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FORM 10-K

MoneyOnMobile, Inc. - MOMT

Filed: August 19, 2016 (period: March 31, 2016)

Annual report with a comprehensive overview of the company

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended March 31, 2016 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File No. 000-53997



MONEYONMOBILE, INC.

(Exact name of registrant as specified in its charter)

Texas
*(State or other jurisdiction of
incorporation or organization)*

20-8592825
*(I.R.S. Employer
Identification No.)*

500 North Akard Street Suite 2850, Dallas, TX 75201
(Address of principal executive offices)

214-758-8600
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act
None

Securities registered pursuant to Section 12(g) of the Exchange Act
Common Stock, Par Value \$.001 Per Share
(Title of class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark if disclosure of delinquent filers in response to Item 405 of Regulation S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

The aggregate market value of the common equity held by non-affiliates as of September 30, 2015 was \$16,327,602.

The number of shares outstanding of the registrant's common stock as of August 19, 2016 was 54,041,620.

Documents Incorporated By Reference

None

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INTRODUCTORY COMMENT

In this Annual Report on Form 10-K, we refer to MoneyOnMobile, Inc. as “MoneyOnMobile,” “Company,” “we,” “us,” and “our.”

FORWARD-LOOKING STATEMENTS

When used in this Annual Report, the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “intend,” and similar expressions are intended to identify forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Act”) and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) regarding events, conditions and financial trends which may affect the Company’s future plans of operations, business strategy, operating results, and financial position. Such statements are not guarantees of future performance and are subject to risks and uncertainties and actual results may differ materially from those included within the forward-looking statements for various reasons, including those identified under “Risk Factors.” Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date made. Except as required under federal securities laws and the rules and regulations of the United States Securities and Exchange Commission, the Company does not undertake, and specifically declines, any obligation to update any of these statements or to publicly announce the results of any revisions to any forward-looking statements after the distribution of this report, whether as a result of new information, future events, changes in assumptions, or otherwise.

This Annual Report contains certain estimates and plans related to us and the industry in which we operate, which assume certain events, trends, and activities will occur and the projected information based on those assumptions. In particular, we do not know what level of acceptance our strategy will achieve, how many acquisitions we will be able to consummate or finance, or the size thereof. If our assumptions are wrong about any events, trends, or activities, then our estimates for future growth for our business also may be wrong. There can be no assurances any of our estimates as to our business growth will be achieved.

PART I

ITEM 1 BUSINESS

Organizational History

MoneyOnMobile, Inc., a Texas corporation headquartered in Dallas, Texas, was incorporated on May 30, 2006, as Toyzap.com, Inc., and became a public company on May 7, 2008, through a self-underwritten registered public offering of 4,000,000 shares of \$.001 par value common stock. The offering raised \$150,000 that was used to pursue a business strategy that never commenced operations. The “shell company”, Toyzap.com, Inc., was acquired by members of the Company’s current management team, affiliates thereof, and certain other purchasers, on April 23, 2010, pursuant to purchase agreements whereby approximately 99% of the Company’s then issued and outstanding common stock was acquired. At such time, the former management and Board of Directors resigned and a new management team and Board of Directors were appointed, who then redirected the business focus of the Company to the business plan described below. On September 3, 2010, the Company changed its name to “Calpian, Inc.” pursuant to approval obtained at a meeting of our shareholders. On August 9, 2016, the Company changed its name to “MoneyOnMobile, Inc.” pursuant to approval obtained at a meeting of our shareholders. The Company’s common stock began trading in the over the counter (“OTC”) market on March 4, 2009.

In March 2013, the Company formed a wholly-owned subsidiary, Calpian Commerce, Inc. (“Calpian Commerce”), to own and operate certain assets and liabilities of Pipeline Data, Inc. and its subsidiaries acquired in exchange for a cash payment of \$9.75 million. The acquisition was financed by expanding the Company’s senior credit facility from \$5 million to \$14.5 million.

Effective November 30, 2015 (11:59pm), the Company entered into an Asset Purchase Agreement with eVance Processing Inc. (“eVance”) to divest its Calpian Commerce business segment and certain other U.S. residual portfolio assets of the Company including its partially-owned joint venture Calpian Residual Acquisition, LLC, and its equity investment in Calpian Granite Hill, L.P. This action was undertaken to allow the Company to focus entirely on executing its growth strategy for MoneyOnMobile. There is no continuing cash inflows or outflows from or to the discontinued operations.

In March 2012, the Company began to invest in a Mumbai, India-based mobile money system catering to India’s vast unbanked and under-banked populations with simple transaction services. It allows consumers to deposit cash with one of our agents at a retail location. The Company’s investment was achieved by acquiring equity interests in Digital Payments Processing Limited (“DPPL”), a newly-organized company. DPPL maintains an exclusive services agreement with My Mobile Payments Limited (“MMPL”). Additionally, Payblox Technologies (India) Private Limited (“Payblox”), a wholly owned subsidiary of MMPL, organized in October 2010 under the laws of India and headquartered in Mumbai, India, provides certain back office and support services on behalf of MMPL to its customer base. These companies are all organized under the laws of India and headquartered in Mumbai, India. MoneyOnMobile, Inc. is the primary beneficiary of MMPL.

On March 31, 2015, My Mobile Payments Limited executed a business transfer agreement to sell its business to DPPL. As of March 31, 2016, the Company has acquired 68.6% and 8.17% of the outstanding common stock of DPPL and MMPL, respectively. The Company and MMPL have entered into an agreement by which the Company intends to acquire additional shares of common stock of MMPL to increase its equity percentage to 74% for an additional investment amount to be negotiated as future investments are made. The acquisition of additional shares is subject to approval by the Indian government and regulations for foreign investment.

Business Overview

The Company operates one business segment: MoneyOnMobile, an India based mobile wallet service used to pay for goods and services from a mobile phone and to make other financial transactions.

MONEY ON MOBILE – ELECTRONIC PAYMENTS IN INDIA

MoneyOnMobile allows consumers, to deposit funds into their mobile wallet or to perform a financial transaction through its robust agent network of 313,541 retail locations as of April 30, 2016. Consumers use their mobile phones to make certain routine payments for utilities or to transfer currency to other consumers using text-messaging and mobile application technology. Customer contracts, and the license to operate have been issued by the Reserve Bank of India, and are the property of My Mobile Payments Limited (MMPL), which maintains custody of customers' funds in accordance with India's regulations. Another MoneyOnMobile company, Digital Payments Processing Limited (DPPL), owns and operates the retail agent network, the customer support call center, the sales support functions, and the intellectual property necessary to process transactions.

MoneyOnMobile representatives Messrs. Montgomery and Arey are two of the four members of DPPL's board of directors. Mr. Montgomery is Chairman of the DPPL board with a tie-breaking vote. Mr. Montgomery also is one of 6 members of MMPL's board.

Indian Payment Processing Market

In India, the majority of personal payments are made in person with cash, and most routine services are paid in advance. Effecting the simplest transactions (e.g., buying cell-phone minutes, paying for cable or satellite television time, and paying electric or water bills) can be both time consuming and inconvenient. Typically each service has its own payment location, meaning travel can be significant and waiting lines can be long. In addition, workers moving from the country to the city find the process of sending money home in cash or by courier can be risky, unreliable, and expensive. It is difficult to confirm receipt of the funds transfer, and the recipient may experience significant delays in receiving the money.

India is the second largest mobile market in the world with about 400,000 telecom towers according to the "2013-14 Annual Report" of the Telecom Regulatory Authority of India. According to the reports, as of March 31, 2014, India had 904.5 million mobile phone subscribers (58.9% urban - 41.1% rural), a year-over-year increase of 4.2%.

Currently in India, there are 15 wireless and 6 "Direct to Home" ("DTH") satellite television providers, and no one player is dominant in either market. Mobile talk time is sold through company-owned or large retail stores. The proliferation of mobile operators presents a problem for small retailers who would like to sell minutes for a profit. In order to make sure they have minutes in inventory from the right operator, the retailer must have a funds deposited with each provider. Stores face a major capital expense in establishing each of these relationships and maintaining multiple inventories.

MoneyOnMobile Business Model

In India, consumers are often required to prepay for certain utilities, such as mobile phone services or their electricity, and because bank accounts and credit cards are only used by a small portion of the Indian population, consumers typically prepay for these utilities with cash, either directly to utility providers or through distributors.

MoneyOnMobile offers electronic wallet services ("M-wallet"), similar to carrying a prepaid debit card, however using the consumer's mobile phone. MoneyOnMobile is the first in India to have a multi-lingual app for a service in this category. By using this application, customers, through its robust agent network, can pay for goods and services and send money anytime and anywhere. MoneyOnMobile service uses cell telephone numbers to identify the consumer.

The MoneyOnMobile service launched in April 2011 and as of June 30, 2016 has provided service to more than 170 million unique phone number users, processing over \$227 million in transaction volume in fiscal year 2016. MoneyOnMobile is ranked as one of the top mobile money providers globally based on the number of unregistered users who used the mobile money service as compiled by GSMA's 2015 Global Adoption Survey. MoneyOnMobile also announced the launch of its domestic mobile money order service for customers in January 2015. MMPL currently has a license to operate a payments system received from the Reserve Bank of India. Renewal is required in October 2018, which we expect to receive.

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MoneyOnMobile acts as an intermediary between:

- Utility providers;

MoneyOnMobile purchases utility units, such as mobile phone minutes, at wholesale rates and resells these units to distributors. MoneyOnMobile maintains a balance of these units held for resell.

- Retailers / mobile money agents;

For businesses, MoneyOnMobile acts as an intermediary, a single vendor providing mobile payment solutions to most cellular and DTH providers, allowing a small retailer to sell minutes from any provider. MoneyOnMobile can compile up-to-date intelligence about its merchants' prospective customers from the ever-growing volume of daily transactions it processes. Individual retailers are able to execute "retailer assisted transactions" with consumers to provide all available services.

- Consumers;

The consumer is able to digitize their cash into the MoneyOnMobile system leveraging our agent network. This occurs when the consumer pays cash at any of our independent retailer stores. To move funds from the user's account to another individual's account, a text message to the MoneyOnMobile network tells who and what amount to pay. The amount is instantly deducted from the sender's account and credited to the recipient's bank account. Both parties receive a confirmation within seconds of the money transfer.

Additionally, once a consumer has established a MoneyOnMobile electronic wallet account, they can use MoneyOnMobile's technology to facilitate peer-to-peer or non-distributor-related transactions with other parties that have MoneyOnMobile accounts, including other retailers, utilities and other MoneyOnMobile consumers. MoneyOnMobile also earns a transaction fee for these services.

Business Developments

MoneyOnMobile signed an agreement with Enfold, a third party vendor, and MicroSoft to provide digital lockers for the 170 million individuals that constitute MoneyOnMobile's unique user base.

As part of the company's philosophy of doing well by doing good, MoneyOnMobile recently launched accident insurance, a new financial services product for our consumers.

MoneyOnMobile also launched digital gift cards which allows consumers to make purchases online at several eCommerce vendors, including Amazon.in and Flipkart.

MONEYONMOBILE, INC. - OTHER INFORMATION

Employees

At March 31, 2016, the Company employed five people at its executive offices located in Dallas, Texas. During the year, we utilized independent consultants to assist with certain accounting, financial reporting, and administrative matters. DPPL and MMPL combined employed nearly four hundred full and part-time employee. The Company and our affiliates have no employment or collective bargaining agreements and we believe our employee and independent contractor relationships are satisfactory.

Intellectual Property

Among the assets acquired and comprising MoneyOnMobile are proprietary software products, trademarks, trade names, Reserver Bank of India license and other intellectual property together with the related patent and copyright filings and documents protecting such property.

Governmental Regulations

The industries in which we operate are subject to extensive governmental laws and regulations in the United States. There are numerous laws and regulations restricting the purchase, sale, and sharing of personal information about consumers, many of which are new and continue to evolve; accordingly, it is difficult to determine whether and how existing and proposed privacy laws may apply to our businesses in the future. Also, there are numerous consumer statutes and regulations, including the Gramm-Leach-Bliley Act, regarding the possession of both consumer- and merchant-level data with which we must comply.

Payment system operators in India are subject to the Indian Payments and Settlement Systems Act 2007 and operate under the authority and board oversight of the Reserve Bank of India ("RBI"). In the licensing process, the RBI reviews the licensee's operations, systems, and processes and has the authority to revoke a license at any time should operations not continue to meet RBI standards, primarily those relating to the custody of, and accountability for, consumer funds.

ITEM 1A RISK FACTORS

The following risk factors could materially affect our business, financial condition, and results of operations. These risk factors and other information in this Annual Report should be carefully considered in evaluating our business. They are provided for investors as permitted by the Private Securities Litigation Reform Act of 1995. It is not possible to identify or predict all such factors and, therefore, the following should not be considered to be a complete statement of all the uncertainties we face.

Risks Relating To the Company and MoneyOnMobile

We have incurred significant losses since inception.

We had an accumulated deficit of \$40.1 million and \$24.1 million on March 31, 2016 and 2015, respectively. We have historically incurred operating losses and may continue to incur operating losses for the foreseeable future. As such, we are subject to all risks incidental to the sales and development of our product offerings, and we may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect our business. Additionally, the Company's financial statements as of March 31, 2016 have been prepared on the assumption that the Company will continue as a going concern. Our independent accountants have issued in their report stating that our recurring operating losses and negative cash flows from operating activities raise substantial doubt as to our ability to continue as a going concern. There can be no assurance that we will be able to continue as a going concern.

Our success will be dependent on local management team for the foreseeable future.

We believe our success depends on the continued service of local management. Although we currently intend to retain our existing management, we cannot assure such individuals will remain with us. We have no employment agreements with any individuals. The unexpected loss of the services of one or more of our key executives, directors, or advisors, or our inability to find suitable replacements within a reasonable period of time following any such loss, could have a material adverse effect on our ability to execute our business plan and, therefore, have a material adverse effect on our financial condition and results of operations.

We may not be able to raise the additional capital necessary to execute our business strategy which could result in curtailment of our operations.

Our ability to raise additional capital is uncertain and dependent on numerous factors beyond our control including, but not limited to, economic conditions and availability or lack of availability of credit. If we are unable to obtain additional financing, or if the terms thereof are too costly, we may be forced to curtail operations until such time as alternative financing is arranged that would have a material adverse impact on our planned operations.

Evolving products and technological changes could make MoneyOnMobile's services obsolete.

We anticipate the services being offered by MoneyOnMobile will continue to evolve and be subject to technological change. Accordingly, MoneyOnMobile's ability to maintain a competitive advantage and build its business requires it to continually invest in research and development. Many of the companies we expect to compete with MoneyOnMobile have greater capital resources, research and development staffs, and facilities than MoneyOnMobile. MoneyOnMobile's services could be rendered obsolete by the introduction and market acceptance of competing services, technological advances by current or potential competitors, or other approaches. Additionally, MoneyOnMobile's processing technology platform will require upgrades to meet the company's business plan, and new problems or delays could develop and limit MoneyOnMobile's ability to grow.

We anticipate the industry in which MoneyOnMobile operates will be subject to intense competition.

There are several direct competitors to MoneyOnMobile currently conducting business in India, and some have access to large markets of existing phone subscribers. Once these companies fully implement their strategies, the competition in India for the services being provided by MoneyOnMobile may intensify significantly.

A significant portion of our total assets consists of goodwill, which is subject to a periodic impairment analysis, and a significant impairment determination in any future period could have an adverse effect on our results of operations even without a significant loss of revenue or increase in cash expenses attributable to such period.

We have goodwill totaling \$13.8 million at March 31, 2016 resulting from our MoneyOnMobile acquisition. We evaluate this goodwill for impairment based on the fair value of the operating business units to which this goodwill relates at least once a year. This estimated fair value could change if we are unable to achieve operating results at the levels that have been forecast, the market valuation of those business units decreases based on transactions involving similar companies, or there is a permanent, negative change in the market demand for the services offered by the business units. These changes could result in an impairment of the existing goodwill balance that could require a material non-cash charge to our results of operations.

MoneyOnMobile is subject to the risks faced by new businesses.

MoneyOnMobile is an early-stage company with a limited operating history and lacks profitability in recent periods, and is, therefore, subject to many of the risks and uncertainties faced by new enterprises. There is no assurance MoneyOnMobile will be able to manage its business effectively, identify, employ, and retain any needed management or technical personnel, further develop and implement its services, obtain third-party contracts or financing, or achieve the other components of its business plan.

Political, economic, social, and other factors in India may adversely affect businesses.

The ability for businesses to grow may be adversely affected by political, economic, and social factors or changes in Indian law or regulations or the status of India's relations with other countries. In addition, there may be significant differences between the Indian and U.S. economies such as the rate of gross domestic product growth, the rate of inflation, capital reinvestment, resource self-sufficiency, and balance of payments positions. Government actions in the future could have a significant effect on the Indian economy and have a material adverse effect on the ability MoneyOnMobile to achieve its business objectives.

Terrorist attacks and other acts of violence or war within India or involving India and other countries could adversely affect the financial markets and businesses.

Terrorist attacks and other acts of violence could have the direct effect of destroying property causing a loss and interruption of business. For example, India has, from time to time, experienced civil unrest and hostilities with neighboring countries such as Pakistan. The longstanding dispute with Pakistan over the border Indian states of Jammu and Kashmir remains unresolved. If the Indian government is unable to control the violence and disruption associated with these tensions, the results could destabilize the economy and, consequently, adversely affect businesses.

Since early 2003, there also have been military hostilities and civil unrest in the Mideast and other Asian countries. Also, India has seen an increase in politically motivated insurgencies and a fairly active communist following. Any hostilities or civil unrest could adversely influence the Indian economy and, as a result, negatively affect businesses.

Changes in the exchange rate of the Indian rupee versus the U.S. dollar result in earnings volatility and could negatively impact our reported earnings and the ultimate return on our investment.

MoneyOnMobile's functional currency is the Indian rupee, and its financial statements must be converted to U.S. dollars when preparing our financial statements. Changes in the exchange rate between the two currencies can cause reported financial results to fluctuate and a weakening rupee relative to the U.S. dollar would negatively impact our earnings. Additionally, the return on our investment in DPPL and MMPL, if any, may be less than expected if the exchange rates are less favorable at the time of realization.

Exchange controls in India may limit MoneyOnMobile's ability to utilize its cash flow effectively.

We expect to be subject to India's rules and regulations on currency conversion with respect to our investments in DPPL and MMPL. In India, the Foreign Exchange Management Act ("FEMA") regulates the conversion of the Indian rupee into foreign currencies. Today, companies in many industries are permitted to operate in India without any special restrictions, effectively placing them on par with wholly, Indian-owned companies. Foreign exchange controls also have been substantially relaxed. However, the Indian foreign exchange market is not yet fully developed, and there is no assurance the Indian authorities will not revert to regulating companies and imposing new restrictions on the convertibility of the Indian rupee. Any future restrictions on currency exchanges may limit our ability to repatriate MoneyOnMobile's earnings or receive dividends.

We may have difficulty effecting service of process or enforcing judgments obtained in the U.S. against MoneyOnMobile.

MoneyOnMobile is organized in India and all of its assets are located in India. As a result, in the event of a dispute between MoneyOnMobile and us, we may be unable to effect service of process upon MoneyOnMobile outside of India. In addition, we may be unable to enforce against MoneyOnMobile judgments obtained in U.S. courts.

We lack overseas investing experience.

MoneyOnMobile is our first investment outside of the U.S. and our management team has limited international investing experience. We could misunderstand regulatory, cultural, or other pervasive aspects of doing business in India that could negatively impact our investment or our results of operations.

Risks Relating to Industry

The payments industry is highly competitive and we expect to compete with larger firms having greater financial resources. Such competition could increase and adversely influence our prices to merchants and our operating margins.

We compete in a highly competitive market with a wide variety of processing service providers. Developing and maintaining our growth will depend on a combination of the continued growth in electronic payment transactions and our ability to increase our market share. If competition causes us to reduce the prices we charge, we will have to aggressively control our costs in order to maintain acceptable results of operations.

Our continued growth depends on our ability to maintain or increase our average net revenue yield

One of the key measures we use to assess our financial performance is our average net revenue yield, which we calculate by dividing adjusted net revenue by the total payment volume of the transactions we process. Our average net revenue yield may be affected by a number of factors, including increased competition, pressure from merchants and/or agents, and acquisitions. In order to maintain our competitiveness, we must continue to ensure that our payment processing system provides a more convenient and attractive option for both merchants and customers than alternative systems that may not require payment of a processing fee. Retail banks and various payment service providers are already and may become available to our consumers. To attract consumers, we also offer certain services on a commission-free basis, such as peer-to-peer transfers and certain payments in e-commerce. Despite our efforts, consumers may still choose to use other payment systems, even if those systems do not offer the convenience that we do, because they charge lower fees. In addition, because agents are able to switch between different payment processing systems, we may face additional pressure to reduce the fees we charge due to increased competition from other payment service providers.

We are subject to the economic risk and business cycles of our merchants and agents and the overall level of consumer spending.

The payment services industry depends heavily on the overall level of consumer spending. We are exposed to general economic conditions that affect consumer confidence, consumer spending, consumer discretionary income or changes in consumer purchasing habits. Economic factors such as employment levels, business conditions, energy and fuel costs, interest rates, inflation rate and the strength of the rupee against foreign currencies could reduce consumer spending or change consumer purchasing habits. A reduction in the amount of consumer spending could result in a decrease in our revenue and profits. If our merchants make fewer sales of their products and services using our services or consumers spend less money per transaction, we will have fewer transactions to process at lower amounts, resulting in lower revenue. A further weakening in the economy could have a negative impact on our merchants, as well as consumers who purchase products and services using our payment processing systems, which could, in turn, negatively impact our business, financial condition and results of operations, particularly if the recessionary environment disproportionately affects some of the market segments that represent a larger portion of our payment processing volume. In addition, these factors could force some of our merchants and/or agents to liquidate their operations or go bankrupt, or could cause our agents to reduce the number of their locations or hours of operation, resulting in reduced transaction volumes. We also have a certain amount of fixed costs, including salaries and rent, which could limit our ability to adjust costs and respond quickly to changes affecting the economy and our business.

We do not control the rates of the fees levied by our agents on consumers.

Our agents pay us an agreed fee using a portion of the fees levied by them on consumers. The fee paid to us by the agent is based on a percentage of the value of each transaction that we process. However, in certain cases the amount of fees levied by an agent on a consumer for each particular transaction is determined by such agent at its own discretion. We do not cap the amount of such fees or otherwise control it. We believe that the fees set by our agents are market-driven, and that our interests and our agents' interests are aligned with a view to maintaining fees at a level that would simultaneously result in our agents' profitability and customer satisfaction. However, we can provide no assurance that our agents will not raise fees to a level that will adversely affect the popularity of our products among consumers. At the same time, if we are forced to cap customer fees to protect the strength of our brand or otherwise, we may lose a significant number of agents, which would reduce the penetration of our physical distribution network. In limited instances, we have introduced such caps at the request of our merchants. No assurance can be made that this trend will not increase. Material increases in customer fees by our agents or the imposition of caps on the rates of such fees by us could have an adverse effect on our business, financial condition and results of operations.

A decline in the use of cash as a means of payment or a decline in the use of our merchants may result in a reduced demand for our services.

Substantially all of our business is in India where a substantial part of the population relies on cash payments, rather than credit and debit card payments or electronic banking. We believe that our profitability depends on the use of cash as a means of payment and the reach of our merchant network. There can be no assurance that over time, the prevalence of cash payments will not decline as a greater percentage of the population in emerging markets adopts credit and debit card payments and electronic banking. The shift from cash payments to credit and debit card payments and electronic banking could reduce our market share and payment volumes and may have a material adverse effect on our business, financial condition and results of operations.

Risks Relating To Acquisitions

Revenues and profits generated by acquired businesses or account portfolios may be less than anticipated, resulting in losses or a decline in profits, as well as potential impairment charges.

In evaluating and determining the purchase price for a prospective acquisition, we estimate the future revenues and profits from that acquisition based on the historical revenue of the acquired provider of payment processing services or portfolio of merchant accounts. Following an acquisition, it is customary to experience some attrition in the number of merchants serviced by an acquired provider of payment processing services or included in an acquired portfolio of merchant accounts. Should the rate of post-acquisition merchant attrition exceed the rate we forecast, the revenues and profits generated by the acquired providers of payment processing services or portfolio of accounts may be less than we estimated, which could result in losses or a decline in profits, as well as potential impairment charges.

We may fail to uncover all liabilities of acquisition targets through the due diligence process prior to an acquisition, exposing us to potentially significant, unanticipated costs.

Prior to the consummation of any acquisition, we perform a due diligence review of the business or portfolio of merchant accounts that we propose to acquire. Our due diligence review, however, may not adequately uncover all of the contingent or undisclosed liabilities we may incur as a consequence of the proposed acquisition. For example, in the past we may have been obligated to fund certain credits and charge-backs after discovering that a merchant account from an acquired merchant processing portfolio was in substantial violation of the Visa and MasterCard card association rules. In the future we may make acquisitions that may obligate us to make similar payments resulting in potentially significant, unanticipated costs.

We may not be able to integrate recently acquired companies or potential future acquisitions into our company, and resources available to assist our acquired companies may be insufficient.

We have made strategic acquisitions, and we intend to continue to make such acquisitions in accordance with our business plan. Each acquisition involves a number of risks, including:

1. the diversion of our management's attention to the assimilation and ongoing assistance with the operations and personnel of the acquired business, which could strain management's resources;
2. the potential for our affiliated companies to grow rapidly and adversely affect our ability to assist our affiliated companies as intended;
3. possible adverse effects on our results of operations and cash flows;
4. possible inability by us to achieve our intended objective or goals of the acquisition;
5. possible inability by acquisition to retain and maintain strategic vendors or employees; and
6. our inability to assist our affiliated companies as intended or to acquire and integrate businesses under our business plan could negatively impact our operations, financial results and cash flows.

Risks Relating To Government Regulation

The payments industry in India is subject to extensive regulation.

Payment system operators like MoneyOnMobile are subject to the Indian Payments and Settlement Systems Act 2007 and operate under the authority and board oversight of the Reserve Bank of India (“RBI”). Although the RBI has reviewed the operations, systems, and processes of MoneyOnMobile, and has licensed it to operate a payments system in India through October 24, 2018, the RBI has the authority to revoke this license at any time should MoneyOnMobile's operations not continue to meet standards primarily relating to the custody of, and accountability for, consumer funds. Such revocation would seriously and negatively affect the value of MoneyOnMobile. In addition, increased regulatory focus could result in additional obligations or restrictions with respect to the services MoneyOnMobile provides.

We are subject to federal and state laws regarding anti-money laundering, including the Patriot Act, and if we break any of these laws we could be subject to significant fines and/or penalties, and our ability to conduct business could be limited.

We are subject to U.S. federal anti-money laundering laws and the requirements of the Office of Foreign Assets Control (OFAC), which prohibit us from transmitting money to specified countries or on behalf of prohibited individuals. The money transfer business has been subject to increased scrutiny following the events of September 11, 2001. The Patriot Act, enacted following those events, mandates several new anti-money laundering requirements. The federal government or the states may elect to impose additional anti-money laundering requirements. Changes in laws or regulations that impose additional regulatory requirements, including the Patriot Act, could increase our compliance and other costs of doing business, and therefore have an adverse effect on our results of operation.

Failure to comply with the laws and regulatory requirements of federal and state regulatory authorities could result in, among other things, revocation of required registrations, loss of approved status, termination of contracts with banks, administrative enforcement actions and fines, class action lawsuits, cease and desist orders and civil and criminal liability. The occurrence of one or more of these events could materially adversely affect our business, financial condition and results of operations.

If we were to inadvertently transmit money on behalf of, or unknowingly conduct business with, a prohibited individual, we could be required to pay significant damages, including fines and penalties. Likewise, any intentional or negligent violation of anti-money laundering laws by our employees could lead to significant fines and/or penalties, and could limit our ability to conduct business in some jurisdiction.

Risks Relating To Our Common Stock

Changes to current accounting principles and our accounting policies could have a significant effect on the Company's reported financial results or the way in which it conducts its business.

We prepare our financial statements in conformity with U.S. GAAP, which are subject to interpretation by the Financial Accounting Standards Board, the American Institute of Certified Public Accountants, the U.S. Securities and Exchange Commission, and various other authorities formed to interpret, recommend, and announce appropriate accounting principles. A change in these principles and/or management's own interpretation and application of such principles could have a significant effect on our reported financial results and may even retroactively affect the accounting for previously reported transactions. Our accounting policies that recently have been, or may in the future, be affected by changes in the following accounting principles:

- revenue recognition;
- stock-based compensation;
- accounting for goodwill and other intangible assets; and
- accounting issues related to certain contingent convertible debt instruments and their effect on diluted earnings per share.

