

To,
Mr. Pratik Mandvia,
AVP – Structured Finance
Jain Sons Finlease Limited (IntelleGrow)

To,
Ms. Deesha Trivedi,
Assistant Vice President
Catalyst Trusteeship Limited

12/5/2017

Subject: NCD covenant reporting

In terms of the Debenture Trustee Agreement dated 09-Aug-2016 between MRL Posnet Private Limited and Catalyst Trustee Limited:

- A. As mentioned under section 3.3 – Financial Covenants, we report that from the date of issuance of NCDs until 31st march 2017:
- our EBIDTA has been greater than zero.
 - the Debt Service Coverage Ratio has been greater than 1 time.
 - we have not incurred Financial Indebtedness that would result in the ratio of the Company's aggregate Financial Indebtedness to the Company's Equity exceeding 3 times.
- B. As mentioned under section 3.3 – Reporting Covenants, we report that from the date of issuance of NCDs until 31st March 2017:
- the unaudited Profit & Loss Account and unaudited Balance sheet as of 31-Mar-2017 is given in Annexure – 1.
 - bank account statements are given in Annexure – 2.
 - customer wise monthly sales are given in Annexure – 3.
 - details of monthly number of POS terminals deployed detailed MIS is given in Annexure – 4.
 - details of additional loans taken from KVB is given in Annexure – 5. — Refer notes
 - detailed MIS is given in Annexure – 6.
- C. We further state that:
- there has been no Material Adverse Effect
 - there has been no notice of any dispute, litigation, investigation affecting the property or operations, which, if adversely determined, could result in a Material Adverse Effect
 - there has been no occurrence of any Event of Default or Potential Event of Default
 - there has been no notice of any default in the observance or performance of any agreement or condition relating to any Financial Indebtedness
 - there has been no change of control
 - there has been no change in composition of its board of directors

For MRL Posnet Private Limited


Authorised Signatory.



MRL Posnet Private Limited.

Sunny Side Central Block, No. 8/17 Shafee Mohammed Road,
B Block, 1st Floor, Nungambakkam, Chennai – 600034. Phone: 044 - 28298417.
CIN : U45200TN2008PTCO67275, website : www.mrlposnet.in www.mrlpay.com

MRL POSNET PRIVATE LIMITED			
BALANCE SHEET AS AT 31st MARCH 2017			
PARTICULARS	NOTE NO.	As at 31ST March 2017 (Amount in Rs)	As at 31st March 2016 (Amount in Rs)
<u>I.EQUITY AND LIABILITIES</u>			
1.Shareholders' Funds			
a)Share capital	2	2000,00,000	2000,00,000
b)Reserves and surplus	3	1035,36,802	(402,60,666)
2.Non-Current Liabilities			
a) Deferred tax (net)		84,505	20,05,123
b) Long Term Borrowings	4(a)	4865,55,339	1398,94,000
c) Long term Provisions	4(b)	29,60,990	25,25,901
3.Current Liabilities			
a) Trade Payables		569,79,332	163,23,551
b) Short Term Provisions	5 (a)	47,34,351	47,34,351
c) Current Liabilities	5 (b)	2243,42,568	316,09,748
TOTAL		10791,93,887	3568,32,007
<u>II.ASSETS</u>			
1.Non-Current Assets			
a) Fixed Assets	6		
i) Tangible assets		5316,13,424	1518,05,022
ii) Intangible assets		575,50,769	743,21,745
b) Capital work in progress	6	131,81,026	-
c) Non- Current Investments		1,12,413	31,470
d) Inter corporate Deposits		-	-
2.Current Assets			
a) Current investments		-	-
b) Trade receivable	7(a)	1590,59,064	41801495.91
c) Cash and cash equivalents	7(b)	990,75,516	11582553.28
d) Short Term Loans And Advances	7(c)	135,95,964	14501968
e) Other Current Assets	7(d)	2050,05,709	62787752.46
TOTAL		10791,93,887	3568,32,007
See Accompanying Notes to Financial Statements			
Significant Accounting policies		1	
Notes to Accounts		2 to 13	
This is the Balance sheet referred in my report of even date			
For MRL POSNET PRIVATE LIMITED		FOR VENKAT ASSOCIATES	
SUNIL KUMAR JAIN	KISHORE K KOTHAPALLI	N.VENKATAKRISHNAN	
DIRECTOR	DIRECTOR	CHARTERED ACCOUNTANT	
		MEMBERSHIP No.021260	
		FIRM REGISTRATION No.005372S	
Place : CHENNAI			
Date : / /2017			

