Dhruva**

Company Secretary

Place : Mumbai

Date : 24 April 2019

Place : Mumbai

Date : 24 April 2019

# Statement of Profit and Loss

for the year ended 31 March 2019

(In ₹)

Particulars	Notes	Year ended	Year ended
		31 March 2019	31 March 2018
Revenue from operations	16	5,341,502,362	214,170,799
Other income	17	36,870,581	81,389
<b>Total revenue</b>		<b>5,378,372,943</b>	<b>214,252,188</b>
<b>Expenses</b>			
Direct expenses	18	4,990,533,591	-
Employee benefit expenses	19	27,324,585	32,982,582
Depreciation and amortisation expense	20	892,809,374	-
Other expenses	21	218,536,014	166,080,076
<b>Total expenses</b>		<b>6,129,203,564</b>	<b>199,062,658</b>
<b>Profit / (loss) before tax</b>		<b>(750,830,621)</b>	<b>15,189,530</b>
<b>Tax expense</b>			
Current tax ( Includes income tax reversal of earlier years of ₹94,646/-)		94,646	4,185,095
Deferred tax (net)		262,370,252	-
<b>Profit / (loss) for the year</b>		<b>(488,365,723)</b>	<b>11,004,435</b>
<b>Earnings per equity share</b>			
Basic (in ₹)	22	<b>(124.06)</b>	<b>5.50</b>
Diluted (in ₹)		<b>(124.06)</b>	<b>5.50</b>

Notes form an integral part of these financial statements

This is the statement of profit and loss referred to in our report of even date

For **JACOB KOSHY & CO.**

Chartered Accountants

Sd/-

**Jacob Koshy**

Partner

Membership No: 032212

F R No: 103799 W

For **SBI PAYMENT SERVICES PVT LTD**

Sd/-

**Ram Narayana Boga**

MD and CEO

DIN No : 07642168

Sd/-

**Aditya K Sengar**

CFO

Sd/-

**Sumil Vikamsey**

Director

DIN No : 08323257

Sd/-

**Ekta Dhruva**

Company Secretary

Place : Mumbai

Date : 24 April 2019

Place : Mumbai

Date : 24 April 2019

# Cash Flow Statement

for the year ended 31 March 2019

(In ₹)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
<b>Cash flows from operating activities</b>			
<b>Profit / (loss) before tax</b>		<b>(750,830,621)</b>	<b>15,189,530</b>
<b>Adjustments for non-cash transactions</b>			
Depreciation and amortisation expense	20	892,809,374	-
		<b>141,978,753</b>	<b>15,189,530</b>
<b>Items considered separately</b>			
Interest on income tax refund	17	(600,470)	-
Profit on sale of fixed assets	17	(6,374,276)	-
Income tax of earlier years	17	-	-
		<b>135,004,007</b>	<b>15,189,530</b>
<b>Operating profit before working capital changes</b>			
Increase / (decrease) in short term liabilities and provisions		(731,479)	10,095,007
Increase / (decrease) in trade payables		731,510,988	-
(Increase) / decrease in trade receivables		(351,768,212)	(5,735,531)
(Increase) / decrease in short term loans and advances		(240,000)	651,040
(Increase) / decrease in other current assets		(665,581,360)	(21,434,142)
		<b>(151,806,056)</b>	<b>(1,234,096)</b>
<b>Cash generated from / (used in) in operating activities</b>			
Income taxes paid		(2,144,404)	(4,185,095)
		<b>(153,950,460)</b>	<b>(5,419,191)</b>
<b>Net cash generated from / (used in) in operating activities</b>			
<b>Cash flows from investing activities</b>			
Purchase of tangible assets	9	(1,398,415,628)	-
Proceeds from sale of tangible assets	17	6,374,276	-
Purchase of intangible assets	10	(11,393,458,516)	-
		<b>(12,785,499,869)</b>	<b>-</b>
<b>Net cash generated from / (used in) in investing activities</b>			
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	4	15,551,003,889	-
Dividends paid (including dividend tax)		(1,203,576)	-
		<b>15,549,800,313</b>	<b>-</b>
<b>Net cash generated from / (used in) in investing activities</b>			
		<b>2,610,349,984</b>	<b>(5,419,191)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			
Cash and cash equivalents as at the beginning of the period		409,121	5,828,312
		<b>2,610,759,105</b>	<b>409,121</b>
<b>Cash and cash equivalents as at the end of the year</b>			
<b>Notes form an integral part of these financial statements</b>			

This is the cash flow statement referred to in our report of even date

For **JACOB KOSHY & CO.**  
Chartered Accountants

For **SBI PAYMENT SERVICES PVT LTD**

Sd/-  
**Jacob Koshy**  
Partner  
Membership No: 032212  
F R No: 103799 W

Sd/-  
**Ram Narayana Boga**  
MD and CEO  
DIN No: 07642168

Sd/-  
**Sumil Vikamsey**  
Director  
DIN No: 08323257

Sd/-  
**Aditya K Sengar**  
CFO

Sd/-  
**Ekta Dhruva**  
Company Secretary

Place: Mumbai  
Date: 24 April 2019

Place: Mumbai  
Date: 24 April 2019

# Notes to the Financial Statements

for the year ended 31 March 2019

## Background of the Company

SBI Payment Services Private Limited (SBIPSPL) a wholly owned subsidiary of State Bank of India (upto and including 19.01.2019) provides services on key activities relating to Merchant Acquiring Business (MAB) viz. sourcing, merchant relationship, support services for complaints management etc. for SBI, the largest commercial Bank in India.