Changes in these or other rules may have a significant adverse effect on our reported financial results or in the way in which we conduct our business.

Due to our history of delinquent filings with the U.S. Securities and Exchange Commission, we are unable to use a short form registration statement on Form S-3 and during such times of delinquency investors were unable to rely on Rule 144 to publicly sell their restricted securities, which conditions may affect our ability to access the capital markets, if needed.

A Registration Statement on Form S-3, or Form S-3, permits an eligible issuer to incorporate by reference its past and future filings and reports made under the Exchange Act. In addition, Form S-3 enables eligible issuers to conduct primary offerings “off the shelf” under Rule 415 of the Securities Act of 1933, as amended, or the Securities Act. The shelf registration process under Form S-3 combined with the ability to incorporate information on a forward basis, allows issuers to avoid additional delays and interruptions in the offering process and to access the capital markets in a more expeditious and efficient manner

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than raising capital in a standard offering on Form S-1. One of the requirements for Form S-3 eligibility is for an issuer to have timely filed all required reports for a period of 12 months. Because we did not timely file our Quarterly Report on Form 10-Q for the quarterly period ended June 30, September 30 and December 31, 2015, we will not be eligible to use Form S-3 for a period of at least 12 months after the filing date of any delinquent filings (assuming we timely file our subsequent filings within such 12 month period).

Due to our present inability to use Form S-3, if we wanted to conduct a registered offering of securities to investors, we will be required to use long form registration and may experience delays. In addition, our ability to undertake certain types of financing transactions may be limited or unavailable to us without the ability to use Form S-3. Furthermore, because of the delay associated with long form registration and the limitations on the financing transactions we may undertake, the terms of any financing transaction we are able to conduct may not be advantageous to us or may cause us not to obtain capital in a timely fashion to execute our business strategies and continue to operate as a going concern.

Furthermore, investors holding restricted securities may chose sell such securities in reliance upon Rule 144. Rule 144, among other things, requires an investor to hold such restricted securities for at least a six month period before they can be publicly traded and, due to our status as a former shell company, requires that, prior to such public resale, we have filed all reports and other materials required to be filed by section 13 or 15(d) of the Exchange Act during the preceding 12 months. If, as has been the case in our recent history, we fail to file any such reports and other materials required to be filed by section 13 or 15(d) of the Exchange Act, investors may not be able to rely on Rule 144 to sell their restricted securities holdings.

Our issuance of preferred stock could adversely affect the value of our common stock.

Our Certificate of Formation provides for the issuance of up to 1.0 million shares of what is commonly referred to as “blank check” preferred stock. Such stock may be issued by our Board of Directors from time to time, without shareholder approval, as one or more separate series of shares as designated by resolution of our Board setting forth the relative rights, privileges, and preferences of the series, including, if any, the: (i) dividend rate; (ii) price, terms, and conditions of redemption; (iii) voluntary and involuntary liquidation preferences; (iv) provisions of a sinking fund for redemption or repurchase; (v) terms of conversion to common stock, including conversion price; and (vi) voting rights. The issuance of such shares, with superior rights and preferences, could adversely affect the interests of holders of our common stock and potentially the value of our common stock. Our ability to issue such preferred stock also could give our Board of Directors the ability to hinder or discourage any attempt to gain control of us by a merger, tender offer at a control premium price, proxy contest, or otherwise.

Our common stock is deemed “penny stock” and, therefore, subject to special requirements making the trading of our common stock more difficult than for stock of a company that is not deemed “penny stock.”

A “penny stock” as defined in Rule 3a51-1 promulgated under the Securities Exchange Act of 1934 is a stock: (i) trading at a price of less than five dollars (\$5.00) per share; (ii) not traded on a “recognized” national exchange; (iii) whose prices are not quoted on the NASDAQ automated quotation system (NASDAQ-listed stocks must still meet requirement (i) above); or (iv) of an issuer having net tangible assets of less than \$2.0 million (if the issuer has been in continuous operation for at least three years) or \$5.0 million (if in continuous operation for less than three years), or with average revenues of less than \$6.0 million for the last three years.

Section 15(g) of the Exchange Act, and Rule 15g-2 promulgated thereunder, require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 promulgated under the Exchange Act requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer to: (i) obtain information concerning the investor's financial situation, investment experience, and investment objectives; (ii) reasonably determine, based on that information, that transactions in penny stocks are suitable for the investor and the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions; (iii) provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and (iv) receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience, and investment objectives. Compliance with the foregoing requirements may make it more difficult for investors in our common stock to resell their shares to third parties or to otherwise dispose of them.

We do not have a majority of independent directors.

We do not possess a majority of “independent directors” as defined in Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market and our Board of Directors may never have a majority of independent directors. In the absence of a majority of independent directors, our existing directors, who also are significant shareholders, could establish policies and enter into transactions without independent review and approval.

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Our executive officers, directors, and major shareholders hold a majority of our common stock and may be able to prevent other shareholders from influencing significant corporate decisions.

Our directors and executive officers beneficially own a significant portion of our outstanding common stock. As a result, acting together they would be able to influence many matters requiring shareholder approval, including the election of directors and approval of mergers and other significant corporate transactions. This concentration of ownership may have the effect of delaying, preventing, or deterring a change in control, and could deprive our shareholders of an opportunity to receive a premium for their shares of common stock as part of a sale of our company and may affect the market price of our stock.

The price of our common stock may be volatile, which could cause our investors to incur trading losses and fail to resell their shares at or above the price they paid for them. Our securities are currently quoted on the OTC Pink and, thus, your ability to sell your shares in the secondary market may be limited.

We cannot predict the extent to which investor interest will lead to the development of an active and liquid trading market in our common stock. The failure to achieve and maintain an active and liquid market for our common stock means that you may not be able to dispose of your common stock in a desirable manner and the price for our shares may fluctuate greatly.

Moreover, some companies that have had volatile market prices for their securities have been subject to securities class action suits filed against them. If a suit were to be filed against us, regardless of the outcome, it could result in substantial costs and a diversion of our management's attention and resources. This could have a material adverse effect on our business, results of operations and financial condition. Further, our ability to file the Company's periodic reports required under Section 13 or 15(d) of the Securities Exchange Act of 1934 on a timely basis may adversely impact the your ability to trade the Company's shares on the secondary market.

ITEM 1B UNRESOLVED STAFF COMMENTS

None.

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ITEM 2 PROPERTIES

Our office facilities are listed in the following table. Our principal executive offices located in Dallas, Texas are leased. In May 2014, My Mobile Payments Limited purchased an office building in Mumbai, India. We believe our current facilities have the capacity to meet our needs for the foreseeable future and alternate or additional space is readily available near our current locations should we need to move or acquire additional space.

<u>Location</u>	<u>Approximate Square Feet</u>
MoneyOnMobile, Inc.	
Dallas, Texas	6,000
My Mobile Payments Limited	
Mumbai, India	11,400

ITEM 3 LEGAL PROCEEDINGS

Reinvention Capital Advisors. v. Calpian, Inc.
Civil Action No.: 2:15-cv-06689-JD

Plaintiff commenced this action against the Company in the United States District Court for the Eastern District of Pennsylvania on or about December 18, 2015. The Complaint alleges a single cause of action for breach of contract against the Company surrounding the Company's alleged failure to pay Plaintiff for certain investment banking and financial advisory services. Plaintiff seeks compensatory damages in the amount of \$500,996.26, along with an unspecified amount of attorneys' fees, interest, and costs.

The Company's filed an answer in this matter on February 3, 2016. In its Answer, the Company denied the material allegations of the Complaint and asserted numerous affirmative defenses. At this time it is difficult to estimate the likelihood of an adverse award. The Company has indicated that it intends to vigorously defend this matter.

ITEM 4 MINE SAFETY DISCLOSURES

Not applicable.

PART II**ITEM 5 MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS, AND ISSUER PURCHASES OF EQUITY SECURITIES****Market Information**

MoneyOnMobile common stock is traded in the over the counter ("OTC") market under the symbol "CLPI." Our stock is thinly traded, and a robust, active trading market may never develop. The market for the Company's common stock has been limited, volatile, and sporadic and could be subject to a number of risk factors (see "Risks Relating To Our Common Stock" in Item 1A of this Annual Report).

The transfer agent for our common stock is Securities Transfer Corporation, 2591 Dallas Parkway Suite 102, Frisco, Texas 75034 Telephone: 469-633-0101 Website: www.stctransfer.com.

The following table sets forth the high and low bid prices of our common stock as reported by Nasdaq.com. They reflect interdealer prices without retail markup, markdown, or commissions, and may not necessarily reflect actual transactions.

	<u>High</u>	<u>Low</u>
Fiscal 2016		
First Quarter	\$ 0.80	\$ 0.41
Second Quarter	0.70	0.45
Third Quarter	0.65	0.40
Fourth Quarter	0.81	0.34
Fiscal 2015		
First Quarter	\$ 1.52	\$ 0.82
Second Quarter	1.20	0.77
Third Quarter	0.94	0.33
Fourth Quarter	0.85	0.35

The last price of our common stock as reported by www.OTCMarkets.com on August 18, 2016 was \$0.80.

Common Shareholders

On August 19, 2016, we had approximately 481 shareholders of record.

Dividends

We have not paid any dividends on our common stock since our inception and we do not anticipate paying dividends in the foreseeable future as earnings we realize, if any, will be retained in the business for further development and expansion. Provisions of our term loan facility preclude paying dividends and preferred stock issued in the future, if any, might prohibit us from paying common stock dividends unless certain conditions are met.

Shares Authorized For Issuance Under Equity Compensation Plans

The following table provides information about the number of shares of our common stock that may be issued on exercise of outstanding stock options or purchased under our *2011 Equity Incentive Plan* as of March 31, 2016.

Equity Compensation Plan Category	(A) Number Of Securities To Be Issued Upon Exercise Of Outstanding Options, Warrants And Rights	(B) Weighted-Average Exercise Price Of Outstanding Options, Warrants And Rights	(C) Number Of Securities Remaining Available For Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected In Column (A))
Plans Approved By Security Holders	3,480,000	\$0.74	20,000
Plans Not Approved By Security Holders	—	—	—
Total	3,480,000	\$0.74	20,000

On June 1, 2016, the Company filed a Form S-8 with the U.S. Securities and Exchange Commission to register its 2016 Equity Incentive Plan, which registered 3,000,000 shares of the 6,000,000 shares issuable under the plan.

Unregistered Sales of Equity Securities

In January 2016, the Company issued an aggregate of 318,181 shares of Common Stock and warrants to purchase an aggregate of 159,090 shares of Common Stock at an exercise price of \$0.65 (collectively the “CLPI Securities”) to two accredited investors (“CRA Investors”) that had made an aggregate investment of \$175,000 directly into CRA, a subsidiary of the Company. The Company entered into an exchange agreement with the CRA Investors pursuant to which the Company issued the CLPI Securities in exchange for their equity investment into CRA. The exchange and issuance of the CLPI Securities were made in reliance upon the exemption from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Except as disclosed above, for the year ending March 31, 2016, the Company has previously furnished all equity transactions in its Quarterly Reports on Form 10-Q and Current Reports on Form 8-K.

Equity Securities Repurchased

None.

ITEM 6 SELECTED FINANCIAL DATA

As a smaller reporting company the Company is not required to provide the information required by this Item.

ITEM 7 MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Item 7 should be read in the context of the information included elsewhere in this Annual Report including our financial statements and accompanying notes in Item 8 of this Annual Report.

EXECUTIVE OVERVIEW

MoneyOnMobile is a mobile money service provider allowing Indian consumers, through its robust agent network, to use mobile phones to pay for goods and services, or transfer funds from one person to another using simple SMS text functionality. During the current fiscal year MoneyOnMobile’s growth strategy produced positive results in both agent retail locations and number of cumulative users that have accessed these services.

Consolidated Revenues increased by \$0.5 million or 9.0% in 2016 compared to 2015. Consolidated Gross Profit increased by \$0.6 million or 28.5% in 2016 compared to 2015. The increase in both Revenue and Gross Profit is due exclusive to the growth in more profitable service offerings at MoneyOnMobile.

SUMMARY OF SIGNIFICANT EVENTS

Effective November 30, 2015 (11:59pm), the Company entered into an Asset Purchase Agreement with eVance Processing Inc. ("eVance") to divest its Calpian Commerce business segment and certain other U.S. residual portfolio assets of MoneyOnMobile, Inc., including Calpian Residual Acquisition, LLC and its equity investment in Calpian Granite Hill, L.P. This action was undertaken to allow the Company to focus entirely on executing its growth strategy for MoneyOnMobile. There is no continuing cash inflows or outflows from or to the discontinued operations. In consideration for the acquired assets, eVance assumed certain of the Company's liabilities, including an aggregate of \$9,000,000 of notes payable and certain of the Sellers' outstanding contractual obligations.

On April 12, 2016, the Company and eVance entered into a purchase price adjustment agreement and a cancellation of securities acknowledgment with one of eVance's note holders whereby the note holder canceled their note in the amount of \$720,084, which was subsequently reissued by the Company to the note holder. Additionally, the Company issued eVance a note in the amount of \$675,000. The \$675,000 note bears interest of 12% per annum payable monthly, matures on November 30, 2017 and is secured by 2,000,000 shares of the Company's common stock. As part of the Purchase Agreement, eVance acquired several residual portfolios including the supporting contracts (residual purchase agreements). eVance, as successor under one of these residual purchase agreements, has sued a third party for breach of contract on the residual purchase agreement between the third party and the Company and has claimed damages in excess of \$1,500,000. eVance has agreed to apply any recovery from such litigation (less costs) against the principle balance of the \$675,000 note issued by the Company up to a maximum of \$675,000.

RESULTS OF OPERATIONS

For the year ended March 31, 2016 compared to the year ended March 31, 2015:

	2016	2015
	(unaudited)	(unaudited)
Revenues, net:	\$ 6,295,739	\$ 5,773,394
Cost of sales:	3,394,859	3,516,553
Gross profit:	2,900,880	2,256,841
Net loss	\$ (19,727,913)	\$ (9,356,411)

Revenues in 2016 were higher than in 2015 by \$0.5 million or 9.0% due to increases in monthly customer base and higher volume of usage by existing consumers. Gross profit percentage was 46.1% in 2016 compared to 39.1% in 2015. General and administrative costs increased by \$5.1 million or 41.2% compared to 2015 due primarily to direct commissions and other fees paid associated with capital raising to fund the growth strategies.

Additionally, the Company incurred interest and financing costs of \$3.0 million and \$1.3 million in 2016 and 2015. Net losses attributable to MoneyOnMobile, Inc. shareholders were approximately \$(16.0) million, or \$(0.34) per share in 2016 compared to \$(8.8) million, or \$(0.22) per share in 2015. Due to net losses, the Company had no current U.S. federal tax provision in either 2016 or 2015 and deferred tax benefits of cumulative net operating losses and other temporary tax differences have been offset by valuation allowances. State income tax reports are assessments not offset by operating losses.

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For the three months ended March 31, 2016 compared to the three months ended March 31, 2015:

	2016	2015
	(unaudited)	(unaudited)
Revenues, net:		
MoneyOnMobile	\$ 1,971,612	\$ 1,641,549
Cost of sales:		
MoneyOnMobile	1,162,257	963,581
Gross profit:		
MoneyOnMobile	809,355	677,968

Revenues for MoneyOnMobile in 2016 were higher than in 2015 by \$0.3 million or 20.1%. The growth achieved is primarily due to increases in the number of monthly transactions, the Indian Rupee amount processed across all service offerings, and adding new services and agents. Gross profit percentage was 41.1% in 2016 compared to 41.3% in 2015.

LIQUIDITY AND CAPITAL RESOURCES

General

Our source of liquidity is principally cash generated from operating activities supplemented as necessary on a short-term basis by various capital raising activities, including sales of our common stock in private placements and subordinated debt borrowings not restricted to specific investing activities. We continue to see significant growth potential in our MoneyOnMobile business segment and have increased our investment. To date we have successfully navigated the complexities of capital raising activities in order to fund these long-term investments. The following discussion highlights changes in our debt structure as well as our cash flow activities and the sources and uses of funds during the years ended March 31, 2016 and 2015.

As of March 31, 2016, our liquidity was \$2.1 million, comprised of cash and cash equivalents. Our primary ongoing liquidity requirements are to finance working capital, debt service and fund expansion at MoneyOnMobile. The company faces large debt repayments in the near-term and is contemplating numerous strategies to meet its debt obligations as they come due.

Sources and Uses of Cash

Net cash provided by operating activities was \$0.8 million in 2016 compared to net cash used of \$(6.5) million in 2015. Net loss from continuing operations in 2016 was \$(17.7) million compared to \$(11.6) million in 2015. The primary change in cash provided by operating activities was \$4.9 million of expenses for services and consulting that was paid for in equity awards, compared to \$0.4 million in 2015. Also, deferred consulting fee amortization was \$3.1 million compared to \$0.4 million in 2015. Additionally, during 2016 the Company sold its U.S. Operations on November 30, 2015, incurring a loss on sale of \$2.4 million. The remaining changes are due to timing differences in cash receipts and payments relating to operating assets and liabilities.

Net cash used in investing activities was \$(0.6) million in 2016 compared to net cash used in investing activities of \$(0.4) million in 2015. Activity in 2016, was mainly insignificant purchases of equipment and software. In 2015, the Company received cash proceeds of \$7.5 million from the sale of its residual portfolios. Offsetting the cash inflow was purchases of residual purchases of \$3.2 million and an office building in Mumbai, India by MMPL for \$3.8 million.

Net cash provided by financing activities was \$0.9 million in 2016 and \$0.6 million in 2015. In 2016, the Company made debt payments totaling \$14.6 million and debt borrowing totaling \$10.1 million, of which \$7.4 million related to the sale of its U.S. Operations. Also, in 2016, the Company refinanced its India mortgage, paying \$2.2 million and borrowing \$2.3 million. Lastly, the Company received \$6.0 million for issuance of common stock and warrants, \$0.6 million for issuance of preferred stock and \$0.3 million for contributions received from noncontrolling interests. During 2015, the Company paid down borrowings totaling \$6.7 million, offset by \$1.2 million of additional borrowings, \$3.4 million proceeds to purchase a building in India and receiving \$3.2 million for issuance of common stock and warrants.

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Going Concern

Our independent auditors included an explanatory paragraph in their report on the accompanying financial statements regarding concerns about our ability to continue as a going concern. Additionally, our financial statements contain additional note disclosures describing the circumstances that lead to this disclosure by our independent auditors. Their assessment is a result of our recurring operating losses, significant recent divestiture of our U.S. Operations (excluding corporate functions) and the continuing and immediate need for capital raising to fund operations and future growth opportunities in MoneyOnMobile. Management does believe it has created and is executing on a viable plan that has the capability of eliminating the threat to continuation of our business. We will have to raise additional funds to continue our operations and, while we have been successful in doing so in the past, there can be no assurance that we will be able to do so in the future. Our continuation as a going concern is dependent upon our ability to obtain necessary additional funds to continue operations and the attainment of profitable operations.

Future financing may include the issuance of equity or debt securities, obtaining credit facilities, or other financing mechanisms. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses or experience unexpected cash requirements that would force us to seek alternative financing. Furthermore, if we issue additional equity or debt securities, existing holders of our securities may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our securities.

OFF-BALANCE SHEET ARRANGEMENTS

We do not have any off-balance sheet arrangements.

CRITICAL ACCOUNTING POLICIES

We use estimates throughout our statements and changes in estimates could have a material impact on our operations and financial position. We consider an accounting estimate to be critical if:

1. the estimate requires us to make assumptions about matters that are highly uncertain at the time the estimate is made; or
2. changes in the estimate are reasonably likely to occur from period to period, or use of different estimates we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

We believe the critical accounting policies described below involve the more significant judgments and estimates used in the preparation of our consolidated financial statements:

- Revenue recognition
- Valuation of financial instruments
- Goodwill
- Fair value measurements
- Business combinations

As our operations expand, we may identify additional critical accounting policies in the future. See Summary of Significant Accounting Policies in Note 2 of our consolidated financial statements.

ITEM 7A QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

MoneyOnMobile

Our primary market risk for MoneyOnMobile is availability of capital to purchase inventory as there is no functional credit system in its primary market and all parties are operating on a pre-paid basis. MoneyOnMobile must anticipate consumer market demand during periods when banks and wholesale corporate suppliers are closed and purchase adequate inventory in advance. These periods are typically weekends and holidays and represent the periods when the MoneyOnMobile services are most in demand. A number of other market risk factors exist but are not limited to, including pricing pressure from vendors, general domestic economic conditions, and the ability of MoneyOnMobile retailers to direct customers to alternative payment systems.

ITEM 8 FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and
Shareholders of MoneyOnMobile, Inc.

We have audited the accompanying consolidated balance sheets of MoneyOnMobile, Inc. and subsidiaries (the "Company") as of March 31, 2016 and 2015, and the related consolidated statements of operations, shareholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of MoneyOnMobile, Inc. and subsidiaries as of March 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2, the Company has experienced recurring operating losses and negative cash flows from operating activities. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 2 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Liggett & Webb, P.A.

Liggett & Webb, P.A.

New York, New York

August 19, 2016

MONEYONMOBILE, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 2016	March 31, 2015
ASSETS		
Current Assets		
Cash and equivalents	\$ 2,119,794	\$ 1,095,827
Due from distributors	4,938,790	684,210
Advances to aggregators	717,924	3,288,850
Other current assets	819,744	1,122,735
Current assets - discontinued operations	—	9,628,107
Total current assets	8,596,252	15,819,729
Property and equipment, net	3,508,835	3,890,064
Equity investments	190,172	201,600
Goodwill	13,810,117	14,633,237
Other intangible assets, net	4,640,092	4,937,104
Other non-current assets	758,549	308,267
Total assets	<u>\$ 31,504,017</u>	<u>\$ 39,790,001</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable	\$ 2,789,486	\$ 1,255,085
Accrued liabilities	3,220,242	1,285,027
Related party payables	1,215,401	717,486
Current portion of long-term debt	895,609	332,308
Advances from distributors	4,013,509	658,346
Put liability - Noncontrolling interest investment	3,000,000	—
Current liabilities - discontinued operations	—	10,807,894
Total current liabilities	15,134,247	15,056,146
Long-term debt	5,167,558	6,079,319
Other non-current liabilities	208,816	176,270
Total liabilities	20,510,621	21,311,735
Commitments and contingencies		
Preferred stock Series D, 600 shares authorized, 600 and zero shares issued and outstanding as of March 31, 2016 and 2015, respectively	600,000	—
Shareholders' Equity		
Common stock 200,000,000 shares authorized, 50,648,438 and 39,314,015 shares issued and outstanding as of March 31, 2016 and 2015, respectively	50,648	39,314
Stock subscribed zero and 1,533,600 shares issued and outstanding as of March 31, 2016 and 2015, respectively	—	1,534
Additional paid-in capital	46,473,010	35,982,933
Accumulated deficit	(40,089,408)	(24,136,830)
Cumulative other comprehensive loss	(1,429,525)	(499,383)
Total MoneyOnMobile, Inc. shareholders' equity	5,004,725	11,387,568
Noncontrolling interest	5,388,671	7,090,698
Total shareholders' equity	10,393,396	18,478,266
Total liabilities and shareholders' equity	<u>\$ 31,504,017</u>	<u>\$ 39,790,001</u>

The accompanying notes are an integral part of these consolidated financial statements.

MONEYONMOBILE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

	Year Ended	
	March 31,	
	2016	2015
Revenues, net	\$ 6,295,739	\$ 5,773,394
Cost of revenues	3,394,859	3,516,553
Gross profit	2,900,880	2,256,841
General and administrative expenses		
Salaries and wages	3,332,645	3,822,589
Selling, general and administrative	13,282,909	7,924,233
Depreciation and amortization	737,463	544,138
Total general and administrative	17,353,017	12,290,960
Operating loss	(14,452,137)	(10,034,119)
Other income (expenses)		
Interest expense	(3,047,358)	(1,337,243)
Other	(163,669)	29,288
Total other income (expenses)	(3,211,027)	(1,307,955)
Loss from continuing operations, before income tax	(17,663,164)	(11,342,074)
Income tax expense	(14,827)	(227,176)
Loss from continuing operations	(17,677,991)	(11,569,250)
Income from discontinued operations, net of tax	204,127	2,212,839
Loss on sale of discontinued operations, net of tax	(2,254,049)	—
Net loss	(19,727,913)	(9,356,411)
Net loss attributable to noncontrolling interest	(3,775,335)	(602,093)
Net loss attributable to MoneyOnMobile, Inc. shareholders	\$ (15,952,578)	\$ (8,754,318)
Other comprehensive (loss) income:		
Currency translation adjustments, net of tax	(1,423,659)	(1,292,743)
Total comprehensive loss	\$ (21,151,572)	\$ (10,649,154)
Comprehensive (loss) income attributable to:		
Noncontrolling interest	(4,166,775)	(974,623)
MoneyOnMobile, Inc. shareholders	(16,984,797)	(9,674,531)
<i>Net loss per share from continuing operations</i>	\$ (0.38)	\$ (0.29)
<i>Net (loss) income per share from discontinued operations</i>	\$ (0.04)	\$ 0.06
<i>Net loss per share, basic and diluted</i>	\$ (0.34)	\$ (0.22)
<i>Weighted average number of shares outstanding, basic and diluted</i>	47,075,920	39,333,451

The accompanying notes are an integral part of these consolidated financial statements.

MONEYONMOBILE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended March 31,	
	2016	2015
OPERATING ACTIVITIES		
Net loss	\$ (19,727,913)	\$ (9,356,411)
Adjustments to reconcile net loss to cash used in operating activities		
Gain on equity investment	—	(29,288)
Deferred financing cost amortization	324,144	216,084
Portfolio amortization	432,075	2,103,521
Subordinated note discount amortization	511,131	410,697
Depreciation and amortization	737,463	704,753
Loss (gain) on sale of assets and other	1,104,607	(5,314,744)
Loss on sale of U.S. Operations	2,254,049	—
Impairment of goodwill	—	2,341,928
Stock based compensation	1,216,146	1,240,139
Deferred consulting fee amortization	3,194,949	425,310
Equity awards issued for services	4,866,526	396,124
Changes in operating assets and liabilities:		
Accounts receivable	505,353	(291,465)
Due from distributors	(4,368,033)	327,501
Other assets	2,757,032	(258,321)
Related party payables	192,445	15,605
Accounts payable	1,548,274	315,030
Accrued liabilities	1,853,577	775,903
Advances from distributors	3,427,773	(514,847)
Other liabilities	—	(23,499)
Net cash provided by (used in) operating activities	829,598	(6,515,980)
INVESTING ACTIVITIES		
Proceeds from (contributions to) investments	46,247	(164,850)
Investment in residual portfolios	—	(3,226,550)
Proceeds from sale of residual portfolios	—	7,500,000
Purchases of property and equipment	(89,897)	(4,114,957)
Acquisition of intangible assets	(601,330)	(435,645)
Net cash (used in) investing activities	(644,980)	(442,002)
FINANCING ACTIVITIES		
Payments on notes payable and bank loan	(7,834,541)	(81,888)
Payments on senior debt	(6,600,000)	(6,570,000)
Borrowings on senior and subordinate notes	3,395,038	1,175,000
Issuance of common stock and warrants	2,229,392	3,252,301
Issuance of preferred stock	600,000	—
Borrowings on notes payable: sale of U.S. Operations	6,675,000	—
Proceeds from long-term debt	2,198,000	2,254,500
Change in restricted cash	(51,494)	1,500
Contributions made by noncontrolling interest	299,960	611,085
Net cash provided by financing activities	911,355	642,498
Foreign currency effect on cash flows	(269,640)	(469,560)
Net change in cash and cash equivalents	826,333	(6,785,044)
Cash and cash equivalents at beginning of year	1,293,461	8,078,505
Cash and cash equivalents at end of year - continuing operations	\$ 2,119,794	\$ 1,095,827
Cash and cash equivalents at end of year - discontinued operations	\$ —	\$ 197,634
Supplemental disclosures (Note 18)		

The accompanying notes are an integral part of these consolidated financial statements.