MRL POSNET PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st March 2017

PARTICULARS	NOTE NO	For the Year ended 31st March 2017 (Amount in Rs.)	For the Year ended 31st march 2016 (Amount in Rs.)
REVENUE			
Revenue from operation	8(a)	12558,61,802	4138,79,494
Other income	8(b)	7,82,032	4,35,808
Total Revenue		12566,43,834	4143,15,302
EXPENSES			
Direct & Operating expenses	9	8295,56,347	2227,61,996
Human Resources cost	10	892,54,573	673,81,989
Depreciation	6	791,86,359	448,58,275
Finance charges	11	447,70,562	180,04,169
Other Expenses	12	719,99,143	381,89,924
Total Expenses		11147,66,984	3911,96,353
Profit / (Loss) Before exceptional & extraordinary items and tax		1418,76,850	231,18,949
Exceptional items		-	5499846
Profit Before tax		1418,76,850	176,19,103
Less: Tax expenses			
- Current tax		-	28,21,799
- Deferred tax		-19,20,618	2,13,041
Profit/(Loss) for the period		1437,97,468	145,84,263
Appropriations			
Debenture Redemption Reserve		26,36,986	
Balance carried to Balance sheet		1411,60,482	145,84,263
Earnings per Equity share		7.06	0.84
Basic & Diluted EPS of Rs.10 per share			

See Accompanying Notes to Financial Statements

Significant Accounting policies

1

Notes to Accounts

2 to 13

This is the Statement of Profit & Loss referred
in my report of even date

For MRL POSNET PRIVATE LIMITED

FOR VENKAT ASSOCIATES

SUNIL KUMAR JAIN
DIRECTOR

KISHORE K KOTHAPALLI
DIRECTOR

N.VENKATAKRISHNAN
CHARTERED ACCOUNTANT
MEMBERSHIP No.021260
FIRM REGISTRATION No.005372S

Place : CHENNAI

Date : / /2017

MRL POSNET PRIVATE LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31/03/2017

PARTICULARS	31-Mar-2017	31-Mar-2016
A. Cash flow from Operating activities:		
Net Profit after tax	1437,97,468	145,84,263
Adjustment For:		
Depreciation	791,86,359	418,58,275
Exceptional items	-	-
(Profit)/ Loss on sale of asset	-	-
Provision for taxation	-	-
Interest received	-	(2,10,808)
Profit on sale of investments	-	-
Operating Profit Before Working capital changes	2229,83,827	592,31,730
Adjustments for changes in working capital:		
Increase in Loan and Advances	9,06,004	48,90,342
Increase in Other Current assets	(1422,17,957)	(162,39,634)
Decrease in current investments	(80,943)	-
Increase in tradereceivable	(1172,57,568)	(131,35,169)
Decrease in Deferred tax Liability	(19,20,618)	2,13,041
Increase in shortterm provision	(0)	15,20,827
Increase in long term provision	4,35,089	6,01,398
Increase in other current liabilities	1927,32,820	7,00,343
Decrease in trade payables	406,55,781	23,53,906
cash generated from operation	1962,36,435	401,36,783
Net cash from operating activities	1962,36,435	401,36,783
B. Cash flows from investing activities		
Purchase of fixed assets	(4555,53,322)	(1109,83,414)
Sale of Fixed assets	1,48,512	87,502
Decrease in CWIP	-	-
Net cash from investing activities	(4554,04,810)	(1108,95,912)
C. Cash flows from financing activities		
Proceeds from issuance of share capital	-	269,68,650
Dividend received	-	-
Increase in Intercompany Deposit	-	-
Increase in long term borrowings	3466,61,339	499,38,477
interest received	-	2,10,808
Net cash used in financing activities	3466,61,339	771,17,935
Net increase in cash and cash equivalents	874,92,964	63,58,806
Cash and Cash equivalent as on 1-4-2015	115,82,552	52,23,746
Cash and cash equivalent as on 31-3-2016	990,75,516	115,82,552