Post the acquisition of the MAB vertical of the SBI dated 29th September 2018 for a consideration, SBIPSPL has issued shares to the extent of 26% on 19th January 2019 to Hitachi Payment Services Pvt Ltd, a company who provides technological and other related services in connection with merchant acquiring business.

## 1. Basis of accounting and preparation of financial statements

The financial statements which have been prepared under historical cost convention on the accrual basis of accounting under the IGAAP and are in accordance with the applicable requirements of the Companies Act, 2013 (the "Act") and comply in all material aspects with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

## 2. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and the reported amounts of revenues and expenses during the reporting year. Key estimates include estimate of useful lives of fixed assets, income taxes and future obligations under employee retirement benefit plans. Although these estimates are based upon management's knowledge of current events and actions, actual results could differ from those estimates. Any revisions to accounting estimates are recognised prospectively in the current and future periods.

## 3. Significant accounting policies

### (a) Revenue recognition

- (i) Revenue is measured on the basis of consideration received or receivable by the Company for the services provided towards Merchant Acquiring Business (MAB), excluding discounts, GST and other applicable taxes and are recognised upon the performance of services. The Company collects taxes on behalf of the government and therefore it is not an economic benefit flowing to the Company. Hence it is excluded from revenue.
- (ii) The revenue from deployment of POS is recognized either over the period during which the service is rendered or on the basis of the number of transactions processed during the period in accordance with the rates and conditions

specified in the agreements. Based on the contract terms, the merchant makes payment to the Company for MDR, Monthly rental and Commitment charges and the same is treated as revenue from operations.

- (iii) Income received but not accrued on account of maintenance deployment contracts are recognised as deferred revenue and included in liabilities until such time the revenue recognition criteria are met.
- (iv) Income accrued but not billed represents revenue recognised on work performed but billed in the subsequent period, in accordance with the terms of the contract.
- (v) Revenue of the Company comprises of providing services for Merchant Acquiring under the Merchant Acquiring Business Vertical of SBI till 29 September 2018. Services rendered are recognized on fully loaded costs plus mark up on such costs.
- (vi) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

### (b) Fixed assets, depreciation and amortization

- (i) Fixed assets are stated at cost less accumulated depreciation, amortization and impairment losses. Cost includes purchase price, inward freight, taxes and expenses incidental to acquisition and installation, up to the point the asset is ready for its intended use.
- (ii) Depreciation on other tangible assets is provided, pro rata for the period of use, on the straight line method (SLM) using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its fixed assets.

Assets	Useful Life*
POS	5 years
Scanners	5 years
MPOS	5 years

\*The useful life in respect of POS terminal has been revised from 3 years to 5 years based on independent report from the respective terminal suppliers.

### (c) Intangible Assets

Intangible assets are amortized over their useful life, as determined by the management.

Assets	Useful Life*
Distribution Network*	9 years
SBI Brand	5 years
Goodwill	10 years

\*The useful life of distribution network has been revised from 5 years to 9 years, based on management evaluation/review.

# Notes to the Financial Statements for the year ended 31 March 2019

## (d) Impairment of assets

In accordance with Accounting Standard 28 "Impairment of Assets" as specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014 as amended, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the statement of profit and loss or against revaluation surplus where applicable.

## (e) Provisions and contingencies

Provisions are recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date.

Contingent liabilities are disclosed in respect of possible obligations or present obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. When there is a possible obligation or present obligation in respect of which the likelihood of outflow of resources is remote, no provisions or disclosure is made.

## (d) Taxes on income

### Current tax

Current tax is computed and provided for in accordance with the applicable provisions of the Income Tax Act, 1961.

### Minimum alternate tax

Minimum alternate tax (MAT) paid in accordance with the tax laws gives rise to future economic benefits in the form of adjustments of future income tax liability. The same is considered as an asset if there is convincing evidence that the Company will pay normal income tax after the specified period. Accordingly, MAT credit is recognized as an asset in the balance sheet when it is probable that the future economic benefits associated with it will flow to the Company and the asset can be measured reliably.