MONEYONMOBILE, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Preferred Stock		Common Stock		Subscribed Stock		Paid-in	Accumulated	Noncontrolling	Comprehensive	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Interests	Income (Loss)	
Balance, March 31, 2014	1,000	\$ 1,000,000	29,022,266	\$ 29,022	7,055,837	\$ 7,056	\$ 29,494,797	\$ (15,382,512)	\$ 7,810,987	\$ 420,830	\$ 23,380,180
Issuance of common stock	—	—	9,607,850	9,608	(6,355,570)	(6,355)	3,249,028	—	—	—	3,252,281
Warrants issued to placement agents	—	—	—	—	—	—	299,625	—	—	—	299,625
Warrants issued with debt financing	—	—	—	—	—	—	704,646	—	—	—	704,646
Conversion of debt to common stock	—	—	216,667	217	(66,667)	(67)	299,850	—	—	—	300,000
Conversion of Series C to common stock	(1,000)	(1,000,000)	—	—	1,000,000	1,000	999,000	—	—	—	—
Stock issued for services	—	—	698,422	698	(100,000)	(100)	372,651	—	—	—	373,249
Acquisition of residual portfolios	—	—	2,100	2	—	—	3,148	—	—	—	3,150
Stock-based compensation	—	—	—	—	—	—	1,240,139	—	—	—	1,240,139
Canceled stock	—	—	(233,290)	(233)	—	—	(679,951)	—	—	—	(680,184)
Purchase of DPPL shares from noncontrolling shareholder	—	—	—	—	—	—	—	—	(265,876)	—	(265,876)
Issuance of MMPL shares to noncontrolling shareholders	—	—	—	—	—	—	—	—	520,210	—	520,210
Net loss	—	—	—	—	—	—	—	(8,754,318)	(602,093)	—	(9,356,411)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(372,530)	(920,213)	(1,292,743)
Balance, March 31, 2015	—	—	39,314,015	39,314	1,533,600	1,534	35,982,933	(24,136,830)	7,090,698	(499,383)	18,478,266
Issuance of common stock	—	—	5,960,419	5,960	—	—	2,223,432	—	—	—	2,229,392
Warrants issued with equity financing	—	—	—	—	—	—	1,399,336	—	—	—	1,399,336
Warrants issued with debt financing	—	—	—	—	—	—	1,944,356	—	—	—	1,944,356
Warrants issued for services	—	—	—	—	—	—	3,256,309	—	—	—	3,256,309
Canceled warrants, net	—	—	—	—	—	—	(1,265,553)	—	—	—	(1,265,553)
Conversion of debt to common stock	—	—	2,001,515	2,001	—	—	1,201,999	—	—	—	1,204,000
Conversion of Series C to common stock	—	—	533,600	534	(533,600)	(534)	—	—	—	—	—
Stock issued for services	—	—	2,878,889	2,879	—	—	1,607,338	—	—	—	1,610,217
Stock-based compensation	—	—	—	—	—	—	1,216,146	—	—	—	1,216,146
Canceled stock	—	—	(40,000)	(40)	(1,000,000)	(1,000)	(601,174)	—	—	—	(602,214)
Embedded derivative reclassification upon conversion	—	—	—	—	—	—	620,603	—	—	—	620,603
Put liability - Noncontrolling interest investment	—	—	—	—	—	—	(3,000,000)	—	—	—	(3,000,000)
Issuance of DPPL shares to Parent	—	—	—	—	—	—	2,121,672	—	(2,135,243)	13,571	—
Issuance of DPPL shares to noncontrolling shareholders	—	—	—	—	—	—	(234,387)	—	4,599,991	88,506	4,454,110
Net loss	—	—	—	—	—	—	—	(15,952,578)	(3,775,335)	—	(19,727,913)
Foreign currency translation adjustment	—	—	—	—	—	—	—	—	(391,440)	(1,032,219)	(1,423,659)
Balance, March 31, 2016	—	\$ —	50,648,438	\$ 50,648	—	\$ —	\$ 46,473,010	\$ (40,089,408)	\$ 5,388,671	\$ (1,429,525)	\$ 10,393,396

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1 - OVERVIEW

The Company

In these consolidated financial statements, references to “MoneyOnMobile,” “Company,” “we,” “us,” and “our” collectively refers to MoneyOnMobile, Inc., and its majority-owned Indian enterprise, which includes Digital Payment Processing Limited (“DPPL”), My Mobile Payments Limited (“MMPL”) and Payblox Technologies (India) Private Limited (“Payblox”). All inter-company accounts and transactions have been eliminated in the accompanying consolidated financial statements. The Company operates one distinct business unit, which is located in India.

MoneyOnMobile

MoneyOnMobile offers electronic wallet services in India. MoneyOnMobile can be used to pay for goods and services and sending or receiving money using mobile phone text messages, smart phone or internet. Consumers are often required to prepay for certain utilities, such as mobile phone services. Because bank accounts and credit cards are only used by a small portion of the Indian population, consumers typically prepay for these utilities with cash, either directly to utility providers or through distributors. MoneyOnMobile acts as an intermediary between a) the utility provider and distributors, b) distributors and consumers, and c) consumer and other parties.

As an intermediary between the utility provider and distributors, MoneyOnMobile purchases utility units, such as mobile phone minutes, at wholesale rates and resells these units to distributors. MoneyOnMobile maintains an inventory of these utility units held for resell. As an intermediate between distributors and consumers, distributors use MoneyOnMobile’s electronic wallet technology to a) allow consumers to purchase utility units from the distributor by mobile phone text message and b) allow distributors to send a text message confirmation back to the consumer. MoneyOnMobile earns a transaction fee for these services, paid by the consumer. Once a consumer has established a MoneyOnMobile electronic wallet account, consumers can use MoneyOnMobile’s technology to facilitate non-distributor-related transactions with other parties that have MoneyOnMobile accounts, including other retailers and utilities and other MoneyOnMobile consumers. MoneyOnMobile also earns a transaction fee for these services, paid by the consumer.

In March 2012, the Company began acquiring common stock of Digital Payments Processing Limited (“DPPL”). During 2012, DPPL entered into an exclusive services agreement with My Mobile Payments Limited (“MMPL”), an entity that shares common ownership with DPPL. DPPL maintains a services agreement with My Mobile Payments Limited (“MMPL”) to deliver payment processing services in India. Both companies are organized under the laws of India and headquartered in Mumbai, India.

Additionally, Payblox Technologies (India) Private Limited (“Payblox”), a wholly owned subsidiary of MMPL, organized in October 2010 under the laws of India and headquartered in Mumbai, India, provides certain back office and support services on behalf of MMPL to its MoneyOnMobile service customer base. Collectively, DPPL, MMPL, and Payblox Technology (India) Private Limited (“Payblox”), operate the MoneyOnMobile enterprise. MoneyOnMobile is operated locally by a management team based in Mumbai, India, with corporate oversight provided by the executive management based in Dallas, Texas. MMPL currently has a license from the Reserve Bank of India to operate a payments system. Renewal of the license is required in October 2018, and DPPL intends to seek renewal and has no reason to believe it will not receive such renewal.

In January 2014, the Company acquired a majority of the common stock of DPPL, obtaining control of DPPL and, through DPPL’s services agreement, obtaining control of MMPL and Payblox. As such, MMPL has been determined to be Variable Interest Entity, in the Company’s accompanying consolidated financial statements. Prior to obtaining control in January 2014, MoneyOnMobile was accounted for an equity method investment.

On March 31, 2015, MMPL and DPPL executed a business purchase agreement, whereby MMPL purchased all the assets of DPPL. The impact of this business combination has been eliminated upon consolidated, as the Company maintained financial control of both entities since January 2014.

Sale of U.S. Operations

Effective November 30, 2015 (11:59pm), the Company divested its U.S. Operations, excluding executive headquarters. There is no continuing cash inflows or outflows from or to the discontinued operations. In consideration for the acquired assets, the buyer assumed certain of the Company’s liabilities, including an aggregate of \$8.3 million of notes payable and certain of the Sellers’ outstanding contractual obligations. See Note 17: *Sale of U.S. Operations* for additional details.

2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Preparation of Financial Statements

The preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported and disclosed in our financial statements. We base our estimates on historical experience and on various other assumptions we believe are reasonable under the circumstances, the results of which form the basis for our conclusions. Actual results may differ from the estimates used in preparing our consolidated financial statements. Significant estimates include revenue recognition, valuation of financial instruments, goodwill, fair value measurements and business combinations.

Basis of Presentation

We consolidate entities over which we have control, as typically evidenced by a voting control of greater than 50% or for which we are the primary beneficiary, whereby we have the power to direct the most significant activities and the obligation to absorb significant losses or receive significant benefits from the entity. We separately present our noncontrolling interests in the consolidated financial statements. For affiliates we do not control but where significant influence over financial and operating policies exists, as typically evidenced by a voting control of 20% to 50%, the investment is accounted for using the equity method. In addition, the assets, liabilities, and results of operations of all variable interest entities for which we have determined we are the primary beneficiary are included in our consolidated financial statements from the date such determination is made. All significant inter-company investments, accounts, and transactions have been eliminated.

Disposition of Assets

On November 30, 2015, CLPI consummated the sale of Calpian Commerce, Inc. and certain portfolio assets of CLPI and CRA. As a result of the sale, the results of operations for all periods presented and the (loss) gain on disposal have been included in "Net (loss) income from discontinued operations" in our consolidated statements of operations. Additionally, these assets and liabilities have been presented as discontinued operations in our consolidated balance sheet as of March 31, 2015 retroactively. See note 17 - *Sale of U.S. Operations* for additional information.

Going Concern

The Company's consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business. The Company had a net loss of \$(19,727,913) and \$(9,356,411) for the years ended March 31, 2016 and 2015, respectively. These conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company is continuing with its plan to further grow and expand its mobile payment processing operations in India. Management believes that its current operating strategy will provide the opportunity for the Company to continue as a going concern as long as it continues to obtain additional financing; however, there is no assurance this will occur. The accompanying consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Reclassifications

Certain previously reported amounts have been reclassified to conform to the current presentation.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. The Company believes the carrying values of cash and equivalents, accounts receivable, other current assets, accounts payable, accrued expenses, and interest payable approximate their fair values. Additionally, the Company believes the carrying value of its senior notes, subordinated notes, and note payable approximate the estimated fair value for debt with similar terms, interest rates, and remaining maturities currently available to companies with similar credit ratings.

The estimated fair value of our common stock issued in share-based payments is measured by the more relevant of: (i) the prices received in private placement sales of our stock or; (ii) its publicly-quoted market price. We estimate the fair value of warrants, other than those included in common stock unit purchases, and stock options when issued or vested using the Black-Scholes option-pricing model which requires the input of highly subjective assumptions. Recognition in shareholders' equity and expense of the fair value of stock options awarded to employees is on the straight-line basis over the requisite service period and, for grants to non-employees, when the options vest. The fair value of exercisable warrants on the date of issuance issued in connection with debt financing transactions or for services are deferred and expensed over the term of the debt or as services are performed.

Convertible Instruments

Certain debt instrument require us to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments according to certain criteria. This criteria includes circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument. Debt discounts under these arrangements are amortized over the term of the related debt to their stated date of redemption.

Derivative Financial Instruments

We classify as equity any contracts that (i) require physical settlement or net-share settlement or (ii) provide a choice of net-cash settlement or settlement in our own shares providing that such contracts are indexed to our common stock. We classify as assets or liabilities any contracts that (i) require net-cash settlement (including a requirement to net cash settle the contract if an event occurs and if that event is outside the Company's control) or (ii) gives the counter party a choice of net-cash settlement or settlement in shares (physical settlement or net-share settlement). We assesses classification of its common stock purchase warrants and other free standing derivatives at each reporting date to determine whether a change in classification between assets and liabilities is required.

Our free standing derivatives consist of embedded conversion options with a convertible note. The Company evaluated these derivatives to assess their proper classification in the consolidated balance sheets using the applicable classification criteria enumerated under ASC 815-Derivatives and Hedging. The Company determined that certain embedded conversion features do not contain fixed settlement provisions. As a result, we were required to record the conversion option associated with the debt as an embedded derivative. We previously recorded this liability as a derivative liability within current liabilities in our historical consolidated balance sheet. Changes in the value of this derivative liability has been marked-to-market at the end of each reporting period and recorded as Other income (expense) in our consolidated statements of operations and comprehensive loss. As of March 31, 2016 and 2015, we did not have any outstanding convertible instruments that would be classified as a derivative.

Foreign Currency Translation

The functional currency of MoneyOnMobile, consisting of DPPL and the variable interest entities MMPL and Payblox, is the Indian Rupee. MoneyOnMobile assets and liabilities are translated into U.S. dollars at the exchange rates in effect at each consolidated balance sheet date. Revenues and expenses are translated at quarterly average exchange rates and resulting translation gains or losses are accumulated in other comprehensive loss as a separate component within the accompanying statements of shareholders' equity. Additionally, cumulative translation adjustments recorded in other comprehensive income are reclassified to noncontrolling interest proportionally based on the weighted average percentage ownership interest held by the noncontrolling interest.

Cash and Equivalents

We consider cash, deposits, and short-term investments with original maturities of three months or less as cash and equivalents. Our deposits at financial institutions at times exceed amounts covered by U.S. Federal Deposit Insurance Corporation insurance.

Due from Distributors

Amounts represent purchases made by MoneyOnMobile consumers for which payment was made to an agent. As of March 31, 2016 and 2015, there were one and three distributors, which comprised 92% and 80%, respectively.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization, using the straight-line method based on estimated useful lives of three to five years. The building purchased in India has an estimated useful life of 39 years. Repairs and maintenance are charged to expense as incurred. Expenditures that increase the value or productive capacity of assets are capitalized. When property and equipment are retired, sold, or otherwise disposed of, the asset's carrying amount and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in the consolidated statements of operations and comprehensive operations.

Equity Investment

Under the equity method of accounting, the Company records its proportionate share of the net earnings or losses and a corresponding increase or decrease to the investment balance. The Company evaluates its equity method investments for impairment whenever events or changes in circumstances indicate that the carrying amounts of such investments may not be recoverable. No impairments were recorded during years ended March 31, 2016 or 2015.

Deferred Financing Costs

The Company capitalizes third-party costs paid to obtain its debt financing. Capitalized costs are then amortized using a straight-line basis over the related debt term into interest expense.

Business Combinations

We allocate the fair value of purchase consideration to the tangible assets acquired, liabilities assumed and intangible assets acquired based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. Such valuations require management to make significant estimates and assumptions, especially with respect to intangible assets. Significant estimates in valuing certain intangible assets include, but are not limited to, future expected cash flows from acquired customer lists, acquired technology, and trade names from a market participant perspective, useful lives and discount rates. Management's estimates of fair value are based upon assumptions believed to be reasonable, but which are inherently uncertain and unpredictable and, as a result, actual results may differ from estimates. During the measurement period, which is one year from the acquisition date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded to earnings.

Goodwill

Goodwill consists of the cost of our acquired businesses in excess of the fair value of the identifiable net assets acquired and is allocated to reporting units based on the relative fair value of the future benefit of the purchased operations to our existing business units as well as the acquired business unit.

We perform an annual impairment assessment in the fourth quarter of each fiscal year, or more frequently if indicators of potential impairment exist, to determine whether it is more likely than not that the fair value of a reporting unit in which goodwill resides is less than its carrying value. We have elected to first assess the qualitative factors to determine whether it is more likely than not that the fair value of our single reporting unit is less than its carrying amount as a basis for determining whether it is necessary to perform the two-step goodwill impairment under Accounting Standards Update (ASU) No. 2011-08, Goodwill and Other (Topic 350): Testing Goodwill for Impairment, issued by the Financial Accounting Standards Board (FASB). Qualitative factors considered in this assessment include industry and market considerations, overall financial performance, and other relevant events and factors affecting the reporting unit. If we determine that it is more likely than not that its fair value is less than its carrying amount, then the two-step goodwill impairment test is performed. The first step, identifying a potential impairment, compares the fair value of the reporting unit with its carrying amount. If the carrying amount exceeds its fair value, the second step would need to be performed; otherwise, no further step is required. The second step, measuring the impairment loss, compares the implied fair value of the goodwill with the carrying amount of the goodwill. Any excess of the goodwill carrying amount over the applied fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value.

After reviewing the results of multiple valuation models, a weighted average approach on a financial controlling basis was considered most appropriate comprised of an 80% weight to the market approach (40% precedent transactions (subject company), 15% precedent transactions (comparable company) and 25% guideline public company) and a 20% weight to the income approach (20% discounted cash flow). Additionally, other information such as current market, industry and macro economic conditions were utilized to assist to develop these fair value measurements.

For its MoneyOnMobile annual impairment assessment for the year ended March 31, 2016 and 2015, we determined it was more likely than not that the fair value of this reporting unit exceeded its carrying value. As a result, we concluded that goodwill was not impaired for the year ended March 31, 2016 or 2015. The percentage that fair value of goodwill exceeded carrying value as of March 31, 2016 and 2015 was 91.3% and 23.9%, respectively.

Intangible Assets

Intangible assets consist of software (excluding computer software), customer lists, trademarks, distributor contracts and domain names acquired through business combinations, or consists of software developed or obtained for internal use, as well as software intended for resale. Costs to develop internal use computer software during the application development stage are capitalized on a per project basis and are amortized on a straight line basis over its useful life. Capitalized costs for internally developed software during the years ended March 31, 2016 and 2015 totaled \$530,015 and \$115,440, respectively.

Costs for software developed for resale are expensed as incurred until technological feasibility is established, capitalized once technological feasibility occurs, including costs for coding and testing, and expensed once the software is available for release to customers. Capitalized costs for software available for sale are amortized over the greater of the amounts computed for the (1) expected revenue to total anticipated revenue or (2) straight line basis over its estimated useful life. Capitalized costs for software developed for resale during the years ended March 31, 2016 and 2015 totaled \$0 for both periods.

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The weighted average amortization period is five years for customer lists, acquisition costs and trademarks, five years for internal use software, three years for software developed for resale and domain names are not amortized. Capitalized finite-lived intangible assets are amortized on a straight-line basis over their estimated useful lives. Indefinite-lived assets are not amortized, but reviewed at least annually for potential impairment.

Impairment of Long-Lived Assets

In addition to the annual goodwill impairment test, long-lived assets, including property and equipment and other intangible assets, are reviewed for possible impairment whenever events or circumstances indicate that the carrying amount of such assets may not be recoverable. If such review indicates that the carrying amount of long-lived assets is not recoverable, the carrying amount of such assets is reduced to fair value. In addition to the recoverability assessment, we routinely review the remaining estimated useful lives of property and equipment and finite-lived intangible assets. If we reduce the estimated useful life assumption for any asset, the remaining unamortized balance would be amortized or depreciated over the revised estimated useful life. There were no adjustments to the carrying value or useful lives of long-lived assets (other than goodwill) during the years ended March 31, 2016 or 2015.

Revenue Recognition

The Company recognizes revenue when (1) persuasive evidence of an arrangement exists; (2) delivery has occurred or services have been performed; (3) the price is fixed or determinable; and (4) collectability is reasonably assured. The Company has three primary revenue streams: residual portfolios, merchant payment processing fees, and MoneyOnMobile transactions.

The following revenue recognition policies define the manner in which the Company accounts for sales transactions:

MoneyOnMobile

A significant portion of revenue is attributable to Merchant Services, including Mobile Recharge and Direct-to-Home. In these transactions, revenue from purchased utility units is recognized on a net basis, as the Company is acting in an agent capacity. MoneyOnMobile does not change the product or perform part of the service, has minimal discretion in supplier selection, has minimal latitude in establishing prices and possesses no credit risk.

Other services offered are Consumer Services, including bill payment and money transfer. For bill payment transactions, MoneyOnMobile acts as an agent with consumers. Distributors use MoneyOnMobile's electronic wallet technology to allow consumers to pay utility bills by mobile phone text message and smart phone. MoneyOnMobile earns a fixed transaction fee for these services. For our money transfer services, once a consumer has established a MoneyOnMobile electronic wallet account, consumers can use MoneyOnMobile's technology to facilitate non-distributor-related transactions with other parties that have MoneyOnMobile accounts, including other retailers and utilities and other MoneyOnMobile consumers. MoneyOnMobile also earns a fixed transaction fee for these services.

Distributors often keep a prepaid balance with MoneyOnMobile to facilitate transactions. Prepaid balances are deferred until utility units are delivered. As of March 31, 2016 and 2015, advances from distributors was \$4,013,509 and \$658,346, respectively.

Revenue from the above services and transaction fees are recognized on a net basis, as the Company is not the primary obligor, does not establish prices and does not maintain inventory or credit risk.

Income Taxes

Deferred income taxes are recognized for the future income tax effects of differences in the carrying amounts of assets and liabilities for financial reporting and income tax return purposes, including undistributed foreign earnings and losses, using enacted tax laws and rates. A valuation allowance is recognized if it is more likely than not that some or all of a deferred tax asset may not be realized. Tax liabilities, together with interest and applicable penalties included in the income tax provision, are recognized for the benefits, if any, of uncertain tax positions in the financial statements which, more likely than not, may not be realized.

Advertising

Advertising costs are expensed as incurred. During the years ended March 31, 2016 and 2015, advertising expense was \$1,485,467 and \$301,925, respectively.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. The ASU will replace most existing revenue recognition guidance in U.S. GAAP. On July 2015, the FASB deferred the effective date of the new revenue recognition standard by one year. We are evaluating the effect that ASU 2014-09 will have on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued its final lease accounting standard, FASB Accounting Standard Codification ("ASC") Topic 842, Leases, which requires lessees to reflect most leases on their balance sheet as assets and obligations. The effective date for the standard is for fiscal years beginning after December 15, 2018. We are evaluating the effect that ASC 842 will have on our consolidated financial statements and related disclosures. The standard is to be applied under the modified retrospective method, with elective reliefs, which requires application of the new guidance for all periods presented.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which simplifies the accounting for income taxes, among other changes, related to stock-based compensation. We are evaluating the effect that ASU 2016-09 will have on our consolidated financial statements.

There are no other recently issued accounting pronouncements not yet adopted or recently issued pronouncements that we expect to have a material effect on the presentation or disclosure of our future consolidated operating results, cash flows or financial condition.

3 - ADVANCES TO AGGREGATORS

At March 31, 2016 and 2015, advances to aggregators consisted of:

	2016	2015
Advances to aggregators	\$ 717,924	\$ 3,288,850
Total	\$ 717,924	\$ 3,288,850

4 - OTHER CURRENT ASSETS

At March 31, 2016 and 2015, other current assets consisted of the following:

	2016	2015
Current portion of deferred financing fees	\$ —	\$ 216,084
Deferred consulting fees	—	242,399
Short-term loans and advances	44,754	—
Foreign service tax recoverable	577,751	451,213
Advance payments to vendors	166,779	137,124
Prepaid insurance and other	30,460	75,915
Total	\$ 819,744	\$ 1,122,735

5 - PROPERTY AND EQUIPMENT

At March 31, 2016 and 2015, property and equipment consisted of:

	2016	2015
Building	\$ 3,626,116	\$ 3,805,644
Equipment	284,872	285,916
Furniture and fixtures	56,889	47,192
Subtotal	3,967,877	4,138,752
Less accumulated depreciation	(459,042)	(248,688)
Property and equipment, net	\$ 3,508,835	\$ 3,890,064

For the years ended March 31, 2016 and 2015, depreciation expense was \$240,733 and \$164,887, respectively.

6 - INVESTMENTS AND VARIABLE INTEREST ENTITIES

Happy Cellular Services Limited

As part of our acquisition of MoneyOnMobile enterprise in January 2014, we acquired a 40% equity interest in Happy Cellular Services Limited ("Happy Cellular"). Happy Cellular is a mobile talk time reseller based in India. As of March 31, 2016 and 2015, our equity investment balance was \$190,172 and \$201,600, respectively.

GreedyGame Media Pvt. Limited

During the year ended March 31, 2016, MMPL purchased shares of GreedyGame Media Pvt. Limited ("GreedyGame"). GreedyGame is a mobile marketing company based in India. Our investment balance at March 31, 2016 was \$18,153.

VARIABLE INTEREST ENTITIES

A VIE is an entity that is evaluated for consolidation using more than a simple analysis of voting control. We consolidate our VIEs where we determine that we have both the power to direct the activities of a VIE that most significantly impact the VIE's economic performance and the obligation to absorb losses or receive benefits from the VIE.

My Mobile Payments Limited

We did not hold a majority ownership interest in MMPL at either March 31, 2016 or 2015. Therefore, our determination of whether to consolidate is based upon the power to direct the activities that significantly impact the economic success of these entities. We are the primary beneficiary of MMPL as we are deemed to have a controlling financial interest due to having both a) the power to direct activities that most significantly impact its financial performance and b) the obligation to absorb losses that potentially could be significant. Our analysis includes consideration of the following factors which highlights our ability to control and direct significant influence over financial performance and overall investment strategy:

- i) shared Board of Directors with DPPL; and
- ii) inter-dependent operations with DPPL (i.e. MMPL is not a sustainable business without DPPL); and
- iii) MMPL relies exclusively on DPPL to fund its operations.

Contractual terms that may change the powers held in future periods, such as a purchase or sale options, are not considered in our analysis. Based on our analysis, we believe that we hold the power and rights to direct the most significant activities of MMPL and as a result the financial results of MMPL from the acquisition date of January 6, 2014 have been consolidated in the accompanying consolidated financial statements. During the year ending March 31, 2015, the Company invested \$4,906,760 to acquire 8.17% of MMPL. This investment was necessary to support local management in executing its growth plans. No direct investment was made by the Company to MMPL during the year ending March 31, 2016.

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At March 31, 2015 DDPL and MMPL entered into a business transfer agreement, in which DDPL acquired substantially all of MMPL. As these entities were previously accounted for as a business combination on January 6, 2014, this transaction was accounted for as an equity transaction in the consolidated financial statements due to maintaining financial control over MMPL.

Net income or loss and comprehensive income or loss are attributed to controlling and noncontrolling interests. We elected to utilize a weighted average value calculation based on relative ownership interest of MoneyOnMobile for the year ended March 31, 2016. In fiscal year ended March 31, 2015 this calculation was based on relative ownership interest of each individual entity: DPPL and MMPL. As of March 31, 2015, the allocation of DPPL and MMPL to our controlling interest was 71.9% and 7.0%, respectively. During the year ended March 31, 2016, the Company invested \$3,184,614 to purchase additional shares of DPPL.

As of March 31, 2016 the weighted average ownership allocation MoneyOnMobile to our controlling interest was 72.5%.

7 – GOODWILL

The following table is a reconciliation of the carrying amount of goodwill:

Carrying value at March 31, 2014	\$	15,385,846
Net foreign exchange movement		(752,609)
Carrying value at March 31, 2015		14,633,237
Net foreign exchange movement		(823,120)
Carrying value at March 31, 2016	\$	13,810,117

8 – OTHER INTANGIBLE ASSETS, NET

At March 31, 2016 and 2015, other intangible assets subject to amortization consisted of the following:

	2016	2015
Customer lists	\$ 1,185,702	\$ 1,282,457
Software development costs	1,180,910	950,824
Trademarks	29,518	31,299
Contracts	240,285	247,568
	2,636,415	2,512,148
Less accumulated amortization	(1,311,097)	(1,064,184)
Total	\$ 1,325,318	\$ 1,447,964

For the years ended March 31, 2016 and 2015, the weighted average amortization period is approximately 5 years. For the years ended March 31, 2016 and 2015, amortization expense was \$496,730 and \$381,068, respectively.

Our future amortization expense relating to other intangible assets subject to amortization:

Year ending March 31, 2017	\$	496,730
Year ending March 31, 2018		441,773
Year ending March 31, 2019		386,815
Total	\$	1,325,318

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At March 31, 2016 and 2015, other intangible assets not subject to amortization consisted of the following:

	2016	2015
License	\$ 2,379,007	\$ 2,488,867
Trade name	925,767	990,273
Domain names	10,000	10,000
Total	<u>\$ 3,314,774</u>	<u>\$ 3,489,140</u>

The MoneyOnMobile Reserve Bank of India license noted above meets the criteria to be classified as an indefinite life intangible as there are no legal, regulatory, contractual, competitive, economic, or other factors that limit its useful life. It does require renewal and is for a defined period, however, Management will continuously renew.

9 - ACCRUED LIABILITIES

At March 31, 2016 and 2015, accrued liabilities consisted of the following:

	2016	2015
Interest	\$ 477,456	\$ 329,360
Wages and benefits	413,087	275,033
Foreign statutory fees	482,360	184,484
Bank overdraft	34,622	40,220
Legal costs	215,000	—
Vendor payments	1,597,717	455,930
Total	<u>\$ 3,220,242</u>	<u>\$ 1,285,027</u>

10 - DEBT

As of March 31, 2016 and 2015, long term debt consisted of the following:

	2016	2015
Subordinated notes payable	\$ 3,200,000	\$ 4,800,000
Notes payable and promissory notes	2,008,159	—
India office building mortgage	2,067,588	2,129,813
Total	7,275,747	6,929,813
Less: debt discount	(1,212,580)	(518,186)
	6,063,167	6,411,627
Less: current portion	(895,609)	(332,308)
Long term debt	<u>\$ 5,167,558</u>	<u>\$ 6,079,319</u>

Senior Credit Facility (Discontinued Operations)

Outstanding balances under the senior credit facility accrue interest at an annual rate of 13.2%, payable monthly in arrears. On August 8, 2014, the facility was amended to extend interest only payments through September 2015; thereafter, principal is payable in monthly installments, plus accrued interest, until maturity in October 2017. The facility required maintaining a minimum of \$200,000 in cash and equivalents and meeting certain financial and financial reporting covenants and was returned to the Company when the facility was repaid on November 30, 2015 as part of the sale of its U.S. Operations.