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

FOR MRL POSNET PRIVATE LIMITED

FOR VENKAT ASSOCIATES

SUNIL KUMAR JAIN
DIRECTOR

KISHORE K KOTHAPALLI
DIRECTOR

N. VENKATAKRISHNAN
CHARTERED ACCOUNTANT
MEMBERSHIP NO: 021260
FIRM REGISTRATION No. 0053725

Place : CHENNAI

Date : / /2017

MRL POSNET PRIVATE LIMITED

NOTES TO ACCOUNTS

Note-2 SHARE CAPITAL	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
<u>Authorised Share Capital</u> 5,00,00,000(Previous year: 2,00,00,000) Equity shares of Rs.10 each	5000,00,000	2000,00,000
<u>Issued,Subscribed,Paid-up Capital</u> 2,00,00,000(Previous year: 1,73,03,135) Equity shares of Rs.10 each	2000,00,000	200000000
TOTAL	2000,00,000	2000,00,000

Share Holding Pattern:

Shareholders holding shares more than 5% shares

Name of Shareholder	Equity shares	Equity shares
	As at 31-3-2017 % of Holding	As at 31.3.2016 % of Holding
Kishore K	72.00%	72.00%
Global Techpark Pvt Ltd Sh Cap	5.00%	5.00%
Pe soft technologies private Limited	12.50%	12.50%
G Ramaswamy		

NOTE 2A: RESERVES AND SURPLUS -I

DEBENTURE REDEMPTION RESERVE

Opening Balance	0	
Add: Additions during the year	2636986	
Closing Balance	2636986	

NOTE 3: RESERVES AND SURPLUS

	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
Profit and Loss account		
Opening balance as on 1/4/2015	(402,60,666)	-548,44,929
(Less) Profit/(Loss) during the year	1411,60,482	145,84,263
	1008,99,816	(402,60,666)
TOTAL	1035,36,802	(402,60,666)

NOTE 4(a): LONG TERM BORROWINGS

	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
<u>Non Convertible Debentures</u> 500 Non Convertible Debenture of Rs.1,00,000 each	50000000	
Rate of interest Non Current 15.74% 5,00,00,000		
Repayable after 3 Years		
<u>Loan From Schedule Bank:</u> 1. Karur vysya Bank (Secured by: Personal Guarantee of the Director as collateral)	248,39,692	534,82,664

security and Hypothecation of POS Machines purchased through Loan) (Tenure: 5 Years @ Interest rate 14%)		
2. Karur vysya Bank (Secured by:Personal Guarantee of the Director as collateral security and Hypothecation of POS Machines purchased through Loan) (Tenure: 5 Years @ Interest rate 14%)	224,12,675	411,74,987
3.Car loan from Karur Vysya Bank (Secured by: Hypothecation of BMW X3X drive car) (Tenure: 7 Years @ Interest rate 10.65%)	42,35,554	54,00,000
4.Karur vysya Bank (Secured by:Personal Guarantee of the Director as collateral security and Hypothecation of POS Machines purchased through Loan) (Tenure: Years @ Interest rate	121,34,976	
4.Karur vysya Bank (Secured by:Personal Guarantee of the Director as collateral security and Hypothecation of POS Machines purchased through Loan) (Tenure: Years @ Interest rate	2429,92,632	
<u>Loan From Others:</u>		
Jainson Finance Limited (Secured by:Personal Guarantee of the Director, first charge on all current assets including present and future, first and exclusive charge on the equipment purchased out of the facility) (Tenure: 30 months @ Interest rate 19%)	4	61,90,568
Jainson Finance Limited (Secured by:Personal Guarantee of the Director, first Charge on all current assets,present and future) (Tenure: 18 months @ Interest rate 17.5%)	-	13,66,617
Jainson Finance Limited (Secured by:Personal Guarantee of the Director, first charge on all current assets including present and future, first and exclusive charge on the equipment purchased out of the facility) (Tenure: @ Interest rate 17.5%)	37,50,005	176,66,668
Jainson Finance Limited (Secured by:Personal Guarantee of the Director, Charge on all present and future, current assets, POS Machines.) (Tenure: @ Interest rate 17.5%)	53,48,206	146,12,496
Jainson Finance Limited (Secured by:Personal Guarantee of the Director, Charge on all present and future, current assets, POS Machines.) (Tenure: @ Interest rate 17.5%)	100,00,000	
Mas financial service (Secured by:Personal Guarantee of the Director, Charge on all present and future, current assets, POS Machines.) (Tenure: @ Interest rate 17.5%)	982,76,293	
Jainson Finance Limited (Secured by:Personal Guarantee of the Director, Charge on all present and future, current assets, POS Machines.) (Tenure: @ Interest rate 17.5%)	125,65,302	