### Deferred tax

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to timing differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax is measured based on the tax rates and the tax laws enacted

or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the Company has unabsorbed depreciation or carry forward losses under taxation laws, deferred tax assets are recognized only if there is a virtual certainty supported by convincing evidence that such deferred tax assets can be realized against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

## (e) Employee benefits

- (i) All short term employee benefits are accounted on undiscounted basis during the accounting period based on services rendered by employees.
- (ii) The Company makes contribution to statutory provident fund in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan and contribution paid or payable is recognised as an expense in the year in which services are rendered by the employees.
- (iii) The Company's employees are covered under the group gratuity cum life assurance scheme with funded through a scheme administered by SBI Life Insurance Company Limited. Gratuity is a post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged or credited to the statement of profit and loss in the year in which such gains or losses are determined.

Liability for compensated absences is provided for on the basis of actuarial valuation at year end, made by an independent actuary as per Accounting Standard 15 "Employee Benefits" as specified under section 133 of the Act, read with the Rule 7 of the Companies (Accounts) Rules, 2014 (as amended).

- (iv) Group Medclaim Policy from SBI General Insurance has been introduced which provides health insurance cover for the Employees of the Company.

# Notes to the Financial Statements

for the year ended 31 March 2019

## 4. Share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts	Number	Amounts
<b>Authorised share capital</b>				
Equity shares of ₹10 each	100,000,000	1,000,000,000	100,000,000	1,000,000,000
	<b>100,000,000</b>	<b>1,000,000,000</b>	<b>100,000,000</b>	<b>1,000,000,000</b>
<b>Issued, subscribed and fully paid up</b>				
Equity shares of ₹10 each	6,081,082	60,810,820	2,000,000	20,000,000
	<b>6,081,082</b>	<b>60,810,820</b>	<b>2,000,000</b>	<b>20,000,000</b>
<b>Total</b>	<b>6,081,082</b>	<b>60,810,820</b>	<b>2,000,000</b>	<b>20,000,000</b>

### a) Reconciliation of equity share capital

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts	Number	Amounts
<b>Balance at the beginning of the year</b>	<b>2,000,000</b>	<b>20,000,000</b>	<b>2,000,000</b>	<b>20,000,000</b>
Add : Issued during the year	4,081,082	40,810,820	-	-
<b>Balance at the end of the year</b>	<b>6,081,082</b>	<b>60,810,820</b>	<b>2,000,000</b>	<b>20,000,000</b>

### b) Shares held by holding company

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts	Number	Amounts
Equity shares of ₹10 each				
State Bank of India	4,499,980	44,999,800	2,000,000	20,000,000
	<b>4,499,980</b>	<b>44,999,800</b>	<b>2,000,000</b>	<b>20,000,000</b>

### c) Shareholders holding more than 5% of the shares

Particulars	As at 31 March 2019		As at 31 March 2018	
	Number	Amounts	Number	Amounts
Equity shares of ₹10 each				
State Bank of India	4,499,980	44,999,800	2,000,000	20,000,000
Hitachi Payment Services Private Limited	1,581,082	15,810,820		
	<b>6,081,062</b>	<b>60,810,620</b>	<b>2,000,000</b>	<b>20,000,000</b>

### d) Rights and restrictions attached to equity shareholders

The Company has only one class of equity share having face value of ₹10 each. Every holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive any of the remaining assets of the Company.

# Notes to the Financial Statements

for the year ended 31 March 2019

## 5. Reserves and surplus

(In ₹)

Particulars	As at	
	31 March 2019	31 March 2018
<b>Securities premium reserve</b>		
Balance at the beginning of the year	-	-
Add : Additions made during the year	15,510,193,069	-
<b>Balance at the end of the year</b>	<b>15,510,193,069</b>	-
<b>Surplus in the statement of profit and loss</b>		
Balance at the beginning of the year	18,032,473	7,028,038
Add : Transferred from statement of profit and loss	(488,365,723)	11,004,435
Less : Dividend paid	(1,000,000)	-
Less : Tax on dividends distributed during the year	(203,576)	-
<b>Balance at the end of the year</b>	<b>(471,536,826)</b>	<b>18,032,473</b>
	<b>15,038,656,242</b>	<b>18,032,473</b>

## 6. Trade payables

(In ₹)

Particulars	As at	
	31 March 2019	31 March 2018
Dues to micro, small and medium enterprises (Also, refer note (a) below)		
Dues to others	739,251,644	7,740,656
	<b>739,251,644</b>	<b>7,740,656</b>

### Note :

- (a) On the basis of the information and records available with the Management, none of the Company's suppliers are covered by The Micro, Small and Medium Enterprises Development Act, 2006. Accordingly the disclosures prescribed under the said Act are not applicable.