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During the years ended March 31, 2016 and 2015, interest expense, exclusive of accretion of debt discount and amortization of loan origination fees, was \$572,088 and \$1,359,048, respectively. For the years ended March 31, 2016 and 2015, amortized debt discount included in interest expense were \$54,167 and \$130,000, respectively, and are presented as part of discontinued operations

Loan origination fees related to our senior credit facility are amortized through November 30, 2015, the date of the facility was repaid in full, and are included in interest expense. For the years ended March 31, 2016 and 2015, amortized financing costs included in interest expense were \$144,056 and \$216,084, respectively, are presented as part of discontinued operations. Additionally, the remaining Deferred Finance Costs totaling \$180,070 were written off as of November 30, 2015 and were included in the calculation of Loss on Sale of U.S. Operations. See note 17 - *Sale of U.S. Operations*.

For the years ended March 31, 2016 and 2015, the Company made principal payments on the senior credit facility of \$6,600,000 and \$6,570,000, respectively.

Senior Promissory Notes (Discontinued Operations)

Calpian Residual Acquisition, LLC entered into \$3.0 million and \$1.0 million senior promissory notes to three investors in February 2014 and September 2014, respectively. Outstanding balances under the senior promissory notes accrue interest at an annual rate of 12%, payable monthly in arrears. Interest only is payable through February 2015; thereafter, principal is payable evenly for 48 months through maturity, February 2019. The \$4.0 million notes are voluntarily convertible into common stock after December 31, 2014 at a conversion ratio of \$2 per share of our common stock. In March 2015, Calpian Residual Acquisition, LLC issued \$175,000 senior promissory notes with separate investors and accrue interest at an annual rate of 8%, payable monthly in arrears. Interest only is payable through March 2016; thereafter, principal is payable evenly for 48 months through maturity, March 2020.

As part of the Company's November 30, 2015 sale of its U.S. Operations, \$3,000,000 of principal senior promissory notes were assumed by the buyer, \$175,000 was converted to CLPI common stock, and the remaining \$500,000 of principal was converted to notes directly with MoneyOnMobile, Inc.. These notes have a maturity date of December 31, 2016 with an annual interest rate of 12%. During the year ended March 31, 2016 and 2015, interest expense was \$297,029 and \$438,081, respectively, and are presented as part of discontinued operations.

Warrants, valued at the time of issuance using a Black Scholes valuation model, have been issued in connection with the senior promissory notes as follows:

Period of Issue (Fiscal Period)	Number of Warrants	Aggregate Fair Value at the Time of Issuance
Q1 2015	75,000	\$ 60,000
Q2 2015	175,000	140,000
Q3 2015	125,000	82,246
Total - 2015	375,000	\$ 282,246

During the years ended March 31, 2016 and 2015, debt discount accreted into interest expense was \$80,919 and \$103,846, respectively, and are presented as part of discontinued operations. During the years ended March 31, 2016 and 2015, the Company made principal payments on the senior promissory notes of \$4,093,162 and \$81,888, respectively. Additionally, the remaining Deferred Finance Costs totaling \$394,481 were written off as of November 30, 2015 and were included in the calculation of Loss on Sale of U.S. Operations. See note 17 - *Sale of U.S. Operations*.

Subordinated Notes Payable

The Company's subordinated debt has been issued pursuant to a \$3 million Subordinated Debt Offering and a separate \$2 million Subordinated Debt Offering. Each offering is exempt from registration under Rule 506 of Regulation D of the Securities and Exchange Commission ("SEC"), as described in the Current Reports on Form 8-K filed on January 6, 2011 and August 10, 2012. The notes are secured by a first lien on substantially all of the Company's assets, but are subordinated to the senior credit facility. The notes bear interest at a rate of 12% annually paid monthly in arrears.

On December 30, 2014, the Company amended the subordinated notes payable to extend the maturity to December 31, 2016. In consideration for the maturity extension, the notes were amended to add a conversion feature, which gives the note holder the option to convert the notes at a price equal to \$1.00 per share of common stock. Furthermore, the Company has the option, upon three day prior written notice, to require the note holders to convert the outstanding principal of the note into common stock if the share price equals or exceeds \$2.00 in any ninety (90) day trading period.

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The Company also granted the note holders a warrant to purchase 200,000 shares of common stock for every \$1,000,000 of outstanding principal at the time of the amendment. The 960,000 warrants had a fair value at issuance of \$442,400 using a Black-Scholes valuation model. The modification date discount value is amortized over the remaining term of the modified debt, resulting in an effective interest rate of 16.75%. For the years ended March 31, 2016 and 2015, amortized debt discount included in interest expense totaled \$191,967 and \$179,892, respectively. During the years ended March 31, 2016 and 2015, the Company made principal payments of \$1,600,000 and \$0, respectively.

In March 2016, the Company extended the maturity date on its remaining subordinated debt from December 31, 2016 to December 31, 2017. As part of this agreement, the Company issued to debt holders 3,200,000 warrants, which possessed an aggregate fair value of \$1,267,817 at issuance using the Black-Scholes valuation model. 1,000,000 of these warrants were subsequently canceled prior to year-end and reissued with an extended maturity date. See note 15: *Related Parties* for additional details.

Convertible Promissory Note

Effective September 17, 2015, the Company entered into a Loan and Security Agreement with Hall Phoenix/Inwood, Ltd., a Texas limited partnership ("Hall"), whereby the Company received \$2,000,000, and issued a convertible promissory note (the "Hall Note") secured by all the assets of the Company and accrues interest at an annual rate of 10% and a maturity date of September 16, 2016. Pursuant to the Agreement, Hall has the option to convert outstanding principal and unpaid accrued interest of the Note at a price per share equal to the lower of (a) \$0.60 or (b) 85% of the average volume weighted price of the Company's common stock for the ten trading days preceding the date on which Hall gives written notice of conversion to the Company. On December 30, 2015, the Company sold to Hall, 450,379 of its shares held in its majority-owned subsidiary DPPL, reducing the Company's share ownership of DDPL to 61.3% at December 31, 2015. As consideration, the Hall Note was considered repaid in full.

Notes Payable and Promissory Notes

In October 2015, the Company received \$6,000,000 from various investors as part of a debt subscription agreement, which was specific to facilitating the sale of the Company's U.S. Operations. As part of this sale, the entire debt was assumed by the purchaser of the U.S. Operations. Additionally, short term notes totaling \$59,434 were issued to the note holders to account for the interest that was incurred by the Company while the funds were in escrow and have a maturity date of December 31, 2016.

In April 2016, and as part of the Company's settlement agreement with the buyer of its U.S. Operations, the Company issued two new promissory notes, First, \$727,285, of which \$720,084 was the note balance included in the Asset Purchase Agreement, with the remaining balance as subsequent interest incurred. This note possessed an interest rate of 12% per annum payable monthly, matures on December 31, 2017. Second, the Company issued the buyer a \$675,000 note in exchange for the buyer waiving any claims for breach of the Purchase Agreement between the buyer and the Company. Additionally, the Company escrowed 2,000,000 shares of its common stock as a guarantee of repayment for the \$675,000 note.

Lastly, the Company issued three notes totaling \$546,440, which represented the remaining outstanding debt of CRA that was not included as part of the sale of U.S. Operations at March 31, 2016. These loans have a maturity date of December 31, 2016.

India Office Building Mortgage

In May 2014, My Mobile Payments Limited obtained a \$2,254,500 loan with Union Bank of India to purchase an office building to be used as its headquarters. The loan was interest only for the first six months at the rate of 16% per annum. Thereafter, the interest rate is 15% per annum, and principal and interest payments are to be made in 26 equal quarterly payments. The loan matures in May 2021 and is collateralized by the building.

During the quarter ended June 30, 2015, MMPL refinanced its office building loan by paying off its loan with the Union Bank of India, and replacing it with a \$2,198,000 loan with Standard Chartered. The new loan is at a variable interest of 11.10% per annum with principal and interest payments to be made in 180 equal monthly payments.

Future principal payments due under the Company's debt, excluding debt discounts of \$(1,212,580), for the fiscal years ending March 31:

	2017	2018	2019	2020	2021	Thereafter	Total
Notes payable and promissory notes	\$ 605,874	\$ 1,402,285	\$ —	\$ —	\$ —	\$ —	\$ 2,008,159
Subordinated payable notes	—	3,200,000	—	—	—	—	3,200,000
Bank of India	289,735	289,735	289,735	289,735	289,735	618,913	2,067,588
	<u>\$ 895,609</u>	<u>\$ 4,892,020</u>	<u>\$ 289,735</u>	<u>\$ 289,735</u>	<u>\$ 289,735</u>	<u>\$ 618,913</u>	<u>\$ 7,275,747</u>

NOTE 11 - FAIR VALUE OF FINANCIAL INSTRUMENTS

We measure the fair value of financial assets and liabilities based on the guidance of ASC 820 "Fair Value Measurements and Disclosures" which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. ASC 820 defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC 820 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

ASC 820 describes three levels of inputs that may be used to measure fair value:

- Level 1 - quoted prices in active markets for identical assets or liabilities
- Level 2 - quoted prices for similar assets and liabilities in active markets or inputs that are observable
- Level 3 - inputs that are unobservable based on an entity's own assumptions, as there is little, if any, related market activity (for example, cash flow modeling inputs based on assumptions)

There were no financial liabilities as of March 31, 2016 and 2015 measured at fair value on a recurring basis.

In September 2015, the Company determined that a certain conversion option related to a convertible note did not have fixed settlement provisions and was deemed to be a derivative financial instrument, since the exercise price was subject to adjustment based on certain changes in market price of the Company's common stock. Accordingly, the Company was required to record such conversion option as a liability and mark such derivative to fair value each reporting period. Such instrument was classified within Level 3 of the valuation hierarchy. However, the note was exchanged prior to March 31, 2016.

The fair value of the conversion option was calculated using a binomial lattice formula with the following weighted average assumptions during the nine months ended December 31, 2015. The financial instrument was exchanged on December 30, 2015 and was created on September 17, 2015:

	December 31, 2015	September 17, 2015
Common Stock Closing Price	\$ 0.55	\$ 0.54
Conversion Price per Share	\$ 0.53	\$ 0.45
Conversion Shares	3,789,233	4,444,306
Call Option Value	\$ 0.25	\$ 0.25
Dividend Yield	—	—
Volatility	103.21%	103.24%
Risk-free Interest Rate	0.33%	0.39%
Term (years)	1 year	1 year

The risk-free interest rate is the United States Treasury rate on the measurement date having a term equal to the remaining contractual life of the instrument. The volatility is a measure of the amount by which the Company's share price has fluctuated or is expected to fluctuate. The dividend yield is 0% as the Company has not made any dividend payment and has no plans to pay dividends in the foreseeable future.

Level 3 liabilities are valued using unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the derivative liabilities. For fair value measurements categorized within Level 3 of the fair value hierarchy, the Company's Chief Financial Officer, who reports to the Chief Executive Officer, determine its valuation policies and procedures.

The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of management.

Level 3 financial liabilities consist of the derivative liabilities for which there is no current market for these securities such that the determination of fair value requires significant judgment or estimation. Changes in fair value measurements categorized within Level 3 of the fair value hierarchy are analyzed each period based on changes in estimates or assumptions and recorded as appropriate.

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Significant observable and unobservable inputs include stock price, exercise price, annual risk free rate, term, and expected volatility, and are classified within Level 3 of the valuation hierarchy. An increase or decrease in volatility or interest free rate, in isolation, can significantly increase or decrease the fair value of the derivative liabilities. Changes in the values of the derivative liabilities are recorded as a component of other income (expense) on the Company's consolidated statements of operations.

The following table sets forth a summary of the changes in the fair value of the Company's Level 3 financial liabilities that are measured at fair value on a recurring basis using significant unobservable input for the year ended March 31, 2016:

April 1, 2015	\$	—
Aggregate amount of derivative instruments issued		1,097,635
Change in fair value of derivative liabilities		(477,032)
Reclassification into Equity		(620,603)
March 31, 2016	\$	—

The Company's assets measured at fair value on a non-recurring basis are summarized in the following tables by fair value measurement Level:

	Level 1	Level 2	Level 3	Total
Equity Investments as of March 31, 2015	\$ —	\$ —	\$ 201,600	\$ 201,600
Equity Investments as of March 31, 2016	\$ —	\$ —	\$ 190,172	\$ 190,172

Fair Value Measurements are defined as the amount that would be received for selling an asset or paid to transfer a liability in an orderly transaction between market participants and is classified in one of the following three categories. There have been no changes in the methodologies used at March 31, 2016 and 2015:

Level 1 – Quoted prices for identical instruments in active markets.

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. Level 3 investments consist of investments in Happy Cellular Services Limited.

A reconciliation of the beginning and ending balances for the investments using significant unobservable inputs (Level 3):

Carrying value, March 31, 2014	\$	211,680
Foreign currency translation		(10,080)
Carrying value, March 31, 2015		201,600
Foreign currency translation		(11,428)
Fair value of equity investment as of March 31, 2016	\$	190,172

12 - CAPITAL STOCK

We have not agreed to register any of our common stock or warrants for resale under the Securities Act of 1933, as amended; however, 9,565,696 shares common stock and warrants to acquire 2,144,123 shares of our common stock have customary “piggy back” registration rights in the event we register shares of our common stock in the future.

Common Stock

During the years ended March 31, 2016 and 2015, the Company issued shares of its common stock in connection with its financing activities and for services received totaling 8,839,308 and 10,306,272, respectively.

In July 2015, the Company exchanged with an Investor their \$1,000,000 Note, including nominal interest, and issued i) 1,683,334 shares of the Company’s common stock, \$0.001 per share; ii) five-year warrants to purchase eight hundred thirty-three thousand three hundred thirty four (833,334) shares of Common Stock at \$0.75 per share; and iii) a further one hundred and sixty-three thousand four hundred forty-seven (163,447) five-year warrants to purchase shares of Common Stock at \$0.75 per share. This note was then canceled prior to March 31, 2016.

In December 2015, the Company's sold a portion of its DPPL shares to Hall. Included in the consideration paid by Hall, was 1,000,000 of common stock of MoneyOnMobile, Inc.. The Company canceled these shares upon receipt.

Convertible Preferred Stock

During the year ended March 31, 2016, the Company issued 600 shares of its Series D Convertible Preferred Stock (the “Series D Preferred”), par value \$0.001 per share and a stated value of \$1,000 per share. In connection with the issuance of the Series D Preferred, the Company issued warrants to purchase 150,000 shares of Common Stock at an exercise price of \$0.75 per share. The Company received gross proceeds of \$600,000 in consideration for the issuance of these securities. The investor shall have the right to convert the preferred shares, including accrued dividends (15% annually), into the Company's common stock at any time at \$0.60 per share. At the completion of a certain level of equity funding, the investor must convert their outstanding investment, including accrued dividends to either: (i) cash; (ii) Company common stock at \$0.60 per share; or (iii) Company common stock at the not yet determined equity raise per share value.

Warrants

At March 31, 2016, and in connection with financing activities and service agreements, a total of 21,732,272 warrants for our common stock with exercise prices ranging from \$0.01 to \$3.00 per share (\$0.71 weighted average) have been issued and expire as follows: 2,534,201 in 2017; 272,500 in 2018; 1,662,925 in 2019; 4,441,531 in 2020; 1,384,069 in 2021; 9,237,046 in 2022, and 2,200,000 in 2027. On exercise, the warrants will be settled in delivery of unregistered shares of our common stock.

The following table summarizes the changes in warrants for the years ended March 31, 2016 and 2015.

	Warrants
Outstanding at March 31, 2014	6,284,457
Granted	2,444,069
Exercised	—
Expired/canceled	—
Outstanding at March 31, 2015	8,728,526
Granted	18,437,046
Exercised	—
Expired/canceled	(5,433,300)
Outstanding at March 31, 2016	21,732,272

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For the year ended March 31, 2016 the Company granted the following warrants:

Issued for services	9,150,963
Issued for common stock	2,980,212
Issued for preferred stock	150,000
Conversion from debt to equity	996,781
Debt modifications	5,159,090
Total	18,437,046

For the year ended March 31, 2015 the Company granted the following warrants:

Conversion from Series B convertible preferred stock	207,125
Conversion from Series C convertible preferred stock	100,000
Issued for common stock	739,446
Issued for services	22,500
Holders of senior promissory notes	375,000
Issued for subordinated debt modifications	960,000
Issued in connection with financing transaction	39,998
Total	2,444,069

We estimate the fair value of warrant granted using the Black-Scholes option valuation model. The expected life of warrant represents the term of warrant. The expected stock volatility is based on the average of historical volatility of the Company's common stock and other subjective factors. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time awards are granted, and the expected dividend rate takes into account the absence of any historical payments and management's intention to retain all earnings for future operations and expansion. Warrants issued for services included in selling, general and administrative expenses was \$3,256,309 and \$13,301 for the years ended March 31, 2016 and 2015, respectively.

The fair value of each warrant granted was estimated on the date of grant using the Black-Scholes valuation model with the following weighted average assumptions for grants during the years ended March 31:

Warrants	2016	2015
Risk-free interest rates	1.61%	1.42%
Expected volatility	110.62%	105.80%
Dividend yields	—%	—%
Expected lives (years)	4 years	4 years

2011 Equity Incentive Plan

The 2011 Equity Incentive Plan ("Plan") provides for issuing equity awards for an aggregate of 3.5 million shares of our common stock in the form of grants of restricted shares, incentive stock options (employees only), non-qualified stock options, share appreciation rights, performance shares, and performance units. The purposes of the Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to employees, directors, and consultants, and to promote the long-term growth and profitability of the Company. Stock option awards have a maximum contractual life of ten years and specific vesting terms and performance goals are addressed in each equity award grant. Shares issued to satisfy awards may be from authorized but unissued or reacquired common stock.

Stock Options

We estimate the fair value of stock options granted using the Black-Scholes option valuation model. The expected life of options represents the period of time the options are expected to be outstanding and other subjective factors. The expected stock volatility is based on the average of historical volatility of the Company's common stock and other subjective factors. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time awards are granted, and the expected dividend rate takes into account the absence of any historical payments and management's intention to retain all earnings for future operations and expansion. No forfeiture is expected when stock options are granted.

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During the years ended March 31, 2016 and 2015, the Company awarded 2,800,000 and 1,360,000 stock options for shares of common stock. Stock-based compensation expense included in selling, general and administrative expenses was \$1,216,146 and \$1,240,139 for the years ended March 31, 2016 and 2015. Options with a weighted-average exercise price of \$0.74 per share for 3,480,000 shares were outstanding at March 31, 2016. Intrinsic value is the amount by which the fair value of the underlying stock exceeds the exercise price of an option. Intrinsic value at March 31, 2016 and 2015 totaled \$650,000 and \$0, respectively. At March 31, 2016, outstanding options are fully vested and the weighted-average remaining contractual term was 9.2 years; however, if services are earlier terminated, 3,480,000 options become void 90 days after termination.

The fair value of each option was estimated on the date of grant using the Black-Scholes valuation model using the following weighted average assumptions:

Option plan	2016	2015
Risk-free interest rates	1.74%	2.21%
Expected volatility	103.050%	101.770%
Dividend yields	—%	—%
Expected lives (years)	5 years	5 years

The following table summarizes the changes in equity available for grant, comprised of stock options and restricted common stock, for the years ended March 31, 2016 and 2015.

	Equity Available for Grant	Number of Options	Weighted Average Exercise Price
Outstanding at March 31, 2014	1,100,000	900,000	\$ 1.49
Increase in authorized shares	1,500,000		
Restricted common stock issued for consulting services under the plan	(515,000)		
Granted	(1,360,000)	1,360,000	\$ 1.00
Exercised	—	—	
Expired	—	—	
Forfeited	300,000	(300,000)	
Outstanding at March 31, 2015	1,025,000	1,960,000	\$ 1.17
Granted	(2,800,000)	2,800,000	\$ 0.52
Exercised	—	—	
Removed from plan	515,000	—	
Forfeited	1,280,000	(1,280,000)	
Outstanding at March 31, 2016	20,000	3,480,000	\$ 0.74

During the year ending March 31, 2015, 515,000 shares of restricted common stock with a fair value of \$276,235 were issued under the *2011 Equity Incentive Plan* for consulting services. In December 2015, the Board of Directors approved the removal of these shares from the *2011 Equity Incentive Plan*.

13 - EARNINGS PER SHARE

Basic earnings per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing income available to common shareholders by the weighted-average number of shares of common stock outstanding during the period increased to include the number of additional shares of common stock that would have been outstanding if the potentially dilutive securities had been issued. The dilutive effect of potentially dilutive securities is reflected in diluted earnings per share by application of the treasury stock method. Under the treasury stock method, an increase in the fair market value of the Company's common stock can result in a greater dilutive effect from potentially dilutive securities.

Our shareholder equity includes a line item for "subscribed stock", which represents shares of common stock for which we irrevocably received investors' purchase prices but, due to administrative delays, had not issued the respective shares of common stock before the period end. These shares have been included in the weighted average number of shares of common stock outstanding during the period for the purposes of calculating basic earnings per share.

The computation of basic and diluted loss per share as of March 31, 2016 and 2015 excludes potentially dilutive securities when their inclusion would be anti-dilutive, or if their exercise prices were greater than the average market price of the common stock during the period. Potentially dilutive securities excluded from the computation of basic and diluted net income (loss) per share as of March 31, 2016 and 2015 are as follows:

	2016	2015
Warrants	21,732,272	8,728,526
Stock options	3,480,000	1,960,000
Convertible subordinated notes	3,200,000	6,800,000
Convertible preferred stock	1,000,000	—
Total	<u>29,412,272</u>	<u>17,488,526</u>

14 - INCOME TAXES

Our deferred income tax liabilities and assets reflect temporary differences between amounts of assets and liabilities for financial and tax reporting. We adjust our deferred income tax liabilities and assets, as appropriate, to reflect changes in tax rates expected to be in effect when the temporary differences reverse. We establish a valuation allowance to offset any deferred income tax assets if, based on the available evidence, it is more likely than not that some or all of the deferred income tax assets will not be realized. We recognize uncertain income tax positions taken or expected to be taken on tax returns at the largest amount that is more likely than not to be sustained upon audit by the relevant taxing authority. An uncertain income tax position will not be recognized if it has less than a 50% likelihood of being sustained. As of March 31, 2016 and 2015, no such uncertain income tax benefits were recognized.

The Company has cumulative domestic net operating losses of \$(27.6) million and \$(12.7) million as of March 31, 2016 and 2015, respectively. The net operating loss carryover begins to expire in 2026 through 2034.

	2016	2015
Warrants	\$ 1,787,277	\$ 1,628,402
Net operating loss carryovers	12,164,076	5,681,218
Development stage losses	—	330,143
Residual portfolio amortization	—	641,147
Management equity awards	765,141	351,651
Fixed Assets	—	(23,990)
Intangibles	—	2,437
Goodwill	—	685,665
Total deferred tax assets	<u>14,716,494</u>	<u>9,296,673</u>
Valuation allowance	<u>(14,716,494)</u>	<u>(9,296,673)</u>
Net deferred tax asset	<u>\$ —</u>	<u>\$ —</u>

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For fiscal year ending March 31, 2016 and 2015, there were no current or deferred tax expenses due to a full valuation allowance. The losses before income taxes and equity investment loss at the 34% federal statutory and foreign (India) tax rate reconciles to our tax provisions:

	2016			2015		
	Domestic	Foreign	Total	Domestic	Foreign	Total
Loss from continuing operations, before income taxes	\$ (14,957,688)	\$ (4,638,370)	\$ (17,663,164)	\$ (7,391,630)	\$ (3,950,444)	\$ (11,342,074)
Income tax benefit at statutory rate	(5,085,614)	(1,577,046)	(6,662,660)	(2,513,154)	(1,343,151)	(3,856,305)
Equity investment adjustment	1,305,093		1,305,093	126,660	—	126,660
Items not deductible for tax purposes	7,914		7,914	20,951	—	20,951
Change in valuation allowance	3,772,607	1,655,161	5,427,768	2,365,543	—	2,365,543
Rate difference in foreign jurisdiction	—	(63,288)	(63,288)	—	1,570,327	1,570,327
Income tax expense	\$ —	\$ 14,827	\$ 14,827	\$ —	\$ 227,176	\$ 227,176

Prior to the DPPL acquisition on January 7, 2014, the Company owned 49.9% of DPPL, a loss company at the time of the acquisition. As a result of this acquisition we obtained certain foreign net operating losses. In the U.S., loss carryforwards are subject to IRC Section 382 of the Code which may limit the amount of taxable income that can be offset by NOL carryforwards after a change in control (generally greater than 50% change in ownership). We do not expect the IRC Section 382 limitation to materially impact the deferred tax asset as it relates to the NOL. The provision for income taxes is due entirely to MMPL and is payable to the Indian Government.

15 - RELATED PARTIES

Support Services and Advances

ART has provided the Company, since its startup period, with certain support services. It has been verbally agreed that payment for these services would accrue interest-free and be paid at a future date to be agreed on by the parties. At March 31, 2016 and 2015, amounts due to ART were \$208,181 and \$181,856, respectively, and is included in Related party payables on the Company's balance sheet.

Cagan McAfee Capital Partners, LLC

On January 1, 2011, the Company signed a two years management advisory agreement with Cagan McAfee Capital Partners, LLC ("CMCP"), an investment company owned and controlled by Laird Cagan, a member of our Board of Directors and a significant shareholder. The nonexclusive agreement provides for CMCP advising the Company on financial and strategic matters and provides for the services of Mr. Cagan as a member of our Board. Pursuant to the agreement, CMCP is to be paid \$14,500 per month plus expenses. In December 2013, the agreement was extended through December 2015, at which time the agreement was terminated and now additional interest is to be incurred on amounts outstanding as of that date. Previously, interest accrued on unpaid balances at 12% per annum. The amounts due, including interest, to CMCP totaled \$711,805 and \$535,630 as of March 31, 2016 and 2015, respectively, and is recorded in Related party payables in the Company's consolidated balance sheet.

Cagan Capital, LLC

In 2011, Cagan Capital, LLC ("CCLLC"), an entity owned and controlled by Mr. Cagan, purchased \$1.0 million of our subordinated notes payable and warrants to purchase up to 500,000 shares of our common stock at \$1.00 per share on a cashless basis. During the year ended March 31, 2016, these warrants were exchanged and reissued with extended maturity dates. See Laird Cagan section below for additional details. In connection with the extension of the maturity date of the subordinated notes in 2012, CCLLC was issued an additional 71,233 warrants to purchase shares of our common stock at \$2.00 per share. There were no subordinated debt principal payments in 2016 or 2015 and interest paid at 12% per annum totaled \$120,000 in 2016 and \$110,000 in 2015.

In 2014, Mr. Cagan purchased \$1.0 million of CRA secured promissory notes payable at an interest rate of 12% per annum and warrants to purchase up to 175,000 shares of MoneyOnMobile common stock at \$0.01 per share. The outstanding principal amount of this loan may be converted to MoneyOnMobile common stock at any time by dividing the outstanding principal and any accrued interest by \$2.00 per share. Principal payments made during the year ended March 31, 2016 and 2015 totaled \$68,665 and \$32,833. Interest paid totaled \$82,450 and \$119,837 as of March 31, 2016 and 2015.

Laird Cagan

In March 2016, the Company executed an one year advisory agreement with Mr. Cagan and issued one million warrants. Additionally, Mr. Cagan received 1,000,000 warrants as part of its subordinated notes payable modification. See note 6: *Debt* for more information. These warrants and those held by Mr. Cagan, totaling 2.5 million warrants, were canceled and reissued in order to extend the maturity date. This resulted in a non-cash expense of \$314,623 and is recorded in Selling, general and administrative in the Consolidated Statement of Operations and Comprehensive Loss.

As discussed in note 10: *Debt*, in April 2016, and as part of the Company's sale of its U.S. Operations, the Company issued Laird Cagan a promissory notes for \$727,285, of which \$720,084 was the note balance included in the Asset Purchase Agreement, with the remaining balance as subsequent interest incurred. This note accrues interest of 12% per annum payable monthly and matures on December 31, 2017.