TOTAL	4865,55,339	1398,94,000
NOTE 4(b): LONG TERM PROVISIONS	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
Provision for Gratuity	29,60,990	25,25,901
NOTE 5(a): CURRENT LIABILITIES	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
Provision for income tax (MAT)	47,34,351	47,34,351
NOTE 5(b): CURRENT LIABILITIES	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
<u>Related Party Transactions</u>		
Loan from Directors	-	-
Reimbursement of expenses- payable	4,33,361	18,60,499
<u>Other Current Liabilities</u>		
TDS Payable	35,71,811	27,93,451
Advance from Customers	43,22,203	-
Loan Maturing within one year (KVB-1 Rs.9515332,KVB-2 Rs.96,12,288 KVB-3 Rs.91,50,024 Jainson-6 Rs.14287948,Jainson-3 81,66,665 Jainson-4 Rs.50,33519 Mas -1 Rs.19308635 Mas-2 Rs.18245735	1465,85,223	
Interest Payable	11,87,575	2,55,180
Merchant Terminal Deposit	-	1,12,219
Escrow Merchants Payable	200,28,519	77,60,744
Professional tax payable	3,46,443	7,22,245
Provision for Gratuity	16,56,249	16,56,249
Provident fund payable	1,42,651	4,14,111
ESI Payable	32,441	1,83,455
Service tax payable	-33,93,951	50,68,736
Salary Payable	43,58,181	57,48,973
Audit fees payable	-26,595	73,405
Employee payable	70,547	2,34,481
Other payable	450,27,911	47,25,999
TOTAL	224342567.8	316,09,748
Note-5(c): Inter corporate Deposits	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
Inter corporate Deposit	0	
Inter corporate Deposit given to Trimex sands pvt Ltd. The interest receivable @ 18% P A)		
Note-7(a): CURRENT ASSETS	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
Trade receivables		
Sundry Debtors greater than 6 months	92,76,547	18,39,829
Sundry Debtors less than 6 months	1497,82,517	399,61,667

TOTAL	1590,59,064	418,01,496
Note-7(b): CURRENT ASSETS	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
<u>Cash and Cash equivalents</u>		
Cash at Bank: in Current account	852,20,090	95,57,703
in Deposit account	138,10,000	20,00,000
Cash in hand	45,426	24,850
TOTAL	990,75,516	115,82,553
Note-7(c): CURRENT ASSETS	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
<u>Short term Loans and advances</u>		
<u>Intercooperate Loan</u>		
Loan given to Rakindo developers p ltd (At interest rate of 18%)	-	-
<u>Others</u>		
Rental Deposit	132,73,500	130,25,504
Telephone Deposit	76,464	76,464
Deposit- Car lease	2,46,000	14,00,000
Advance vaue- inc	-	-
TOTAL	135,95,964	145,01,968
Note-7(d): CURRENT ASSETS	As at 31-3-2017 (Amount in Rs)	As at 31.3.2016 (Amount in Rs)
<u>Other Current Asssets</u>		
Prepaid Expenses	12,93,919	11,27,494
Staff Advance	18,92,907	14,44,797
Advance to suppliers	1473,58,931	169,00,422
Vat input credit	-142,86,190	50,69,114
Duty draw back	19,18,832	4,87,864
Tax Deducted at source(value to be received) 2016-17	249,68,012	
Tax Deducted at source(value to be received) 2015-16	223,73,382	223,73,382
Tax Deducted at source(value to be received) 2014-15	86,11,806	86,11,806
Tax Deducted at source(value to be received) 2013-14	37,08,540	37,08,540
Tax Deducted at source(value to be received) 2012-13	2,26,215	2,26,215
Accrued interest	9,14,105	7,66,869
Other Deposits & Advances	60,25,250	20,71,250
TOTAL	2050,05,709	627,87,752
Note-8(a) Revenue from operation	For the Year Ended 31-3-2017 (Amount in Rs)	For the Year Ended 31-3-2016 (Amount in Rs)
Transaction Income	4796,83,546	2028,23,326
Monthly Fixed	3072,23,051	1652,45,410
Risk & Reconciliation	386,95,637	294,69,182
Npci - incentives	-	20,00,000
Other income	4302,59,568	143,41,577
TOTAL	12558,61,802	4138,79,494
Note-8(b) Other income	For the Year Ended 31-3-2017 (Amount in Rs)	For the Year Ended 31-3-2016 (Amount in Rs)
Rental Income	-	2,25,000