(In ₹)

The disclosure pursuant to the said Act is as under:	As at	
	31 March 2019	31 March 2018
Principal amount due to suppliers registered under the MSMED Act	-	-
Interest accrued and due to suppliers under MSMED Act on the above amount	-	-
Payment made to suppliers (other than interest) beyond appointed day during the year	-	-
Interest paid to suppliers under MSMED Act	-	-
Interest due and payable to suppliers under MSMED Act towards payments already made	-	-
Interest accrued and remaining unpaid at the end of the accounting year	-	-
The amount of further interest remaining due and payable in the succeeding years	-	-

## 7. Other current liabilities

(In ₹)

Particulars	As at	
	31 March 2019	31 March 2018
Employee related payables	1,167,673	2,266,559
Telephone expense payable	-	34,900
Tour & travelling expenses	-	376,411
Statutory dues	446,220	620,859
	<b>1,613,893</b>	<b>3,298,729</b>

# Notes to the Financial Statements

for the year ended 31 March 2019

## 8. Provisions

(In ₹)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Long term	Short term	Long term	Short term
Provision for taxation (net of advance tax)	-	4,185,095	-	7,024,615
Provision for gratuity	-	205,694	-	-
Provision for leave encashment	-	747,663	-	-
	-	<b>5,138,452</b>	-	<b>7,024,615</b>

### a) Employee benefits

The Company's employees are covered under the group gratuity cum life assurance scheme funded through a scheme administered by SBI Life Insurance Company Limited. Gratuity is a post employment benefit and is in the nature of a defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit/ obligation at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit/ obligation are calculated at or near the balance sheet date by an independent actuary using the projected unit credit method.

(In ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Change in projected benefit obligation</b>		
Projected benefit obligation at the beginning of the year / period	561,030	297,539
Service cost	234,515	215,679
Interest cost	44,882	23,059
Actuarial (gain) / loss	(94,364)	24,753
Benefits paid	-	-
<b>Projected benefit obligation at the end of the year / period</b>	<b>746,063</b>	<b>561,030</b>
<b>Change in plan assets</b>		
Fair value of plan assets at the beginning of the year / period	510,994	302,167
Adjustment to opening balance	-	(96,983)
Expected return on plan assets	38,325	35,454
Actuarial gain / (loss)	(8,949)	(11,664)
Employer contributions	-	282,020
Benefits paid	-	-
<b>Fair value of plan assets at the end of the year / period</b>	<b>540,370</b>	<b>510,994</b>
<b>Reconciliation of present value of obligation on the fair value of plan assets</b>		
Present value of projected benefit obligation at the end of the year / period	205,693	50,036
Funded status of the plans		
<b>Liability / (asset) recognised in the balance sheet</b>	<b>205,693</b>	<b>50,036</b>
<b>Components of net gratuity costs are</b>		
Service cost	234,515	215,679
Interest cost	44,882	23,059
Expected returns on plan assets	(38,325)	(35,454)
Recognized net actuarial (gain)/ loss	(85,415)	36,417
<b>Net gratuity costs</b>	<b>155,657</b>	<b>239,701</b>

# Notes to the Financial Statements

for the year ended 31 March 2019

## 9. Tangible assets

(In ₹)

Gross block	POS	Scanners	MPOS	Total
<b>Balance as at 1 April 2018</b>	-	-	-	-
Acquisitions through business combinations	4,313,489,225	238,116,414	16,158,377	4,567,764,015
Disposals	(35,253,218)	-	-	(35,253,218)
<b>Balance as at 31 March 2019</b>	<b>4,278,236,007</b>	<b>238,116,414</b>	<b>16,158,377</b>	<b>4,532,510,797</b>
<b>Accumulated depreciation and amortisation</b>				
<b>Balance as at 1 April 2018</b>	-	-	-	-
Acquisitions through business combinations	3,098,238,104	64,393,924	6,716,359	3,169,348,387
Depreciation charge	260,665,133	23,876,879	1,620,265	286,162,276
Reversal on disposal of assets	(35,253,218)	-	-	(35,253,218)
<b>Balance as at 31 March 2019</b>	<b>3,323,650,019</b>	<b>88,270,803</b>	<b>8,336,624</b>	<b>3,420,257,445</b>
<b>Net block</b>				
<b>Balance as at 31 March 2018</b>	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>954,585,988</b>	<b>149,845,611</b>	<b>7,821,753</b>	<b>1,112,253,352</b>

## 10. Intangible assets

(In ₹)

Gross block	Distribution Network	SBI Brands	Goodwill	Total
<b>Balance as at 1 April 2018</b>	-	-	-	-
Acquisitions through business combinations	3,727,200,000	292,200,000	7,374,058,516	11,393,458,516
<b>Balance as at 31 March 2019</b>	<b>3,727,200,000</b>	<b>292,200,000</b>	<b>7,374,058,516</b>	<b>11,393,458,516</b>
<b>Accumulated depreciation and amortisation</b>				
<b>Balance as at 1 April 2018</b>	-	-	-	-
Acquisitions through business combinations	-	-	-	-
Depreciation charge	207,633,973	29,300,055	369,713,071	606,647,098
Reversal on disposal of assets	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>207,633,973</b>	<b>29,300,055</b>	<b>369,713,071</b>	<b>606,647,098</b>
<b>Net block</b>				
<b>Balance as at 31 March 2018</b>	-	-	-	-
<b>Balance as at 31 March 2019</b>	<b>3,519,566,027</b>	<b>262,899,945</b>	<b>7,004,345,446</b>	<b>10,786,811,418</b>