Happy Cellular Services Limited

The majority shareholder of Happy Cellular, is also a shareholder and board member of MMPL. Additionally, a certain number of Happy Cellular retailers are also agents for MoneyOnMobile. For information on our investment in Happy Cellular see Footnote 6 - *Equity Investments and Variable Interest Entities*.

During the year ended March 31, 2016, MMPL issued three short-term bonds to the majority shareholder of Happy Cellular totaling approximately \$450,000. These debt instruments have an interest rate of 15.3%, which represents the prevailing bank rate at inception. At March 31, 2016, \$295,415, representing outstanding principal and interest was past due and is recorded as current liabilities to Related party payables in the Consolidated Balance Sheet. The bond holder is disputing the interest rate recorded by the Company. See note 16: *Commitments* for additional details.

16 - COMMITMENTS AND CONTINGENCIES

LITIGATION

During March 2015, the Calpian Commerce received cash payment of approximately \$340,000 in relation to a recovery of disputed processing fees. This was a one-time settlement and was recorded to gain on legal settlement in the consolidated statements of operations and comprehensive loss.

On December 18, 2015, Reinvention Capital Advisors Co. ("Reinvention" or "Plaintiff") filed suit in the District Court of the Eastern District of Pennsylvania against the Company alleging breach of the financial advisory services agreement ("First Amended Agreement") dated June 12, 2015, between the Company and Reinvention. Plaintiff alleged damages on the date the suit was filed of \$500,996, including unpaid monthly advisory fees, unpaid expenses, and a success fee for the sale of our U.S. Operations.

The majority shareholder of Happy Cellular is disputing the interest rate of the three bonds that were issued by MMPL during the year ended March 31, 2016. The bond holder alleges the interest rate is significantly higher than the amount disclosed in note 15: *Related Parties*. The Company is vigorously defending its position as it has engaged external legal counsel in India and is unable to estimate any liability relating to this matter.

PUT LIABILITY - NONCONTROLLING INVESTMENT

On December 30, 2015, the Company entered into a Share Purchase Agreement with HALL MOM, LLC., a Texas limited liability company ("HALL MOM"). Pursuant to the Purchase Agreement, and in satisfaction of a \$2,000,000 loan made to the Company by Hall, the Company issued and sold equity shares representing 10% of the total paid up share capital of DPPL, on a fully diluted basis (the "Sale Shares") to Hall. In addition to the debt satisfaction, Hall agreed to return to the Company for cancellation 1,000,000 shares of the Company's common stock and warrants to purchase 2,500,000 shares of the Company's common stock.

As part of the Share Purchase Agreement, HALL MOM possessed an option for the Company to buyback its investment for \$3,000,000. On March 15, 2016, HALL MOM exercised its option, which required repayment by July 13, 2016. At March 31, 2016, the Company recorded its obligation as a current liability. As of August 19th, 2016, the Company has not completed paid HALL MOM. See note 19: *Subsequent events* for details on payments made to HALL MOM subsequent to year-end to extend the repayment date of this liability. The foregoing description of the terms of Share Purchase Agreement does not purport to be complete and is subject to, and qualified in its entirety by reference to such agreements which are filed herewith as Exhibit 10.4 and are incorporated herein by reference.

17 - SALE OF U.S. OPERATIONS

Effective November 30, 2015 (11:59pm), the Company entered into an Asset Purchase Agreement with eVance Processing Inc. ("eVance") to divest its Calpian Commerce business segment and certain other U.S. residual portfolio assets of MoneyOnMobile, Inc., including Calpian Residual Acquisition, LLC and its equity investment in Calpian Granite Hill, L.P. This action was undertaken to allow the Company to focus entirely on executing its growth strategy for MoneyOnMobile. There is no continuing cash inflows or outflows from or to the discontinued operations. In consideration for the acquired assets, eVance assumed certain of the Company's liabilities, including an aggregate of \$9,000,000 of notes payable and certain of the Sellers' outstanding contractual obligations.

On April 12, 2016, the Company and eVance entered into a purchase price adjustment agreement and a cancellation of securities acknowledgment with one of eVance's note holders whereby the note holder canceled their note in the amount of \$720,084, which was subsequently reissued by the Company to the note holder. Additionally, the Company issued eVance a note in the amount of \$675,000. The \$675,000 note bears interest of 12% per annum payable monthly, matures on November 30, 2017 and is secured by 2,000,000 shares of the Company's common stock. These common share were issued subsequent to March 31, 2016 and are maintained in escrow. As part of the Purchase Agreement, eVance acquired several residual portfolios including the supporting contracts (residual purchase agreements). eVance, as successor under one of these residual purchase agreements, has sued a third party for breach of contract on the residual purchase agreement between the third party and the Company and has claimed damages in excess of \$1,500,000. eVance has agreed to apply any recovery from such litigation (less costs) against the principle balance of the \$675,000 note issued by the Company up to a maximum of \$675,000.

ASC 360-10-45-9 requires that a long-lived asset (disposal group) to be sold shall be classified as held for sale in the period in which a set of criteria have been met, including criteria that the sale of the asset (disposal group) is probable and actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. This criteria was achieved on June 30, 2015. Additionally, the discontinued operations are comprised of the entirety of the Calpian Commerce segment and the majority of the remaining U.S. Operations segment, excluding corporate services expenses. Lastly, for comparability purposes certain prior period line items relating to the assets held for sale have been reclassified and presented as discontinued operations for all periods presented in the accompanying consolidated statements of net loss and comprehensive loss and the consolidated balance sheets.

As the Company's senior secured promissory note was required to be repaid as a result of the disposal transaction, the relating interest on this debt instrument has been allocated in its entirety to discontinued operations. No other interest has been allocated to discontinued operations.

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The major classes of assets and liabilities included as part of discontinued operations in the consolidated balance sheet:

	March 31, 2015
Current assets	
Cash and equivalents	\$ 197,634
Accounts receivable	505,353
Restricted cash	51,494
Other	80,776
Total current assets	835,257
Property and equipment, net	236,549
Residual portfolios	7,387,356
Other intangible assets, net	97,211
Equity investments	212,000
Deposits held by lenders and other	859,734
Total assets - discontinued operations	\$ 9,628,107
Current liabilities - discontinued operations	
Accounts payable, accrued expenses and interest payable	\$ 525,449
Current portion of long-term debt	2,404,463
Total current liabilities	2,929,912
Long-term debt	7,877,982
Total liabilities - discontinued operations	\$ 10,807,894

The Company's calculation of Loss on sale of its U.S. Operations, recorded in its consolidated statements of operations and comprehensive loss for the year ended March 31, 2016. The balances for assets and liabilities below represent the Company's carrying value as of November 30, 2015.

Cash and equivalents	\$ 162,095
Accounts receivable	77,803
Restricted cash	51,494
Other current assets	172,460
Property and equipment, net	222,908
Residual portfolios	6,991,261
Other intangible assets, net	80,371
Equity investments	146,600
Deposits held by lenders and other	610,073
Promissory note from MoneyOnMobile, Inc.	675,000
Total assets received by buyer	9,190,065
Liabilities assumed by buyer:	
Debt	8,279,916
Total liabilities assumed by buyer	8,279,916
Net Assets received by buyer:	910,149
Other expenses relating to sale:	
Sub-debt discount write-down	(394,481)
Legal and other	(1,696,985)
Financing costs	(1,072,732)
Loss on Sale of U.S. Operations	\$ (2,254,049)

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The major classes of line items constituting the after-tax gain on discontinued operations in the consolidated statements of operations and comprehensive loss for the years ended March 31:

	2016	2015
Revenue, net:		
Residual portfolios	\$ 1,594,475 ⁽¹⁾	\$ 3,662,690
Processing fees	5,880,911 ⁽¹⁾	17,002,624
Other	1,359,496 ⁽¹⁾	1,559,409
Total revenues	8,834,882 ⁽¹⁾	22,224,723
Cost of revenues:		
Residual portfolio amortization	263,421 ⁽¹⁾	1,150,569
Processing and other	5,126,216 ⁽¹⁾	14,350,913
Other	385,904 ⁽¹⁾	723,494
Total cost of sales	5,775,541 ⁽¹⁾	16,224,976
Gross profit:	3,059,341 ⁽¹⁾	5,999,747
General and administrative expenses		
Salaries and wages	1,320,851 ⁽¹⁾	3,455,209
Selling, general and administrative	677,713 ⁽¹⁾	1,695,735
Depreciation and amortization	27,702 ⁽¹⁾	160,615
Total general and administrative	2,026,266 ⁽¹⁾	5,311,559
Other income (expense)		
Interest expense	(952,940) ⁽¹⁾	(1,788,807)
Other	123,992 ⁽¹⁾	3,313,458
Total other income (expense)	(828,948) ⁽¹⁾	1,524,651
Income tax expense	— ⁽¹⁾	—
Gain from discontinued operations, net of tax	\$ 204,127 ⁽¹⁾	\$ 2,212,839

(1) - As the Company's U.S. Operations were divested on November 30, 2015, the financial information presented above includes only eight month results for the periods within the current fiscal year.

The following information presents the major classes of line items constituting significant operating and investing cash flow activities in the consolidated statements of cash flows relating to discontinued operations for the years ended March 31, 2016 and 2015. See *note 18: Supplemental Cash Flow* for non-cash transactions.

	2016	2015
Cash Flow: major line items		
Portfolio Amortization	\$ 432,075	\$ 2,103,521
Depreciation and amortization	40,987	160,615
Purchases of property and equipment	7,186	15,453

18 - SUPPLEMENTAL CASH FLOW INFORMATION

The table below provides a summary of non-cash activities for the fiscal years ended March 31:

	2016	2015
Common stock issued in exchange for residual portfolios	—	3,150
Subordinated debt converted to common stock	175,000	300,000
Issuance of warrants with debt	2,340,549	704,646
Exchange of warrants with related party	314,623	—
Cancellation of warrants for DPPL shares	1,265,553	—
Cancellation of common stock for DPPL shares	602,214	—
Common stock issued in exchange for advisory services	1,610,217	373,249
Interest paid, net of amounts capitalized	1,752,324	2,579,757
Financing costs associated with sale of U.S. Operations	1,072,732	—
Taxes Paid	—	—

19 - SUBSEQUENT EVENTS

Sale of Equity Securities

Subsequent to March 31, 2016, the Company issued 1,542 shares of its Series D Convertible Preferred Stock (the "Series D Preferred"), par value \$0.001 per share and a stated value of \$1,000 per share. In connection with these issuances of the Series D Preferred, the Company issued warrants to purchase 385,384 shares of Common Stock at an exercise price of \$0.75 per share. The Company received gross proceeds of \$1,541,535 in consideration for the issuance of these securities.

The Company issued 2,480 shares of its Series E Convertible Preferred Stock (the "Series E Preferred"), par value \$0.001 per share and a stated value of \$1,000 per share. In connection with the issuance of the Series E Preferred, the Company received gross proceeds of \$2,480,000 in consideration for the issuance of the securities.

Additional Equity Securities Issuances

The Company issued 534,846 shares of common shares in exchange for advisory services received. Also, the Company received \$265,500 and issued 729,204 of common shares as a result of exercised warrants. And, as part of the sale of the U.S. Operations the Company issued 2,000,000 common shares to an escrow account as security for its note payable issued to the buyer.

Departure of Directors / Appointment of Directors

In May 2016, Laird Cagan resigned his position as a member of the Board and any other positions he held within the Company and its subsidiaries. Mr. Cagan's resignation was not as a result of any disagreements with the Company.

In May 2016, the Company's Board of Directors elected Dr. David Utterback as a member of the Board in order to fill the vacant position resulting from the resignation of Craig Jessen. In connection with Dr. Utterback's election as a member of the Board, the Company agreed to issue Dr. Utterback a five year warrant to purchase 50,000 shares of the Company's common stock at an exercise price of \$0.535, the closing price of the Company's common stock on May 20, 2016.

In May 2016, the Company's Board of Directors elected Jim McKelvey was elected as a member of the Board to fill the vacant position resulting from the resignation of Laird Cagan. In connection with Mr. McKelvey's election as a member of the Board, the Company agreed to issue Mr. McKelvey a five year warrant to purchase 200,000 shares of the Company's common stock at an exercise price of \$0.535, the closing price of the Company's common stock on May 20, 2016.

Repurchase liability - Noncontrolling interest investment

In July, 2016, the Company made paid Hall \$100,000 to extend the Company's repurchase date of Hall's Noncontrolling interest investment in DPPL. See note 16: *Commitments and Contingencies* for additional information.

ITEM 9 CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

ITEM 9A CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934 (the "Exchange Act") is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms and is accumulated and communicated to the Company's management, as appropriate, in order to allow timely decisions in connection with required disclosure.

Evaluation of Disclosure Controls and Procedures

The Company's principal executive officer and its principal financial officer carried out an evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2016, pursuant to Exchange Act Rule 13a-15. Since the identification of the ineffective disclosure controls and procedures, as previously reported on the Company's Form 10-K for the annual period ended March 31, 2015, the Company designed and implemented additional internal controls, consisting of new procedures, systems, reconciliations and supervisory reviews. However, the Company's Chief Executive Officer and Chief Financial Officer concluded that its disclosure controls and procedures were not effective as of March 31, 2016, due to material weaknesses in our internal control over financial reporting.

Changes in Internal Controls Over Financial Reporting

Other than as discussed above, no changes were made to our internal controls over financial reporting during the twelve months ended March 31, 2016, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

Limitations on the Effectiveness of Controls

The Company's management does not expect that the Company's disclosure controls and procedures or the Company's internal control over financial reporting can or will prevent all human error or fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Furthermore, the design of a control system must reflect the fact that there are internal resource constraints, and the benefit of controls must be weighed relative to their corresponding costs. Because of the limitations in all control systems, no evaluation of controls can provide complete assurance that all control issues and instances of error, if any, within the Company's company are detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur due to human error or mistake. Additionally, controls, no matter how well designed, could be circumvented by the individual acts of specific persons within the organization. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated objectives under all potential future conditions.

We are a smaller reporting company and are required to comply with the internal control reporting and disclosure requirements of Section 404 of the Sarbanes-Oxley Act. Although we are working to comply with these requirements, we have limited financial personnel making compliance with Section 404 - especially with segregation of duty control requirements - very difficult, if not impossible, and cost prohibitive.

Management's Report on Internal Control Over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) under the Exchange Act as a process designed by, or under the supervision of, the Company's principal executive and principal financial officers and effected by the Company's board of directors, management and other associates, 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 and includes those policies and procedures that:

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- (1) Provide reasonable assurance that transactions are recorded timely to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America; and
- (2) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2016. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission, known as COSO, in "Internal Control — Integrated Framework (2013)." Based on the results of its evaluation, the Company's management has concluded that the internal control over financial reporting was not effective as of March 31, 2016. This annual report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting.

Based upon our evaluation, we have determined that, as of March 31, 2016, there were material weaknesses in our internal control over financial reporting. As defined by the Public Company Accounting Oversight Board (United States) Auditing Standard No. 5, a material weakness is a deficiency or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected. The material weaknesses identified during management's assessment were (i) a lack of segregation of duties to ensure adequate review of financial transactions, (ii) a lack of written policies and procedures surrounding the accumulation and summarization of financial transactions, (iii) a lack of documentation evidencing the controls that do exist were operating effectively, and (iv) timeliness of disclosure preparation for the Company's periodic reports. Management has concluded that, as of March 31, 2016, the Company did not maintain effective internal control over financial reporting.

Attestation Report of the Independent Registered Public Accounting Firm

This report does not include an attestation report of our independent registered public accounting firm regarding our internal controls over financial reporting. Under SEC rules, such attestation is not required for smaller reporting companies.

ITEM 9B OTHER INFORMATION

On July 6, 2016, the Board of Directors approved the promotion of Gerald T. Ratigan to Senior Vice President Finance and Chief Accounting Officer of the Company. He was previously Vice President of Financial Reporting of the Company.

PART III

ITEM 10 DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Identification Of Directors And Executive Officers

The following table lists our directors and executive officers, their respective positions and offices, and the respective dates they were first elected or appointed.

Name	Position And Office	Elected Or Appointed
Harold H. Montgomery	Director, Chairman of the Board, Chief Executive Officer, and Secretary	April 23, 2010
Shashank M. Joshi	Director	December 5, 2012
David B. Utterback	Director	May 20, 2016
James M. McKelvey	Director	May 23, 2016
Scott S. Arey	Chief Financial Officer	October 1, 2013

There is no arrangement or understanding between any director or executive officer and any other person pursuant to which any director or officer was or is to be selected as a director or officer, and there is no arrangement, plan, or understanding as to whether non-management shareholders will exercise their voting rights to continue to elect the current board of directors. There also are no arrangements, agreements, or understandings to our knowledge between non-management shareholders that may directly or indirectly participate in or influence the management of our affairs.

Business Experience

Harold H. Montgomery, Chairman of the Board, Chief Executive Officer, and Secretary

Mr. Montgomery, age 56, has been our Chairman of the Board, Chief Executive Officer, and Secretary since April 2010. Since March 2012, Mr. Montgomery has been Chairman of the Board of Digital Payments Processing Limited, a majority-owned subsidiary, and a member of the board of directors of My Mobile Payments Limited (“MoneyOnMobile”), a DPPL affiliate. A co-founder of the Company in 1987, Mr. Montgomery started ART Holdings, Inc. (“ART”), a merchant payment processing company. While a full-time employee of ART, Mr. Montgomery led a team doing business under the name “Calpian,” which acquired over 200 ISO merchant processing portfolios between 2003 and 2009. Mr. Montgomery continues to serve ART as a director and executive officer. From 1985 to 1987, Mr. Montgomery was employed by Wellington Associates, a Dallas-based investment bank focused on mergers and acquisitions and corporate finance. In 1983, Mr. Montgomery managed the Dallas Area Rapid Transit Authorization election campaign.

Mr. Montgomery is a Trustee of the Communities Foundation of Texas, a community chest foundation. He also is a Trustee of the Caruth Foundation and St. Mark’s School of Texas. He has served as a board member and president of the Dallas Committee on Foreign Relations and Big Thought, a community education agency. He is a member of the Council on Foreign Relations located in New York. Mr. Montgomery was a member of the Young Presidents’ Organization (“YPO”) from 1991 to 2009, and chaired the Florence, Italy YPO University.

Mr. Montgomery has served as an industry expert for the Federal Reserve Bank of Philadelphia Payment Card Center and the U.S. Congress as an expert witness for credit card reform legislation. He is a widely known industry authority, a speaker at regional and national trade shows and has written over 120 articles for Transaction World Magazine. Mr. Montgomery attended St. Mark’s School of Texas and Stanford University where he received a BA (International Relations) in 1982 and an MBA in 1985. Mr. Montgomery brings to the Board of Directors extensive experience in the payment processing industry as well as extensive experience acquiring residual portfolios.

Shashank M. Joshi, Director

Mr. Joshi, age 42, was appointed to our Board of Directors in December 2012. He is a Founder and Managing Director of Digital Payments Processing Limited, our majority-owned subsidiary, and its affiliate, My Mobile Payments Limited. Mr. Shashank has over 18 years of professional experience in the areas of IT and ITES, outsourcing, and transition and management consulting. During the last 10 years, he has been an entrepreneur and pioneer in the successful execution of merchant cash advance and merchant processing businesses in the U.S. through an offshore operation in India. Mr. Shashank has cross-border global experience of more than six years in simplifying payments. He also specializes in motivational and leadership training. Mr. Shashank holds a degree in Mechanical Engineering from Maharashtra Institute of Technology.

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David B. Utterback

Mr. Utterback, age 56, was appointed to our Board of Directors in May 2016. Since 1998, Dr. David B. Utterback has served as a Staff Anesthesiologist at Ocean Springs Hospital, in Ocean Springs, Mississippi, and at Singing River Hospital, in Pascagoula, Mississippi. Dr. Utterback also serves on the board of the American Board of Anesthesiology (since 1991) and on the board of the National Board of Medical Examiners (since 1987). Dr. Utterback holds a B.A. from Dartmouth College, M.D. from University of Illinois College of Medicine, and M.S. in Administrative Medicine from University of Wisconsin.

James M. McKelvey

Mr. McKelvey, age 51, was appointed to our Board of Directors in May 2016. Since July 2009, Jim McKelvey served as a member of the board of directors of Square, Inc., a NYSE traded company known for enabling anyone with a mobile device to accept card payments, a company co-founded by Mr. McKelvey. Since July 2013, Mr. McKelvey served as a Managing Director of SixThirty FinTech Accelerator, LLC, a financial technology accelerator. Since March 2012, Mr. McKelvey served as a General Partner of Cultivation Capital, a venture capital firm. Since January 1990, Mr. McKelvey served in various positions at Mira Smart Conferencing, a digital conferencing company. Mr. McKelvey currently serves on the boards of directors of a number of privately-held companies. Mr. McKelvey holds a B.S. in Computer Science and a B.A. in Economics from Washington University in St. Louis.

Scott S. Arey, Chief Financial Officer

Mr. Arey, age 53, was appointed as our Chief Financial Officer (Principal Financial and Principal Accounting Officer) in October 2013. From 2009 to 2013, Mr. Arey was Chief Financial Officer and Corporate Secretary of Alsbridge, Inc., a provider of IT sourcing advisory and benchmarking services to C-level executives. From 2007 to 2009, Mr. Arey was CFO of Journey Education Marketing, a multi-channel software marketer to the K-12 and post secondary academic markets. Mr. Arey started his career with KPMG Peat Marwick.

Mr. Arey holds a Bachelor of Arts in economics and a Bachelor of Arts (with honors) in public policy from Stanford University. There are no family relationships between Mr. Arey and any officer or director of the Company.

Significant Employees

Other than the executive officers named herein, the Company does not have any “significant employees.”

Family Relationships

There are no family relationships between any of our directors and executive officers.

Affiliations

Other than ART, CCLLC, CMCP, DPPL, and MoneyOnMobile, none of the entities that have employed any of our directors or executive officers over the past five years are affiliated with MoneyOnMobile, Inc..

Involvement in Legal Proceedings

To the best of our knowledge, during the past five years none of our directors or executive officers were involved in any of the following: (1) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (2) any conviction in a criminal proceeding or being subject to a pending criminal proceeding, excluding traffic violations and other minor offenses; (3) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending, or otherwise limiting involvement in any type of business, securities, or banking activities; and (4) being found by a court of competent jurisdiction in a civil action, the SEC, or the Commodities Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated. As described under *Business Experience*, Mr. Cagan was subject to an administrative suspension by a self-regulatory organization.

Indemnification

Our Bylaws provide that we must indemnify and hold harmless our directors, officers, and other persons referenced in our Certificate of Formation as and to the extent permitted by the Texas Business Corporation Act. The indemnification is intended to be to the fullest extent permitted by the laws of the State of Texas.

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Regarding indemnification for liabilities arising under the Securities Act of 1933, which may be permitted to directors or officers under Texas law, we are informed that, in the opinion of the Securities and Exchange Commission, indemnification is against public policy as expressed in the Act and is, therefore, unenforceable.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires directors, certain officers of the Company, and persons who own more than 10% of a registered class of the Company's equity securities to file reports with the SEC.

Based on a review of filings with the SEC and written representations from our directors, officers, and other persons who own more than 10% or more of a registered class of our shares that no other reports were required, we believe all parties complied during fiscal year 2016 with the reporting requirements of Section 16(a) of the Exchange Act except as follows:

Director, Officer, Or Beneficial Owner	Number Of	
	Late Reports	Transactions
Harold H. Montgomery	3	3
Scott S. Arey	1	1
Laird Q. Cagan	1	1
Craig A. Jessen	1	—

Code of Ethics

We have adopted a Code of Business Conduct and Ethics covering all of our officers and key employees which will be furnished, without charge, to any person on written request sent to: Secretary, MoneyOnMobile, Inc., 500 North Akard Street Suite 2850, Dallas, TX 75201. We intend to disclose amendments to, or waivers from, a provision in our Code of Business Conduct and Ethics by posting such information on our website: www.money-on-mobile.com.

ITEM 11 EXECUTIVE COMPENSATION

Summary Compensation Table

The table below shows certain compensation information for services rendered by our Principal Executive Officer and the two most highly compensated other executive officers whose total compensation exceeds \$100,000 for the years ended March 31, 2016 and 2015. The following information includes the dollar value of base salaries, whether paid or deferred. No separate compensation was paid to executive officers for their services as members of the Board of Directors.

Name and Principal Position	Year	Salary	Bonus	Option	Total
				Awards (1)	
Harold H. Montgomery	2016	\$ 300,000	\$ 125,000	\$ 608,748	\$ 1,033,748
Chairman of the Board and Chief Executive Officer	2015	300,000	—	—	300,000
Scott S. Arey	2016	\$ 225,000	\$ 75,000	\$ 233,058	\$ 533,058
Chief Financial Officer	2015	225,000	—	269,280	494,280
Craig A. Jessen ⁽²⁾	2016	\$ 225,000	\$ —	\$ —	\$ 225,000
Director and President	2015	300,000	—	—	300,000

(1) – The expense recognized by the Company during the relating fiscal year in accordance with the aggregate grant date fair value computed in accordance with FASB ASC Topic 718.

(2) - Craig A. Jessen resigned from the Company on November 30, 2015. His compensations information for 2016 reflects salary earned from April 1 through November 30, 2015.

Employment Agreements with Executive Management

As of the date hereof, we have not entered into employment contracts with our officers, but may do so in the future.

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Outstanding Equity Awards

The following table shows certain information concerning outstanding stock options as of March 31, 2016, for our named executive officers.

Name	Number Of Securities Underlying Options (#) Exercisable	Option Exercise Price (\$)	Option Expiration Date
Harold H. Montgomery	1,306,000	\$0.50	December 31, 2025 ⁽¹⁾
Harold H. Montgomery	694,000	\$0.50	March 4, 2026 ⁽¹⁾
Scott S. Arey	500,000	\$0.50	October 3, 2025 ⁽¹⁾
Scott S. Arey	400,000	\$1.35	September 18, 2023 ⁽¹⁾

⁽¹⁾ – Become void if services are earlier terminated.

Directors' Compensation

Directors are not separately compensated for their services as board members.

Compensation Committee Interlocks and Insider Participation

In matters involving our directors and their separate interests, only disinterested directors vote.

ITEM 12 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Beneficial Ownership

Shares are deemed to be "beneficially owned" by a person if such person, directly or indirectly, has or shares (a) voting power with respect to such shares, including the power to vote or to direct the voting of such shares; or (b) investment power with respect to such shares, including the power to dispose or to direct the disposition of such shares. In addition, a person is deemed to be the beneficial owner of shares if such person has the right to acquire beneficial ownership of such shares within 60 days. In the following tables, the "Percent Of Class" is based on 50,648,438 issued and outstanding shares of our common stock as of March 31, 2016.

Security Ownership of Certain Beneficial Owners

Unless otherwise indicated, the following table sets forth information as of March 31, 2016, with respect to the shares of our common stock beneficially owned by each person known to us to be the beneficial owner of more than 5% of our common stock.

Name And Address Of Beneficial Owner	Number Of Shares Beneficially Owned	Percent Of Class
Mark Houghton-Berry Surrey, UK GU25 4JS	6,208,994	12.26%
Fairmount St Investments LP 5648 Hammock Isles Drive, Naples, FL 34119	3,962,786	7.82%
2003 Charles and Maryanne Smith Family Trust dtd September 25, 2003 2720 Jefferson St., Carlsbad, CA 92008	3,750,001	7.40%
Mangesh Moghe ⁽¹⁾ 18 Clark Avenue West Unit 149, Thomhill, Ontario Canada L4J 8H	3,661,540	7.23%

⁽¹⁾ – Based on Schedule 13G filed on April 30, 2013. Shares held by SVR Global Limited, a Hong Kong company of which Mr. Moghe is the sole shareholder.

[Table of Contents](#)**Security Ownership of Management**

The following table sets forth information with respect to the beneficial ownership of our Company by (a) each of our directors and executive officers, and (b) all of our directors and executive officers as a group.