Other interest	4,48,767	
Gain on investments	1,69,668	
Interest received	1,63,597	2,10,808
TOTAL	7,82,032	4,35,808

Note-9 Direct and Operating expenses	For the Year Ended 31-3-2017 (Amount in Rs)	For the Year Ended 31-3-2016 (Amount in Rs)
Interchange txn cost	3915,34,924	1684,67,031
Processing fees	170,33,204	103,75,830
Trading & commission	3503,76,342	
Asset cost	706,11,877	439,19,134
TOTAL	8295,56,347	2227,61,996

Note-10 Human resource cost	For the Year Ended 31-3-2017 (Amount in Rs)	For the Year Ended 31-3-2016 (Amount in Rs)
Salaries,Bonus,Incentives	846,03,841	645,55,698
Gratuity	10,00,000	14,92,167
Staff welfare expenses	36,50,732	13,34,124
TOTAL	892,54,573	673,81,989

Note-11 Finance charges	For the Year Ended 31-3-2017 (Amount in Rs)	For the Year Ended 31-3-2016 (Amount in Rs)
Interest on term loan- From Bank	162,87,609	108,70,329
Interest on term loan- From Others	155,71,114	57,16,102
Interest on NCD- Aavl	57,38,140	
Loan Processing charges	71,73,699	14,17,738
TOTAL	447,70,562	180,04,169

Note-12 Other Expenses	For the Year Ended 31-3-2017 (Amount in Rs)	For the Year Ended 31-3-2016 (Amount in Rs)
Rent & Accomodation charges	55,92,610	36,59,458
Telephone & Internet charges	66,02,909	29,96,885
Electricity charges	14,52,078	10,77,584
Rent & taxes	83,11,707	33,59,139
Travelling & Conveyance	124,95,916	101,69,361
Repairs & Office Maintenance	69,40,445	30,40,062
Office expenses	52,13,269	39,65,605
Printing & Stationery	14,34,157	7,40,789
Professional & Legal fees	177,53,588	80,86,455
Donation	28,10,000	
Loss on sale of asset	-	
Payment to statutory Auditors		
- For Statutory Audit Fees	80,000	80,000
- For Tax Audit and Other professional services	-80,000	20,000
Business Promotion	27,54,348	6,01,866
Bank Charges	5,78,788	1,18,657
Others	59,330	2,74,063
TOTAL	719,99,143	381,89,924

MRL POSNET PRIVATE LICHENNAI										CHENNAI	
SCHEDULE NO. 6										NOTE 6	
FIXED ASSETS AND DEPRECIATION											
PARTICULARS	USEFUL LIFE OF ASSETS (YEARS)	GROSS BLOCK			DEPRECIATION					NET BLOCK AS AT 31st Mar '16	NET BLOCK AS AT 31st Mar '16
		AS AT 1st April '16	ADDITIONS	DELETIONS	AS AT 31st Mar '17	AS AT 1st April '16	FOR THE PERIOD	ON DELETIONS	AS ON 31st Mar '17		
Computer and Accessories	5	10995778	32,50,607	-	142,46,385	6316122	16,05,640	-	79,21,762	63,24,623	46,79,656
Office Equipments	5	2495562	114,28,381		139,23,943	1472526	19,51,974		34,24,500	104,99,443	10,23,036
Plant & Machinery	5	196405938	4213,27,066	43,511	6176,89,493	50932423	523,75,656		1033,08,079	5143,81,414	1454,73,515
Furniture & Fittings	5	1518369	-		15,18,369	889552	1,77,360		10,66,912	4,51,457	6,28,817
Software & Licences	5	113965590	64,09,753	1,05,000	1202,70,343	39643845	230,75,729		627,19,574	575,50,769	743,21,745
TOTAL		3253,81,237	4424,15,807	1,48,511	7676,48,533	992,54,469	791,86,359	-	1784,40,828	5892,07,706	2261,26,768

CAPITAL WORK-IN-PROGRESS

CWIP (projects software)	-	131,81,026	-	131,81,026	-	-	-	-	213,05,971
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