## 11. Deferred taxes

(In ₹)

Particulars	As at 31 March 2019	As at 31 March 2018
<b>Deferred tax liabilities</b>		
Timing difference on tangible assets depreciation and impairment	96,804,854	-
Timing difference on intangible assets depreciation and impairment	783,345,774	-
<b>Total</b>	<b>880,150,628</b>	-
<b>Deferred tax assets</b>		
Business Loss *	1,142,187,738	-
Provision for employee benefits	333,141	-
<b>Total</b>	<b>1,142,520,879</b>	-
<b>Net deferred tax asset / (liability)</b>	<b>262,370,251</b>	-

\* The Company's projected five year business plan reflects profits and hence the Company expects that the Deferred Tax Assets recognised on its carry forward business losses will be realised in future.

# Notes to the Financial Statements

for the year ended 31 March 2019

## 12. Trade receivables

(In ₹)

Particulars	As at	
	31 March 2019	31 March 2018
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured considered good	31,583,198	-
Doubtful	-	-
Others		
Unsecured considered good		
Billed	71,310,923	22,125,909
Unbilled	271,000,000	-
Doubtful	-	-
	<b>373,894,121</b>	<b>22,125,909</b>
Less : Allowances for bad and doubtful debts	-	-
	<b>373,894,121</b>	<b>22,125,909</b>

## 13. Cash and bank balances

(In ₹)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Current	Non-current	Current	Non-current
Cash and cash equivalents				
<b>Balances with banks :</b>				
In current accounts	86,149,075	-	409,121	-
In deposit account (with maturity upto 3 months)	2,524,566,030	-	-	-
Other bank balances	44,000	-	-	-
<b>Total</b>	<b>2,610,759,105</b>	<b>-</b>	<b>409,121</b>	<b>-</b>

## 14. Loans and advances

(In ₹)

Particulars	As at 31 March 2019		As at 31 March 2018	
	Long term	Short term	Long term	Short term
Security Deposit	-	540,000	-	-
Advance to govt authorities	-	-	-	300,000
	-	<b>540,000</b>	-	<b>300,000</b>
	-	<b>540,000</b>	-	<b>300,000</b>

## 15. Other current assets

(In ₹)

Particulars	As at	
	31 March 2019	31 March 2018
Balance with SBIPSPL employee gratuity account	-	11,000
Advance gratuity	-	11,752
Balance with government authorities	698,842,803	33,238,691
	<b>698,842,803</b>	<b>33,261,443</b>

# Notes to the Financial Statements

for the year ended 31 March 2019

## 16. Revenue

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from operations*</b>		
Sale of services	6,241,356,846	251,538,204
Less : GST	(899,854,484)	(37,367,405)
<b>Revenue from operations (Net)</b>	<b>5,341,502,362</b>	<b>214,170,799</b>
<b>Details of services sold</b>		
Commission on ETC transactions	19,147,119	-
GPRS Rentals/Advance Rentals received from the merchant	430,609,444	-
GPRS Rentals/ Advance Rentals received from central government	1,018,258	-
MDR claim from central government	17,008,254	-
MDR for Off-US transactions (Master Card/VISA/Rupay)	3,553,748,169	-
MDR on Amex	26,521,208	-
MDR on ON-US transactions	780,965,943	-
MDR on transactions less than ₹2000	268,591,223	-
MDR receivable from IOCL	25,000,000	-
Merchant banking fee	134,123,619	214,170,799
Other miscellaneous income	84,769,125	-
	<b>5,341,502,362</b>	<b>214,170,799</b>

\*Due to the change in the basis of measurement of revenue effective 29th September, 2018 the value of sale of services are not comparable.

## 17. Other income

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Interest income on fixed deposits	29,895,835	81,389
Profit on sale of fixed assets (net)	6,374,276	-
Interest on income tax refund	600,470	-
	<b>36,870,581</b>	<b>81,389</b>

## 18. Direct Expenses

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Amex POS acquiring charges	27,826,814	-
Commission paid to DCC Transactions to Technology service provider	38,110,631	-
Consumables	48,514,800	-
Cost of terminal	5,404,397	-
Courier charges	24,169,713	-
GPRS SIM charges	64,757,321	-
Helpdesk Charges	5,999,049	-
Installation/deinstallation charges	17,606,258	-
OFF-US Transactions(Master Card/ VISA/ Rupay) interchange expenses	3,642,725,707	-
Technology service provider backend processing charges	113,514,882	-
Backend processing charges	171,652,500	-
Agregator processing fees	114,254,264	-

# Notes to the Financial Statements

for the year ended 31 March 2019

## 18. Direct Expenses (Contd..)

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
IOCL (MDR) Written off	7,700,000	-
Rupay transaction charges	16,110,726	-
Scheme fees (Visa/Master/Rupay)	352,701,219	-
Technology and manpower service charges	7,149,820	-
Terminal management charges	177,506,885	-
Terminal repair charges	41,197,612	-
Transaction processing charges	110,989,728	-
WAP and MIP charges	2,641,265	-
	<b>4,990,533,591</b>	<b>-</b>