Name Of Beneficial Owner	Number Of Shares Beneficially Owned	Percent Of Class
Harold H. Montgomery (1)	5,335,287 (1)	10.53%
David B. Utterback (2)	3,480,115 (2)	8.08%
James M. McKelvey	—	—%
Shashank M. Joshi	—	—%
Scott Arey (3)	333,334 (3)	0.66%
All Named Executive Officers and Directors as a group (four persons)	8,907,933	19.27%
Greater than 5% Shareholders		
Mark Houghton-Berry	6,208,994	12.26%
Fairmount St Investments LP	3,962,786	7.82%
2003 Charles and Maryanne Smith Family Trust dtd September 25, 2003	3,750,001	7.40%
SVR Global Limited	3,661,540	7.23%

- (1) - Comprised of: (i) 1,090,000 shares directly by Harold Montgomery; (ii) 3,810,000 shares held in an IRA for the benefit of Mr. Montgomery; (iii) 47,242 shares owned by the Molly Ann Montgomery 1995 Trust and 47,242 shares owned by the Philip Graham Montgomery 1997 Trust, trusts for the benefit of Mr. Montgomery's children for which Mr. Montgomery is trustee; (iv) 150,000 shares owned by Montgomery Investments, L.P. (the "LP"); and (v) 100,000 shares owned by the Montgomery Non-Exempt Marital Trust, under trust dated January 1, 2007, (the "Trust"). Mr. Montgomery is a limited partner in the LP. The general partner of LP is a member of Mr. Montgomery's immediate family. Mr. Montgomery may be deemed a remainderman of the Trust and may be deemed to share investment control over the shares held by the Trust. Mr. Montgomery disclaims beneficial ownership of all of the foregoing securities except to the extent of his pecuniary interest therein.
- (2) - Comprised of: (i) a warrant to purchase 50,000 shares of Common Stock, (ii) warrants to purchase an aggregate of 250,000 shares of Common Stock held by David B. Utterback Revocable Trust dtd May 20, 2013 of which Mr. Utterback is Trustee; (iii) 1,683,334 shares of Common Stock held by Fairmount St. Investments, LP, an entity of which Mr. Utterback is a 33% beneficial ownership; and (iv) warrants to purchase an aggregate of 2,204,452 shares of Common Stock also held by Fairmount St. Investments, LP.
- (3) - Comprised of: (i) 33,334 shares directly held by Scott Arey; (ii) 25,000 shares issuable upon exercise of immediately exercisable warrants beneficially owned by Mr. Arey; and (iii) 275,000 shares issuable upon exercise of immediately exercisable options.

Equity Compensation Plan Information

The information under the caption "Shares Authorized For Issuance Under Equity Compensation Plans" in Item 5 of Part II of this Annual Report is incorporated herein by reference.

ITEM 13 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**Transactions with Related Persons****Support Services and Advances**

ART has provided the Company, since its startup period, with certain support services. It has been verbally agreed that payment for these services would accrue interest-free and be paid at a future date to be agreed on by the parties. At March 31, 2016 and

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2015, amounts due to ART were \$181,856 and \$155,786, respectively, and is included in 'Related party payables' in the Company's balance sheet.

Cagan McAfee Capital Partners, LLC

On January 1, 2011, the Company signed a two year management advisory agreement with Cagan McAfee Capital Partners, LLC ("CMCP"), an investment company owned and controlled by Laird Q. Cagan, a member of our Board of Directors and a significant shareholder. The nonexclusive agreement provides for CMCP advising the Company on an array of financial and strategic matters and provides for the services of Mr. Cagan as a member of our Board. Pursuant to the agreement, CMCP is to be paid \$14,500 plus expenses each month as available cash flow permits. On December 10, 2013, the agreement was extended through December 2015 and shall continue month-to-month beyond that date and is thereafter terminable by either party with 30 days notice. Under the terms of the extension, interest is to accrue beginning January 1, 2013 on unpaid balances at the rate of 12% per annum. The amounts due, including interest, to CMCP were \$535,630 and \$449,500 as of March 31, 2016 and 2015, respectively, and is accrued for in 'Related party payables' in the Company's balance sheet.

Additionally, in September 2013, the Company borrowed \$120,000 from CMCP to help fund its investments in MoneyOnMobile. The unsecured loan is payable on demand and does not accrue interest. The Company repaid the loan during fiscal year 2015.

Financing and Equity Transactions

Cagan Capital, LLC

In 2011, Cagan Capital, LLC ("CCLLC"), an entity owned and controlled by Mr. Cagan, purchased \$1.0 million of our subordinated notes payable and warrants to purchase up to 500,000 shares of our common stock at \$1.00 per share on a cashless basis. The transaction was approved by the Board of Directors. In connection with the extension of the maturity date of the subordinated notes in 2012, CCLLC was issued an additional 71,233 warrants to purchase shares of our common stock at \$2.00 per share. There were no subordinated debt principal payments in 2015 or 2014 and interest paid at 12% per annum totaled \$110,000 in 2015 and \$80,000 in 2014.

In 2011, Cagan Capital, LLC ("CCLLC"), an entity owned and controlled by Mr. Cagan, purchased \$1.0 million of our subordinated notes payable and warrants to purchase up to 500,000 shares of our common stock at \$1.00 per share on a cashless basis. The transaction was approved by the disinterested Board members as being in the best interest of, and fair and reasonable to, the Company and its shareholders. In connection with the extension of the maturity date of the subordinated notes in 2012, CCLLC was issued an additional 71,233 warrants to purchase shares of our common stock at \$2.00 per share. There were no subordinated debt principal payments in 2016 or 2015 and interest paid at 12% per annum totaled \$110,000 in 2016 and \$80,000 in 2015.

In 2014, Mr. Cagan purchased \$1.0 million of CRA secured promissory notes payable and warrants to purchase up to 175,000 shares of MoneyOnMobile, Inc. common stock at \$0.01 per share. The outstanding principal amount of this loan may be converted to MoneyOnMobile, Inc. common stock at any time by dividing the outstanding principal and any accrued interest by \$2.00 per share. CRA promissory note principal payments were made in the amount of \$32,833.35 in 2015 and interest paid at 12% per annum totaled \$119,837 as of March 31, 2015.

In March 2016, the Company executed an one year advisory agreement with Laird Cagan and issued one million warrants. Also, it issued Mr. Cagan 1,000,000 warrants as part of its subordinated notes payable modification. See note 6: *Debt* for more information. Lastly, Mr. Cagan exchanged 2.5 million warrants with the Company to extend the maturity date of the warrants.

Board of Directors

At March 31, 2016, the Company has three persons serving as directors on our Board of Directors, namely, Harold H. Montgomery, David B. Utterback, and James M. McKelvey. Pursuant to our Bylaws, our directors are elected at the annual meeting of our shareholders and, once appointed, serve until their successors are elected and qualified, until their prior death, resignation, or until removed from office in accordance with our Bylaws. Our Bylaws provide that the number of directors on our Board of Directors shall be fixed and changed from time to time by resolution of our Board of Directors or by the vote of our shareholders.

Because our common stock currently is not traded on any national securities exchange or other major trading system, we are not subject to any standards regarding the "independence" of our directors. None of the members of our Board of Directors is "independent" as defined in Rule 5605(a)(2) of the Listing Rules of the NASDAQ Stock Market.

Committees of the Board of Directors

Pursuant to our Bylaws, our Board of Directors may establish committees of one or more directors from time-to-time as it deems appropriate. The Company has no separate committees and all matters of corporate governance are addressed by the full Board of Directors. In matters involving our directors and their separate interests, only disinterested directors vote.

We have neither a separate audit committee nor an “audit committee financial expert” as defined by applicable SEC rules. The Board may consider the establishment of a separate audit committee and, if established, will search for one or more qualified individuals to serve on the committee and as the Board’s “audit committee financial expert.”

ITEM 14 PRINCIPAL ACCOUNTANT FEES AND SERVICES

The following table sets forth the fees billed for professional services performed by Liggett & Webb P.A., our independent registered public accounting firm. On February 2, 2015 the Company changed auditors from Montgomery Coscia Greulich LLP to Liggett & Webb P.A.

For the year ended March 31, 2015, audit fees of \$134,515 related to Liggett & Webb P.A. with the remaining \$64,205 related to audit fees paid to our predecessor auditor Montgomery Coscia Greulich LLP.

	2016	2015
Audit fees ⁽¹⁾	\$ 195,000	\$ 198,720
Audit-related fees ⁽²⁾	40,000	—
Tax fees	—	—
Total fees	<u>\$ 235,000</u>	<u>\$ 198,720</u>

⁽¹⁾ – These amounts represent fees for the audit of our annual financial statements, the review of financial statements included in our quarterly Form 10-Q reports, and similar engagements for the year such as review of documents filed with the SEC.

⁽²⁾ - These amounts represent fees for the audit of our combined U.S. Operations annual financial statements for the years ended March 31, 2015 and 2014. It also included the review of our U.S. Operations unaudited interim condensed consolidated financial information for the six months ended September 30, 2015 and 2014. These services were required as part of our sale of our U.S. Operations.

It is the policy of our Board of Directors that all services to be provided by our independent registered public accounting firm, including audit services and permitted audit-related and non-audit services, must be pre-approved by our Board. Our Board of Directors pre-approved all services, audit and non-audit, provided for fiscal year ended March 31, 2016 and 2015.

PART IV

ITEM 15 EXHIBITS, FINANCIAL STATEMENT SCHEDULES

Financial Statements

The following financial statements are included in Item 8 of this Annual Report:

Balance sheets as of March 31, 2016 and 2015

Statements of Comprehensive Loss for the years ended March 31, 2016 and 2015

Statements of Cash Flows for the years ended March 31, 2016 and 2015

Statements of Shareholders' Equity for the years ended March 31, 2016 and 2015

Financial Statement Schedules

Financial statement schedules have been omitted because they either are not applicable or the required information is included in the financial statements or notes thereto.

Exhibits

The Exhibit Index immediately preceding the exhibits required to be filed with this report is incorporate herein by reference.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MONEYONMOBILE, INC.
(Registrant)

August 19, 2016

/s/ Harold H. Montgomery
Harold H. Montgomery
Chief Executive Officer and Secretary

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Harold H. Montgomery</u> Harold H. Montgomery	Director, Chairman of the Board, Chief Executive Officer, and Secretary (principal executive officer)	August 19, 2016
<u>/s/ Harold H. Montgomery</u> Harold H. Montgomery	Chief Executive Officer, and Secretary (principal executive officer)	August 19, 2016
<u>/s/ Scott S. Arey</u> Scott S. Arey	Chief Financial Officer (principal financial and accounting officer)	August 19, 2016
<u>/s/ Shashank M. Joshi</u> Shashank M. Joshi	Director	August 19, 2016
<u>/s/ David B. Utterback</u> David B. Utterback	Director	August 19, 2016
<u>/s/ James M. McKelvey</u> James M. McKelvey	Director	August 19, 2016

EXHIBIT INDEX

Exhibit Number and Description	Incorporated By Reference (if applicable)			
	Form	Filed	Exhibit	
(3) Articles of Incorporation and Bylaws				
3.1	Certificate of Formation – For-Profit Corporation of Toyzap.com, Inc.	SB-2	October 18, 2007	3.1
3.2	Bylaws	SB-2	October 18, 2007	3.2
3.3	Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock	8-K	June 7, 2010	3.1
3.4	Certificate of Amendment to Certificate of Designation of Preferences, Rights and Limitations of Series A Convertible Preferred Stock	8-K	August 9, 2010	3.1
3.5	Certificate of Amendment to Certificate of Formation – For-Profit Corporation of Toyzap.com, Inc.	8-K	September 8, 2010	3.1
3.6	Certificate of Designation of Series B Convertible Preferred Stock	8-K	October 9, 2013	3.1
3.7	Resolution Relating to a Series of Shares	8-K	March 11, 2014	3.1
3.8	Certificate of Designation of Series C Convertible Preferred Stock	8-K	March 11, 2014	3.2
3.9	Certificate of Amendment to Certificate of Formation - For-Profit Corporation of Calpian, Inc.	8-K	August 19, 2016	3.1
(4) Instruments Defining the Rights of Security Holders, Including Indentures				
4.1	Specimen Common Stock Certificate	SB-2	October 18, 2007	4.1
4.2	Common Stock Warrant, form of	8-K	August 9, 2010	4.1
4.3	Company 2011 Equity Incentive Plan	8-K	April 15, 2011	10.1
4.4	Registration Rights Agreement, dated as of April 28, 2011, between the Company and HD Special-Situations II, LP.	8-K	May 4, 2011	4.1
4.5	Form of Warrant Agreement, dated August 7, 2012	8-K	August 10, 2012	4.1
4.6	Form of 2012 \$3.0 Million Note	8-K	August 10, 2012	4.2
4.7	Loan and Security Agreement between the Company and Granite Hill Capital Ventures, LLC entered into in November 2012	10-Q	November 13, 2012	4.7
4.8	First Amendment To Loan and Security Agreement dated as of February 27, 2013, by and among the Company and Granite Hill Capital Ventures, LLC	10-K	April 8, 2013	4.8
4.9	Second Amendment To Loan and Security Agreement dated March 15, 2013, by and among the Company and Granite Hill Capital Ventures, LLC and listed new lenders	10-K	April 8, 2013	4.9
4.10	Form of Term Note pursuant to the Second Amendment To Loan and Security Agreement dated March 15, 2013, by and among the Company and Granite Hill Capital Ventures, LLC, et al	10-K	April 8, 2013	4.10
4.11	Letter agreement dated March 12, 2013, by and among the Company and Granite Hill Capital Ventures, LLC	10-Q	May 24, 2013	4.11
4.12	Form of Subscription Agreement, Series B Convertible Preferred Stock	8-K	October 9, 2013	10.1
4.13	Stock Purchase Agreement	8-K	March 11, 2014	10.1
4.14	Form of Subscription Agreement	8-K	May 27, 2014	10.1
4.15	Form of Warrant Agreement	8-K	May 27, 2014	10.2
4.16	Form of Registration Rights Agreement	8-K	May 27, 2014	10.3
4.17	Company 2016 Equity Incentive Plan	8-K	June 1, 2016	10.1
4.18	Form of Subscription Agreement (Series E Preferred Stock)	8-K	June 9, 2016	10.1
4.19	Form of Warrant Agreement (Series E Preferred Stock)	8-K	June 9, 2016	10.2
4.20	Form of Subscription Agreement (Series D Preferred Stock)	8-K	June 23, 2016	10.1

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4.21	Form of Warrant Agreement (Series D Preferred Stock)	8-K	June 23, 2016	10.2
(10)	Material Contracts			
10.1	Addendum to Service Agreement dated March 28, 2012, between Digital Payment Processing Limited and My Mobile Payments Limited	10-K	April 8, 2013	10.24
10.2	Asset Purchase Agreement dated February 27, 2013 among the Company and Pipeline Data Inc. and The Other Sellers	10-K	April 8, 2013	10.26
10.3	Amendment #2 to Independent Contractor's Agreement by and between the Company and DNP Financial Strategies effective February 1, 2013	10-K	April 8, 2013	10.29
10.4	Share Purchase Agreement *			
(21)	List of Subsidiaries			
21.1	List of subsidiaries *			
(31)	Rule 13a-14(a)/15d-14(a) Certifications			
31.1	Certification Pursuant to Rule 13a-14(a)/15d-14(a) (Chief Executive Officer) *			
31.2	Certification Pursuant to Rule 13a-14(a)/15d-14(a) (Chief Financial Officer) *			
(32)	Section 1350 Certifications			
32.1	Section 1350 Certification (Chief Executive Officer) *			
32.2	Section 1350 Certification (Chief Financial Officer) *			
101	Interactive Data File			
101.INS	XBRL Instance * - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document			
101.SCH	XBRL Taxonomy Extension Schema *			
101.CAL	XBRL Taxonomy Extension Calculation *			
101.DEF	XBRL Taxonomy Extension Definition *			
101.LAB	XBRL Taxonomy Extension Labels *			
101.PRE	XBRL Taxonomy Extension Presentation *			

* Filed herewith.

SHARE PURCHASE AGREEMENT

This SHARE PURCHASE AGREEMENT (“**Agreement**”) is made and entered into on 30th December, 2015 (“**Effective Date**”) by and amongst:

CALPIAN INC., a company incorporated under the laws of State of Texas, United States of America and having its registered/corporate office at 500 N. Akard Street, Suite 2850, Dallas, TX 75201 (hereinafter referred to as “**Transferor**”, which expression shall, unless repugnant to the context or meaning thereof, mean and include successors and permitted assigns) of the **First Part**;

AND

HALL MOM, LLC., a Texas limited liability company incorporated and existing under the laws of United States of America and having its registered office at KPMG Plaza, 2323 Ross Avenue, Suite 200, Dallas, Texas, 75201 with the Secretary of State of the State of Texas, at (hereinafter referred to as “**Transferee**”, which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors and permitted assigns) of the **Second Part**.

For sake of brevity and convenience, the Transferee and the Transferor are hereinafter collectively referred to as “**Parties**” and individually as “**Party**”.

WHEREAS:

A. The Parties executed a loan and security agreement effective as of September 17, 2015 (“**Loan Agreement**”) pursuant to which the Transferee has lent \$2,000,000 to Transferor;

B. Transferee is the beneficial owner of the securities of the Transferor set forth on **Annexure A** attached hereto (“**Securities**”);

C. Transferee has approached the Transferor and expressed its willingness to acquire Sale Shares, as hereafter defined, of Digital Payments Processing Limited (hereinafter referred to as “**Company**”) and My Mobile Payments, Limited (hereinafter referred to as “**MMPL**”) held by Transferor;

D. The Transferee and the Transferor are desirous of entering into this Agreement to set forth the terms and conditions agreed between them for the purchase by the Transferee, and the sale by the Transferor, of all of the Sale Shares.

NOW, THEREFORE, the Parties have entered into this Agreement in consideration of the mutual representations, warranties, covenants and agreements set forth herein, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto, intending to be legally bound, agree as follows:

1. DEFINITIONS AND INTERPRETATION

In this Agreement, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; and (ii) the following terms shall have the following meanings assigned to them herein below:

“**Business Day**” a day (excluding Saturdays, Sundays and public holidays) on which banks are open for business in India and Texas, United States

“**Fully Diluted Basis**” means the total equity share capital of the Company calculated assuming that all outstanding securities convertible, exercisable and/or exchangeable into equity shares or rights or options which carry a right to subscribe to equity shares or securities convertible, exercisable and/or exchangeable into equity shares, including debentures, stock options, warrants issued by the Company (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged;

“**ITA**” means Indian Income-tax Act, 1961 as amended, substituted, or replaced including circulars, notifications, explanations and clarifications issued by the Central Board of Direct Taxes and rules framed under the Income Tax Rules, 1962;

“**Restated Articles**” means the articles of the Company, as amended to incorporate the terms and conditions as set out in the Second Amendment to the Share Subscription and Shareholders Agreement and as approved by Hall.

2. SALE AND PURCHASE

2.1. The Parties duly acknowledge that the Transferor, in the capacity of the borrower, had duly executed and entered into the Loan Agreement to avail the facility of loan from the Transferee. The Loan Agreement was duly executed to borrow a sum of \$2,000,000 (“**Loan Amount**”). In furtherance to the Loan Agreement, Transferor is required to re-pay the amount of loan to the Transferee.

2.1.1. Transferor hereby sells, transfers and assigns to Transferee and Transferee hereby purchases from Transferor, all of Transferor’s right, title and interest in 450,379 equity shares of the Company, representing at least 10% (ten) percent of the total paid up share capital of the Company on a Fully Diluted Basis (collectively “**Sale Shares**”) with effect as of the Effective Date free from all charges, liens,

encumbrances and claims in exchange for the consideration set forth in Section 2.3 which is equivalent to an approximate aggregate amount equal to \$3,000,000. The shareholding pattern of the Company as on the Effective Date is set out in Part I of Annexure B. The details of Sale Shares have been provided in part II of **Annexure B**. Stamp duty payable for the transfer of the Sale Shares shall be paid by the Transferor.

2.2. Accordingly, in consideration for the sale, transfer and assignment of the Sale Shares to the Transferee, the Transferee, as full and complete payment for the Sale Shares, hereby agrees and acknowledges that (i) the Loan Amount has been repaid by the Transferor in terms of the Loan Agreement; and (ii) the Securities shall be surrendered to the Transferor for cancellation by the Transferor on the Effective Date.

2.3. The acquisition of Sale Shares by Transferee shall discharge the liability of the Transferor to repay the Loan Amount to Transferee under the Loan Agreement. Pursuant to such acquisition of the Sale Shares by Transferee, Transferor shall not be liable to pay any further amount, whether principal or interest or such other charges as may be described under the Loan Agreement, to the Transferee under the Loan Agreement and the Transferor is discharged of all liabilities and covenants in terms of the Loan Agreement. In addition, the acquisition of Sale Shares by Transferee shall (i) constitute complete satisfaction of all of the Transferor’s and Transferee’s obligations under the Loan Agreement, and (ii) all documents and agreements between the Transferor and the Transferee governing the obligations under the Loan Agreement shall automatically terminate and be of no further force or effect (it being understood that the Transferee shall be deemed to have automatically and permanently waived any rights to receive any prepayment fees or premiums under such documents). Upon delivery of the Sale Shares to Transferee, the Transferee hereby authorizes the Transferor or its designees to file any UCC-3 termination statement and any other release of termination documentation required to terminate any security interest previously held by the Transferee.

3. REPRESENTATIONS AND WARRANTIES

Each of the Parties hereto represents and warrants to the other Party that as on the Effective Date

3.1. it has all necessary power and authority to enter into this Agreement, to carry out its obligations hereunder and to consummate the transactions contemplated hereby;

3.2. it is within its business scope to enter into this Agreement and it has taken all actions required by law to authorize the execution, delivery and performance of this Agreement;

3.3. no order has been made, petition presented or meeting convened for its winding up or for the appointment of a provisional liquidator and no receiver has been appointed in respect of the whole or any part of its property, assets and/or undertakings, or in the event where such order, petition, appointment or winding up exists, the same has been stayed, dismissed, struck out or discharged, as the case may be, within the required period;

3.4. the execution, delivery and performance of this Agreement by it will neither conflict with nor violate any applicable law and/or its constitutional documents; and will not breach any agreement, covenant, court order, judgment, or decree to which it is a party or by which it is bound; and

3.5. this Agreement constitutes a legal, valid and binding obligation of each Party, enforceable in accordance with its terms, subject to bankruptcy, insolvency and other similar laws of general applicability relating to or affecting creditors' rights.

The Transferor represents to the Transferee as follows:

3.6. Title. Transferor has good right, full power and absolute authority to transfer and sell the Sale Shares to the Transferee free from any lien, encumbrance, claim or demand of any nature including any tax demands under the ITA. Upon the sale and transfer of the Sale Shares to the Transferee on the Effective Date, in terms of this Agreement, the Transferee shall have clear and marketable title to the Sale Shares, which will be free from any lien, encumbrances or any claim or demand of any description whatsoever. The contents of Annexure B are true, accurate and complete.

3.7. Foreign Corrupt Practices. Transferor and no agent or other person acting on behalf of Transferor, has: (i) directly or indirectly, used any funds for unlawful contributions, gifts, entertainment or other unlawful expenses related to foreign or domestic political activity, (ii) made any unlawful payment to foreign or domestic government officials or employees or to any foreign or domestic political parties or campaigns from corporate funds, (iii) failed to disclose fully any contribution made by Transferor (or made by any person acting on its behalf) which is in violation of law or (iv) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended.

3.8. No Pending Proceedings. There are no pending proceedings or tax demands against the Transferor under the ITA which could result in the transaction hereunder being considered as void, voidable against taxes or otherwise.

3.9. True and Correct Information. The information provided for the purposes of computation of Withholding Amount is true and correct.

3.10. No Disagreements with Accountants or Lawyers. There are no disagreements of any kind presently existing, or reasonably anticipated by Transferor to arise, between Transferor and the accountants and lawyers formerly or presently employed by Transferor which could affect Transferor's ability to perform any of its obligations under this Agreement.

3.11. OFAC. Neither Transferor nor any director, officer, agent, employee or Affiliate of Transferor is currently subject to any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("**OFAC**").

3.12. Full Disclosure. All of the disclosure furnished by or on behalf of Transferor to Transferee regarding Transferor, the Company, their business and the transactions contemplated hereby is true and correct and does not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading, except that such information may contain projections the achievement of which there can be no assurance.

3.13. No Other Subsidiaries in India. Except for its ownership interests in the Company and MMPL, Transferor has no interest, either directly or indirectly, in any other company or entity formed under the laws of India or doing business in India.

3.14. FDI Compliance. Neither the Company nor any of its subsidiaries is engaged in any activity in which foreign investment is restricted or prohibited under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder and the Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, with effect from May 12, 2015 ("**FDI Policy**").

3.15. Validity of the Services Agreement. The Agreement dated 23 March 2012, executed between the Company and MMPL, together with all amendments and ancillary agreements referred therein ("**Initial Service Agreement**") has been terminated and there are no pending claims by the Company or MMPL in relation to the Initial Service Agreement. The Agreement dated 31 March 2015, executed between the Company and MMPL, together with all amendments and ancillary agreements referred therein ("**New Service Agreement**") is valid, subsisting, enforceable and to the best of the knowledge of the Transferor, the Company has not received any notice to terminate the New Service Agreement or any other claim under the Service Agreement.

3.16. Business Transfer Agreement. The Business Transfer Agreement dated 31 March 2015 ("**BTA**") is valid, subsisting enforceable in accordance with the terms thereof. The transfer of the business as contemplated under the BTA has been fully effected. All conditions required to be fulfilled for the transfer the business in entirety in

accordance with the terms of the BTA including fulfilment of any conditions subsequent required to be fulfilled, have been completed other than part of the consideration which remains unpaid. Transferor undertakes that it shall cause the Company to pay the remaining consideration required to be paid by the Company to MMPL under the BTA. Further, Transferor represents and warrants, on a full indemnity basis, to the Transferee that non-payment of the entire consideration in terms of the BTA does not and shall not confer any rights upon MMPL to either revoke the transfers made or make a claim against the Company. .

3.17. Compliance with Law. The Company is in compliance in all material respects with all applicable Laws. It has not received any written notice from any governmental entity regarding (i) any actual, alleged, possible, or potential

violation of, or failure to comply with, any Law, or (ii) any actual, alleged, possible, or potential obligation on the part of it to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. The Company possesses all of the material licenses and permits that are necessary to own and operate the business as presently conducted, and each of such licenses and permits is valid and in full force and effect.

3.18. No Breach of the SSSA. All rights of the Transferor under the Share Subscription and Shareholders Agreement dated March 23, 2012 as amended from time to time, are valid, enforceable and it has not committed any breach of its obligations that would result in termination of the SSSA or dilution of any rights granted under the SSSA or any agreement in writing between the Transferor and the Company and/or its Shareholders.

3.19. No Capital Gains. No capital gains shall be arising to the Transferor from the transaction hereunder under the ITA. Since there are no capital gain the Transferor is not required to pay any tax under the ITA and consequently the Transferee has no withholding tax obligations under the ITA. Transferor shall provide true and correct information while obtaining the Tax Certificate from a reputed Chartered Accountant as required under Clause 5.1 of this Agreement.

3.20. No pending litigation. Transferor has not received any written notice of or otherwise aware of any litigation, inquiry or investigation preventing performance of any action contemplated by this Agreement.

4. CLOSING AND POST-CLOSING ACTIONS

On the Effective Date, the Parties shall undertake the following actions in the sequence set out below:

4.1. The Transferor shall provide the Transferee a copy of the resolution passed by the board of directors of the Company approving the execution of the Second

Amendment to the Share Subscription and Shareholders Agreement in the form of **Annexure C and the Option in Annexure D.**

4.2. All shareholders of the Company shall waive their pre-emption and other rights for transfer of the Sale Shares by Transferor to Transferee under the Share Subscription and Shareholders Agreement dated March 23, 2012 as further amended from time to time (“SSSA”) and the articles of association of the Company and shall have no objection to the transfer of Sale Shares from Transferor to Transferee and shall execute and deliver to the other the Second Amendment to the Share Subscription and Shareholders Agreement in the form of **Annexure C.**

4.3. The Parties shall execute and deliver to the Transferee an Option in the form of **Annexure D.**

4.4. The Transferee shall purchase and acquire from the Transferor the Sale Shares along with the title and interest of the Transferor in and unto the Sale Shares together with all benefits, rights and obligations attaching thereto as at the Effective Date, free and clear of all encumbrances for the consideration which is equivalent to an approximate aggregate amount equal to \$3,000,000 and is represented in its entirety by the Securities.

4.5. The Transferor shall sell and deliver to the Transferee the Sale Shares along with the title and interest of the Transferor in and unto the Sale Shares together with all benefits, rights and obligations attaching thereto as at the

Effective Date, free and clear of all encumbrances by delivering to the Transferee the original share certificates and the duly executed and stamped transfer deeds in respect of the Sale Shares and such other documents, if any, which may be reasonably required to give good title to the Sale Shares.

4.5.1. The Transferor shall cause the Company to convene a meeting of the board of directors of the Company for passing the resolutions to (i) take on record the transfer of the Sale Shares unto and make the necessary entries in its statutory registers maintained under the Companies Act, 2013 (“**Act**”) to record the aforesaid transfer of Sale Shares in favor of the Transferee; and (ii) appoint two directors nominated by the Transferee on the board of the Company (“**Transferee Directors**”). Provided however, if the appointment of the Transferee Directors are not completed on Effective Date due to the relevant nominations not being provided by the Transferee such actions shall be completed as soon as reasonably possible and in any event within 7 (Seven) Business Days from the date of receipt of request from the Transferee. Until the Transferee appoints the Transferee Directors, the Transferee shall be permitted to appoint an observer on the board. The Transferor shall cause the Company to update its register of members to reflect the names of the Transferee as shareholder of the Company of the Sale Shares and provide the Transferee with

a certified true copy of the resolutions passed at the aforementioned board meeting and the updated register of members.

4.6. The Transferee shall issue a no dues certificate to the Transferor in terms of the Loan Agreement stating that consideration payable to the Transferor for purchase of Sale Shares have been adjusted against the loan granted under the Loan Agreement and no further payments or obligations are required to be discharged by the Transferor. Further, the Transferee is required to surrender the Securities for cancellation to the Transferor on the Effective Date and the Transferor shall take into record the same by passing the necessary resolution in the board meeting. The Transferee shall provide all the necessary documents as reasonably requested by the Transferor.

4.7. The Transferor and the Transferee shall deliver to each other and to the Company, as the case may be, any and all documents or certificates or instruments as may be reasonably requested by the other Party or the Company in order to effect the transactions contemplated by this Agreement to occur at the Effective Date.

4.8. The Transferor shall provide to the Transferee, a copy of the undated duly filled and signed Form 22-A by each shareholder consenting to having the general meeting 7 (Seven) Business Days from the Effective Date on short notice.

4.9. The Transferor shall cause the Company to, and the Company shall:

4.9.1. file form DIR-12 with respect to the appointment of the Transferee’ nominee directors (if applicable);

4.9.2. update its register of directors to reflect the name of the Transferee’s nominee directors (if applicable);

4.9.3. update its register of transfers to reflect the names of the Transferee as the transferee of the Sale Shares; and

4.9.4. ensure all the actions that have been resolved and/or required to be carried out in order to effectively achieve the closing are carried out.

4.10. The Transferee shall ensure that the Company shall provide a copy of the updated registers and a copy of the filed forms along with their payment challans, as set out in Clause 4.10 above to the Transferee.

5. CONDITIONS SUBSEQUENT AND COVENANTS

5.1. Within 30 days from the Effective Date, the Transferor shall provide a computation, as certified by a chartered accountant of repute as appointed by the Transferor,

(“**Tax Certificate**”) in a form approved by Hall of capital gains, if any, arising to the Transferor on the transaction hereunder and the tax thereon as per the provisions of the ITA. In the event the Tax Certificate shows that the Transferor has earned any capital gains which are subject to tax in India and the Transferee is required to withhold such applicable tax (“**Withholding Amount**”), the Transferor hereby unconditionally covenants and undertakes to pay to the Transferee within 2 (Two) Business Days of receipt of the Tax Certificate, an amount equivalent to the Withholding Amount plus the applicable interest payable and penalty, if any until the date of the actual payment of such taxes by the Transferee to the Indian tax authorities.

5.2. Within 7 (Seven) Business Days from the Effective Date, the Transferor shall cause the Company to hold a meeting at shorter notice, of the shareholders at shorter notice for passing the resolutions to: (i) adopt the Restated Articles as the articles of the Company; and (ii) appoint two directors nominated by the Transferee on the board of the Company (if applicable). Immediately upon the completion of the aforementioned actions, the Company shall file the Form MGT -14 for the special resolutions passed in relation to the adoption of the Restated Articles and the Form DIR-12 file form DIR-12 with respect to the appointment of the Transferee’ nominee directors (if applicable).

5.3. The Transferor shall facilitate the Transferee in completing a satisfactory due-diligence covering business, financial projections and business plan, technical, financial (including a review of the financial statements) and legal aspects of the Company and MMPL.

5.4. The Transferor agrees that following the Effective Date, no dividends or distributions will be made by the Company or MMPL in respect of their equity securities and no amounts will be loaned, paid or otherwise distributed from the Company or MMPL to Transferor without the prior written consent of Transferee and such consent shall not be unreasonably withheld.

5.5. In the event the Tax Certificate mentions that the Transferor has earned any capital gains which are subject to tax in India and the Transferee is required to withhold Withholding Amount, the Transferor shall file its tax return in India not later than 30 September 2016 in respect of the transfer of Sale Shares in India with the income tax authorities and provide acknowledgement of the same to the Transferee.

6. INDEMNITY

6.1. The Transferor shall indemnify the Transferee, any member holding shares of the Transferee and their respective officers and , directors from and against and pay/make good to the Transferee all direct losses incurred or suffered by the Transferee arising out of, relating to or resulting from any inaccuracy in or breach of any representation and/or warranty given by the Transferor in relation to the title of the Sale Shares , or other statement of the Transferor contained in this Agreement or in any certificate, instrument or other document delivered by or on behalf of the Transferor pursuant to this Agreement to the Transferee or any breach of a covenant contained herein.

For the purposes of indemnity under this Clause 6.1, maximum liability of the Transferor shall be an amount of \$3,000,000. The obligations of the Transferor under this Clause 6.1 shall remain valid for a period of 3 years from the Effective Date. Nothing in this cause shall limit the liability of the Transferor for any fraud, wilful default or gross negligence.

6.2. Transferor shall indemnify, defend, hold harmless the Transferee any member holding shares of the Transferee directors and their respective officer, director and employees from and against any losses arising from or in connection with any tax liability imposed or other payments (including but not limited to any income tax, withholding tax, minimum alternate tax, fee, interest, surcharge, cess, penalties thereon and additions thereto including any sum payable as a representative assessee or otherwise) or any amount arising out of any assessment, or action taken or legal or other proceedings or prosecutions initiated by or on behalf of the tax authorities in India, along with any reasonable attorney and advisers' costs and expenses in relation to such proceedings, to which the Transferee, is subject to, or suffers or incurs, any liability, in relation to any income tax liability arising in relation to the sale and purchase of Sale Shares pursuant to this Agreement. Nothing in this clause shall limit the liability of the Transferor for any fraud, wilful default or gross negligence.

7. DISPUTES

7.1. The Parties agree that any dispute or controversy arising out of or related to this Agreement shall be promptly, but finally, determined by a neutral third party appointed by the American Arbitration Association, as arbitrator, upon informal written submittal and oral presentation in Dallas, Texas. Each Party shall bear the costs of its attorney. Proceedings before the arbitrator may be initiated by sending a written demand to a party identifying the matter(s) in dispute and unresolved and notifying the American Arbitration Association. The proceeding shall be held within fifteen (15) days of the written demand, which period may be extended by the arbitrator for good cause shown. Any decision under this provision shall be final and enforceable by court order. The Parties further agree that any litigation instituted in connection an arbitration hereunder or otherwise in connection with this Agreement, shall be in Dallas County, Texas.

8. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of Texas. The Courts in Dallas, Texas shall have the exclusive jurisdiction to entertain and dispose off any proceeding arising out of or from or touching this Agreement.

(Execution page follows)

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ANNEXURE A
DETAILS OF THE SECURITIES

1. 1,000,000 shares of Calpian Inc. of common stock par value \$0.001 per share and 100,000 warrants shares.
2. Warrant dated September 17, 2015 issued to the Transferee for the purchase of 2,500,000 of Calpian, Inc. common stock par value \$0.001 per share.
3. \$ 2,000,000 promissory note in favour of Hall.

ANNEXURE B
PART I
SHAREHOLDING PATTERN OF DPPL

Sr. No.	Shareholder's name	No. of shares held as of 19/11/2015	Percentage of Shareholding
1	Shashank Joshi	501,800	11.14310541%
2	Ranjeet Oak	12,675	0.28146445%
3	Rajat Sharma	48,200	1.07034213%
4	Jolly Mathur	38,025	0.84439335%
5	Sanjay Malik	38,025	0.84439335%
6	Sushil Poddar	38,025	0.84439335%
7	Ravi Subramanian	2,500	0.05551567%
8	Calpian Inc.	3,453,381 *	76.68670486%
9	Mark Houghton Berry	85,832 **	1.90600842%
10	Bobby B. Lyle	88,028	1.95477338%
11	Michael Barish	196,742	4.36890563%
	Total	4,503,233	100%

*Includes 852,342 equity shares to be allotted to Calpian, Inc., at an issue price of Rs. 175/- in lieu of inward remittance of USD 2,285,241 (Rs. 149,159,869) made by Calpian, Inc. in DPPL. Currently, the shares allotted to Calpian, Inc., in DPPL are 2,601,039.

** Mr. Mark Houghton Berry is currently shareholder in the books of DPPL. Post execution of share transfer deed by Mr. Mark Houghton Berry in favour of Calpian, Inc., the same will be placed before the Board for updating DPPL's records.

PART II
DETAILS OF SALE SHARES

S. No.	Share Certificate Number	Distinctive Number	Folio Number	Number of Shares
1	15	253501 to 298034	8	44,534
2	16	298035 to 321548	8	23,514
3	17	321549 to 344700	8	23,152
4	18	344701 to 481439	8	136,739
5	20	686440 to 712790	8	26,351
6	21	712791 to 880389	8	167,599
7	23	1101140 to 1115384	8	14,245
8	24	1115385 to 1129629	8	14,245
Total				450,379

ANNEXURE C
FORM OF SECOND AMENDMENT TO THE SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT

THIS SECOND AMENDMENT TO SHARE SUBSCRIPTION AND SHAREHOLDERS AGREEMENT ("Agreement") is made as of the 30th day of December 2015, by and amongst:

Digital Payments Processing Limited, a public limited company, incorporated under the (Indian) Companies Act, 1956, and having its registered office at MOM House, Plot No. 61, Ramchandra Lane, Next to Kopolwadi, Opp. to Bikaji Foods, Kanchpada, Malad (W), Mumbai - 400064, Maharashtra, India (hereinafter referred to as "**Company**") which expression shall be deemed to mean and include its administrators, successors and permitted assigns) of the **First Part**.

AND

Mr. Shashank Joshi, Indian inhabitant, residing at F.N. 1901, Emerald-1, Royal Palms Golf Country Club, Aarey Milk Colony, Goregaon (East), Mumbai 400065, Maharashtra, India (hereinafter referred to as the "**Company Founder No. 1**"), which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

AND

Mr. Rajat Sharma, Indian inhabitant, residing at 1-11-126 & 126/1, 503, Jaya Enclave, Shyamlal Begumpet, Hyderabad 500016, Andhra Pradesh, India (hereinafter referred to as the "**Company Founder No. 2**"), which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

AND

Mr. Ranjeet Oak, Indian inhabitant, residing at 41/A/4, Manish Nagar, Four Bungalows, Andheri (W), Mumbai 400053, Maharashtra, India (hereinafter referred to as the "**Company Founder No. 3**"), which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

AND

Mr. Jolly Mathur, Indian inhabitant, residing at 43/1301 MIG, Adarshnagar, Worli, Mumbai 400025, Maharashtra, India (hereinafter referred to as the “**Company Founder No. 4**”, which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

AND

Mr. Sushil Poddar, Indian inhabitant, residing at Happy House, 21, Camac Street, 7th Floor, Kolkata 700016, India (hereinafter referred to as the “**Company Founder No. 5**”, which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

AND

Mr. Sanjay Malik, Indian inhabitant, residing at B-19, Back Side, Ground Floor, Rana Pratap Bagh, New Delhi 110 007, India (hereinafter referred to as the “**Company Founder No. 6**”, which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

AND

Mr. Ravi Subramanian, Indian inhabitant, residing at Flat No 406, J M Apartments, 6-3-1113 Begumpet, Hyderabad 500016, Andhra Pradesh, India (hereinafter referred to as the “**Company Founder No. 7**”, which expression shall be deemed to mean and include his heirs, executors, administrators, successors and permitted assigns).

Company Founder No.1 to 7 collectively shall be referred to as party of the **Second Part**.

AND

Calpian Inc., a company incorporated under the laws of State of Texas, USA and having its registered/corporate office at 500 N. Akard Street, Suite 2850, Dallas, TX 75201(hereinafter referred to as “**Calpian**” which expression shall be deemed to mean and include its administrators, successors and permitted assigns) Party of the **Third Part**.

AND

HALL MOM, LLC., a Limited Liability Company incorporated and registered under the laws of State of Texas, USA and having its registered/corporate office at KPMG Plaza, 2323 Ross Avenue, Suite 200, Dallas, Texas, 75201(hereinafter referred to as “**Hall**” which expression shall be deemed to mean and include its administrators, successors and permitted assigns) Party of the **Fourth Part**.

WHEREAS

A. The Company, Company Founders and Calpian have executed Share Subscription and Shareholders Agreement on March 23, 2012 and further amended by the First Amendment Agreement dated August 14, 2013 (hereinafter collectively referred to as “**SSSA**”).

B. After the execution of the SSSA, Bobby B. Lyle, Michael Barish and Calpian have subscribed to further equity shares of the Company.

C. On the even date, Calpian and Hall have executed a share purchase agreement (“SPA”) wherein Calpian has sold 450,379 Shares of the Company to Hall for a consideration amounting to \$3,000,000 (US Million Dollar Three Million) (“Acquisition Amount”).

D. Accordingly, Hall has requested for certain board rights on the Board of the Company and other management rights to be granted to it. Therefore, Parties are executing this Agreement to record the rights of the Parties and further amendment to the SSSA.

NOW THEREFORE, in consideration of the premises and mutual promise and agreements of the Parties herein expressed, the sufficiency of which is acknowledged by the Parties, the Parties, intending to be legally bound, hereby agree as follows:

1. AMENDMENT TO THE SSSA

1.1 The definition of the term “Board Nominee” in Clause 1.1 (*Definitions*) of the SSSA shall be deleted in entirety and shall be replaced with the following:

“Board Nominee” means a person nominated by Calpian, Company Founders and Hall as a Director of Company and shall include their alternate director duly appointed in accordance with this Agreement.’

1.2 The definition of the term “Business” in Clause 1.1 (*Definitions*) of the SSSA shall be deleted in entirety and shall be replaced with the following:

“Business” means the business to undertake manpower support, call centre assistance, providing infrastructure facility as stated in the Memorandum and such other further business as may be mutually agreed to between Calpian, Hall and Company Founders, in writing;

1.3 The definition of the term “Parties” in Clause 1.1 (*Definitions*) of the SSSA shall be deleted in entirety and shall be replaced with the following:

“Parties” mean Company (where the context so permits), Company Founders (collectively as a single party), Calpian and Hall collectively and each severally being referred to as a “Party”. For avoidance of doubt it is hereby clarified that for the purpose of this Agreement, all the Company Founders and their Associates shall be collectively considered as one Party and Calpian and its Associates shall be collectively considered as one Party.’

1.4 The following sentence shall be added at the end of Clause 7.2 (Permitted Transfers) of the SSSA:

‘Notwithstanding any provision of this Agreement, including Clause 7.3, Hall shall have the right to transfer its Shares, at its discretion and along with all rights granted to it under this Agreement, to any Person not being a competitor of the Company provided however, the transferee shall fulfill all the obligations of Hall (if any) under this Agreement.’

1.5 The following sentence shall be added at the end of Clause 7.5.1 (*Drag Along Rights*) of the SSSA:

‘Hall shall be required to transfer its Shares under this Clause only in the event, it receives as consideration at least the value of its total investment. Where Hall transfers its Shares under this Clause, it shall not be required to give

any representation, warranties, indemnities or covenants to the third party purchaser except in relation to the title of its Drag Along Shares or agree to any onerous rights or obligations.'

1.6 The following sentence shall be added at the end of Clause 7.6.2 (*Tag-Along Rights*) of the SSSA :

'Where Hall chooses to exercise its Tag Along Right, Hall shall not be required to give any representation, warranties, indemnities or covenants to the third party purchaser except in relation to the title of its Tag Along Shares or agree to any onerous rights or obligations.'

1.7 Clause 11.1.1 (*Composition and Proceedings of the Board*) of the SSSA shall be deleted in entirety and shall be replaced with the following:

'11.1.1 Calpian, the Company Founders and Hall shall have a right but not the obligation to nominate equal number of Directors on the Board. The initial composition of the Board shall consist of 6(six) Directors in accordance with the following ratio:

- i) Calpian shall nominate 2 (two) Directors;*
- ii) Company Founders shall appoint 2 (two) Directors; and*
- iii) Hall shall nominate 2 (two) Directors.'*

If for any reason, Hall has not nominated its Directors, the Company shall appoint such directors as soon as reasonably possible and in any event within

7 (Seven) business days from the date of receipt of request from Hall. Hall shall be permitted to appoint an observer on the Board until it has nominated atleast one Director on the Board. The observer so nominated shall be entitled to receive notice for all meetings of the Board and committees and shall be allowed to attend physically or by way of video conference all such meetings.'

1.8 Clause 11.1.5 (*Composition and Proceedings of the Board*) of the SSSA shall be deleted in entirety and shall be replaced with the following:

'Subject to the Act, where Hall has appointed at least one Board Nominee the quorum for the Board shall be three directors of at least 1 (Board) Nominee of each of Calpian, Company Founders and Hall or their respective duly appointed alternates. Subject to the Act and applicable Laws, all or any of the Directors, or members of any committee of the Board may participate in a meeting of the Directors or that committee by means of a video conference or such other audio-visual modes permitted under applicable Law. If Hall has not nominated any Directors for appointment, subject to the Act, the quorum shall be two directors of at least 1 (Board) Nominee of each of Calpian and the Company Founders or their respective duly appointed alternates. Where under the provisions of the Act, the physical meeting of the Directors is required and Hall's Board Nominee is unable to participate, waiver of his/her presence should be obtained and consent for any Reserved Matters should be obtained in writing.'

1.9 The last sentence of Clause 11.1.7 (*Composition and Proceedings of the Board*) of the SSSA shall be deleted in entirety and shall be replaced with the following:

'Provided however, if at least one Board Nominee of Calpian, Hall or Company Founders is not present, no decision on any Reserved Matters shall be taken unless a waiver or consent for such Reserved Matters has been provided in writing by the Board Nominee of Calpian, Company Founders or Hall (as applicable) or where Hall does not have a Board Nominee, consent for Reserved Matters shall be obtained from Hall.'

1.10 Clause 11.2.3 (*Board Responsibilities*) of the SSSA shall be deleted in entirety, and replaced with the following:

'Each committee shall have pro rata representation of the Board Nominee of the Calpian, Hall and the Company Founders as applicable in case of Board of Directors and quorum requirements for a Board meeting shall mutatis mutandis apply to a committee meeting.'

1.11 The first sentence of Clause 11.3.1 (*Executive Management*) of the SSSA shall be deleted in entirety, and replaced with the following:

'The Executive Management shall comprise of CEO and 5 (five) other positions in the Company mutually agreed in writing between Company Founders, Calpian and Hall. The Parties hereby agree that in the event 2(two) Parties agree to the appointment of the proposed Executive Management and 1 (One) Party does not agree to the appointment of the said Executive Management then the said non agreeing Party shall provide an alternative within 10 business days from his rejection which shall be acceptable to both the agreeing Parties, failing which the original Executive Management shall be considered approved. The Parties further agree that in the event 2 (Two) Parties do not agree to the appointment of the proposed Executive Management, the Parties shall try to appoint another Executive Management acceptable to all the Parties within 15 days from last of the objections. The names of key management executive employees who would be appointed on the First Closing Date are provided in Schedule 4.'

1.12 The first sentence of Clause 11.6 (*Reserved Matters*) of the SSSA shall be deleted in entirety and replaced with the following:

'Notwithstanding anything that is contained in this Agreement, the Shareholders agree that no action shall be taken or resolution passed by the Board, committees of the Board, nor shall the Shareholders permit or agree in any action being taken with respect to the following Reserved Matters without the affirmative note of at least 1 (one) Director nominated by each of Company Founders, Calpian and Hall at the Board provided however where Hall does not have a Board Nominee, consent for Reserved Matters shall be obtained from Hall and at least 1 (one) affirmative vote of each of Company Founders, Calpian and Hall at general meeting as the case may be. It is clarified that all the Reserved Matters in relation to any subsidiary of the Company or MMPL shall be discussed at the Board meeting of the Company and Hall shall have the right to exercise its affirmative vote at or prior to such Board meetings. The nominees of the Company on the board of the subsidiaries and MMPL and the representatives of the Company in shareholder meetings shall vote in accordance with the decision of the Board in relation to such Reserved Matters.'

1.13 The following clause 11.6.33 shall be added after the exiting clause 11.6.32 of the SSSA:

'Permitting any equity investment into the Company at a pre-money valuation of less than \$40,000,000 USD.'

1.14 The second sentence of Clause 11. 7.2 of the SSSA (*Company Shareholder's Meeting*) shall be deleted in entirety and replaced with the following:

'Such quorum for any general meeting of Company shall always require the presence of 1 (one) representative each of Company Founders, Hall and Calpian.'

1.15 Clause 11.8 of the SSSA (*Liability of Board Nominees of Calpian*) shall be deleted in entirety and shall be replaced with the following:

'11.8 Liability of Board Nominees of Calpian and Hall:

11.8.1 The Parties expressly agree that the Board Nominees of Calpian and Hall will be non-executive Directors.

11.8.2 The Parties expressly agree that the Board Nominees of Calpian and Hall shall not be identified as officers

in charge/ default of the Company or occupier of any premises used by the Company or an employer of the employee. Further, the Company and the Company Founders undertake to ensure that the other Directors or suitable persons are nominated as officers in charge/ default and for the purpose of statutory compliances, occupiers and/or employers as the case may be in order to ensure that the Board Nominees of Calpian and Hall do not incur any liability.'

1.16 Clause 11.9 shall be added to the SSSA after the existing Clause 11.8:

'Notwithstanding anything contained herein, the Parties hereby agree that that consent of 5 out of 6 Directors of the Company will be required to accept equity investment into the Company at a price below Hall's Acquisition Amount for the purchase of the Shares of the Company in terms of the SPA.'

1.17 Clause 13 A.6 (*Non-Competition and Non-Solicitation*) shall be added to the SSSA after the existing Clause 13.A.5 :

'The Parties agree that the provisions of this Clause 13.A, shall not be applicable to Hall.'

1.18 Clause 14.2.3 of the SSSA (*Duration and Termination*) shall be deleted in entirety.

1.19 In Clause 14.5.1 of the SSSA The words "{(except Clause 14.2.3 (Event of Default and after))}" occurring immediately after the words "pursuant to Clauses 14.2", "the affected Party(ies)" shall be deleted.

1.20 Clause 14.5.3 of the SSSA shall be deleted in entirety.

1.21 Clause 14.6.6 shall be added to the SSSA after the existing Clause 14.6.5:

'14.6.6 The Parties agree that the Termination Put Option shall not apply to a Defaulting Shareholder if the Defaulting Shareholder holds 10% (ten percent) or less of the share capital of the Company.'

1.22 Clause 14.7.5 shall be added to the SSSA after the existing Clause 17.7.4 :

'Upon the occurrence of an Event of Termination or completion of the Termination Put Option or Termination Call Option, this Agreement shall terminate vis-a vis, the Defaulting Shareholder and continue to apply with respect to the Non-Defaulting Shareholders. Upon transfer of shares of the Defaulting Shareholder, if the Termination Call Option is exercised, the Non-Defaulting Shareholders hereby undertake to enter into a restated and amended shareholders agreement to record the rights of the Non-Defaulting Shareholder pursuant to Defaulting Shareholder's exit. Without prejudice the immediately preceding sentence, it is clarified that if the Non-Defaulting Shareholders are unable to agree to a restated and amended shareholders agreement then this Agreement shall continue to remain in full force and effect.'

1.23 In Clause 15.5.1 of the SSSA, after the notice details for Calpian, the following shall be added :

*'HALL MOM, LLC
Address: KPMG Plaza, 2323 Ross Avenue, Suite 200, Dallas, Texas, 75201
Attention: Bryan Tolbert
Email: btolbert@hall group.com'*

1.24 Clause 15.17 shall be deleted in entirety and replaced by the following :

'15.17.1 This Agreement shall be governed by and constructed in accordance with the substantive laws of India.

15.17.2 The Parties agree that any dispute or controversy arising out of or related to this Agreement shall be promptly, but finally, determined by a neutral third party appointed by the American Arbitration Association, as arbitrator, upon informal written submittal and oral presentation in Dallas, Texas. The arbitrator shall determine who shall bear the costs of resolution, including reasonable attorneys' fees. Proceedings before the arbitrator may be initiated by sending a written demand to a party identifying the matter(s) in dispute and unresolved and notifying the American Arbitration Association. The proceeding shall be held within fifteen (15) days of the written demand, which period may be extended by the arbitrator for good cause shown. Any decision under this provision shall be final and enforceable by court order. The Parties further agree that any litigation instituted in connection an arbitration hereunder or otherwise in connection with this Agreement, shall be in Dallas County, Texas. Provided further, that the Parties shall be approach the courts at Mumbai for any interim relief they may require.'

2. WAIVER OF RIGHTS

The Company Founders hereby agree and reiterate that they have waived their pre-emption and other rights under the SSSA and the articles of association of the Company for transfer of the Shares by Calpian to Hall in terms of the SPA and they have no objection to such transfer of Shares from Calpian to Hall.

3. DEED OF ADHERENCE

Hall hereby agrees and undertakes that it has read the SSSA and Hall agrees and undertakes with each of the Parties hereto that it shall comply with all the terms, conditions, covenants and undertakings of the SSSA read with this Agreement as are applicable to the Parties as if it was itself always a party to the SSSA.

4. REPRESENTATIONS AND WARRANTIES

4.1 Each Party represents and warrants to the other Party that this Agreement has been duly authorized, executed and delivered by it and constitutes a valid and legally binding agreement with respect to the subject matter contained herein.

4.2 The Company Founders and Calpian represent and warrant to Hall, that there has been no breach of the provisions of the SSSA by either of the Company Founders that would result in termination of the SSSA or dilution of any rights granted under the SSSA or any agreement in writing between the Company Founders and Calpian and all rights granted to Calpian and Company Founders are valid and enforceable.

5. FINAL AGREEMENT AND EFFECTIVENESS

5.1 The Parties shall exercise all voting and other rights and powers available to them so as to give effect to the provisions of this Agreement and the SSSA and shall further procure amendment(s) to the articles of association of the Company. In the event of any ambiguity or discrepancy between the provisions of this (i) Agreement and/or (ii)

SSSA and the articles of association of Company, it is intended that the provisions of this Agreement shall prevail.

5.2 All the other terms and conditions as mentioned in the SSSA shall remain in full force and effect. It is clarified that this Agreement, SSSA, SPA and the First Amendment to the SSSA dated August 14, 2013 taken together, constitute the final agreement between the Parties and wherever there is any conflict between this Agreement and the SSSA for provisions mentioned herein, the provisions of this Agreement are paramount and shall prevail over the SSSA.

5.3 Upon the effectiveness of this Agreement, on and after the date hereof, each reference in the SSSA to “this Agreement, “hereunder,” “hereof,” “herein” or words of like import, shall mean and be a reference to the SSSA, as amended hereby.

5.4 All capitalized and other terms used in this Agreement and not defined herein will have the same meaning as assigned to them under the SSSA.

5.5 This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

5.6 The provisions of Clause 13 (*Confidentiality*) and 15 (*General*) of the SSSA shall apply mutatis mutandis to this Amendment Agreement.

5.7 This Agreement shall be co-terminus with the SSSA.

(Execution page follows)

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IN WITNESS WHEREOF, the parties have executed this Amendment Agreement as of the day and year first above mentioned.

Digital Payments Processing Limited

/s/ Shashank M. Joshi

Shashank M. Joshi

Company Founder 1

/s/ Ranjeet Oak

Ranjeet Oak

Company Founder 3

/s/ Sushil Poddar

Sushil Poddar

Company Founder 5

/s/ Ravi Subramanian

Ravi Subramanian

Company Founder 6

/s/ Rajat Sharma

Rajat Sharma

Company Founder 2

/s/ Jolly Mathur

Jolly Mathur

Company Founder 4

/s/ Sanjay Malik

Sanjay Malik

Company Founder 6

Calpian Inc.