## 19. Employee benefit expense

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Salaries, wages and bonus (including contract Staff salary)	25,941,296	31,399,719
Contribution to gratuity	217,446	177,913
Contribution to provident and other defined contribution funds	1,107,001	1,077,270
Contribution to other funds	-	140,339
Staff welfare expenses	58,842	187,341
	<b>27,324,585</b>	<b>32,982,582</b>

## 20. Depreciation and amortisation expense

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation of tangible assets	286,162,276	-
Amortisation of intangible assets	606,647,098	-
	<b>892,809,374</b>	<b>-</b>

## 21. Other expenses

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Payments to auditors (refer note 25)	1,222,900	170,000
Bank charges	5,145	11,810
Conveyance charges	7,889	10,416
Filing fees and digital expenses	99,070	8,150
Other expenses	1,198,956	21,405
Postage and courier expenses	8,871	9,690
Printing and Stationery expenses	205,998	214,266
Professional fee	3,192,306	724,916
Recruitment/Training charges	407,132	280,155
GST Setoff unavailable	4,697,421	-
Rent, rates and taxes	44,500	163,549
Communication expenses	100,800	10,138
Travelling expenses	593,138	1,259,446
Contract Staff Salary	206,751,888	163,196,135
	<b>218,536,014</b>	<b>166,080,076</b>

# Notes to the Financial Statements

for the year ended 31 March 2019

## 22. Earning per share

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>a) Computation of profit for computing</b>		
Net profit / (loss) for the year	(488,365,723)	11,004,435
<b>b) Computation of weighted average number of shares for</b>		
Basic earnings per share	3,936,595	2,000,000
Diluted earnings per share	3,936,595	2,000,000
<b>c) Nominal value of shares</b>	₹10 each	₹10 each
<b>d) Computation</b>		
Basic	(124.06)	5.50
Diluted	(124.06)	5.50

## 23. Related parties

### a) Names of related parties

Relationship	Name	
Holding company	State Bank of India	
Significant investor	Hitachi Payment Services Private Limited (From 19 January 2019)	
Key management personnel (KMP)	Mr. Ravindra Pandey (Since 26 December 2017)	Director
	Mr. Ram Narayana Boga	Director
	MD and CEO wef 21st January, 2019	
	Mr. Navtej Singh (From 19 January 2019)	Director
	Shree Prakash Singh (From 19 January 2019)	Director
	Mr. Rajendra Deshpande (From 19 January 2019)	Director
	Mr. Mihir Narayan Prasad Mishra (From 19 January 2019)	Director
	Mr. Sumil Chandrakant Vikamsey (From 19 January 2019)	Director
	Mr. Krishna Kumar Aravamudan (From 26 February 2019)	Director
	Mr. Shankar Aggarwal (From 26 February 2019)	Director
	Mr. Aditya Kumar Sengar (From 29 January 2019)	CFO
	Mrs. Ekta Dhruva	CS

### b) Transactions with related parties

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Issue of shares to</b>		
<b>Holding company</b>		
<b>State Bank of India</b>	25,000,000	-
(25,00,000 shares issued at ₹10 each fully paid up)		
<b>Significant investor</b>		
<b>Hitachi Payment Services Private Limited</b>	15,526,003,889	-
(15,81,082 shares issued at ₹10 each fully paid up issued at premium of ₹9,809.86 per share)		
<b>Slump sale</b>		
<b>Holding company</b>		
<b>State Bank of India</b>		
Transfer of Assets	3,425,721,077	-
Transfer of Liabilities	3,717,595,222	-
Transfer of Tangible Assets	1,398,415,628	-
Transfer of Intangible Assets	11,393,458,516	-
Payment of Purchase consideration	12,500,000,000	-