/s/ Harold H. Montgomery

Harold H. Montgomery

CEO

Mall MOM LLC

/s/ Donald L. Braun

Donald L. Braun

President

**ANNEXURE D
FORM OF OPTION AGREEMENT**

THIS OPTION AGREEMENT (this “**Agreement**”) is entered into and effective as of 30th December 2015 by and between

DIGITAL PAYMENTS PROCESSING LIMITED, a public limited company, incorporated under the (Indian) Companies Act, 1956, and having its registered office at MOM House, Plot No. 61, Ramchandra Lane, Next to Kopolwadi, Opp. to Bikaji Foods, Kanchpada, Malad (W), Mumbai - 400064, Maharashtra, India (hereinafter referred to as “**DPPL**” which expression shall be deemed to mean and include its administrators, successors and permitted assigns) of the **First Part**.

AND

CALPIAN INC., a company incorporated under the laws of State of Texas, United States of America and having its registered/corporate office at 500 N. Akard Street, Suite 2850, Dallas, TX 75201 (hereinafter referred to as “**Calpian**”, which expression shall, unless repugnant to the context or meaning thereof, mean and include successors and permitted assigns) of the **Second Part**;

AND

HALL MOM, LLC., a Texas limited liability company incorporated and existing under the laws of United States of America and having its registered office at, KPMG Plaza, 2323 Ross Avenue, Suite 200, Dallas, Texas, 75201 with the Secretary of State of the State of Texas, at (hereinafter referred to as “**Hall**”, which expression shall, unless repugnant to the context or meaning thereof, mean and include its successors and permitted assigns) of the **Third Part**.

DPPL, Calpian and Hall are hereinafter collectively referred to as “**Parties**” and individually as “**Party**”.

RECITALS

WHEREAS, Calpian owns certain equity shares of My Mobile Payments Limited, a public limited company registered under the provisions of the Companies Act, 1956 in India, and having its registered office at MOM House, Plot No. 61, Ramchandra Lane, Next to Kopolwadi, Opp. to Bikaji Foods, Kanchpada, Malad (W), Mumbai - 400064, Maharashtra, India (hereinafter referred to as the **MMPL**). The Shareholding pattern of MMPL as on the date of this Agreement is set out in **Annexure A**.

WHEREAS, Calpian conducts operations of its enterprise known as Money-on-Mobile, a mobile wallet service used to pay for goods and services from a mobile phone and to make other financial transactions, such as sending or receiving money (“**Money-on-Mobile**”) through DPPL and MMPL. DPPL and MMPL are collectively referred to as “**Money-on-Mobile Enterprise**”.

WHEREAS, Calpian desire to (A) grant Hall an option to purchase from Calpian its entire shareholding in MMPL (the “**MMPL Shares**”), and (B) grant Hall another option to acquire up to fifteen percent (15%) of the equity shares of DPPL on a Fully Diluted Basis (as defined hereinafter) or sell Sale Shares (as defined hereinafter) to Calpian at a certain sale price.

WHEREAS, the Parties are executing this Agreement to lay down the terms and conditions to govern Option 1 (as defined hereinafter) and Option 2 (as defined hereinafter).

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto mutually agree as follows:

1. Option 1:

1.1 Hall shall have the right but not the obligation to purchase from Calpian all the MMPL Shares for US Dollars Ten (\$ 10) (“**Option 1**”) if:

(a) Calpian fails to recapitalize MMPL to the sole and absolute satisfaction of Hall within six (6) months from the date of this Agreement. It is clarified that, unless otherwise agreed by Hall in writing, for the recapitalization to be successful, DPPL should (i) hold more than fifty percent (50%) of the entire voting shareholding in MMPL on a Fully Diluted Basis, (ii) have the power to appoint majority of the directors on the board of directors of MMPL, and (iii) only exercise its vote on all major decisions in respect of MMPL henceforth with the consent of board of directors DPPL. It is hereby clarified that Hall can exercise the aforesaid option to purchase the MMPL Shares under Section 1.1 (a), (i) any time after six (6) months from the date of this Agreement if Calpian fails to recapitalize MMPL in terms of Section 1.1(a) above or, (ii) any time after the date that Calpian has communicated to Hall in writing that the recapitalization is not possible within the said time frame of six (6) months. It is further clarified that sub-provision (ii) in the immediately preceding sentence will not in any way limit the exercise under sub-provision (i) of the immediately preceding sentence;

OR

(b) Hall is satisfied in its sole discretion that post the business transfer agreement between MMPL and DPPL executed on March 31, 2015, MMPL on its own has substantive enterprise value (assuming real estate assets held by MMPL are disregarded) and the Money-on-Mobile Enterprise’s enterprise value is not entirely in DPPL. Provided however, Hall can exercise this option to purchase the MMPL Shares only after Calpian fails to recapitalize MMPL in accordance with Clause 1.1. (a). Hall shall have the right to exercise this option for a period of 30 business days from the earlier of (i) expiry of the aforementioned 6 month period, or (ii) the date on which Calpian confirms in writing that it shall not be able to recapitalize MMPL in accordance with Clause 1.1 (a). The closing for the transaction pursuant to Section 1.1 (a) and (b) will occur in accordance with Section 5.1 of this

Agreement (“**Closing 1**”).

1.2 Option 2:

(a) In the event DPPL raises US Dollars Five Million (\$5,000,000) or more from a third party at any time on or before March 1, 2016 then subject to the conditions of this Agreement and subject to applicable laws:

i. Hall shall have the right but not the obligation to invest into DPPL an amount up to US Dollars Six Million (\$ 6,000,000) at any time from March 1, 2016 to March 15, 2016 and Calpian shall cause DPPL to issue to Hall, upon the exercise of such option and subject to the terms and conditions set forth in this Agreement, equity shares of DPPL for a purchase price up to US Dollars Six Million (\$6,000,000) at the same valuation at which the third party has invested or agreed to invest into DPPL (“**Third Party Valuation**”). In the event, due to applicable laws, Hall is unable to invest at the Third Party Valuation, Hall shall have the right to invest up to US Dollars Six Million (\$6,000,000), at the lowest purchase price for the shares of DPPL that is permitted under law and Calpian hereby agrees to transfer, without payment of any consideration, to Hall such number of DPPL shares that are equivalent to the difference between the number of shares Hall would have purchased at the Third Party Valuation and the number of shares that Hall has actually purchased at the higher valuation (“**Calpian Shortfall Shares**”). Calpian hereby warrants and further undertakes that all Calpian Shortfall Shares issued or transferred to Hall shall be free and clear of any encumbrances, pledges, liens, security interests, restrictive agreements, transfer restrictions, voting trust arrangements or claims of any kind or nature (“**Liens**”). The closing for the said transaction will happen in accordance with Section 5.2 (“**Closing 2**”).

OR

ii. Hall has the right but not the obligation to cause Calpian to purchase from Hall all the equity shares purchased by Hall from Calpian in terms of share purchase agreement executed between Hall and Calpian on the even date (“**Sale Shares**”) and MMPL Shares and Calpian agrees to purchase from Hall the Sale Shares and MMPL Shares, upon the exercise of option by Hall at a purchase consideration of (a) US Dollars Three Million and Ten (\$3,000,010) for both Sale Shares and MMPL Shares or (b) US Dollars Three Million (\$3,000,000) for Sale Shares only if Hall has not purchased MMPL Shares. Upon Hall exercising such option, Calpian shall have a period of One Hundred Twenty (120) days to purchase the said Sale Shares and MMPL Shares from Hall and complete the transaction. Immediately upon completion of the closing of the said purchase by Calpian, Hall hereby agrees that (i) the shareholders agreement (including any subsequent amendment) shall terminate with respect to any rights and obligations of Hall except those rights which under the terms of such agreement are expressly stated to survive exit of Hall from DPPL and MMPL or by their very nature continue to survive, and (ii) it shall promptly cause its nominee directors or observer on the board of the DPPL to resign. Hall hereby warrants and further undertakes that the Sale Shares and MMPL Shares if and when transferred to Calpian will be transferred to Calpian free and clear of any and all applicable Liens that it may have created during the course of its ownership of the Sale Shares and MMPL Shares. For avoidance of doubt it is hereby clarified that if Hall has exercised Option 1.1(b) and has purchased MMPL Shares and if Hall exercises this option (Section 1.2 (a) (ii)) under Option 2 then Hall shall be obliged to transfer both Sale Shares and MMPL Shares to Calpian hereunder. The closing for the said transaction will happen in accordance with Section 5.3 (“**Closing 3**”).

(b) In the event DPPL does not raise US Dollars Five Million (\$ 5,000,000) or more from a third party at any time on or before March 1, 2016 then subject to the conditions of this Agreement and subject to applicable laws:

i. Hall shall have the right but not the obligation to invest into DPPL an amount upto US Dollars Six Million (\$ 6,000,000) at any time from March 1, 2016 to March 15, 2016, and Calpian shall cause DPPL to issue to Hall, upon the exercise of such option and subject to the terms and conditions set forth in this Agreement and subject to applicable laws, upto fifteen (15%) of the equity shares of DPPL for a purchase price upto US Dollars Six Million (\$ 6,000,000) calculated at a US Dollars Forty Million (\$ 40,000,000) pre-money valuation of Money-on-Mobile Enterprise (“**Agreed Valuation**”). In the event, due to applicable laws, Hall is unable to invest at the Agreed Valuation, Hall shall have the right to invest up to US Dollars Six Million (\$6,000,000), at the lowest permissible purchase price for the shares of DPPL and Calpian shall transfer such number of shares to Hall, for an aggregate consideration of US Dollar One (\$1), that represent the difference between the number of shares Hall has purchased at the higher valuation and number of shares Hall would have purchased for the same amount at the Agreed Valuation (“**Calpian Shortfall Shares**”). Calpian hereby warrants and further undertakes that Calpian Shortfall

Shares shall be free and clear of any encumbrances, pledges, liens, security interests, restrictive agreements, transfer restrictions, voting trust arrangements or claims of any kind or nature (“**Liens**”). The closing for the said transaction will happen in accordance with Closing 2.

OR

ii. Hall has the option to cause Calpian to purchase from Hall Sale Shares and MMPL Shares and Calpian agrees to purchase from Hall the Sale Shares and MMPL Shares, upon the exercise of option by Hall and subject to the terms and conditions set forth in this Agreement and subject to applicable laws, at a purchase consideration of (a) US Dollars Three Millions and Ten (\$ 3,000,010) for both Sale Shares and MMPL Shares or (b) US Dollars Three Million (\$3,000,000) for Sale Shares only when Hall has not purchased MMPL Shares. Upon Hall exercising such option, Calpian shall have a period of One Hundred Twenty (120) days to purchase the said Sale Shares and MMPL Shares from Hall and complete the transaction. Simultaneous to the closing of the said purchase by Calpian, Hall hereby agrees and undertakes that it shall lose all the rights under the shareholders agreement or any subsequent amendment in DPPL and MMPL, except those rights which either under the terms of such agreement expressly survive exit of Hall from DPPL and MMPL or by their very nature continue to survive and shall immediately cause its nominee directors on the board of the DPPL to resign and such agreements shall automatically terminate. Hall hereby warrants and further undertakes that the Sale Shares and MMPL Shares if and when transferred to Calpian will be transferred to Calpian free and clear of any and all applicable Liens that it may have created during the course of its ownership of the Sale Shares and MMPL Shares. For avoidance of doubt it is hereby clarified that if Hall has exercised Option 1.1(b) and has purchased MMPL Shares and if Hall exercises this option (Section 1.2 (b) (ii)) under Option 2 then Hall shall be obliged to transfer both Sale Shares and MMPL Shares to Calpian hereunder. The closing for the said transaction will happen in accordance with Closing 2.

The options under 1.2. (a) and (b) shall collectively be referred as Option 2.

1.3 Notwithstanding anything contained herein, the Parties hereby agree that in the event Hall exercises Option 2 it shall not exercise Option 1.

1.4 Upon exercise of Option 1 and/ or Option 2, the amount of stamp duty and any other costs relating to the transfer/ issue of the MMPL Shares, shares of DPPL and Sale Shares pursuant to this Agreement shall be paid by Hall.

2. Representations and Warranties of DPPL and Calpian.

2.1 DPPL and Calpian represent and warrant to Hall that this Agreement has been duly authorized, executed and delivered by it and constitutes a valid and legally binding agreement with respect to the subject matter contained herein.

2.2 Calpian further hereby represents and warrants to Hall that the following statements are true and correct on the date of this Agreement, and upon an exercise of Option 1 or 2 by Hall will be, true and correct on the date of exercise of such Option:

2.2.1. Title. Calpian has good right, full power and absolute authority to transfer and sell the MMPL Shares and transfer without any consideration, the Calpian Shortfall Shares to Hall free from any lien, encumbrance, claim or demand of any nature including any tax demands under the ITA. Upon the transfer of the MMPL Shares and Calpian Shortfall Shares to Hall, in terms of this Agreement, Hall shall have clear and marketable title to the MMPL Shares and Calpian Shortfall Shares, which will be free from any lien, encumbrances or any claim or demand of any description whatsoever.

2.2.2. No Liens. Calpian has the legal right to transfer the MMPL Shares and Calpian Shortfall Shares pursuant to this Agreement. The MMPL Shares and Calpian Shortfall Shares are free and clear of any Liens and will be transferred to Hall free and clear of any and all Liens.

2.3 DPPL and Calpian further hereby represents and warrants to Hall that the following statements are true and correct on the date of this Agreement, and upon an exercise of Option 1 or 2 by Hall will be, true and correct on the date of exercise of such Option:

2.3.1 No Conflicts. The execution and delivery by Calpian and DPPL of this Agreement, and the performance by Calpian and DPPL of their respective obligations hereunder, does not and will not (i) violate or conflict with any

law, ordinance or regulation or order, decree or judgment of any arbitrator, court, or administrative or other governmental body which is applicable to, binding upon or enforceable against Calpian or DPPL or any of their assets, (ii) constitute or result in a breach of any of the terms, provisions, conditions of, or constitute a default under, or an event which, with lapse of time or notice or both, would constitute a default under, any indenture, agreement, contract or other instrument to which Calpian or DPPL is a party or by which Calpian or DPPL may be bound or (iii) require the consent or approval of any court, governmental authority or other person.

2.3.2 Due Execution; Binding Obligation. This Agreement has been duly executed and delivered by Calpian and DPPL and is a legal, valid and binding obligation of Calpian and DPPL, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights or the availability of equitable remedies.

2.3.3 Consents. Neither the execution, delivery, or performance of this Agreement, nor the consummation by Calpian and / or DPPL of the obligations contemplated hereby requires the consent of, authorization by, exemption from, filing with or notice to any governmental entity or any other person.

2.3.4 FDI Compliance. Neither MMPL, DPPL nor any of their respective subsidiaries are engaged in any activity in which foreign investment is restricted or prohibited under the Foreign Exchange Management Act, 1999 and rules and regulations made thereunder and the Foreign Direct Investment Policy issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, with effect from May 12, 2015 ("FDI Policy") and the entire shareholding of Calpian in the DDPL and MMPL is in compliance with the FDI Policy.

2.3.5 Compliance with Law. MMPL and DPPL are in compliance in all material respects with all applicable laws. Each of MMPL and DPPL has not received any written notice from any governmental entity regarding (i) any actual, alleged, possible, or potential violation of, or failure to comply with, any law, or (ii) any actual, alleged, possible, or potential obligation on the part of it to undertake, or to bear all or any portion of the cost of, any remedial action of any nature. Each of MMPL and DPPL possesses all of the material licenses and permits that are necessary to own and operate the business as presently conducted, and each of such licenses and permits is valid and in full force and effect.

2.3.6 No Disagreements with Accountants or Lawyers. There are no material disagreements of any kind presently existing, or reasonably anticipated by Calpian or DPPL to arise, between Calpian and/or DPPL, the accountants and lawyers formerly or presently employed by Calpian or DPPL which could affect Calpian's or DPPL's ability to perform any of its obligations under this Agreement.

2.4 No Capital Gains. Calpian represents that pursuant to exercise of Option 1 hereunder, no capital gains will arise to Calpian and consequently, there will be no withholding tax obligation on Hall under the ITA.

3 Representations and Warranties of Hall.

Hall hereby represents and warrants to Calpian that the following statements are, and upon any exercise of Option 1 and Option 2 by Hall will be, true and correct:

3.1 No Conflicts. The execution and delivery by Hall of this Agreement, and the performance by Hall of its obligations hereunder, do not and

will not (i) violate or conflict with any law, ordinance, or regulation, or order, decree or judgment of any arbitrator, court or administrative or other governmental body which is applicable to, binding upon or enforceable against Hall or any of its assets, (ii) constitute or result in any breach of any of the terms, provisions, conditions of, or constitute a default under, or an event which, with notice or lapse of time or both, would constitute a default under, any indenture, agreement, contract or other document to which Hall is a party or by which Hall may be bound or (iii) require the consent or approval of any court, governmental authority or other person.

3.2 Due Execution; Binding Obligation. This Agreement has been duly executed and delivered by Hall and is a legal, valid and binding obligation of Hall, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting the enforcement of creditors' rights or the availability of equitable remedies.

3.3 Consents. Neither the execution, delivery or performance of this Agreement, nor the consummation by Hall of the obligations contemplated hereby requires the consent of, authorization by, exemption from, filing with or notice to any governmental entity or any other person.

3.4 No Lien. Hall hereby warrants and undertakes that the Sale Shares and MMPL Shares if and when transferred to Calpian will be transferred to Calpian free and clear of any and all applicable Liens that it may have created during

the course of its ownership of the Sale Shares and MMPL Shares. Hall undertakes to indemnify Calpian for any breach of this provision.

4 Covenants.

4.1 Calpian undertakes to ensure that no dilution takes place in its current shareholding until March 31, 2016 in DPPL or MMPL and shall not create any encumbrance, lien or pledge on the MMPL Shares or the DPPL equity shares held by it.

4.2 Upon exercise of the Closing 1.1 (b) and on or prior to Closing 1 for transfer of MMPL Shares, Calpian shall provide a certificate obtained from a chartered accountant of repute (“**Certificate**”) certifying capital loss arising to Calpian pursuant to exercise of Option 1 hereunder and thus, withholding tax being nil.

4.3 Calpian shall obtain any and all governmental approvals or permits, consents from existing shareholders of MMPL / DPPL or any third parties that may be required, for Hall to exercise the Option 1 or Option 2.

5 Closing.

5.1 **Closing 1.** The closing under this Agreement of the purchase of the MMPL Shares shall occur on the 10th day (“**Closing 1 Date**”) after Hall delivers written notice to Calpian of Hall’s decision to exercise the Option 1 (the “**Closing 1**”). On Closing 1 Date,

(a) Calpian shall deliver to Hall (i) any and all governmental approvals or permits, third party consents or consents from the shareholders of MMPL that are required to effect the transfer, (ii) duly signed and stamped share transfer deeds along with the original certificates representing the MMPL Shares;

(b) Hall or its designee shall pay the purchase price set forth above in Section 1.1, by wire transfer of immediately available funds to Calpian; and

(c) Calpian shall ensure that MMPL shall take on record the transfer of the MMPL Shares to Hall and update the records of MMPL to reflect the name of Hall as the holder of the MMPL Shares on exercise of Option 1 and provide Hall a certified true copy of the board resolution of the MMPL approving the transfer as also the updated register of members of MMPL which reflects Hall to be the legal and beneficial owner of MMPL Shares.

5.2 **Closing 2.** The closing under this Agreement for issue of the shares of DPPL and transfer of the Calpian Shortfall Shares (if applicable) shall occur within 30 days after Hall delivers written notice to Calpian of Hall’s decision to exercise Option 2, at which time Hall or its designee shall pay the purchase price set forth above in Section 1.2 (a) (i) or Section 1.2 (b) (i), by wire transfer of immediately available funds to DPPL, and DPPL shall issue and deliver certificates representing proportionate shares of DPPL to Hall. Simultaneous with such wire transfer of funds to DPPL, Calpian shall transfer the Calpian Shortfall Shares by delivering to DPPL, duly stamped and executed share transfer deeds along with the original certificates representing the Calpian Shortfall Shares. Calpian shall ensure that DPPL shall take on record the transfer of the Calpian Shortfall Shares to Hall and update the records of DPPL to reflect the name of Hall as the holder of the Calpian Shortfall Shares on exercise of Option 2 and provide Hall a certified true copy of the board resolution of the DPPL approving the said transfer as also the updated register of members of DPPL. Calpian shall also deliver to Hall any and all governmental approvals or permits, third party consents or consents from the shareholders of DPPL that were required to transfer the shares mentioned above.

5.3 **Closing 3.** The closing under this Agreement for transfer of Sale Shares and MMPL Shares after Hall delivers written notice to the Calpian of Hall’s decision to transfer Sale Shares and MMPL Shares to Calpian upon exercise of Option 2 shall be in accordance with Section 1.2 (a) (ii) or 1.2 (b) (ii) as applicable. Calpian shall be responsible for obtaining any and all governmental approvals or permits, third party consents or consents from the shareholders of DPPL or MMPL that are required to effect the transfer of the Sale Shares and MMPL Shares. On the closing date, Calpian shall pay to Hall, the relevant consideration as set out in Section 1.2 (a) (ii) or 1.2 (b) (ii) as applicable and upon receipt of consideration, Hall shall handover duly signed and stamped share transfer forms along with the original share certificates. Immediately upon completion of the aforementioned actions, Hall shall cause its nominees to resign from the board of DPPL.

6 Indemnification. Calpian agrees to indemnify and hold Hall harmless from and against, and will reimburse Hall on demand for, any payment, direct loss, cost or expense (including reasonable attorneys fees and reasonable costs of investigation incurred in defending against such payment, direct loss, cost or expense or claim therefor) made or asserted against Hall in respect of (i) any breach of any representation or warranty or nonfulfillment of any

covenant or agreement on the part of Calpian contained in this Agreement; and/or (ii) any tax demands or claims raised on Hall in relation to the exercise of the Option 1 or Option2.

7 Entire Agreement. This Agreement terminates, supersedes, and replaces all prior written and oral agreements among the parties hereto with respect to the subject matter of this Agreement and constitutes the entire, complete, and exclusive statement of the terms of the agreement by and among the parties hereto with respect to the subject matter of this Agreement. This Agreement may not be terminated, amended, or otherwise modified except by a written agreement executed by each party to this Agreement to be charged with or otherwise affected by any such termination, amendment, or other modification.

8 Assignment; Successors; No Third-Party Rights. No party to this Agreement may assign any right or obligation of such party under this Agreement without the prior consent of each other party to this Agreement. Subject to the preceding sentence, this Agreement shall apply to, be binding in all respects upon, and inure to the benefit of the successors, heirs, personal representatives, and permitted assigns of the Parties to this Agreement. Nothing expressed or referred to in this Agreement shall be construed to give any party other than the parties to this Agreement any legal or equitable right, remedy, or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of the provisions of this Agreement are for the sole and exclusive benefit of the parties to this Agreement and the successors, heirs, personal representatives, and permitted assigns of the parties to this Agreement.

9 Waiver.

Neither the failure to exercise, nor any delay by any Party to this Agreement in exercising, any right, power, or privilege under this Agreement shall operate as a waiver of such right, power, or privilege, and no single or partial exercise of any such right, power, or privilege shall preclude any other or further exercise of such right, power, or privilege or the exercise of any other right, power, or privilege. To the maximum extent permitted by applicable law, (a) no claim or right arising out of this Agreement may be discharged by one (1) Party, in whole or in part, by a waiver or renunciation of the claim or right unless in writing signed by each other party hereto, (b) no waiver that may be given by any Party hereto shall be applicable except in the specific instance when and for which such waiver is given, and (c) no notice to or demand on one (1) Party shall be deemed to be a waiver of any obligation of such party or of the right of the party giving such notice or demand to take further action without notice or demand as provided in this Agreement.

10 Jurisdiction;

Service of Process; Applicable Law. Any action or other proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against any party to this Agreement in the courts of the State of Texas, or, if such party has or can acquire jurisdiction, in any United States District Court, and each party to this Agreement consents to the jurisdiction of such court(s) (and of the appropriate appellate courts) in any such action or other proceeding and waives any objection to venue laid therein. Process in any action or other proceeding referred to in the preceding sentence may be served on any party anywhere in the world. This Agreement shall be governed by, enforced under, and construed in accordance with the laws of the State of Texas without regard to conflict of laws principles.

11 Fairness of Purchase Price.

Calpian and Hall hereby acknowledge, as evidenced by their signatures hereto, that (a) the purchase price/ transfer price for issue and transfer of relevant shares hereunder is fair, equitable and valid; and (b) MMPL's and DPPL's common stock is subject to market forces which will result in variances in the value thereof, which variances may be significant and (c) the said purchase price/ transfer price shall always be subject to applicable laws of India.

12 Time of the Essence.

With regard to all dates and time periods set forth or referred to in this Agreement, time is of the essence.

13 Further Assurances.

Each party to this Agreement shall use commercially reasonable efforts to (a) provide, or cause to be provided, such information, (b) execute and deliver, or cause to be executed and delivered, such documents, and (c) do, or cause to

be done, all other such acts and things, in each case, if and as reasonably requested by any other party to this Agreement for the purpose of carrying out the intents and purposes of this Agreement and the transactions contemplated by this Agreement.
14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one (1) and the same agreement.

15 Severability.

If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement shall remain in full force and effect. Any provision of this Agreement held invalid or unenforceable only in part or degree shall remain in full force and effect to the extent not held invalid or unenforceable. In the event that, for any reason whatsoever, transactions contemplated in this Agreement are held by any governmental authority to be invalid, illegal or unenforceable under the applicable laws, then the Parties shall endeavor in good faith to achieve the commercial intent of the above provisions and for this purpose shall take all such actions which may be necessary.

16 Definitions.

In this Agreement, (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; and (ii) the following terms shall have the following meanings assigned to them herein below:

“**ITA**” means Indian Income-tax Act, 1961 as amended, substituted, or replaced including circulars, notifications, explanations and clarifications issued by the Central Board of Direct Taxes and rules framed under the Income Tax Rules, 1962;

“**Fully Diluted Basis**” means the total equity share capital of the Company calculated assuming that all outstanding securities convertible, exercisable and/or exchangeable into equity shares or rights or options which carry a right to subscribe to equity shares or securities convertible, exercisable and/or exchangeable into equity shares, including debentures, stock options, warrants issued by the Company (whether or not by their terms then currently convertible, exercisable or exchangeable) have been so converted, exercised or exchanged.

**[Remainder of Page Intentionally Left Blank
Signature Page Follows]**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and delivered effective as of the date first written above.

HALL MOM LLC.

By: /s/ Donald L. Braun

Name: Donald L. Braun

Title: President

CALPIAN, INC.

By: /s/ Scott S. Arey

Name: Scott S. Arey

Title: CFO

DIGITAL PAYMENTS PROCESSING LIMITED

By: /s/ Harold H. Montgomery

Name: Harold H. Montgomery

Title: CEO

Exhibit 21.1 List of Subsidiaries

Name of Subsidiary Jurisdiction of Incorporation or Organization

Calpian Commerce, Inc.	Texas, USA
MoneyOnMobile, Inc.	Texas, USA
Calpian Residual Acquisition, L.L.C.	Nevada, USA
Digital Payment Processing Limited	Mumbai, India
My Mobile Payments Limited	Mumbai, India

EXHIBIT 31.1

**Certification Pursuant To Rule 13a-14(a)/15d-14(a)
(Chief Executive Officer)**

CERTIFICATION BY CHIEF EXECUTIVE OFFICER

I, Harold Montgomery, certify that:

- (1) I have reviewed this annual report on Form 10-K of Calpian, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all materials respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 19, 2016

/s/ Harold H. Montgomery

Harold H. Montgomery

Chief Executive Officer

EXHIBIT 31.2
Certification Pursuant To Rule 13a-14(a)/15d-14(a)
(Chief Financial Officer)

CERTIFICATION BY CHIEF FINANCIAL OFFICER

I, Scott Arey, certify that:

- (1) I have reviewed this annual report on Form 10-K of Calpian, Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all materials respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
- (4) The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting or caused such internal control over financial reporting to be designed under our supervision, 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;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
- (5) The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

August 19, 2016

/s/ Scott S. Arey

Scott S. Arey
Chief Financial Officer

EXHIBIT 32.1
Section 1350 Certification
(Chief Executive Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Calpian, Inc. (the "Company") on Form 10-K for the period ending March 31, 2016, as filed with the Securities and Exchange Commission on August 19, 2016, (the "Report"), I, Harold Montgomery, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Harold H. Montgomery
Harold H. Montgomery
Chief Executive Officer
August 19, 2016

EXHIBIT 32.2
Section 1350 Certification
(Chief Financial Officer)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Calpian, Inc. (the "Company") on Form 10-K for the period ending March 31, 2016, as filed with the Securities and Exchange Commission on August 19, 2016, (the "Report"), I, Scott S. Arey, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Scott S. Arey
Scott S. Arey
Chief Financial Officer
August 19, 2016