# Notes to the Financial Statements

for the year ended 31 March 2019

## b) Transactions with related parties

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Revenue from operations</b>		
<b>Holding company</b>		
<b>State Bank of India</b>		
Commission on ETC transactions	19,147,119	-
GPRS Rentals/Advance Rentals received from the merchant	430,609,444	-
GPRS Rentals/ Advance Rentals received from central government	1,018,258	-
MDR claim from central government	17,008,254	-
MDR for Off-US transactions (Master Card/VISA/Rupay)	3,553,748,169	-
MDR on Amex	26,521,208	-
MDR on ON-US transactions	780,965,943	-
MDR on transactions less than ₹2000	268,591,223	-
MDR receivable from IOCL	25,000,000	-
Merchant banking fee	134,123,619	-
Other miscellaneous income	84,769,125	-
<b>Direct expenses</b>		
<b>Holding company</b>		
<b>State Bank of India</b>		
Amex POS acquiring charges	27,826,814	-
Commission paid to DCC Transactions to TSP	38,110,631	-
Consumables	48,514,800	-
Cost of terminal	5,404,397	-
Courier charges	24,169,713	-
GPRS SIM charges	64,757,321	-
Helpdesk Charges	5,999,049	-
Installation/deinstallation charges	17,606,258	-
OFF-US Transactions(Master Card/ VISA/ Rupay) interchange expenses	3,642,725,707	-
Technology service provider backend processing charges	113,514,882	-
Backend processing charges	171,652,500	-
Agregator processing fees	114,254,264	-
Rupay transaction charges	16,110,726	-
IOCL (MDR) Written off	7,700,000	-
Scheme fees (Visa/Master/Rupay)	352,701,219	-
Technology and manpower service charges	7,149,820	-
Terminal management charges	177,506,885	-
Terminal repair charges	41,197,612	-
Transaction processing charges	110,989,728	-
WAP and MIP charges	2,641,265	-
<b>Other expenses</b>		
<b>Holding company</b>		
<b>State Bank of India</b>		
GST Paid	5,025,304	-
Printing and stationery	55,594	-

## c) Balances with related parties

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
<b>Balance due to (Payables)</b>		
Holding company		
State Bank of India	423,085,201	-
<b>Balance due from (Receivables)</b>		
Holding company		
State Bank of India	373,894,121	22,125,909

# Notes to the Financial Statements

for the year ended 31 March 2019

## 24. Cancellable operating lease

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Payable not later than 1 year	42,000	-
Payable later than 1 year not later than five years	-	-
Payable later than five years	-	-
<b>Total</b>	<b>42,000</b>	<b>-</b>

Operating Lease Rentals charged off to the statement of profit and loss

The Company has entered into cancellable leasing arrangement for the flat for a period of 24 months commencing from 07/03/2019 to 06/03/2021 which is cancellable even before the said period by giving one month notice by either parties. The Lease Rent is ₹90,000 per month.

## 25. Payments to auditors

(In ₹)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Statutory Audit	405,000	135,000
Tax Audit	35,000	35,000
Other services	760,000	-
Reimbursement of expenses	22,900	-
	<b>1,222,900</b>	<b>170,000</b>

**26.** As per clause 7.1.2 of Business Transfer Agreement dated 29th September 2018, State Bank of India agreed to provide services to SBIPSPL in relation to the business undertaking on an arm's length basis for such period as may be mutually agreed in writing between SBI and SBIPSPL. Accordingly SBI and SBIPSPL agreed to not charge any expenses and income upto and including 31st March 2019 and the same will be effective from 1st April, 2019.

**27.** Previous year's figures have been regrouped and reclassified wherever necessary.

For **JACOB KOSHY & CO.**  
Chartered Accountants

Sd/-  
**Jacob Koshy**  
Partner  
Membership No: 032212  
F R No : 103799 W

Place : Mumbai  
Date : 24 April 2019

For **SBI PAYMENT SERVICES PVT LTD**

Sd/-  
**Ram Narayana Boga**  
MD and CEO  
DIN No : 07642168

Sd/-  
**Aditya K Sengar**  
CFO

Place : Mumbai  
Date : 24 April 2019

Sd/-  
**Sumil Vikamsey**  
Director  
DIN No : 08323257

Sd/-  
**Ekta Dhruva**  
Company Secretary

## Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies  
(Management and Administration) Rules, 2014]

CIN: U67100MH2010PTC200030

Name of the company: SBI Payment Services Private Limited

Registered office: State Bank Bhavan, 12th Floor, Nariman Point,  
Madam Cama Road, Mumbai MH 400021

Name of the member (s): \_\_\_\_\_

Registered address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Folio No/ Client Id: \_\_\_\_\_

DP ID: \_\_\_\_\_

I/We, being the member(s) of .....shares of the above-named company, hereby appoint

1. Name of the Proxy Holder: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him

1. Name of the Proxy Holder: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_, or failing him

1. Name of the Proxy Holder: \_\_\_\_\_

Address: \_\_\_\_\_

E-mail Id: \_\_\_\_\_

Signature: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 9th Annual General Meeting of the company, to be held on Saturday, 7th September, 2019 at 3.00 p.m. at Chola conference room, 10th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai- 400021 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.1 \_\_\_\_\_

Resolution No. 2 \_\_\_\_\_

Resolution No.3 \_\_\_\_\_

Resolution No.4 \_\_\_\_\_

Resolution No.5 \_\_\_\_\_

Resolution No. 6 \_\_\_\_\_

Resolution No.7 \_\_\_\_\_

Resolution No. 8 \_\_\_\_\_

Signed this..... day of..... 2019

Signature of shareholder

Signature of Proxy holder(s)

Affix  
Revenue  
Stamp

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**



**Attendance Slip of Annual General Meeting  
SBI Payment Services Private Limited**

Reg. Office: 12th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai- 400021  
CIN: U67100MH2010PTC200030

**ATTENDANCE SLIP**

**Annual General Meeting, Saturday, 7th September, 2019 at 3.00 p.m**

DP ID.	
CLIENT ID.	

FOLIO NO.	
NO. OF SHARES	

Name & Address of Shareholder / Proxy holder

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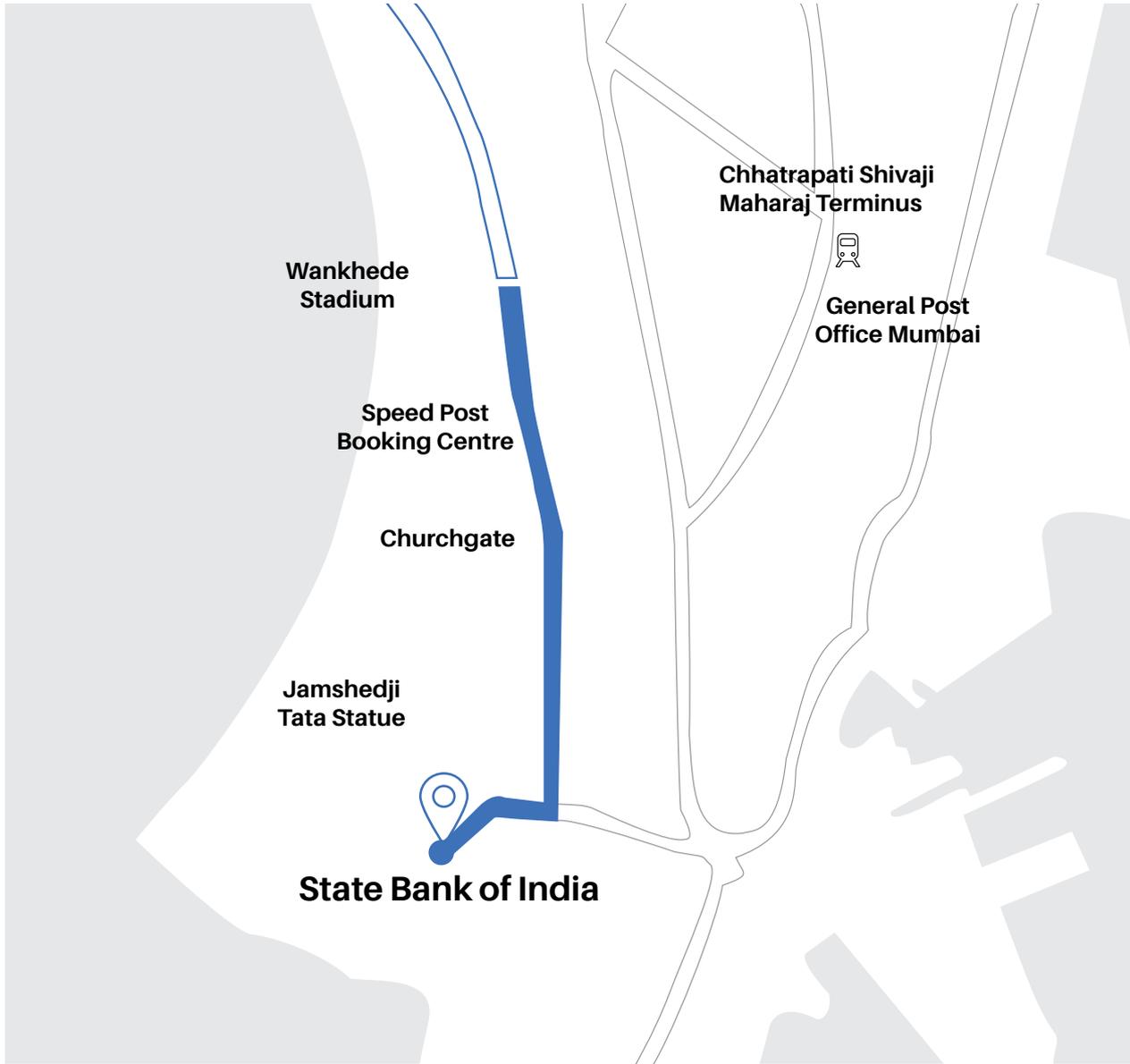
I certify that I am a registered Shareholder /authorized representative of registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the Annual General Meeting of the Company held on Saturday, 7th September, 2019 at 3.00 p.m at Chola conference room, 10th Floor, State Bank Bhavan, Madame Cama Road, Nariman Point, Mumbai- 400021

Member's / Proxy's Signature

(Shareholder attending the meeting in person or by proxy is requested to complete the attendance slip and handover at the entrance of the Office

## ROUTE MAP

Churchgate Station to State Bank Bhavan





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Photograph taken at the event of launch of Joint Venture in Mumbai on 28th February 2019.



## **SBI Payment Services Pvt Ltd**

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U67100MH2010PTC200030

State Bank Bhavan, 12th Floor, Madame Cama Road,  
Nariman Point, Mumbai - 400021